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October 17, 2012

VIA HAND DELIVERY

Ms. Ann Cole
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

_____ claim of confidentiality
_____ notice of intent
 request for confidentiality
_____ filed by OPC

For DN 07083-12, which
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authorized to view this DN.-CLK

RECEIVED-FPSC
12 OCT 17 PM 3:44
COMMISSION
CLERK

Re: Docket No. 120009-EI; Nuclear Power Plant Cost Recovery Clause

Dear Ms. Cole:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") is a Request for Confidential Classification of Project Management Internal Controls Audit Work Papers. Seven copies of FPL's request, including Exhibits C and D are included. Also included are one copy of Exhibit A and two copies of Exhibit B.

Exhibit A consists of the confidential documents, and all information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C consists of FPL's justification table supporting its Request for Confidential Classification. Exhibit D contains four affidavits in support of FPL's Request for Confidential Classification. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C only in Microsoft Word format.

Please contact me if there are any questions regarding this filing.

Sincerely,

Jessica Cano
Jessica A. Cano

Enclosures
cc: Parties of Record (w/out enc.)

COM _____
 AFD 2+CD
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant)
Cost Recovery Clause _____)

Docket No. 120009-EI
Filed: October 17, 2012

**FLORIDA POWER & LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION OF
PROJECT MANAGEMENT INTERNAL CONTROLS AUDIT WORK PAPERS**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information included in the work papers of the Florida Public Service Commission Office of Auditing and Performance Analysis ("Audit Staff") developed in Audit Staff's review of FPL's Project Management Internal Controls. In support of its request, FPL states as follows:

1. By letter dated September 26, 2012, Audit Staff conducted an exit conference for its work papers, which includes confidential information provided by FPL. Consistent with Rule 25-22.006(3)(a)2, FPL is filing this Request for Confidential Classification to maintain continued confidential handling of the information contained in Audit Staff's work papers.

2. The following exhibits are included with and made a part of this request:

a. Exhibit A includes a copy the confidential work papers, on which all information that is entitled to confidential treatment under Florida law has been highlighted.

b. Exhibit B consists of a copy of the confidential work papers on which all information that is entitled to confidential treatment has been redacted.

c. Exhibit C is a table containing the specific line, column and page references to the confidential information, and references to the specific statutory basis or

bases for the claim of confidentiality and to the affidavit in support of the requested confidential classification.

d. Exhibit D includes the affidavits of Steven Scroggs, Bruce Beisler, Antonio Maceo, and Dave Lowens in support of FPL's request.

3. FPL submits that the highlighted information in Exhibit A is proprietary confidential business information within the meaning of Section 366.093(3), Florida Statutes. This information is intended to be and is treated by FPL as private in that the disclosure of the information would cause harm to customers or FPL's business operations, and its confidentiality has been maintained. Pursuant to Section 366.093, such information is entitled to confidential treatment and it is exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. As the affidavits included in Exhibit D indicate, certain information contained in the work papers is information related to reports of internal auditors. This information is protected by Section 366.093(3)(b), Florida Statutes. The work papers also contain information related to bids or contractual data, such as pricing or other terms, the public disclosure of which would violate nondisclosure provisions of FPL's contracts with certain vendors and impair FPL's ability to contract for goods or services on favorable terms in the future. Such information is protected from public disclosure by Section 366.093(3)(d), Florida Statutes. The work papers also include competitively sensitive information which, if disclosed, could impair the competitive interests of the provider of the information. Such information is protected from public disclosure by Section 366.093(3)(e), Florida Statutes. Finally, certain information relates

to FPL's Employee Concerns Program ("ECP"), the disclosure of which would affect FPL's competitive interests by impairing the effectiveness of the program itself. It also relates to employee personnel information unrelated to compensation, duties, qualifications, and responsibilities. Accordingly, the ECP information is protected from public disclosure by Sections 366.093(3)(e) and (f), Florida Statutes.

5. Upon a finding by the Commission that the information highlighted in Exhibit A, and referenced in Exhibit C, is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 366.093(4), Fla. Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted

Respectfully submitted,

Jessica A. Cano
Principal Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5226
Facsimile: (561) 691-7135

By: Jessica Cano
Jessica A. Cano
Fla. Bar No. 0037372

**CERTIFICATE OF SERVICE
DOCKET NO. 120009-EI**

I HEREBY CERTIFY that a true and correct copy of FPL's Request for Confidential Classification of Project Management Internal Controls Audit Work Papers* was served via hand delivery** or U.S. mail this 17th day of October, 2012 to the following:

Lisa Bennett, Esq.**
Keino Young, Esq.
Michael Lawson, Esq.
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Charles Rehwinkel, Esq.
Joseph McGlothlin, Esq.
Erik L. Sayler, Esq.
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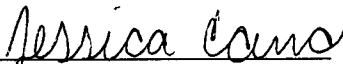
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By: 
Jessica A. Cano
Fla. Bar No. 0037372

* Exhibits to this Request are not included with the service copies, but copies of Exhibits B, C, and D are available upon request.

EXHIBIT B

REDACTED

COM	_____
AFD	_____
APA	_____
ECO	_____
ENG	_____
GCL	_____
IDM	_____
TEL	_____
CLK	_____

DOCUMENT NUMBER-DATE
07082 OCT 17 20
FPSC-COMMISSION CLERK

Audit Work Papers

Review of

***Florida Power and Light Company's Project
Management***

Internal Controls for

Nuclear Plant Upstate and Construction Projects

2012

PA-11-11-005

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2. Company Contacts

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3. Administrative

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JULIE I. BROWN

STATE OF FLORIDA



DALE MAILHOT, DIRECTOR
OFFICE OF AUDITING & PERFORMANCE
ANALYSIS
(850) 413-6854

Public Service Commission

November 2, 2011

Ms. Lynne D. Adams
Regulatory Issues Manager
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301

Dear Ms. Adams:

The Office of Auditing and Performance Analysis is initiating the annual audit of project management internal controls for the company's nuclear plant uprate and new construction projects of Florida Power & Light Company. This audit will assist staff in the Nuclear Cost Recovery Clause docket (120009-EI) and is being performed at the request of the Division of Economic Regulation.

The focus of this audit will be the review of the internal controls for contract management, contractor oversight, and overall project management efforts for completing the St. Lucie and Turkey Point uprates and the planned new units at Turkey Point 6&7. These topics, as well as new project developments, risks and challenges, and current project status will also be reviewed.

Mr. David Rich is designated as project manager for this review, which is estimated to be completed by May 31, 2012. Mr. Rich is responsible for making you aware of our progress and ensuring that our review is independent and accurate. At the conclusion of the review, you will have an opportunity to review and respond to the report draft prior to release.

In preparation for the review, we request that the following actions be taken by your company:

- ▶ Designate a company official to be a liaison with staff. We suggest that the individual selected be capable of rendering an opinion on the proprietary or confidential nature of information staff requests. Please advise Mr. Rich of the designee by November 15, 2011.
- ▶ Provide all responses to the attached initial data requests no later than January 4, 2012. For clarity and ease of tracking, separate requests are made for the uprate (EPU) and Turkey Point 6&7 (PTN) projects. Staff encourages partial company responses prior to the due date. New or additional information may be supplemented when available.
- ▶ Provide future monthly management reports, through April 2012, when available.

The details of providing this documentation and future document request responses can be worked out between the designated FPL liaison and Mr. Rich. Should the need arise to claim confidential treatment of material requested during this audit, please follow the procedure outlined in *Chapter 25-22.006 Florida Administrative Code*.

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Internet E-mail: contact@psc.state.fl.us

Ms Lynne D. Adams
Page 2
October 28, 2011

During the audit, please use the Document Request/Notice of Intent form to transmit documents and to indicate any documents deemed potentially confidential. To maintain continued confidential handling of these documents at the conclusion of the audit, FPL must file a request for confidential classification with the Office of Commission Clerk. This request must be filed in writing within 21 days of receipt of the draft audit report or the audit exit conference.

Thank you in advance for your cooperation and the efforts of all company personnel toward the satisfactory and expeditious completion of this review. Staff will make every effort to minimize interruptions to your schedule and provide a fair and impartial review.

Please contact David Rich (850) 413-6830, or Lynn Fisher (850) 413-6822 if you have any questions regarding this review.

Sincerely,

Lisa S. Harvey, Assistant Director
Office of Auditing and Performance Analysis

Attachments

cc: Marshall Willis
Dale Mailhot
Office of Public Counsel
Carl Vinson
Jim Bremen
Mark Laux

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
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JULIE I. BROWN

STATE OF FLORIDA



DALE MAILHOT, DIRECTOR
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(850) 413-6854

Public Service Commission

May 30, 2012

Ms. Lynne Adams
Regulatory Issues Manager
Florida Power & Light Co.
215 S. Monroe Street, Suite 810
Tallahassee, FL 32301-1859

Dear Ms. Adams:

Enclosed is a draft electronic copy of the staff audit report, *Florida Power & Light's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects*. This audit report documents the controls associated with the FPL Extended Power Uprate and New Nuclear construction projects. It is anticipated that staff will file the report as an exhibit to testimony in the Nuclear Cost Recovery Clause in Docket No. 120009-E.

The draft report is provided to allow FPL the opportunity to review the report for factual accuracy and confidentiality. The transfer of this draft report serves as a preliminary exit conference. At the conclusion of hearings for Docket No. 120009-EI, audit staff will schedule a final exit conference to address the remaining staff-created and FPL-provided documents.

You may file a request for confidential classification on portions of the report, in accordance with *Chapter 25-22.006(3) Florida Administrative Code*. Per an agreement between FPL and Commission staff attorneys, you have agreed to file this request with the Office of Commission Clerk no later than 16 days from the date of receipt of this letter. Therefore, the request is due no later than **June 15, 2012**.

Absent good cause shown, failure to file a request shall constitute a waiver. Staff is available to discuss the factual accuracy of the report over the next two weeks during the review period. A teleconference can be arranged to discuss potential corrections.

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Ms. Lynne Adams
Page 2
May 30, 2012

Please be mindful that the report must be published and staff testimony must be filed by June 19, 2012. Thank you for the cooperation extended by FPL and all employees who participated in this review. If you have any questions, please contact the Project Manager, David Rich, at (850) 413-6830 or, in his absence, Lynn Fisher at (850) 413-6822.

Sincerely,

Lisa S. Harvey
Assistant Director

Enclosure

cc: Dale Mailhot

COMMISSIONERS:
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LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
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STATE OF FLORIDA



DALE MAILHOT, DIRECTOR
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Public Service Commission

June 18, 2012

Ms Lynne Adams
Regulatory Liaison
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1859

Dear Ms. Adams:

Enclosed is a copy of the final report entitled *Review of Florida Power & Light Company's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects*. This report is filed as an exhibit to staff testimony in Docket No. 120009-EI. Additionally, the redacted final report will be posted to the Commission's website.

The Office of Auditing and Performance Analysis appreciates the assistance afforded our staff in completing this review. If you have any additional questions or concerns, please contact David Rich at (850) 413-6830 or Lynn Fisher at (850) 413-6822. Once again, thank you for your cooperation.

Sincerely,

Dale Mailhot
Director
Office of Auditing and Performance Analysis

Enclosures

cc: Lisa Harvey, Assistant Director, Office of Auditing and Performance Analysis

4. Workload Control Form

UNDOCKETED PROJECT

This schedule is an internal planning document and subject to revision.

Control No: PA-11-11-005		Date Prepared: 11/16/2011	
Source of Project: ECR		Title: 2012 Nuclear Controls Review for FPL Cost Recovery Clause	
Section 1			
Type:	<input checked="" type="checkbox"/> E - Energy	<input type="checkbox"/> T - Telecommunications	<input type="checkbox"/> G - Generic
		<input type="checkbox"/> W - Water and Wastewater	
OPR:	<input type="checkbox"/> CCA	<input type="checkbox"/> RCP	<input checked="" type="checkbox"/> ECR
		<input type="checkbox"/> RCA	<input type="checkbox"/> SCR
		<input type="checkbox"/> SGA	<input type="checkbox"/> GCL
Section 2			
What is to be done: A review of Florida Power & Light cost management controls for nuclear uprates and new construction projects.			
Why it is to be done: To assure FPL has established effective internal controls for management of nuclear plant construction costs, and that it complies with applicable standards, rules, laws and regulations for nuclear plant uprates and new construction projects.			
OPR Staff Assigned	Task	Staff	Due Date
David Rich/Lynn Fisher - FPL	Preliminary Survey and Initial Document Request	DR/LF	02/01/12
	March Filings by Companies (2011 True-up)	DR/LF	03/01/12
	Field Visits and Interviews Completed	DR/LF	04/02/12
	May Filings by Companies (Feasibility/Current Year)	DR/LF	05/01/12
	Draft to Company	DR/LF	06/01/12
	Report Published	DR/LF	06/25/12
	Staff Testimony Filed	DR/LF	06/27/12
	Hearing	DR/LF/CV	08/06-10/12
	Director/Project Leader		
Carl Vinson			
Staff Counsel (GCL)			
Keino Young			
OCR Staff			
Mark Laux, Jim Breman			
(OPR Director/Date)			
D. Mailhot			
(OCR Director/Date)			
M. Willis			

5. Work Plan

**Performance Analysis Section
2012 Work Plan
FPL's Turkey Point Units 6&7**

Task	Subtask	Auditor Notes	Findings
<i>What is the current status of the Turkey Point 6 & 7 project?</i>			
<p>1. Review the status of all federal, state and local regulatory approvals</p> <p>2. Identify any potential schedule delays due to regulatory certification of the AP1000 DCD, COLA, RAIs, State Site Certification, county and local licenses, and other regulatory approvals and company risk mitigation actions</p> <p>3. Identify any RAIs issued on FPL's COLA application and potential impacts to the schedule</p> <p>4. Review all project schedule and cost related information</p> <p>5. Determine whether the project is within the established budget target and completion timeframes</p> <p>6. Determine whether FPL has completed an EP/C agreement; review expected timeframes for implementation</p> <p>7. Determine whether the EPC contractor is meeting contract, performance, schedule and cost measurements</p> <p>8. Determine how the project build timeline for the New Units compares to that for the Vogtle project</p>	<p>1. Update the status of any federal and state license approvals. Obtain and document studies performed relating to the company meeting regulatory environmental challenges to regulatory approval. (i.e. cooling water requirements)</p>	<p>FPL says that local, county, and state licensing continuing within forecast but in some cases taking longer than anticipated</p> <p>FPL is in the LICENSING phase.</p> <p>The NRC licensing process defines the project critical path and will remain FPL's primary focus through late 2013 or 2014.</p> <p>The current project timeline targets completion of Unit 6 construction in 2021 and Unit 7 in 2022, with start-up following a year later for each unit.</p> <p>NRC COLA approval review is underway. State Site Certification Application (SCA) and local permitting are taking longer than expected. Uncertainty in licensing schedule & intermediate milestone target dates. Some additional schedule shift may occur, but timing and extent cannot be foreseen. Majority of project execution, construction, and expenditures remain 2014+.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
<p>9. Create a forward looking timeline of key project events and timeframes for project completion</p>	<p>2. Determine future scheduled dates for project regulatory approvals.</p> <p>Document future scheduled dates for regulatory approvals</p>		

**Performance Analysis Section
2012 Work Plan
FPL's Turkey Point Units 6&7**

	<p>Determine potential regulatory impact from Fukushima accident. Determine whether FPL may slow down its pursuit of COLA approval.</p> <p>Determine any identified project impact(s).</p> <p>Determine potential/possible/likely project impact(s)</p>		
	<p>3. Document number, type, dates received/answered, and whether RAI's are answered completely, comprehensive, and timely.</p>		
	<p>4. Review and update the tracking of the project's schedule and costs.</p> <p>Document the status of long-lead equipment acquisition timeline and its impact on the project schedule</p>	<p>Reviewed cost/schedule. FPL has revised cost estimate range slightly, the low end of the range down slightly and the upper end slightly higher. Fraction of a percentage point. In-service cost range now \$12.85B to 18.75B.</p> <p>FPL believes that economic and regulatory uncertainties make expenditures beyond those to complete licensing are unwise and premature at this point.</p>	
	<p>5. Update and describe project <i>planning</i> made since the last review for the project and its effect on the project schedule and costs.</p> <p>Obtain and document any external reviews performed relative to <i>planning</i> since the last review.</p> <p>Review any detailed internal feasibility studies completed relative to project/<i>planning</i> scope changes.</p> <p>Review and update the status of project planning, engineering, equipment modification, and phasing of work schedules to complete the project; identify potential project delays.</p>	<p>Project is no longer within original schedule or cost estimates.</p> <p>FPL slipped in-service dates from 2018/2020 (original. Need Determination filing) to 2022/2023 for PTN 6&7, respectively.</p> <p>The project is within all constraints of the new or revised cost/schedule estimates.</p>	<p>Need Determination timeline and budget are no longer valid for determination whether project is "...within established budget target and completion timeframes.."</p> <p>None. Continue to monitor in remainder of 2012 and following years.</p>

**Performance Analysis Section
2012 Work Plan
FPL's Turkey Point Units 6&7**

	6. N/A; FPL has not completed an EPC or EP/C for new construction. Determine timeline and when FPL will focus on setting conditions for entering into such a contract.	EPC or EP/C to be set in the 2014 timeframe	
	7. No subtasks; N/A; FPL has not completed an EPC or EP/C for new construction. Determine timeline and when FPL will focus on setting conditions for entering into such a contract.	<p>FPL has not completed an EPC or EP/C contract to date. The company realizes that a window of opportunity is there, but closing. FPL must decide EPC or EP/C and enter into negotiations by the 2013-2014 timeframe to avoid schedule impact.</p> <p>Bechtel is the largest contractor to this point in the.</p> <p>All CO's are documented and justifications on hand when required. Some CO's add cost or scope and others addressing administrative issues without increases in cost/scope.</p>	
	8. Determine key project dates. Use dates to construct timeline.		

What risks have the greatest potential impact on the Turkey Point 6 & 7 project scheduling and costs?

<p>1. Review project management reports for any potential risks to project scheduling and costs</p> <p>2. Review company assessments and mitigation planning for project associated risks</p> <p>3. Identify any potential project risks associated with ITAAC documentation, revision, and completion, and any associated company risk mitigation efforts</p>	<p>1. Document the ongoing risk analyses being performed on the project and identify any changes to the process.</p> <p>Determine potential impacts of Fukushima accident on plans for Turkey 6&7 in terms of strategy, timing, feasibility and other decisions under FPL's control.</p> <p>Review and update any changes made to the site Project Management and reporting process since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p>	<p>No potential risks to project scheduling and/or costs are associated with project management reporting.</p> <p>Reports currently in use were reviewed. Periodic risk assessments appear adequate to the current status of the project.</p> <p>A complement of daily, weekly, monthly and quarterly reports furnishes managers and executives with a thorough review of identified (and potential) risks.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
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**Performance Analysis Section
2012 Work Plan
FPL's Turkey Point Units 6&7**

<p>4. Identify any procurement and long lead equipment that may impact project scheduling or costs</p> <p>5. Provide a forward looking timeline of events related to project risk assessment and mitigation</p>	<p>2. Document any project risk challenges and mitigation strategies implemented since the last review.</p>	<p>Staff reviewed current FPL risk assessment reports from 1Q2011 through 1Q2012.</p> <p>FPL made no major changes to its project management oversight. But the systems, procedures, reports, and policies used in management oversight continue to evolve in an ongoing process. Among actions implemented in 2011 was a revision of the monthly project dashboard.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
	<p>3. Document the status/timeline of long-lead equipment acquisition and impact to project schedule</p>	<p>FPL extended resolution of long lead forging reservation agreement with Westinghouse. Date for resolution (whether to go ahead or dissolve) is now October 2012.</p> <p>Continuing negotiations to extend the reservation agreement terminal date. TBD</p> <p>Cancellation could cause FPL to lose a portion of its \$10.8 million reservation fee. Agreement specifies FPL to forfeit 15% -- if Westinghouse can remarket the reservation slot. How much to be lost if WH cannot remarket the slot is not specifically addressed. FPL believes it would be a negotiated amount, higher than 15% but lower than the entire \$10.8M</p>	

Do Project Management systems and controls provide oversight for the Turkey Point 6 & 7 project?

<p>1. Review changes to management organization made to more effectively manage the project</p> <p>2. Review project management methods and procedural changes made to strengthen controls</p> <p>3. Review project management reports provided to executive</p>	<p>1. Review and update any changes made to support organization teams.</p> <p>Review and update any changes made to the Project Management Organization since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p> <p>Document current processes for project management, oversight, and accountability.</p>	<p>Some personnel have temporarily been reassigned to EPU as a result of the timeline revision. FPL believes this will control PTN 6&7 costs in the short term. These personnel will be brought back to when PTN 6&7 transitions to construction.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
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**Performance Analysis Section
2012 Work Plan
FPL's Turkey Point Units 6&7**

<p>and senior management for project oversight of schedule and cost controls</p>	<p>Document the current process for reporting project status to internal boards and committees.</p>		
<p>4. Review project and contractor staffing levels for potential delays due to inadequate staffing</p> <p>5. Review systems used to manage the project schedule and costs, and contractor systems interface for performance reporting</p>	<p>2. Review and update any changes made to the site Project Management and reporting process since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p>	<p>FPL continues to use "white papers" to memorialize/explain key decisions. Each memorandum is a record of the thought process(es) and decision architecture in place and used at the time of decision. Greatly increases documentation of decisions. FPL believes white papers provide higher transparency for, to, and of project the company's management process.</p> <p>In 2011, Jefferson Wells audited 2010 project expenditures. Staff reviewed the audit report, noting a few (minor) exceptions in documentation for expense reporting. All findings were corrected. Employee training is ongoing. No exceptions were noted in payroll or vendor invoices. JW audit found controls adequate and costs appropriately charged.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
	<p>3. Review and update any changes made to the site Project Management and reporting process since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p> <p>Document current processes for providing and disseminating project information and status reports.</p> <p>Document the process for continuing review of project viability and milestone events.</p>		
	<p>4. Review and update the company's process for monitoring project schedule and cost updates.</p>	<p>Project and contractor staffing appears adequate. In fact, with the revision to project schedule, some PTN 6&7 personnel have been reassigned to EPU. This is viewed as temporary. FPL believes the move will provide cost relief in the short term. Current plan is that personnel will return when PTN 6&7 transitions to construction.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

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Have new contracts been awarded for the Turkey Point 6 & 7 project?

<p>1. Review the EP/C contract conditions, if one has been signed, and any change orders, scope changes, or contract modifications completed since April 2009.</p>	<p>1. Review and document company methods and procedures for issuing a request for proposal.</p> <p>Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Document what level of management oversight and approval are required for each contract tier.</p>	<p>N/A; FPL has not entered into an EPC or EP/C contract for PTN 6&7.</p> <p>Staff reviewed all change orders for adherence to FPL internal controls, processes, and content.</p> <p>No anomalies were discovered. Staff is satisfied that all change orders were necessary for COLA and SCA preparation and support, and that they do not result from poor performance or errors by parties.</p>	<p style="text-align: center;">N/A</p>
<p>2. Identify and describe how the company evaluated the EP/C and other major contracts.</p>	<p>2. Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Review and document company methods and procedures for selecting project contractors and vendors.</p>	<p>N/A; FPL has not entered into an EPC or EP/C contract for PTN 6&7.</p>	<p style="text-align: center;">N/A</p>
<p>3. Review any internal or external checklists or evaluations completed for the EP/C and other major contracts prior to, or after, contract approval.</p>	<p>Determine how contractors' qualifications are evaluated in the contract selection decision.</p> <p>3. Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Review project contracts greater than \$250,000 and document the type of contract, scope of work, contract amount, work completion timeframes, and whether necessary justification is provided.</p>	<p>N/A; FPL has not entered into an EPC or EP/C contract for PTN 6&7.</p>	<p style="text-align: center;">N/A</p>
<p>4. Identify and describe all newly awarded contracts greater than \$250,000, and less than \$1 million</p> <p>5. Develop a chart of contract information including: contract date, vendor, term, purpose, type contract (T&M, lump sum, fixed cost, target w/ incentives, or other), whether single source, sole source, or bid, and the contract amount</p> <p>6. Identify and describe all newly awarded contracts greater than \$1 million</p>	<p>4. Determine whether the company uses industry and other cost comparisons to validate contract amounts.</p> <p>Obtain and review contract bid evaluation summaries.</p> <p>Document what levels of management oversight and approval are required for different contract amounts.</p>	<p>Staff reviewed contract bid evaluation summaries for adherence to FPL internal controls, processes, and content.</p> <p>No anomalies were discovered.</p>	<p style="text-align: center;">N/A</p>

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<p>7. Develop a chart of contract information including: contract date, vendor, term, purpose, type contract (T&M, lump sum, fixed cost, target w/ incentives, or other), whether single source, sole source, or bid, and the contract amount</p> <p>8. Characterize contracts relative scope, size, type, percent of total contracts, etc.</p>	<p>5. Review and document the process for evaluation and justification of sole-source contractors used by the company since the last review.</p> <p>Determine whether the company has revised its sole source procedures and compliance verification efforts.</p> <p>Obtain and review sole and single-source contracts and justifications since the last review to determine whether proper justification criteria are included.</p> <p>Obtain and review company's written justification of contracted amounts.</p>	<p>Process for evaluation and justification of sole-source contractors remains unchanged.</p> <p>Sole Source procedures are unchanged.</p> <p>Justifications are in place and follow company establish procedures.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
<p>9. Determine whether FPL evaluates contractor costs before & after work completed</p> <p>10. Determine if single/sole source justifications were done where applicable, and in compliance with FPSC Order PSC-08-0749-FOF-EL,11/12/08.</p> <p>11. Evaluate FPL actions to improve single and sole source justifications during the year</p>	<p>6. Review project contracts greater than \$100,000 and document the type of contract, scope of work, contract amount, work completion timeframes, and whether necessary justification is provided.</p> <p>Use the information derived to construct a chart depicting as much of the following as is available: contract date, vendor, term, purpose, type contract (T&M, lump sum, fixed cost, target w/ incentives, or other), single or sole source, predetermined source, competitively bid, and amount</p>	<p>There are five new contracts greater than \$100K. See Exhibit 11, staff report.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
	<p>7. Determine whether the company uses industry and other cost comparisons to validate contract amounts.</p> <p>Obtain and review contract bid evaluation summaries.</p> <p>Document what levels of management oversight and approval are required for different contract amounts.</p>	<p>FPL evaluates contract costs before, during, and after project work is completed.</p> <p>Changes to contract management have been evolutionary, FPL refining existing controls and procedures rather than creating new ones. Several revisions of existing manuals or procedures occurred during 2011.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
	<p>8. Review and document the FPL process for use, evaluation criteria, and justification of sole-source contractors.</p> <p>Determine whether the company has revised its sole source procedures and compliance verification efforts.</p>	<p>Single and sole source justifications were completed in every instance.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

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	<p>Obtain and review sole and single-source contracts and justifications since the last review to determine whether proper justification criteria are included.</p>		
	<p>9. Review and document the FPL process for use, evaluation criteria, and justification of sole-source contractors.</p> <p>Determine whether the company has revised its sole source procedures and compliance verification efforts.</p> <p>Obtain and review sole and single-source contracts and justifications since the last review to determine whether proper justification criteria are included.</p> <p>Use information derived to describe FPL actions to improve single and sole source justifications during the year.</p> <p>Use information derived to quantify FPL actions to improve single and sole source justifications during the year.</p> <p>Use information derived to evaluate FPL actions to improve single and sole source justifications during the year.</p>	<p>Managers state (invoicing) anomalies are quickly discerned by the current review system. Each invoice is reviewed by at least two specialists. Appropriate signatures are obtained for expenditures exceeding established amounts.</p> <p>Monthly, every invoice received during that month is reviewed against prevailing labor rates. Hours are tallied by sub-job. All travel expenses are reviewed for appropriateness, applicability, and justifications.</p> <p>FPL states it retains the option to review its contractors/vendors. Bechtel, because of the size of the current contract would be the likely company.</p> <p>Invoices are also reviewed for sufficiency as they come in, control specialists ensuring proper documents and adherence to company/regulatory requirements.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

How do contract incentives and provisions allocate risk between the Company and Contractors?

<p>1. Review contracts for risk/reward; det'm levels for FPL and contractors</p> <p>2. Evaluate incentives and risk sharing in the EP/C or other contracts; determine risk allocation for FPL & contractor</p>	<p>1. Obtain/review company procedures for verifying contractor work performed and amounts payable.</p> <p>Review contract structure and provisions to protect the company from substandard contractor performance.</p> <p>Determine whether the company includes risk sharing in contracts, and how effective it has been to help manage contractor costs and overruns on the project.</p>	<p>FPL includes provisions for risk/reward sharing, on a graduated basis, with contractors.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
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3. Determine how the EP/C contract minimizes financial risk to FPL and/or ratepayers.	Determine how the company evaluates contractor costs before/after the project work is completed.		
4. Develop a risk chart contracts showing risk levels shared by FPL and contractors.	2. Determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review. Determine whether the company has paid incentives for meeting or exceeding contract provisions and how the company has benefitted from contract incentives.	N/A; FPL has not signed an EPC or EP/C contract for the project. Will likely not begin negotiations through the balance of 2011.	None. Continue to monitor in remainder of 2012 and following years.
	3. Determine whether the company policy for completing vendor performance evaluations after major projects has changed since the last review and document any changes. Determine how FPL has changed its contract structure and provisions since the last review to further prevent contractor overruns and substandard performance.	N/A; FPL has not signed an EPC or EP/C contract for the project. Will likely not begin negotiations through the balance of 2011.	None. Continue to monitor in remainder of 2012 and following years.

Have company procurement policies and procedures been followed in awarding Turkey Point 6 & 7 contracts?

1. Review RFPs for bid contracts and single or sole source justifications	1. Update and document a current listing of major contractors, their responsibilities, and scope of work.	Largest contract (Bechtel) competitively bid. Others a mix of comp bid, single/sole sourcing, or Predetermined Source. Justifications completed.	None. Continue to monitor in remainder of 2012 and following years.
2. Determine whether contract selection policies and procedures were followed for each new contract	2. Document current project management responsibilities for contractor oversight and performance on the project.		
3. Identify any conditions where policies and procedures were not followed	Document current contractor oversight and performance responsibilities of support services, such as purchasing and procurement, after the contractor completes work on the project.	Company contract selection policies and procedures were adhered to for current contracts.	None. Continue to monitor in remainder of 2012 and following years.
4. Determine why policies and procedures were not followed by the company	Document current QA/Audit responsibilities for contractor oversight and performance while on the project.		

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<p>5. Review any contract policy revisions during the year</p> <p>6. Review any contract audits performed during the year and management responses to any findings or recommendations</p>	<p>Obtain and review company procedures for verifying contractor work performed and amounts payable.</p> <p>Review and document contract structure and provisions to protect the company from substandard contractor performance.</p> <p>Determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review.</p> <p>Determine whether the company has paid incentives for meeting or exceeding contract provisions and how the company has benefitted from contract incentives.</p> <p>Determine whether FPL policy for completing vendor performance evaluations after major projects has changed since the last review. Document any changes.</p> <p>Determine how the company has changed its contract structure and provisions since the last review to further prevent contractor overruns/substandard performance.</p> <p>Determine whether the company includes risk sharing in contracts, and how effective it has been to help manage contractor costs and overruns on the project.</p> <p>Determine how the company evaluates contractor costs before/after the project work is completed.</p>		
	<p>3. Update and document a current listing of major contractors and their responsibilities and scope of work for the project.</p> <p>Document current project management responsibilities for contractor oversight and performance. Use this information to identify any conditions where policies and procedures were not followed.</p>	<p align="center">N/A</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

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	<p>Document current contractor oversight and performance responsibilities for support services (e.g. purchasing and procurement). Use this to identify policies/procedures were not followed.</p> <p>Document current QA/Audit responsibilities for contractor project oversight and performance. Use this information to identify any conditions where policies and procedures were not followed.</p> <p>Obtain and review company procedures for verifying contractor work performed and amounts payable. Use this information to identify any conditions where policies and procedures were not followed.</p>		
	<p>4. Obtain FPL contractor performance incentive policies and procedures.</p> <p>Use these policies and procedures to determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review.</p>	N/A	None. Continue to monitor in remainder of 2012 and following years.
	<p>5. Document current QA/Audit responsibilities for contractor oversight and performance.</p> <p>Obtain and review company QA/Audit policies and procedures related to verifying contractor work performed, contractor, oversight, and evaluation/ of amounts payable.</p> <p>Obtain and review FPL QA contractor audits.</p> <p>Review FPL QA contractor audit to determine audit findings and FPL management response(s).</p>	N/A	None. Continue to monitor in remainder of 2012 and following years.
<p><i>Were Contract Management policies and procedures followed to provide oversight of Turkey Point 6 & 7 project contracts?</i></p>			
1. Review Contract Management policies and	1. Update and document a current listing of major contractors and their responsibilities and scope of	FPL believes a continuation of their "stepwise approach to management" (a deliberate, cautious	None. Continue to monitor in remainder of 2012 and following years.

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procedures, and determine whether policies and procedures are followed

2. Review any contract policy revisions during the year
3. Review any contract audits completed during the year and management responses to any findings or recommendations
4. Review and evaluate contractor KPI and contract performance compliance during the year
5. Review all contract change orders issued by the company and requested by the contractor
6. Trend change orders and work authorizations and identify any associated project risks
7. Summarize contract change orders made in perspective to total project changes and costs

work for the project.

Document current project management responsibilities for contractor oversight and performance on the project.

Document current contractor oversight and performance responsibilities of support services, such as purchasing and procurement, after the contractor completes work on the project.

Document current QA/Audit responsibilities for contractor oversight and performance while on the project.

Obtain and review company procedures for verifying contractor work performed and amounts payable.

Review and document contract structure and provisions to protect the company from substandard contractor performance.

Determine whether the company includes risk sharing within contracts, and how effective risk sharing has been to help manage contractor costs and overruns on the project.

Determine how the company evaluates contractor costs before/after the project work is completed.

2. Determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review.

Determine whether the company policy for completing vendor performance evaluations after major projects has changed since the last review and document any changes.

methodology) provides the greatest ability and best odds of controlling costs, mitigating known and unknown/anticipated risk, and ensuring an eventual, safe, and successful implementation.

Current policies / procedures are being followed and FPL monitors contractors to ensure compliance.

None. Continue to monitor in remainder of 2012 and following years.

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	<p>Determine how FPLY has changed its contract structure and provisions since the last audit to further prevent vendor overruns and substandard performance.</p>		
	<p>3. Document current QA/Audit responsibilities for project contractor oversight and performance.</p> <p>Review contractor audit plan and rationale for audits.</p> <p>Determine when future audits are scheduled or planned but not currently scheduled.</p> <p>Obtain and review any Quality Assurance contractor evaluations completed since the last review.</p> <p>Use audits to determine FPL management responses to correct findings/issues/concerns and risks</p> <p>Quantify/measure FPL management response(s).</p> <p>Evaluate FPL management response(s).</p>	<p>FPL has established a detailed review process of Bechtel invoices for PTN 6&7 incorporating the following processes:</p> <ul style="list-style-type: none"> • Bechtel labor costs are reviewed for consistency • Bechtel employee rates are verified • Bechtel employee expenses are reviewed • Sub-contractor invoices are reviewed • Geolab and IST charges are verified • Sub-contractor invoices are tracked cumulatively • Management is notified of invoice anomalies • Periodic FPL-Bechtel conference call. • Bechtel invoices are reviewed by Project Controls Analyst, Licensing Engineer Supervisor and a Licensing Engineer Principal. Prior to payment all Bechtel invoices are approved by Director of the Licensing Project. 	
	<p>4. Review and document contract change orders issued since the last staff review.</p> <p>Determine if the structure and provisions of change orders protect the company, share risk, and are competitively/fairly priced.</p> <p>Determine whether the company includes risk sharing within contracts (or change orders, as applicable), and how effective risk sharing has been to help manage contractor costs and overruns.</p> <p>Determine how FPL evaluates fairness and competitiveness of change order costs.</p>	<p>Staff reviewed all change orders for adherence to FPL internal controls, processes, and content.</p> <p>No anomalies were noted; staff is satisfied that all change orders were necessary for licensing support and do not result from poor performance or errors by either party. Policies/procedures were followed.</p>	<p>None. Continue to monitor in remainder of 2011 and following years.</p>
	<p>5 Summarize contract change orders made in perspective to total project changes and costs</p>	<p>See Exhibit 12, staff report.</p> <p>There are currently 11 change over \$100K in value, with various vendors.</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

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		Change orders executed to this point total substantially less than 1 percent of the overall estimated project cost.	
Determine whether current contractor cost management controls are effective	1. Sample scope changes, work authorizations, and related invoices to determine if proper approvals were obtained and that contractor is not being paid for corrective rework or work outside of approved scope.		
<i>Were Contractor Management policies and procedures followed in providing oversight of Turkey Point 6 & 7 project contractors?</i>			
1. Update and document a current listing of major contractors and their scope of work for the project	1. Review and update the company's process for monitoring project schedule and cost updates. Review and update the company's process for trending and managing scope changes.		
2. Review changes made to more effectively manage contractors for the project	Review and update work planning and scheduling changes made to the project since the last review.		
3. Review Contractor Management policy and procedure revisions, and determine whether policies and procedures are followed	Review the company's staffing plan and whether it has met staffing requirements for the project schedule		
4. Review contractor management reports provided to executive and senior management	2. Determine whether any changes to Audit/QA structure have been made since the last review. Review the current internal audit plan and rationale for audits. Review all completed audits and determine when future are planned for the project.		
5. Review and evaluate contractor KPI Performance during the year	3. Review Contractor Management policy and procedure revisions, and determine whether policies and procedures are followed.		
6. Review contractor audits and results during the year	4. Obtain contractor management reports. 5. Review and evaluate contractor KPI Performance during the year	Performance indicators were reviewed in regular, periodic reports. No anomalies noted. FPL appears to have an adequate process in place to capture and evaluate contractor performance indicators. System is in place, well understood, used regularly, and provides 'ownership' to/for project stakeholders.	None. Continue to monitor in remainder of 2012 and following years.

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7. Review QA contractor observation and evaluation results for the year	6. Obtain and review any external and nuclear industry (NUPIC) contractor reviews and evaluations completed since the last review.		Continue to monitor in remainder of 2012 and following years.
	7. Review the current internal audit plan and rationale for audits. Review all completed audits and determine when future audits are planned for subject contractors. Obtain and review any Quality Assurance contractor evaluations completed since the last review.	During oversight observations of vendor activity, QA assesses vendor compliance with contract terms and conditions as well as with FPL procedures.	None. Continue to monitor in remainder of 2012 and following years.

Have auditing and quality assurance activities identified potential risks to the Turkey Point 6 & 7 project?

<p>1. Review FPL Annual Internal Audit Plan and Annual QA Plan and results to date</p> <p>2. Review any organizational changes to internal audit or QA that may impact the frequency of project review</p> <p>3. Obtain and review all internal, external, and industry (NUPIC) audits related to the project</p> <p>4. Identify and report any audit or QA risks that may impact project scheduling or costs</p> <p>5. Evaluate FPL management responses to correct any project issues and risks</p>	1. Review the current internal audit plan and rationale for audits. Review all completed audits and determine when future are planned for the project.		
	2. Determine whether any changes to Audit/QA structure have been made since the last review.	<p>QA organization / goals remain the same.</p> <p>FPL's primary operating reference for QA is the Quality Assurance Oversight Plan. This document holds vendors accountable for process and product quality.</p> <p>QA is budgeted and directed by NPP, with procedures and process control exercised by Nuclear Assurance group.</p> <p>QA program is independent, its manager reporting directly to the Director of Nuclear Assurance.</p> <p>FPL project management is aware of the importance of such assessments and as a result focuses attention on it. Initiatives in 2011 include:</p> <p>Oversight of vendors' on-site activities Responding to NRC inspection/findings Contractor procedure review</p>	None. Continue to monitor in remainder of 2012 and following years.

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	<p>3. Obtain and review any external and nuclear industry (NUPIC) contractor reviews and evaluations completed since the last review.</p>	<p>Development of new QA programs Reviewing NNP project procedures</p> <p>FPL is a member of NUPIC and participates either as audit leader or audit member for vendor audits.</p> <p>2011: Audit Lead (5); Audit Member (16)</p> <p><i>Source: NUPIC website, 2011 audit schedules</i></p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>
	<p>4. Obtain and review any Quality Assurance contractor evaluations completed since the last review.</p> <p>Use such reviews to identify and report any audit or QA risks that may impact project scheduling or costs</p>	<p>A QA self-assessment was performed to gauge compliance with NRC regulations and to determine vulnerabilities similar to those the NRC identified during audits of other utilities' new nuclear applications.</p> <p>The QA self-assessment concluded that vulnerability existed. Violations from other nuclear projects seen as potentially relevant:</p> <p>Procedures do not include records retention requirements (applicable),</p> <p>Failure to control or identify procedures developed and implemented under the QA Program for the COLA, (FPL believed this partially applicable),</p> <p>Failure to include instructions for notifying management if a condition adverse to quality is identified, (partially applicable).</p> <p>NRC inspectors audited FPL in February 2011 to verify effectiveness project QA processes and procedures. The inspection assessed compliance with provisions of 10 CFR Part 21 and portions of Appendix B, 10 CFR Part 50.</p> <p>QA stated that this was a routine NRC inspection, not pursuant to a complaint or suspicion of project mismanagement, evaluating whether FPL Quality Assurance for COLA development contained controls consistent with federal nuclear requirements. QA acknowledges the inspectors</p>	<p>None. Continue to monitor in remainder of 2012 and following years.</p>

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		<p>found FPL noncompliant. Specifically, the NRC inspectors noted that:</p> <ul style="list-style-type: none"> ▪ procedures are inappropriate to evaluate deviations or failures to comply associated with substantial safety hazards and to notify the NRC within required timeframe ▪ FPL procedures ENG-QI-2.2 and IP-801 had definitions different than 10 CFR 21.3. <p>FPL QA explained the violations stemmed from NRC-approved fleet procedures employed by NNP in common practice known as "bridging." However the fleet processes changed without parallel changes being made in NNP, creating discrepancies.</p> <p>FPL responded in writing by the May 2011 due date, addressing probable cause and corrective actions. FPL plans to continue to use the nuclear fleet processes as bridging documents, but strengthened with specific Turkey Point 6&7 detail and periodic reviews.</p>	
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**Auditing and Performance Analysis
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FPL's Turkey Pt. and St. Lucie Upgrades**

Task	Subtask	Auditor Notes	Findings
2012 Uprate Projects Status			
<ol style="list-style-type: none"> 1. Review the status of all federal, state and local regulatory approvals 2. Identify any potential schedule delays due to regulatory approvals and company actions to mitigate risk 3. Review all updated project schedule and cost related information 4. Determine whether the project is within the established budget and schedule completion timeframes 5. Determine whether the EPC contractor is meeting contract, performance, schedule and cost measurements 6. Identify key events and risks that may delay construction completion or increase project costs. 7. Create a forward looking timeline of key project events and timeframes for project completion 	<ol style="list-style-type: none"> 1. Update the status of state and federal license approvals for the project. Obtain and document studies performed relating to the company meeting regulatory environmental challenges to approval. (i.e., cooling water requirements) 	<ol style="list-style-type: none"> a. In 2011, the EPU project team continued to prepare LARs, and complete engineering modifications. b. EPU project scope increased, due to the completion of more refined engineering design packages and design evolution. c. Detailed engineering provided greater certainty to work scope and costs. d. As project scope was modified, cost and schedule changes were adjusted. e. FPL experienced additional LAR license engineering and support costs, from changing NRC requirements and the project design modifications required by them. LAR schedule is in exhibit 16 of report. f. Construction and implementation costs also increased, as final designs were implemented and outages were completed. g. Shortly after publication of staff's 2011 report, FPL adjusted the remaining outage dates and durations. Due to the adjustments, the uprate project completion was 	

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		<p>rescheduled from late January to March 2013.</p> <p>h. In May 2012, FPL again revised their non-binding cost estimate upward. According to FPL, the revision was based on more refined data from Bechtel, detailed design engineering, first outage experience, and greater project certainty. FPL now believes the final EPU cost will be in a range from \$2.95 billion and \$3.15 billion.</p> <p>i. Schedule and cost revisions are shown in Exhibits 14 and 17 of the report.</p>	
	<p>2. Determine future scheduled dates for project regulatory approvals.</p> <p>Document future scheduled dates for project regulatory approvals</p> <p>Determine any identified project impact(s).</p> <p>Determine potential/possible/likely project impact(s)</p>	<p>a. In February 2011, FPL experienced a work stoppage event that extended the PSL2 outage and increased costs. Staff believes the February 2011 work stoppage at St. Lucie Unit 2 was caused by known and knowable risks not recognized or mitigated by the vendor or FPL. Staff believes FPL's cost of approximately \$3.5 million was avoidable, and control failures, (ineffective tool accountability, lack of oversight, and inadequate training) were the cause of the work stoppage.</p> <p>b. Staff recommends the</p>	<p>The February 2011 work stoppage at St. Lucie Unit 2 was caused by known and knowable risks not recognized or mitigated by the vendor or FPL. Staff believes FPL's additional project cost was avoidable, and that control failures, (ineffective tool accountability, lack of oversight, and inadequate training) were the cause of the work stoppage. Staff recommends the Commission disallow FPL cost recovery of \$3.5 million.</p>

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		<p>Commission disallow FPL cost recovery of \$3.5 million:</p> <p>c. According to FPL, EPU project management began evaluating whether to reschedule the remaining outages in March, and finalized a revised schedule by June 2011.</p> <p>d. FPSC Audit Staff's July 2011 report expressed concern about potential schedule shift and delays caused by longer and more complex second outages and added LAR engineering costs.</p> <p>e. Shortly after publication of staff's 2011 report, FPL adjusted the remaining outage dates and durations, rescheduling project completion from late January to March 2013.</p> <p>f. In November 2011, an estimate of final costs from the EPC vendor pushed the project estimate range beyond the prior non-binding estimate.</p>	
	<p>3. Document number, type, dates received/answered, and whether RAIs are answered completely, comprehensive, and timely.</p>	<p>a. Few RAIs remain and are scheduled to be completed by mid 2012;</p> <p>b. The NRC accepted four LAR submittals for review in 2011, and approved the Alternate Source Term LAR and the Spent Fuel Criticality LARs for</p>	

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		<p>Turkey Point. c. FPL received PTN 3&4 EPU LAR approvals from NRC June 19, 2012; d. Company expects PSL1 EPU LAR by end of 2Q and PSL2 EPU LAR by end of 3Q 2012.</p>	
	<p>4. Review and update the tracking of the project's schedule and costs. Document the status of long-lead equipment acquisition timeline and its impact on the project schedule</p>	<p>a. Exhibit 4 of report shows EPU Project Schedule; b. EPU costs increased and are trended 2007-2012 in Exhibit 5 of report. c. The new project cost estimate is based on more refined design engineering and cost estimate information. The revised total cost range represents an increase of \$632 million (27.2 percent) over the 2011 low end estimate range and \$671 million (27.1 percent) over the high end of the range. Compared to the initial 2007 Need Determination estimate of \$1.798 billion, the high end of the 2012 estimate range is \$1.352 billion greater (75.2 percent). d. Long lead material procurement essentially completed during 2011; There were no changes in 2011 in the purchase of long lead equipment that may impact the St. Lucie and Turkey Point uprate projects; All known long</p>	

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		<p>lead equipment has been purchased for the St. Lucie and Turkey Point EPU projects. The equipment has been received or is scheduled to be delivered prior to its planned installation date.</p>	
	<p>5. Update and describe project <i>planning</i> made since the last review for the project and its effect on the project schedule and costs.</p> <p>Obtain and document any external reviews performed relative to <i>planning</i> since the last review.</p> <p>Review any detailed internal feasibility studies completed relative to project <i>planning</i> scope changes.</p> <p>Review and update the status of project planning, engineering, equipment modification, and phasing of work schedules to complete the project, and identify any potential delays to the project.</p>	<p>a. In early 2011, FPL made changes to three of the four remaining outages scheduled to start in 2011 and 2012. Since that time, additional changes have been made to anticipate contingencies and potential scope changes for each outage.</p> <p>b. By the end of March 2012, FPL had completed the first set of outages for all four units, and the second outage for St. Lucie Unit 1 was almost complete. PSL1 was scheduled to be complete by April 1, 2012, but was delayed due to required repairs.</p> <p>c. The PSL1 output breaker was closed on April 21, 2012 and the unit was operating at 80% power and holding. The unit achieved 100 percent power on May 27, 2012.</p> <p>d. At that time, FPL measured the unit output and had gained approximately 22 MWe.</p> <p>e. Due to expected delay of the St. Lucie Unit 1</p>	

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EPU LAR until June 2012, FPL planned a short mid-cycle outage planned to change instrumentation set points to the new uprate level, complete minor modifications necessary for operation at the uprate condition, and implement new plant processes and procedures for plant operations in the uprate condition.
f. FPL estimates the mid-cycle outage cost to be approximately \$19 million. Once the NRC has approved the EPU LAR and FPL completes the mid-cycle outage, the unit can begin delivering the full increased EPU output.

Risks to Scheduling and Costs

1. Review project management reports for any potential risks to project scheduling and costs
2. Review company assessments and mitigation planning for project associated risks
3. Identify any potential project risks associated with ITAAC documentation, revision, and completion, and any associated company risk mitigation efforts
4. Identify any procurement and long lead equipment that may impact project scheduling or costs
5. Provide a forward looking timeline of events related to project risk assessment and mitigation

1. Document the ongoing risk analyses being performed on the project and identify any changes to the process. Determine whether the company expects any impact on LAR approval process from the Fukushima accident.

Review and update any changes made to the site Project Management and reporting process since the last review.

Document current processes for senior management oversight responsibilities and reporting.

- a. FPL identifies and reports significant EPU project risks monthly in the project Risk Registers.
- b. The probability of each identified risk occurring and the estimated potential cost impact determine the weighted cost value assigned.
- c. Mitigation activities and strategies are developed and assigned to specific project team individuals for risk resolution.
- d. Once the risk is satisfactorily mitigated it

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		<p>is closed in the Risk Registers and removed from the total risk potential estimated for the project.</p> <p>e. Project risks are updated and vetted in quarterly Vendor Integration meetings that include vendor management, FPL executive management, and EPU project management representatives.</p> <p>f. FPL conducts weekly Executive Vice President, and Chief Nuclear Officer meetings to update FPL senior level management of project risks and mitigation strategies employed.</p> <p>g. The NRC response to Fukushima has impacted the timeliness of the LAR approval process by taking the NRC staff that was involved in completing the LARs to use them on Fukushima related work.</p> <p>h. FPL states that the use of NRC staff devoted to application reviews for implementing NRC policy related to Fukushima, and additional LAR related engineering required, has slowed the LAR approval process and increased project costs during 2011.</p> <p>i. Bechtel's EAC estimate</p>	
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		<p>provided in November 2011 has caused the project estimate to go beyond the 2011 estimate. j. FPL is negotiating w/Bechtel to reduce the project estimate costs. k. FPL has filed a new non-binding estimate of between \$2.95 billion and \$3.15 billion.</p>	
	<p>2.Document any project risk challenges and mitigation strategies implemented since the last review.</p>	<p>a. The EPU project uses a series of management meetings, conference calls, and reporting tools to help identify and mitigate project risks. b. The Executive Vice President & Chief Nuclear Officer holds daily fleet operations conference calls with all FPL uprate sites. c. Daily CNO calls provide all FPL sites at the fleet level the ability to discuss site events, exchange operational best practices, discuss similar operating experiences and solutions, offer insights to problematic conditions, and brainstorm common issues. d. During outage conditions, these daily calls aid EPU management in a similar way by considering conditions and situations experienced in other uprate projects.</p>	

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		<p>e. Project risks are updated and vetted in periodic Key Supplier Meetings that include vendor management, FPL executive management, and EPU project management representatives.</p> <p>f. weekly meeting with the Executive Vice President Nuclear Division & Chief Nuclear Officer to update FPL senior level management of project risks and mitigation strategies employed.</p> <p>g. The Vice President of Uprates also provides project updates to the Nuclear Board Committee periodically to keep the NextEra Board of Directors apprised of project status, outage preparation, and project readiness efforts.</p>	
	<p>3. Document the status of long-lead equipment acquisition timeline and its impact on the project schedule</p>	<p>Most long lead equipment has been ordered and is expected to be delivered to meet the implementation phase of the project.</p>	

Project Management Systems and Controls

<p>1. Review changes to management organization made to more effectively manage the project</p> <p>2. Review project management methods and procedural changes made to strengthen controls</p> <p>3. Review project management reports provided to executive and senior management for project oversight of schedule and cost controls</p> <p>4. Review project and contractor staffing levels for potential delays due to inadequate staffing</p>	<p>1. Review and update any changes made to support organization teams.</p> <p>Review and update any changes made to the Project Management Organization since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p>	<p>a. Overall, the EPU internal controls are responsive to project needs, and continue to be revised to meet future project issues.</p> <p>b. EPU management has revised, deleted and</p>	
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5. Review systems used to manage the project schedule and costs, and contractor systems interface for performance reporting

Document current processes for project management, oversight, and accountability.

Document the current process for reporting project status to internal boards and committees.

modified EPPI and other procedures to reflect process changes during the year.

c. Monthly Operating Reports and other project reports provide internal boards and committees regular updates of project schedule and cost changes;

d. Daily fleet-wide CNO calls also keep the CNO aware of current situations and conditions at each nuclear plant and provide a forum to discuss lessons learned and current issues.

2. Review and update any changes made to the site Project Management and reporting process since the last review.

Document current processes for senior management oversight responsibilities and reporting.

a. In April 2011, the PSL Site Director left FPL and the PTN Site Director moved to PSL, with the PTN Project Manager moving into the PTN Site Director position; a new PTN Project Manager was appointed.

b. In September 2011, the PSL EPU Director, retired from FPL and was replaced with a new Site Director.

c. In September 2011, the PSL EPU Construction Manager, left FPL and was replaced with a new Construction Mgr.

d. In September 2011, the PTN EPU Project Controls Manager, left FPL and was replaced.

e. The EPU VP Upgrades

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		<p>announced December 21, 2011, organizational changes effective January 10, 2012: a Supplier Oversight person reports directly to VR Uprates; an EPU Implementation Owner North for PSL reports to VP Uprates and is over EPU Site Director; an EPU Owner South for PTN will report directly to VP Uprates and EPU Site Director will report to Implementation Owner; a second Engineering Mgr. for PTN reports to the PTN EPU Site Director;</p> <p>f. Staffing changes planned for 2012 include release or reassignment of project personnel after their assigned duties are completed (e.g., LAR personnel after the LARs are approved by the NRC).</p> <p>g. FPL Senior management is kept informed through regular daily, weekly, bi-weekly, and monthly reports.</p>	
	<p>3. Review and update any changes made to the site Project Management and reporting process since the last review.</p> <p>Document current processes for senior management oversight responsibilities and reporting.</p> <p>Document current processes for providing and disseminating informational and status reports on the project.</p> <p>Document the process for continuing review of project viability and</p>	<p>a. The Project Controls group provides management with regular reports on schedule, budget, costs, vendor performance, and risks.</p> <p>b. Primavera scheduling software, capable of real time updating and monitoring, is used to</p>	

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	milestone events.	track project schedule. Primavera can also sort data by need, producing customized status reports. c. The annual feasibility analysis evaluates whether the project is solidly cost-effective in seven different economic scenarios. d. In the May 2012 filing of 2011 data, FPL found the project cost effective in six of seven scenarios.	
	4. Review and update the company's process for monitoring project schedule and cost updates.	See above	

New Contracts and Contract Revisions

<ol style="list-style-type: none"> 1. Review the EP/C contract conditions, if one has been signed, and any change orders, scope changes, or contract modifications completed since April 2010. 2. Identify and describe how the company evaluated the EP/C and other major contracts. 3. Review any internal or external checklists or evaluations completed for the EP/C and other major contracts prior to, or after, contract approval. 4. Identify and describe all newly awarded contracts greater than \$200,000, and less than \$1 million 5. Develop a chart of contract information including: contract date, vendor, term, purpose, type contract (T&M, lump sum, fixed cost, target w/ incentives, or other), whether single source, sole source, or bid, and the contract amount 6. Identify and describe all newly awarded contracts greater than \$1 million 7. Develop a chart of contract information including: contract date, vendor, term, purpose, type contract (T&M, lump sum, fixed cost, target w/ incentives, or other), whether single source, sole source, or bid, and the contract amount 8. Characterize contracts relative scope, size, type, percent of total contracts, etc. 9. Determine whether the company evaluates contractor costs before 	<ol style="list-style-type: none"> 1. Review and document company methods and procedures for issuing a request for proposal. <p>Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Document what level of management oversight and approval are required for each contract tier.</p>	<ol style="list-style-type: none"> a. No major changes have been made to FPL's procurement process or bid review process since implementing Concentric' recommendation for contracts >\$5 million in 2010; b. Contract oversight and management responsibilities are shared between the EPU Contracts Group, Project Controls, site technical representatives, and the Integrated Supply Chain (ISC). ISC also provides long-lead procurement, contract management, and administrative support. Periodic evaluations of major contractors are completed to document 	
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and after project work is completed
 10. Determine whether single and sole source justifications were completed where applicable, and are in compliance with Commission Order No. PSC-08-0749-FOF-EI, issued November 12, 2008.
 11. Evaluate company actions completed to improve single and sole source justifications during the year

overall performance.
 c. Nuclear Business Operations also provides project assistance with capital versus O&M and "separate-and-apart" accounting decisions, as well as scope changes greater than \$250,000, invoice coding, accrual reporting, and budget variance reporting.
 d. Project Managers, Technical Representatives, and Quality Assurance representatives review vendor performance; ensuring tasks performed meet contract timeframes and cost constraints.
 e. Integrated Supply Chain (ISC) sourcing specialists and contract managers monitor contract change orders and contractor performance. Cost or schedule anomalies are reported, allowing quick risk identification and prioritization, development of mitigation strategies, and the implementation of solutions.
 f. FPL continues to use single/source justifications where appropriate and has improved information provided within in compliance with Commission Order No. PSC-08-0749-FOF-EI,

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	<p>2. Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Review and document company methods and procedures for selecting project contractors and vendors.</p> <p>Determine how the evaluation of a contractor's qualifications is considered in the contract selection decision.</p>	<p>issued November 12, 2008</p> <p>a. See above; b. Procedures have not changed except for implementing Concentric recommendation; c. Contractor qualifications are reviewed in Commercial reviews after bid opening; d. After commercial review and technical review are completed and weighted factors are considered the contractor is selected;</p>	
	<p>3. Review and update any changes made to company solicitation policies and procedures since the last review.</p> <p>Review project contracts greater than \$250,000 and document the type of contract, scope of work, contract amount, work completion timeframes, and whether necessary justification is provided.</p>	<p>a. No changes made to company bid solicitation process since last review b. Used Schedule T-7a of NCRC filing to construct table of contracts >\$1 million; c. Report exhibit 22 shows contracts >\$1million totaling \$81.8 million; d. In 2011 FPL reported 158 EPU contracts valued \$250,000 or more. e. During 2011, 9 contracts closed and 18 were inactive. f. FPL implemented 57 new EPU contracts greater than \$250,000 valued at \$100.6 million; g. Nineteen new contracts were valued at greater than a million dollars, totaling \$81.77 million, and representing 81.3</p>	

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		<p>percent of the total new contract dollars in 2011. h. Twelve contracts were single sourced, three were original equipment manufacturer, and three were competitive; one replaced a prior existing contract with the same vendor.</p>	
	<p>4. Determine whether the company uses industry and other cost comparisons to validate contract amounts.</p> <p>Obtain and review contract bid evaluation summaries.</p> <p>Document what levels of management oversight and approval are required for different contract amounts.</p>	<p>a. These have not changed from last year; company uses industry information, previous bid solicitations for similar work and other references to evaluate contract bids; b. ISC solicits bids, receives bids, and open bids; ISC completes a commercial review of the contracts and the Owner completes a technical review of the bids; c. a weighted summary is completed by spreadsheet to combine both reviews and a selection of best bid is made; d. FPL uses Final Best Offer to qualified bidders to get best price;</p>	
	<p>5. Review and document the process for evaluation and justification of sole-source contractors used by the company since the last review.</p> <p>Determine whether the company has revised its sole source procedures and compliance verification efforts.</p> <p>Obtain and review sole and single-source contracts and justifications since the last review to determine whether proper justification criteria are included.</p>	<p>a. Justification process is same as last year; b. The quantity and quality of information appears to have improved over last year. c. Single/sole source justifications are readily understood and contain</p>	

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		<p>good price comparative information justifying the decision to sole source rather than bid.</p> <p>d. Reviewed single/sole source justifications for 2011-Feb. 2012;</p> <p>e. There were 22 justifications for PTN and 39 for PSL during 2011.</p> <p>f. Reviewed 10 justifications for Jan-Feb 2012. (5 PSL and 5 PTN)</p>
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Contract Risk Sharing and Controls

<p>1. Review contract provisions for risk/reward incentives to determine risk levels assumed by the company and contractor</p> <p>2. Evaluate incentives and risk sharing provisions within the EPC and other major contract arrangements to determine the degree of assigned risk allocation for the company and contractor</p> <p>3. Determine how the EP/C contract minimizes financial risk exposure to the company and ratepayers.</p>	<p>1. Obtain and review company procedures for verifying contractor work performed and amounts payable.</p> <p>Review contract structure and provisions to protect the company from substandard contractor performance.</p> <p>Determine whether the company includes risk sharing within contracts, and how effective risk sharing has been to help manage contractor costs and overruns on the project.</p> <p>Determine how the company evaluates contractor costs before/after the project work is completed.</p>	<p>a. Contract management is a shared responsibility of the EPU Project Site Manager and the Technical Representatives/Contract Coordinators who administer site services.</p> <p>b. At completion of authorized work, the Technical Representative/Contract Coordinator is responsible to verify that the contractor met all obligations and determines.</p> <p>c. If any outstanding contract deliverables have not been completed the invoice is denied.</p> <p>d. Representative/Contract Coordinators determine whether billed work is satisfactory, ensure necessary approval level</p>
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		<p>for payment is received, and close out the contract when all site work is completed.</p> <p>e. Monthly, Bechtel submits three separate invoices for, technical services rendered to the EPU outages, modifications, and management services.</p> <p>f. The IAW craft labor contract is managed by Bechtel, who submits monthly invoices to FPL that include a) estimated recoverable costs to be incurred in the coming month and b) an adjustment to reconcile changes between the earlier payments received and actual recoverable costs.</p> <p>g. The contract requires Bechtel to bill FPL at cost for purchases of equipment, materials, and supplies.</p> <p>h. Payment for labor costs, including craft labor and services performed by Bechtel personnel, are billed according to the IAW collective bargaining agreements and stipulated unit rates.</p>	
	<p>2. Determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review.</p> <p>Determine whether the company has paid incentives for meeting or exceeding contract provisions and how the company has benefitted</p>	<p>a. FPL implemented target pricing for the PSL EPC contract in 2010; FPL believes unresolved Bechtel trends for PSL</p>	

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	<p>from contract incentives.</p>	<p>contributed to increase costs for target pricing at PSL. b. FPL implemented a different type of target pricing for PTN during 2011; c. Target pricing provides for incentives to complete work prior to scheduled dates; d. Target pricing is now on a site per outage basis rather than an individual design package as originally contracted;</p>	
	<p>3. Determine whether the company policy for completing vendor performance evaluations after major projects has changed since the last review and document any changes.</p> <p>Determine how the company has changed its contract structure and provisions since the last review to further prevent contractor overruns and substandard performance.</p>	<p>a. Vendor performance evaluations are periodically completed during the year; b. Two EPC evaluations were performed in 2010 at St. Lucie and at PTN; results were negative at PTN and more positive at PSL; c. Only one EPC evaluation was completed in 2011 at PTN; evaluation results were negative; d. FPL states that while there have not been specific corrective actions taken as a result of the contractor evaluation, there have been corrective actions taken as a result of events described in the contractor evaluation. e. FPL says that the</p>	

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		<p>company continues to implement stand downs and work stoppages when Bechtel quality of work, schedule compliance, responsiveness and cooperation, and safety, are in question.</p> <p>f. Audit staff is concerned that FPL may experience further project delays and increased costs due to EPC delays and performance.</p>	
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Contract Award Procedure Adherence

<p>1. Review RFP information for bid contracts and single or sole source justification where applicable</p> <p>2. Determine whether contract selection policies and procedures were followed for each new contract</p> <p>3. Review any contract policy revisions during the year</p> <p>4. Review any contract audits performed during the year and management responses to any findings or recommendations</p>	<p>1. Update and document a current listing of major contractors and their responsibilities and scope of work for the project.</p> <p>2. Document current project management responsibilities for contractor oversight and performance on the project.</p> <p>Document current contractor oversight and performance responsibilities of support services, such as purchasing and procurement, after the contractor completes work on the project.</p> <p>Document current QA/Audit responsibilities for contractor oversight and performance while on the project.</p> <p>Obtain and review company procedures for verifying contractor work performed and amounts payable.</p> <p>Review and document contract structure and provisions to protect the company from substandard contractor performance.</p> <p>Determine whether the company policy for completing vendor performance evaluations after major projects has changed since the last review and document any changes.</p> <p>Determine how the company evaluates contractor costs before/after the project work is completed.</p>	<p>a. See T-7A schedule;</p> <p>b. See DR-1.8c for list of contracts; (disk7)</p> <p>a. Contract management is essentially unchanged from a year ago.</p> <p>b. Contract management is a shared responsibility of the EPU Project Site Manager and Technical Representatives/Contract Coordinators who administer site services.</p> <p>c. The uprate project uses a myriad of scheduled and ad hoc meetings, reports and presentations to monitor EPU project schedule and costs, to inform and involve FPL management up to the executive level.</p> <p>d. EPU project procedures called Extended Power Uprate Project Instructions (EPPIs) provide project</p>	
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		<p>methods and guidelines for EPU specific activities.</p> <p>e. The Nuclear Work Process Procedures (NWPPs) are updated by the engineering, procurement, and construction contractor Bechtel.</p> <p>f. FPL also maintains an EPU Governance and Oversight Protocol that acts as a single source document, describing the project purpose, scope, direction and management expectations.</p>	
	<p>3. Document current project management responsibilities for contractor oversight and performance on the project. Use this information to identify any conditions where policies and procedures were not followed.</p> <p>Document current contractor oversight and performance responsibilities of support services, such as purchasing and procurement. Use this information to identify any conditions where policies and procedures were not followed.</p> <p>Document current QA/Audit responsibilities for contractor oversight and performance while on the project. Use this information to identify any conditions where policies and procedures were not followed.</p> <p>Obtain and review company procedures for verifying contractor work performed and amounts payable. Use this information to identify any conditions where policies and procedures were not followed.</p>	<p>a. Several contractors caused stand downs and work stoppages were identified in late 2010 and 2011.</p> <p>b. Two of the events were not resolved and reported in the 2011 report.</p> <p>c. The Bechtel work stoppage event at PTN3 in 2010 and the Siemens work stoppage at PSL2 in early 2011 were events not fully resolved until late 2011 and early 2012.</p> <p>d. Bechtel paid FPL for the damage to a TCFW pipe and FPL paid for retraining costs of Bechtel and a subcontractor.</p> <p>e. See finding in "Project Status" section for staff finding re: PSL2 work stoppage event.</p>	

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		<p>f. Staff believes the work stoppage was caused by known and knowable risks that were not recognized or mitigated by the vendor or FPL.</p> <p>g. Staff believes the event was avoidable and the result of control failures, specifically ineffective tool accountability, lack of oversight, and inadequate training, as discussed in the root cause analysis.</p> <p>h. Additional 2011 stand downs and work stoppages are listed in exhibit 19 of the June 2012 report.</p>	
	<p>4. Obtain FPL contractor performance incentive policies and procedures.</p> <p>Use these policies and procedures to determine whether company performance incentives for meeting or exceeding contract provisions have changed since the last review.</p>	<p>a. FPL performance metrics for the EPC are still based on the CSI and CPI w/Bechtel performance generally below the 1.0 goal.</p> <p>b. FPL continued to manage the EPC vendor to ensure the costs expended for the EPC work are reasonable and appropriate, including challenging estimates of future staffing requirements.</p> <p>c. FPL periodically conducts senior-level management meetings in Frederick, Maryland at the vendor's headquarters to address then-current trends and metrics.</p> <p>d. High Bridge Associates</p>	

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	<p>5. Document current QA/Audit responsibilities for contractor oversight and performance.</p> <p>Obtain and review company QA/Audit policies and procedures related to verifying contractor work performed, contractor, oversight, and evaluation/ of amounts payable.</p> <p>Obtain and review FPL QA contractor audits.</p> <p>Review FPL QA contractor audit to determine audit findings and FPL management response(s).</p>	<p>returned in 2011 to perform modification implementation estimating services at Turkey Point to help reach a target price for PTN</p> <p>a. FPL's Quality Assurance group provides the EPU projects with oversight of all safety-related work and major non-safety projects valued greater than \$100,000.</p> <p>b. Quality Assurance staff assigned to each site conducts quality surveillances and work inspections, provide daily quality summaries, and prepare safety-related nuclear oversight reports.</p> <p>c. Other staff members are responsible for completing off-site vendor oversight, including reviews of specifications, manufacturing processes, and delivery of safety-related equipment.</p> <p>d. Audit staff reviewed the FPL Quality Assurance Daily Quality Summaries for the period January through 2011 through March 2012. Forty eight of 149 (32 percent) St. Lucie EPU Quality Assurance summaries and 24 of 88 (27 percent) Turkey Point summaries contained unsatisfactory issues.</p>	
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		<p>e. During 2011, FPL QA reported weaknesses in some vendor quality procedures, controls, and vendor supervision of manufacturing processes. f. According to FPL Quality Assurance, there were no unresolved major safety-related quality assurance issues impacting the projects during 2011.</p>	
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Contract Management Procedure Adherence

<p>1. Review Contract Management policies and procedures, and determine whether policies and procedures are followed 2. Review any contract policy revisions during the year 3. Review any contract audits completed during the year and management responses to any findings or recommendations 4. Review and evaluate contractor KPI and contract performance compliance during the year 5. Review all contract change orders issued by the company and requested by the contractor 6. Trend change orders and work authorizations and identify any associated project risks 7. Summarize contract change orders made in perspective to total project changes and costs 8. Determine whether current contractor cost management controls are effective</p>	<p>1. Document current QA/Audit responsibilities for contractor oversight and performance while on the project.</p>	<p>a. See T-7A schedule; See DR-1.8c for list of contracts; b. Quality Assurance conducts observations while contractors are on-site to ensure safety-related and other work quality is completed to specs;</p>	
	<p>2. Determine whether company performance incentives for meeting or exceeding contract provisions have changed. Determine whether the company policy for completing vendor performance evaluations after major projects has changed and document any changes. Determine how the company has changed its contract structure and provisions since the last review to further prevent contractor overruns and substandard performance.</p>	<p>a. Performance Incentives are the same except that Target pricing is implemented at PSL; b. FPL implemented target pricing for PTN in 2011; c. Target pricing now provides a monetary incentive for the EPC contractor to complete each outage on schedule or before, rather than by each design engineering module; d. Contract oversight and management responsibilities are shared</p>	

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		<p>between the EPU Contracts Group, Project Controls, site technical representatives, and the Integrated Supply Chain (ISC).</p> <p>e. ISC also provides long-lead procurement, contract management, and administrative support.</p> <p>f. Periodic evaluations of major contractors are completed to document overall performance.</p> <p>g. Nuclear Business Operations also provides project assistance with capital versus O&M and "separate-and-apart" accounting decisions, as well as scope changes greater than \$250,000, invoice coding, accrual reporting, and budget variance reporting.</p>	
	<p>3. Review FPL contractor audit plan and rationale for audits.</p> <p>Determine when future audits are scheduled/planned but not currently scheduled.</p> <p>Obtain and review any Quality Assurance contractor evaluations completed since the last review.</p> <p>Use audits to determine FPL management responses to correct findings/issues/concerns and risks</p> <p>Quantify/measure FPL management response(s).</p> <p>Evaluate FPL management response(s).</p>	<p>a. The Project Implementation Plan (PIP) outlines the FPL and Bechtel responsibilities for EPU QA.</p> <p>b. Activities must be performed in accordance with the Bechtel QA Program that complies with requirements found in 10 CFR 50, Appendix c.</p> <p>c. Bechtel's program is also subject to approval by FPL's Quality Assurance Group</p> <p>d. Activities that affect safety-related structures,</p>	

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		<p>systems, and components (SSC) are beyond the scope of the Bechtel QA Program and must be performed in accordance with the FPL Quality Assurance Program.</p> <p>e. Bechtel must provide written notification and obtain acceptance from the FPL Project Manager and QA Manager if Bechtel intends to conduct any 10 CFR 50, Appendix B related work.</p> <p>f. The Quality Assurance Manager is the focal point for Bechtel QA.</p>	
	<p>4. Perform a sample analysis of scope changes, work authorizations and related invoices to determine proper approvals have been obtained and that contractor is not being paid for corrective rework or work outside of approved scope.</p>	<p>a. FPSC staff auditors completed a review of EPU contract invoices. The sample invoices were submitted during the period January through December 2011.</p> <p>b. Invoices for the four major contractors, long lead material, and implementation support functions were selected.</p> <p>c. Staff reviewed the highest invoice month in each quarter.</p> <p>d. These invoices represented \$153.3 million (46.2 percent) of the \$332.2 million invoiced for St. Lucie and \$145.5 million (41.4 percent) of the \$351.4 million invoiced for Turkey Point.</p> <p>e. The results of FPSC</p>	

**Auditing and Performance Analysis
2012 Work Plan
FPL's Turkey Pt. and St. Lucie Uprates**

		<p>staff's invoice review showed FPL's handling of EPU contract invoices followed established project practices and procedures.</p> <p>f. Proper approval signatures were present for invoices reviewed, invoice amounts were reconciled, data was challenged where necessary, and questionable amounts were held for payment until researched.</p> <p>g. Invoice support documentation sufficiently evidenced the amounts invoiced, and any amounts under question.</p> <p>h. Supporting memos documented communications between FPL and the contractor invoicing agent regarding questionable submissions and information.</p>	
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Contractor Management policies and procedures adherence.

<ol style="list-style-type: none"> 1. Update and document a current listing of major contractors and their scope of work for the project 2. Review changes made to more effectively manage contractors for the project 3. Review Contractor Management policy and procedure revisions, and determine whether policies and procedures are followed 4. Review contractor management reports provided to executive and senior management 5. Review and evaluate contractor KPI Performance during the year 6. Review contractor audits and results during the year 7. Review contractor observation and evaluation results for the year 	<ol style="list-style-type: none"> 1. Review and update the company's process for monitoring project schedule and cost updates. <p>Review and update the company's process for trending and managing scope changes.</p> <p>Review and update work planning and scheduling changes made to the project since the last review.</p> <p>Review the company's staffing plan and whether it has met staffing requirements for the project schedule</p>	<ol style="list-style-type: none"> a. Day-to-day implementation of EPU project controls activities occurs at the individual sites. b. Each site has an Uprate Cost Engineer who reports directly to the Controls Director, and indirectly to the site level Project Manager and the Project Director. 	
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**Auditing and Performance Analysis
2012 Work Plan
FPL's Turkey Pt. and St. Lucie Upgrades**

		<p>c. The Uprate Cost Engineer tracks costs associated with the uprate and provides input from the site level to monthly project reports, including the Monthly Operating Performance Report.</p> <p>d. The Controls Group is generally involved with contractor Recovery Plans on the front-end of the process by identifying potential delays or cost overruns.</p> <p>e. When estimated milestones or key cost indicators are not on target, the Controls Group becomes aware of a potential problem.</p> <p>f. EPU Site Directors are responsible for oversight regarding the timely completion of vendor Recovery Plan actions and for the vendor is brought back on the project schedule.</p>	
	<p>2. Obtain and review any external and nuclear industry (NUPIC) contractor reviews and evaluations completed since the last review.</p>	<p>No NUPIC reviews impacting FPL during 2011;</p>	
	<p>3. Obtain and review any Quality Assurance contractor evaluations completed since the last review.</p> <p>Use such reviews to identify and report any audit or QA risks that may impact project scheduling or costs</p>	<p>a. FPL QA monitors vendor manufacturing in the plant as well as vendor work compliance while on-site completing installation and other work;</p>	

Audit and QA Activity Results

**Auditing and Performance Analysis
2012 Work Plan
FPL's Turkey Pt. and St. Lucie Uprates**

<p>1. Review FPL Annual Internal Audit Plan and Annual QA Plan and results to date</p> <p>2. Review any organizational changes to internal audit or QA that may impact the frequency of project review</p> <p>3. Obtain and review all internal, external, and industry (NUPIC) audits related to the project</p> <p>4. Identify and report any audit or QA risks that may impact project scheduling or costs</p> <p>5. Evaluate FPL management responses to correct any project issues and risks</p>	<p>1. Review the current internal audit plan and rationale for audits. Review all completed audits and determine when future audits are planned for the project.</p>	<p>a. FPSC audit staff reviewed FPL internal/external audits, investigations, and reviews completed during 2011 through May 2012.</p> <p>b. EXHIBIT 20 is a summary of the EPU audits, investigations, and reviews conducted during 2011.</p>	
	<p>2. Obtain and review any Quality Assurance contractor evaluations completed since the last review.</p> <p>Determine whether any changes to Audit/QA structure have been made since the last review.</p>	<p>a. Audit staff reviewed the FPL QA Daily Quality Summaries for the period January 2011 through March 2012. Forty eight of 149 (32 percent) St. Lucie EPU Quality Assurance summaries and 24 of 88 (27 percent) Turkey Point summaries contained unsatisfactory issues.</p> <p>b. During 2011, FPL QA reported weaknesses in some vendor quality procedures, controls, and vendor supervision of manufacturing processes.</p> <p>c. Discussed Daily Quality Summaries with QA Supervisor.</p> <p>d. According to FPL Quality Assurance, there were no unresolved major safety-related quality assurance issues impacting the projects during 2011.</p>	

6. Document Requests

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 PTN

DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 4, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

Project Management

- PTN DR1.1 Please explain the FPL philosophy toward its commitment to construct Turkey Point 6&7.
- PTN DR1.2 Please explain how the nuclear incident at Fukushima, and the regulatory or industry reactions to it, impacted FPL Turkey Point 6&7 construction plans or planning?
- PTN DR1.3 What is the current estimated cost of completion of the Turkey Point 6&7 project?
- PTN DR1.4 FPL previously described its 'window of opportunity' to sign a Turkey Point 6&7 project construction contract (EPC or EP and C) as 2013-2014, in order to avoid negatively impacting project schedule. Please explain:
- a. Whether this remains the project planning timeframe for signing a construction contract.
 - b. Whether FPL has decided to use an EPC or an EP and C contract. If so, which?
 - c. If preliminary talks or negotiations have begun with a prospective EPC contractor.
 - d. If preliminary talks or negotiations have begun with prospective EP and C contractors.
 - e. How failure to sign a contract by 2013-2014 will impact the project for schedule and cost.
- PTN DR1.5 Please provide a recap of work accomplished on the Turkey Point 6&7 project from January 1, 2011 through December 31, 2011.
- PTN DR1.6 Please provide an itemized list, description, and timeline of Turkey Point 6&7 milestones achieved from January 1, 2011 through December 31, 2011.
- PTN DR1.7 Please provide an itemized list, description, and timeline of Turkey Point 6&7 activities and/or milestones anticipated in 2012.
- PTN DR1.8 Please provide a copy of all white papers used to capture project decisions during 2011.
- PTN DR1.9 Please describe and provide the dates of federal-level (e.g. NRC, EPA, DOE, etc) applications, approvals and certifications granted to Turkey Point 6&7 since January 1, 2011.

- PTN DR1.10 Please describe pending federal-level (e.g. NRC, EPA, DOE, etc) applications, approvals and certifications required for Turkey Point 6&7, the anticipated dates of completion, and a timeline depicting the events.
- PTN DR1.11 Please provide a description of pending state-level applications, approvals, licenses, and certifications required for the Turkey Point 6&7 project, the anticipated dates of completion, and a timeline depicting the events.
- PTN DR1.12 Please provide a description of pending local-level (municipal or county) applications, approvals, licenses, and certifications required for the Turkey Point 6&7 project the anticipated dates of completion, and a timeline depicting the events.
- PTN DR1.13 What is the current NRC COLA review schedule from the NRC?
- PTN DR1.14 Please provide an overview of 2011 NRC decisions impacting the Turkey Point 6&7 project.
- PTN DR1.15 Please address specifically how recent NRC changes (e.g. FSER, FEIS, and hearing dates) impact Turkey Point 6&7 project decision making and critical path timeline. Please provide project critical path timelines depicting before and after these changes.
- PTN DR1.16 How will FPL manage recent NRC changes (e.g. FSER, FEIS, and hearing dates) to preserve planning schedule margins?
- PTN DR1.17 Please provide an itemized list and narrative description of NRC requests for additional information (RAI) received since January 1, 2011. Provide the RAI number, date received, NRC due date, and the actual or anticipated date of each FPL response. Going forward, until the completion of the current NRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.
- PTN DR1.18 What is the status of cooling water for the Turkey Point 6&7 project?
- PTN DR1.19 For cooling water, please describe:
- a. The milestones achieved or anticipated in 2011.
 - b. The in-service daily estimated requirement.
 - c. A recap of the current plan to provide sufficient quantities.
 - d. Potential challenges to obtaining sufficient quantities.
 - e. Possible impacts to project schedule and cost.
 - f. The sourcing agreements reached and their dates.
 - g. Discharge standards and FPL's planning to meet these standards.
 - h. The milestones anticipated in 2012.
- PTN DR1.20 For transmission issues, please describe:
- a. The milestones achieved or anticipated in 2011.
 - b. A recap of the current plan for corridor acquisition.
 - c. Remaining challenges to acquiring adequate corridors.
 - d. Possible impacts to project schedule and cost.
 - e. The milestones anticipated in 2012.
- PTN DR1.21 Regarding benchmarking of domestic new nuclear construction programs:
- a. Identify the project(s) that FPL completed benchmarking in 2011.
 - b. Identify the project(s) that FPL is currently benchmarking.
 - c. Describe the FPL staffing and scope for each project benchmarked.
 - d. Provide any FPL reports and/or studies from each benchmarking.

- e. Provide briefing recaps, briefing slides, and lessons learned from each benchmarking.
- f. Identify construction issues that may impact Turkey Point 6&7 schedule or cost.
- g. Identify operational issues that may impact Turkey Point 6&7 schedule or cost.
- h. Identify the project(s) that FPL plans to benchmark in 2012.

- PTN DR1.22 Regarding benchmarking of foreign new nuclear construction programs:
- a. Identify the project(s) that FPL completed benchmarking in 2011.
 - b. Identify the project(s) that FPL is currently benchmarking.
 - c. Describe the FPL staffing and scope for each project benchmarked.
 - d. Provide any FPL reports and/or studies from each benchmarking.
 - e. Provide briefing recaps, briefing slides, and lessons learned from each benchmarking.
 - f. Identify construction issues that may impact Turkey Point 6&7 schedule or cost.
 - g. Identify operational issues that may impact Turkey Point 6&7 schedule or cost.
 - h. Identify the project(s) that FPL plans to benchmark in 2012.

- PTN DR1.23 Please list all risk assessment and/or mitigation meetings or reviews, and their dates, held in 2011. Please provide all meeting briefing slides, post-meeting recaps, meeting reports, and meeting minutes produced from each meeting. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

- PTN DR1.24 Please describe:
- a. Changes to project planning, timeline, or budget occurring in 2011.
 - b. A description of the impact of each on project schedule and costs.
 - c. Which changes were due to perceived risk and/or attempts to mitigate that risk?
 - d. Risk mitigation strategies considered, developed, or adopted, and the result if completed.

- PTN DR1.25 Please describe:
- a. All problems or challenges to the project identified during 2011.
 - b. Potential impact(s) to project schedule and cost, including but are not limited to marketplace, domestic economic, and capital market conditions, FPL demand projections, vendor and contractor issues, site infrastructure planning, project logistics, and regulatory changes.
 - c. FPL analysis of potential impacts to project schedule and cost.
 - d. Mitigation strategies considered, developed, adopted, and the result if completed. For each, indicate whether it is under development, developed and under consideration for deployment, currently deployed, or completed.
 - e. Any problems or challenges anticipated or identified for 2012.

Project Organization & Procedures

- PTN DR1.26 For FPL or Turkey Point 6&7 project management, please provide:
- a. A list of new policies, procedures, and controls created in 2011.
 - b. A list of policies, procedures, or controls revised in 2011 or currently under revision.
 - c. A list of policies, procedures, or controls deleted during 2011 and a rationale for deletion.
 - d. A list of policies, procedures, or controls scheduled for revision in 2012.
 - e. A copy of new or revised policies, procedures, and controls.
 - f. A copy of policies, procedures, and controls currently under revision, when available.

- PTN DR1.27 Please provide or identify:
- a. A current by-name project organizational chart, showing FPL project management, work unit staffing, and reporting linkages.
 - b. A by-name list of project personnel changes made in 2011, supervisor and above, outgoing and incoming. Please include the reason and date for each change.

- c. Any personnel changes that resulted from FPL succession planning.
- d. Any anticipated personnel changes for 2012.

- PTN DR1.28 Please provide a copy of the company's staffing plan for the Turkey Point 6&7 project.
- PTN DR1.29 Please provide a summary of organization changes made during 2011, those planned for 2012, and the rationale for each change or projected change.
- PTN DR1.30 Please provide:
- a. A summary of 2011 disciplinary actions taken or pending for FPL project employees.
 - b. A description of the event(s) leading to discovery of the incident(s).
 - c. A description of the cause, date, management response, timetable for remedial action(s), and whether the employees was allowed to continue work.

Project Cost Estimates & Schedules

- PTN DR1.31 Please provide copies of all project management reports/status updates during 2011. These would include reports issued by and for project middle, senior, and executive management. Topics would include, but not be limited to briefings, minutes, findings, handouts, PowerPoint slides, and reports. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.
- PTN DR1.32 Please provide a copy of the Key Performance Indicators used by FPL management to monitor the status of Turkey Point 6&7 projects and sub-projects. Please provide the 2011 monthly results for each indicator. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.
- PTN DR1.33 Please provide the current schedule and timeline for completing the Turkey Point 6&7 project.
- PTN DR1.34 Please provide a recap and description of **schedule** variances compared to projections contained in the FPL May 2011 filing.
- PTN DR1.35 Please provide the current cost estimate for completing the Turkey Point 6&7 project.
- PTN DR1.36 Please provide a recap and description of **cost** variances compared to projections contained in the FPL May 2011 filing.
- PTN DR1.37 Please provide all Turkey Point 6&7 feasibility studies and feasibility analyses conducted by or for FPL during 2011.
- PTN DR1.38 Please describe all efforts or initiatives undertaken by FPL in 2011 or planned in 2012 to secure power purchase agreements or joint-owner agreements for the project.
- PTN DR1.39 Did FPL hold quarterly meetings with potential joint owners in 1Q11, 2Q11, 3Q11, and 4Q11? Please provide the briefing slides, notes, handouts, minutes, recaps, reports, or white papers produced from each meeting. Please provide the scheduled date, time, and probably attendees for the 4Q11 meeting if not already held.
- PTN DR1.40 Please provide a copy of all Turkey Point 6&7 project white papers completed in 2011. Identify any white papers currently in production. Provide a copy upon completion of any white papers currently in production.

PTN DR1.41 Will FPL participate in the DOE Loan Guarantee program? Please describe the decision-making process(es) involved and the efforts or planning undertaken in 2011.

PTN DR1.42 What are the company expectations or anticipated/planned actions regarding the DOE Loan Guarantee program in 2012?

Contractor Selection & Management

PTN DR1.43 Please describe any revisions made during 2011 for contractor selection and management policies or procedures for the Turkey Point 6&7 project.

PTN DR1.44 Provide any revisions made to contractor oversight and management policies and procedures for the Turkey Point 6&7 project made during 2011.

PTN DR1.45 Provide:

a. A summary of 2011 disciplinary actions taken, pending, or planned on project contractors.

b. A description of the event(s) leading to discovery of the incident(s).

c. A description of the cause, date, FPL response, timetable for remedial action(s), and whether the contractor was allowed to continue work.

PTN DR1.46 Provide the status, terms, conditions, and expiration date of the current long lead forging agreement.

PTN DR1.47 Are negotiations ongoing to further extend terms or expiration date for long lead forgings? Please explain.

PTN DR1.48 What is the current no-later-than date that FPL believes forging must begin for long lead items in order to meet the project in-service timeline date?

PTN DR1.49 Please provide a current status in the purchase and provision of other major items of equipment required for the uprates.

PTN DR1.50 Provide all RFPs issued and bid evaluations prepared (both financial and technical) in 2011 to support Turkey Point 6&7 project contracts in excess of \$100,000.

PTN DR1.51 Please provide a description and status of **new contracts in excess of \$100,000** executed in 2011. Please summarize the scope of work, terms, length of the contract, total contract dollars, pricing/costing methodology (e.g. T&M, fixed price, fixed w/incentives, etc) dollars spent to date, all change orders or amendments, the cost change of each change order or amendment and copies of single or sole source justifications.

PTN DR1.52 Please provide a description of Turkey Point 6&7 **new contracts in excess of \$100,000** anticipated through April 30, 2012. Please summarize the scope of work, terms, length of the contract, total contract dollars anticipated, pricing/costing methodology (e.g. T&M, fixed price, fixed w/incentives, etc), and copies of single or sole source justifications.

PTN DR1.53 Please provide a description and status of all contract **change orders in excess of \$100,000** executed for the project in 2011. Please provide a summary describing the scope of work, changes to the contract term, change to total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.), dollars spent to date and, if applicable, copies of single or sole source justification.

Internal Audits & Quality Assurance (QA) Reports

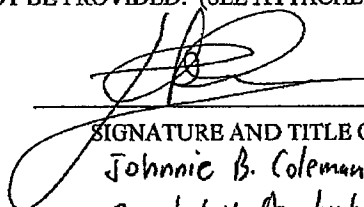
PTN DR1.54 Please list all on-site manufacturer visits conducted or planned by FPL QA in 2011. 65

- PTN DR1.55 Please list all FPL QA on-site visits to manufacturers planned in 2012.
- PTN DR1.56 Please list all **internal** audits completed for Turkey Point 6&7 in 2011.
- PTN DR1.57 Please provide all **internal** audit reports for audits completed in 2011. Include audit findings or recommendations, FPL management responses, remedial actions, and results of the actions.
- PTN DR1.58 Please list all **external** audits completed for Turkey Point 6&7 in 2011.
- PTN DR1.59 Please provide all **external** audit reports for audits completed in 2011. Include audit findings or recommendations, FPL management responses, remedial actions, and results of the actions.
- PTN DR1.60 Please provide a list and schedule of **internal** audits planned for Turkey Point 6&7 in 2012.
- PTN DR1.61 Please provide a list and schedule of **external** audits planned for Turkey Point 6&7 in 2012.
- PTN DR1.62 Please describe any changes in project management controls implemented as a result of quality assurance reviews or internal/external audit findings for the Turkey Point 6&7 project.
- PTN DR1.63 Please list and describe any other internal investigations conducted on Turkey Point 6&7 during 2011.

TO: AUDIT MANAGER David Rich DATE: 1/4/11

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.21, 1.31, 1.46, 1.20, 1.51, 1.53, 1.57 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
 Johnnie B. Coleman
 Registry Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 PTN (Supplement) DATE OF REQUEST: December 12, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: December 16, 2011

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

Supplemental

Please return to Staff the disks (numbered 1 through 39) containing PTN information as shown on the attachment. Disk 1 through Disk 39 were returned to FPL safekeeping at the conclusion of the last annual NCRC review.

TO: AUDIT MANAGER _____

DATE: _____

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT

FPL DATA REQUEST RESPONSE LOG -2011

Disk	DR	EPU / NEW	Questions	Date Rec'd	Claimed Confidential
1	DR-1	EPU / NEW	EPU: DR-1.6a,b,c,d NEW: DR-1.20a	1/11/11	EPU: 1.6a, b, c, d NEW: 1.20a
2	DR-1	EPU	DR-1.1 thru 1.19	2/1/11	1.1, 1.2, 1.3, 1.4, 1.5, 1.7, 1.8, 1.9, 1.10, 1.12, 1.13, 1.16, 1.17, 1.19
3	DR-1	NEW	DR-1.1 thru 1.37	2/01/11	1.11, 1.15, 1.21, 1.26, 1.32, 1.33, 1.34
4	DR-2	NEW	DR-2.1, 2.3	4/20/11	2.1, 2.3
5	DR-2	EPU	DR-2.1, 2.12, 2.13	4/25/11	none
6	DR-2	EPU	DR-2.2, 2.5, 2.8, 2.9, 2.10, 2.14, 2.16	4/25/11	2.2, 2.5, 2.8, 2.9, 2.10, 2.14, 2.16
7	DR-3	NEW	DR-3.1, 3.3 thru 3.5, 3.9, 3.10	4/26/11	none
8	DR-3	NEW	DR-3.2, 3.6, 3.7, 3.8	4/26/11	3.2, 3.6, 3.7, 3.8
9	DR-2	EPU	DR-2.2, 2.7	4/26/11	none
10	DR-2	EPU	DR-2.3, 2.11, 2.15	4/26/11	2.3, 2.11, 2.15
11	DR-2	EPU	DR-2.4, 2.6, 2.17	4/27/11	2.4, 2.6, 2.17
12	DR-3	EPU	DR-3.1, 3.3, 3.17, 3.24	4/28/11	3.1, 3.3, 3.17, 3.24
13	DR-3	EPU	DR-3.19, 3.19, 3.20, 3.21, 3.22, 3.23	5/04/11	3.19, 3.19, 3.20, 3.21, 3.22, 3.23
14	DR-3	EPU	DR-3.2, 3.5	5/05/11	3.2, 3.5
15	DR-4	EPU	DR-4.1 thru 4.10	5/05/11	none
16	DR-3	EPU	DR-3.6, 3.11 thru 3.16	5/06/11	3.6, 3.11, 3.12, 3.13, 3.14, 3.15, 3.16
17	DR-3	EPU	DR-3.4, 3.7, 3.9, 3.10	5/09/11	3.4, 3.7, 3.9, 3.10
18	DR-3	EPU	DR-3.8	5/09/11	none
19	DR-5	EPU	DR-5.1 thru 5.5; DR-5.3	5/10/11	5.3
20	DR-5	EPU	DR-5.7 thru 5.11	5/11/11	none
21	DR-5	EPU	DR-5.9 (revised)	5/12/11	none
22-25	DR-5	EPU	DR-5.6	5/12/11	5.6
26	DR-6	EPU	DR-6.1, 6.2, 6.4, 6.7, 6.8	5/18/11	none
27	DR-6	EPU	DR-6.3, 6.5, 6.6	5/18/11	6.3, 6.5, 6.6
28	DR-4	NEW	DR-4.1	5/23/11	none
29	DR-4	NEW	DR-4.1	5/23/11	4.1-c
30	DR-5	NEW	DR-5	5/23/11	5-1, 5.2, 5.3

Disk	DR	Project	Questions	Date Rec'd	Confidential Items
31	DR-2 DR-6	EPU / NEW	NEW: DR-2.3 (Supplemental) EPU: DR-2.8 (Supplemental); DR-6.4 (Revised)	5/27/11	none
32	DR-7	EPU	DR-7.1, 7.2, 7.4	6/02/11	7.1, 7.2, 7.4
33	DR-7	EPU	DR-7.3	6/02/11	none
34	DR-7	NEW	DR-7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10, 7.11, 7.12	6/03/11	none
35	DR-6	NEW	DR-6.1, 6.2, 6.3, 6.4, 6.5, 6.6	6/07/11	none
36	DR-2 supp	EPU	DR-2 supplemental	6/07/11	none
37	DR-2.1 Supp	NEW	DR-2.1 supplement	8/22/11	none
38	DR5 supp	NEW	DR-5	8/22/11	none
39	DR 3.10	EPU	DR-3.10 supplement	8/22/11	

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: PTN DR-2

DATE OF REQUEST: 1/24/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 1/24/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

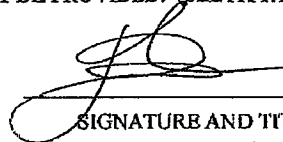
1. Please provide a copy of "Miami-Dade County Agency Report and Proposed Conditions for FPL Proposed Transmission Lines for Turkey Point Nuclear Units 6 & 7, (dated) January 17, 2012"

TO: AUDIT MANAGER Dave Rich

DATE: 1/24/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEM(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-3 PTN

DATE OF REQUEST: January 31, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 14, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

PTN DR-3.1 (reference PTN DR-1.1) response, please quantify and explain what is meant by "the earliest practical time" for culmination of the project and whether there is any current impact on the scheduled COD of 2022 and 2023 for PTN 6&7.

PTN DR-3.2 (reference response to PTN DR-1.7) Please identify whether each of the upcoming milestones have been achieved early, are on track for the target month, or delayed. If delayed, please provide the reason for delay and a revised target date.

PROCESS	MILESTONE	DATE ACHIEVED
SCA	Land use consistency determination	February 2012
SCA	FDEP Project Analysis - Transmission	February 2012
SCA	SCA Amendment	February 2012
SCA	Agency Reports - Plant	March 2012
NRC	Safety Review - RAI Phase A complete	March 2012
SCA	Land Use Hearing (if required)	April 2012
FPSC	NCRC Testimony filed for 2012/2013	May 2012
SCA	Siting Board Hearing - Land Use	July 2012
SCA	FDEP Project Analysis - Plant	July 2012
FPSC	NCRC Hearings	August 2012
SCA	Site Certification Hearings	September 2012
SCA	ALJ Recommendation Order	December 2012

PTN DR-3.3 (reference response to PTN DR-1.11) Has the Land Use Consistency Determination been made? If so, please provide details. If it has not been made or received, does FPL still expect it no later than 2/15/2012? Please explain any delays and a new target date.

PTN DR-3.4 Please provide the number of currently outstanding NRC RAIs, alist of them, and the projecterd response date for each.

PTN DR-3.5 Does FPL still expect DEP to issue its final Project Analysis on alternative corridors in March 2012?

PTN DR-3.6 (refer to response to PTN DR-1.26) Two Project Instructions scheduled for revision in 2012 are NNP-PI-03 (Document Retention and Records Processing) and NNP-PI-06 (NRC Correspondence). Are those revisions normal, periodic updates or the result of some flaw or deficiency discovered during routine review? Please explain and provide the target dates for completion.

PTN DR-3.7 (refer to response to PTN DR-1.29) Please explain the decision to move the development portion of the PTN project to fall under the Executive Vice-President for Engineering, Construction, and Corporate Services.

PTN DR-3.8 (refer to response to PTN DR-1.33) Will design engineering begin in the summer of 2012, as depicted on the schedule timeline attached as part of the response to DR-1.33? What will this entail?

PTN DR-3.9 Has there been any updates to the Long Lead Forging agreement? What changes to existing terms of the placeholder contract is FPL seeking? Does FPL want to extend the agreement another 3 months or for a longer term. Please identify the term if longer.

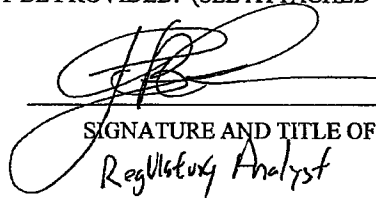
PTN DR-3.10 (refer to response to PTN DR-1.52) Has a contract been awarded for the Preliminary Design for the Radial Collector Well System (RFP JMR110411)? In its earlier response, FPL predicted the award of the contract in January 2012. Please identify the awardee, the amount of the contract, pricing terms, the date issued, the expiration date (term), any change orders and their amounts, and spent to date amount.

PTN DR-3.11 (refer to response to PTN DR-1.63) Please provide the complaint and investigation report regarding the Employee Concerns Program report from a subcontractor employee about alleged retaliation for raising safety concerns.

TO: AUDIT MANAGER DAVE RICH DATE: 2/23/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 3.10, 3.11 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 PTN DATE OF REQUEST: February 17, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 29, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

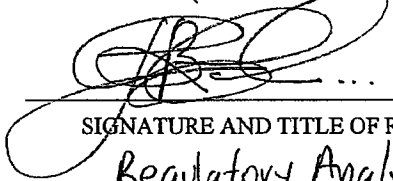
1. For the UIC exploratory well, please provide
 - a. An update on the testing to confirm confinement
 - b. Whether confinement has been confirmed.
 - c. An update on whether a determination was able to be made whether the shallower zone is suitable for injection, and
 - d. If the testing proves the current location is unsuitable, describe FPL's follow-on plan and location of new drilling.
2. Site Certification Land Use Determination was expected by 02/15/12. Please provide:
 - a. Whether the Land Use Determination was received.
 - b. A synopsis of the Determination.
3. The Forging Reservation Agreement was earlier extended until March 1, 2012. Please explain:
 - a. Whether FPL is currently in negotiations to extend the Forging Reservation Agreement
 - b. Whether a new agreement has been reached further extending the Forging Reservation Agreement
 - c. If a new agreement is not yet in place, what actions FPL is undertaking to secure a new Forging Reservation Agreement
 - d. If a new agreement has been signed, the new expiration date of the Forging Reservation Agreement
 - c. Key points of the revised Forging Reservation Agreement
 - d. Whether under the new Forging Reservation Agreement FPL forfeited or was refunded any portion of the reservation fee
 - e. If a forfeit occurred, the amount forfeited
4. Re the response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide AR01664088 and AR1673428.
5. Re the response to DR-3.11 and the events pertaining to ECP report No. ECP-PTN-11-046, please provide:
 - a. date of the injury or incident that precipitated the ECP investigation and report
 - b. date the investigation was initiated and the name of the investigator
 - c. date of the conversation between the Project Principal Engineer and the ECP investigator
 - d. date of the interview between the ECP investigator and the complainant
 - e. date the 8-item questionnaire was given to the complainant and the name of the individual who administered it
 - f. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and the complainant.
 - g. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and Principal Engineer.
 - h. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other FPL employees.
 - i. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other contract employees
6. Re the FPL response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide the names of the investigator who conducted the initial investigation and the supervisor who approved the investigation report.
7. Re the *Bechtel 12-01 Jan Progress Report.pdf* (DR-1.31 update, latest CD, pg 2 of 10) please:
 - a. provide details of the warranty claim filed as a result of additional effort associated with regenerating and resubmitting optical storage media.

- b. provide the dollar amount in dispute
 - c. provide details, reports, documents, emails, and any other correspondence pertinent to the warranty claim
 - d. describe a summary of any settlement or resolution agreed to by FPL and Bechtel
 - e. if unresolved, a date by which FPL expects closure
8. Re the *Bechtel 12-01 Jan Progress Report.pdf* (DR-1.31 update, latest CD, pg 4 of 10) please:
- a. provide details of a warranty claim filed by FPL regarding the adequacy and suitability of the analysis originally performed by Bechtel for Tidal Oscillations in Site Monitoring Wells
 - b. provide the dollar amount in dispute
 - c. provide details, reports, documents, emails, and any other correspondence pertinent to the warranty claim
 - d. describe a summary of any settlement or resolution agreed to by FPL and Bechtel
 - e. if unresolved, a date by which FPL expects closure

TO: AUDIT MANAGER David Rich DATE: 2/29/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.4, 4.7, 4.8 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: PTN DR-5 DATE OF REQUEST: 3/1/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 3/12/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

 X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. For the month of the highest invoiced amount during the first quarter 2011, please provide copies of paid invoices and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges/pushback, resolution of disputed charges, et al), for the following contractors:

- a. Bechtel Power Corporation
- b. EPRI
- c. Golder Associates, Inc.
- d. Environmental Consulting & Tech
- e. Layne Christensen Company
- f. McNabb Hydrogeologic Consulting
- g. McCallum Turner, Inc.

2. For the month of the highest invoiced amount during the second quarter 2011, please provide the same types of requested information (as in 1a-g, above) for:

- a. Bechtel Power Corporation
- b. EPRI
- c. Golder Associates, Inc.
- d. Environmental Consulting & Tech
- e. Layne Christensen Company
- f. McNabb Hydrogeologic Consulting
- g. McCallum Turner, Inc.

3. For the month of the highest invoiced amount during the third quarter 2011, please provide the same types of requested information (as in 1a-g, above) for:

- a. Bechtel Power Corporation
- b. EPRI
- c. Golder Associates, Inc.
- d. Environmental Consulting & Tech
- e. Layne Christensen Company
- f. McNabb Hydrogeologic Consulting
- g. McCallum Turner, Inc.

4. For the month of the highest invoiced amount during the fourth quarter 2011, please provide the same types of requested information (as in 1a-g, above) for:

- a. Bechtel Power Corporation
- b. EPRI
- c. Golder Associates, Inc.
- d. Environmental Consulting & Tech
- e. Layne Christensen Company
- f. McNabb Hydrogeologic Consulting
- g. McCallum Turner, Inc.

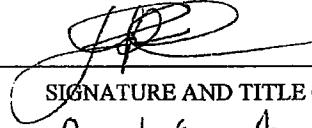
5. Completing the chart below, please provide the amount invoiced monthly by each company (as in 1a-g, above):

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Bechtel												
EPRI												
Golder												
ECT												
LayneChrist												
McNabb												
McCallum												

TO: AUDIT MANAGER Dwe Rich DATE: 2/12/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 5.1-5.5 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 PTN

DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 15, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

Monthly Reports - PTN

PTN DR 1.17 Please provide an itemized list and narrative description of NRC requests for additional information (RAI) received since January 1, 2011. Provide the RAI number, date received, NRC due date, and the actual or anticipated date of each FPL response. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

PTN DR 1.23 Please list all risk assessment and/or mitigation meetings or reviews, and their dates, held in 2011. Please provide all meeting briefing slides, post-meeting recaps, meeting reports, and meeting minutes produced from each meeting. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

PTN DR 1.31 Please provide copies of all project management reports/status updates during 2011. These would include reports issued by and for project middle, senior, and executive management. Topics would include, but not be limited to briefings, minutes, findings, handouts, PowerPoint slides, and reports. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

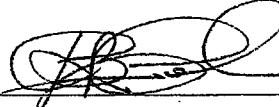
PTN DR 1.32 Please provide a copy of the Key Performance Indicators used by FPL management to monitor the status of Turkey Point 6&7 projects and sub-projects. Please provide the 2011 monthly results for each indicator. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

TO: AUDIT MANAGER Dave Rich

DATE: 3/14/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.31 (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 PTN DATE OF REQUEST: March 28, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 28, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

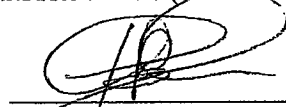
ITEM DESCRIPTION: Please Provide:

6.1 New Nuclear Update presentation dated March 28, 2012.

TO: AUDIT MANAGER Dave Rich DATE: 3/28/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

04/09/2012 21:11 0004101707 11:00 1 PAGE 02/03

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: PTN DR-0 7 DATE OF REQUEST: 4/9/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Pg 36 of the March 1, 2011 NCRC testimony (Scroggs) What schedule turbulence is expected from the 2011 decision to defer pre-construction activities until 2013? What activities have been deferred?
2. Pg 36, lines 13-14 ~ Has FPL identified (as part of its ongoing schedule review) specific tasks that can be done in parallel, or other measures, to preserve the current project timeline?
3. Re previous responses to DR-4.8 (warranty claim), DR-5.1 (Bechtel Invoice 1012089R), and PTN6&7 interviews (03/28/12), please provide:
 - a. The final amount of the warranty claim against Bechtel
 - b. The final total amount of the settlement agreed to by FPL & Bechtel
 - c. The amount of the total in Item b above that was paid by or given up by:
 - FPL
 - Bechtel
 - d. Terms of the warranty settlement agreement
 - e. Any measure(s) resulting from the claim, resolution process, and settlement that either party or the parties proposed or have mutually adopted to improve future performance.
4. DR-5.2 EPRI Invoice EP00389484. The Electric Power Research Institute 2010 membership fee (\$275,000) was paid in April of 2011. Does membership fee payment usually lag by a year? Authorizations were present but no documentation was provided why the payment was made in the calendar year following the membership year or whether this is normal FPL procedure. Please explain.
5. DR-5.3 ECT Invoices 111988 (6/20/11) and 112387 (7/14/11). Mr. Ray Butts signed in lieu Ms. Barbara Linkiewicz in each case. The former included a subsequent authorization email from Ms. Linkiewicz. The latter did not include a similar subsequent authorization or a delegation of signature authority. Is Mr. Butts (or others) always authorized to sign for Ms. Linkiewicz in her absence? How is this authorization conveyed / memorialized on each transaction? Please explain signature authority designation policy and whether there was any breach of procedure in the handling of ECT Invoice 111988 or 112387.
6. Re McNabb Hydrologic Consulting, Inc. PO#4500517152, for UIC Invoice #15 (7/15/11) and UIC Invoice #16 (08/12/11). Receipts contain food and non-food items. If contract personnel receive per diem, why are food and non-food items reimbursable? Please explain how meal money and/or per diem is determined and what additional food / non-food expenses are authorized
7. Re McNabb Hydrologic Consulting, Inc. Invoice UIC Invoice #15, UIC Invoice #16, and UIC Invoice #19 (11/02/11). The employee requested reimbursement seven times in June for trips home (6/2/11, 6/5, 6/13, 6/19, 6/22, and 6/30 - 1 x 300mi, 1 x 302mi, and 5 x 310mi), five trips in July (7/5, 7/13, 7/18, 7/28, & 7/31 - 1 x 300 mi and 4 x 310 mi.), and four in October (10/5, 10/13, 10/20,

& 10/24 - 1 x 300 mi, 3 x 310 mi). Each trip is reimbursed at approximately \$160. (16 x 160 = \$2560) Please explain how McNabb contractor home travel is structured and who authorizes it. How often is it allowed? Is there a maximum for distance? Is there a maximum for frequency? Is there a maximum for costs allowable by FPL for McNabb employee reimbursement regarding travel to and from home? During the time this employee was at home, was FPL also paying for a temporary residence near the job site and a per diem allowance?

8. How many McNabb employees were on the PTN 6&7 project each month during 2011 and to date in 2012? Please provide a month by month number, from January 2011 to end-March 2012.

9. Is every McNabb employee on the PTN 6&7 project under the same rules for home travel, per diem, housing and food reimbursement? Please explain the authorizations and breakdown.

10. Please provide the total amount FPL reimbursed to McNabb contractors for home travel from January 2011 to end-March 2012.

11. Re McNabb Hydrologic Consulting, Inc. Invoice #UIC-16 (08/12/11) - A dinner on 7/19/11 (\$114.06 with tip) included alcoholic beverages. Is alcohol an authorized reimbursable item?

TO: AUDIT MANAGER Dave Rich DATE: 4/19/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.3, 7.4, 7.6 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

[Signature]
SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 4, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Project Planning and Risk Assessment

EPU DR1.1

- a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012.
- b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects.
- c) Provide a written summary of monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month.
- d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

EPU DR1.2

- a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each.
- b) Provide a written summary of major project risks identified and company mitigation programs undertaken to address each risk, from January 2011 and planned through April 2012.
- c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012.
- d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012.
- e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs.
- f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs.
- g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects.
- h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed.

- i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs?
- j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012.
- k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final.
- l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project.
- m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates.
- n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1.
- o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments.
- p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR.
- q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk.
- r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates?
- s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

EPU DR1.3

- a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns.
- b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues.
- c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling.
- d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy.
- e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage.
- f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.

Project Organization and Procedures

EPU DR1.4

- a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects.
- b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month.
- c) Explain the company's rationale and expected benefits for making the organizational changes in b) above.

- d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- e) Explain the company's rationale and expected benefits for making the organizational changes in d) above.
- f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month.
- g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month.
- h) Provide the percent of staffing requirements not completed to date.
- i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels.
- j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.

EPU DR1.5

- a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012.
- b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.

Project Cost Estimates and Schedules

EPU DR1.6

- a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012.
- b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:
 - 1. EPU Monthly Operating Report
 - 2. Internal and external audit engagements
 - 3. FPL Executive Steering Committee reports
 - 4. Monthly EPU Project Risk Matrix
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 - 7. EPU Executive Steering Committee Report
 - 8. EPU Technical Steering Committee Report (consolidated/replaced by Vendor Integration report)
 - 9. Bi-Weekly Updates (CNO Updates) PSL & PTN
 - 10. EPU Project and Individual Unit Cost Data
 - 11. Disciplinary actions against contractors
 - 12. Provide copies of the Weekly Contract Compliance Matrix
- c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.
- d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

EPU DR1.7

- a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month.

- b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month.
- c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset.
- d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects.
- e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.

EPU DR1.8

- a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects.
- b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment.
- c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.

EPU DR1.9

- a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012.
- b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.
- c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.

Contractor Selection and Management

EPU DR1.10

- a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates.
- b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications.
- c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011.
- d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.
- e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month.
- f) Describe what efforts the company made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI.

EPU DR1.11

- a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects.

- b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits since January 2011 going forward through April 2012 by the 15th of each month.
- d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.

EPU DR1.12

- a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012.
- c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.

EPU DR1.13

- a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011.
- b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects.
- c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011.
- d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan.
- e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization.
- f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.

EPU DR1.14 Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.

Internal Audits and Quality Assurance Reports

EPU DR1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

EPU DR1.16

- a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012.
- b) Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.

EPU DR1.17

- a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs.

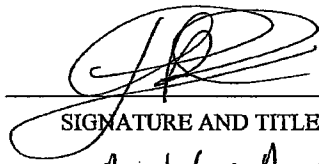
EPU DR1.18 List and describe any Quality Assurance actions (holds, delays, stops, etc.) recommended or taken, pending or planned by FPL, on manufacturers or contractors for the St. Lucie and Turkey Point projects since April 2011. Include a description of the events surrounding the action, the date the action was taken, a description of the Quality Assurance actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the project.

EPU DR1.19 Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.

TO: AUDIT MANAGER Dave Rich DATE: 2/23/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY - 1.18 is not confidential.
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.3^{revised} IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst.

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 4, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Project Planning and Risk Assessment

EPU DR1.1

- a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012.
- b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects.
- c) Provide a written summary of monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month.
- d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

EPU DR1.2

- a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each.
- b) Provide a written summary of major project risks identified and company mitigation programs undertaken to address each risk, from January 2011 and planned through April 2012.
- c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012.
- d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012.
- e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs.
- f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs.
- g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects.
- h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed.

- i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs?
- j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012.
- k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final.
- l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project.
- m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates.
- n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1.
- o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments.
- p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR.
- q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk.
- r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates?
- s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

EPU DR1.3

- a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns.
- b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues.
- c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling.
- d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy.
- e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage.
- f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.

Project Organization and Procedures

EPU DR1.4

- a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects.
- b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month.
- c) Explain the company's rationale and expected benefits for making the organizational changes in b) above.

- d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- e) Explain the company's rationale and expected benefits for making the organizational changes in d) above.
- f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month.
- g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month.
- h) Provide the percent of staffing requirements not completed to date.
- i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels.
- j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.

EPU DR1.5

- a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012.
- b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.

Project Cost Estimates and Schedules

EPU DR1.6

- a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012.
- b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:
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 10. EPU Project and Individual Unit Cost Data
 11. Disciplinary actions against contractors
 12. Provide copies of the Weekly Contract Compliance Matrix
- c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.
- d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

EPU DR1.7

- a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month.

- b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month.
- c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset.
- d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects.
- e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.

EPU DR1.8

- a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects.
- b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment.
- c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.

EPU DR1.9

- a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012.
- b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.
- c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.

Contractor Selection and Management

EPU DR1.10

- a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates.
- b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications.
- c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011.
- d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.
- e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month.
- f) Describe what efforts the company made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI.

EPU DR1.11

- a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects.

- b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits since January 2011 going forward through April 2012 by the 15th of each month.
- d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.

EPU DR1.12

- a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012.
- c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.

EPU DR1.13

- a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011.
- b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects.
- c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011.
- d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan.
- e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization.
- f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.

EPU DR1.14 Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.

Internal Audits and Quality Assurance Reports

EPU DR1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

EPU DR1.16

- a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012.
- b) Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.

EPU DR1.17

- a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs.

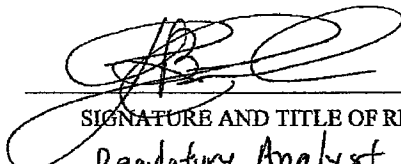
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EPU DR1.19 Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.

TO: AUDIT MANAGER Dave Rich DATE: 1/15/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.1c, 1.6a, 1.6b, 1.7a, 1.4g, 1.0d, 1.16b IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 17, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1.
 - a. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts from January through December 2011. (T. Jones)
 - b. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts ongoing for January through April 2012. (T. Jones)
2. Provide the following information regarding the PTN September 24, 2011 Bechtel imposed stand down of select employees:
 - a. The PTN Unit where the work stoppage occurred
 - b. The total number of employees involved
 - c. The dates the employees were suspended without pay
 - d. The number of work stoppages and stand downs attributed to Bechtel employees during 2011 (DR-1.3)
3. Provide a complete listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012, indicating:
 - a. The dates of the stand down or work stoppage,
 - b. The number of employees involved in each event,
 - c. The number of days for the stand down or stoppage,
 - d. And any additional schedule delays or costs due to the stand downs or work stoppage. (DR-1.3)
4.
 - a. Please provide evidence of the Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair.
 - b. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages of this outage. (DR-1.3)
5.
 - a. Discuss the incident on October 12, 2011, when a lead EPU project manager at the St. Lucie Nuclear Plant was suspended without pay for five days for harassing and intimidating behavior.
 - b. Explain what caused the incident.
 - c. Was the person being harassed and intimidated an employee or contractor?
 - d. Has this manager exhibited this type of behavior in the past?
 - e. Did this event cause any schedule delay or additional costs to the project?
 - f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
6.
 - a. Discuss the incident on October 18, 2011, when a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session.
 - b. Explain what caused the incident.
 - c. What was the inappropriate behavior?
 - d. Has this employee exhibited this type of behavior before?
 - e. Did this event cause any schedule delay or additional costs to the project?


- f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
- 7.
- a. Please explain why the February and March Siemens Liquidated Damages are not paid as of July 8, 2011 (Bates 051433).
 - b. Provide documentation of when and how the Siemens Liquidated Damages were paid, similar to the manner the Bechtel LD Event Log was completed.
 - c. Provide company procedures document the proper handling and payment of Liquidated Damages used by the EPU project.
 - d. Explain why the July 8, 2011 Bechtel LD Event Log shows event #9 a NRC Recordable firearm violation paid on 6/9/11 with a LD category of d, indicating a reportable Badging event. (Bates 051432).
 - e. Provide updated information for event #17 showing whether a Fitness of Duty violation was paid, including support information showing payment.
 - f. Provide the most current Liquidated Damages Logs for all contractors having recorded events in 2011 and 2012, in the same format as the Bechtel and Siemens logs. (DR-1.13)
- 8.
- a. Please provide evidence of the correcting entries (completed 5/2/11 and 5/16/11) to reclassify non-recoverable payroll and expense report charges for employees identified in EPU Review, 2010 Expenditures completed on May 12, 2011.
 - b. What were the total dollars in the correcting entries?
 - c. Explain why the adjustments for 6/14/11 and 7/27/11 additional training hours were needed.
 - d. Provide evidence of the adjusting entries made for 6/14/11 and 7/27/11 additional training hours identified from 1/1/09 to 5/31/11. (Extended Power Uprate (EPU) Review, 2010 Expenditures was completed on May 12, 2011) (DR-1.19)
- 9.
- Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- a. Date of settlement agreement
 - b. Copy of signed agreement
 - c. Provide an explanation and breakdown of all expenses due to the generator stator work stoppage during the PSL2 outage
 - d. Explain how FPL arrived at the original estimated expense in early 2011 and why that estimate was lowered to the current amount.
 - e. Provide documented evidence of the expenses paid by FPL and Siemens in support of the agreement.
 - f. Provide an explanation and breakdown of the:
 - 1. Dollar amount of expenses FPL has paid to date.
 - 2. Dollar amount of expenses Siemens has paid to date.
 - 3. The Siemens contractual limited liability amount calculated by FPL, and the contractual sections documenting the limitations.
 - 4. Expenses for which FPL has already received NCRC recovery
 - 5. Expenses for which FPL will request recovery in this year's NCRC proceedings
 - g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.
- 10.
- FPL has provided information that states approximately 81% of the engineering design work is complete based on earned hours (excluding unapproved Bechtel trends), yet approximately 64% of the total number of design packages are completed and approved.
- a. Explain why the earned hours for the engineering packages are approximately 17% higher than the approximate design packages completed.
 - b. Explain the expected impacts on engineering design packages and earned hours when the unresolved Bechtel trends are considered.
 - c. When are the unresolved Bechtel trends expected to be resolved, and what are the expected impacts to project cost and schedule?
 - d. Provide an updated chart of the engineering design package progress monthly through April 2012 (ongoing monthly), as provided on page 24 of FPL's 1/24/12 FPSC Staff Visit EPU Project Update.
- 11.
- Please provide a chart showing:
- a. The initial estimated MWs produced by each PSL and PTN unit,
 - b. The initially estimated increase in MW output (from Need hearing),
 - c. The final estimated MW output as a result of the uprate of each unit, and
 - d. The particular unit changes that provide the estimated additional increased MW for each unit.
- 12.
- a. Explain why the PSL EPU Site Director, the PSL EPU Construction Manager, and the PTN EPU Project Controls Manager, all left the company of their own volition in the same month (September 2011).
 - b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.

TO: AUDIT MANAGER Dave Rich

DATE: 2/17/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.6, 4.1, 4.4, 4.7 ^{4.8} ~~IS~~ **ARE** PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

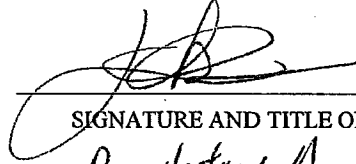
- f. Was the employee's personnel file documented regarding the event?
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- 7.
- a. Please explain why the February and March Siemens Liquidated Damages are not paid as of July 8, 2011 (Bates 051433).
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- Please provide a chart showing:
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 - b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.

TO: AUDIT MANAGER DAVE RICH

DATE: 2/17/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY 4.24.5, 4.3, 4.11
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 17, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1.
 - a. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts from January through December 2011. (T. Jones)
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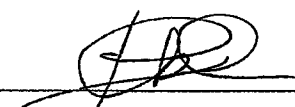
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- 9.
- Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- a. Date of settlement agreement
 - b. Copy of signed agreement
 - c. Provide an explanation and breakdown of all expenses due to the generator stator work stoppage during the PSL2 outage
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- Please provide a chart showing:
- a. The initial estimated MWs produced by each PSL and PTN unit,
 - b. The initially estimated increase in MW output (from Need hearing),
 - c. The final estimated MW output as a result of the uprate of each unit, and
 - d. The particular unit changes that provide the estimated additional increased MW for each unit.
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 - b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.

TO: AUDIT MANAGER Dave Rich

DATE: 2/20/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY 4.10
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU 4.9g 6/5/12 DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: June 5, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

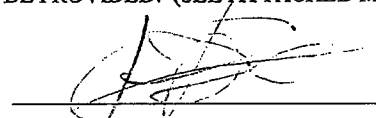
ITEM DESCRIPTION: Please Provide:

9. Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.

TO: AUDIT MANAGER Dave Rich DATE: 6/5/12

THE REQUESTED RECORD OR DOCUMENTATION:

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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-3 EPU DATE OF REQUEST: January 31, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 14, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1. a. Please describe the nature of the NRC EPU audit at Turkey Point and at Westinghouse, conducted in December 2011, and supported by FPL.
b. Describe the recommendations and actions taken as a result of the audit.
c. Please provide, or make available, a copy of the audit, audit results, recommendations, and management responses. (EPU DR-1.1a)
2. a. Please explain further why it was necessary for Bechtel Procurement to review FPL issued PO's related to contract performance issues, and the commercial impact due to poor supplier performance.
b. Please describe the Procurement Review results and any actions taken by EPU management as a result of the Bechtel/FPL Procurement Review. (6/1/11 PSL Weekly Leadership Meeting (Bates 003200))
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
3. a. Discuss the Bechtel Procurement, Supplier Quality, PSL, and PTN Project Management meeting regarding a revised Supplier Quality approach, and issues raised by FPL QA regarding the current program (purpose, date, attendees, issues, actions, recommendations or resolutions, and cost and schedule impacts on the project). (7/6/11 PSL Weekly Leadership Meeting (Bates 003275))
b. Describe the FPL QA issues identified at both plant sites and the outcome of EPU management decisions.
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
4. a. Discuss the Engineering Subcontractors program compliance surveillance initiated with reviews of completed training initiated, and the meeting held with the FPL QA Manager (Juno) regarding this issue. (10/5/11 Weekly Leadership Meeting).
b. Describe the FPL QA compliance issues identified, the subcontractors involved, the results of the meeting, and any management actions taken to resolve the issues.
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
5. a. Discuss the "Issues/Concerns Hilti Summary and what changes were made as a result of the Bechtel QA limited scope audits. (Bates 003477, 10/5/11 Weekly Leadership Meeting).
b. Provide any e-mails, letters, or other documents to document the management actions taken.
6. a. Discuss the QA audit, issue 4 corrective action reports, and MSR corrective action report.
b. Provide any e-mails, letters, or other documents to evidence the management actions taken (11/2/11 Weekly Leadership Meeting).
c. Discuss the three (3) Bechtel EPU HU Related CR's for the week ending 10/28/11.
d. Provide any e-mails, letters, or other documents to evidence the management actions taken.
7. a. In item 4 on page 13 of 28 (Bates 003554), what is meant by qualification is still an issue?
b. Describe management actions to correct the qualification issue and provide any documentation of actions taken.
c. What rework was needed due to the issue?

- d. Explain any schedule or cost impacts necessary due to the rework?
 - e. Provide any documentation identifying the rework scope, schedule, or cost impacts.
8.
 - a. In item 5 on page 13 of 28 (Bates 003554), discuss the recent changes identified and the impacts on the SL1-24 outage.
 - b. Describe any actions taken by management to resolve the impacts.
 - c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 9.
 - a. Please explain the Licensing group qualification issue (Two candidates still waiting for 50.59 evaluation related qualification) and how this issue slowed down the package revision progress, resulting in rework. (11/2/11 PSL Weekly Leadership Meeting (Bates 003544))
 - b. Describe any actions taken by management to resolve the impacts.
 - c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 10.
 - a. Explain why Bechtel asked for the deviation of expansion anchors provided by Hilti. (11/2/11 PSL Weekly Leadership Meeting)
 - b. Were the anchors provided by Hilti problematic, or not to specification?
 - c. Please identify any anticipated risks or impacts to the project, as a result of the Hilti anchors.
 - d. Describe any actions taken by management to resolve any risks or project impacts.
 - e. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 11.
 - a. Provide the most current listing, by Unit, of the remaining RAIs necessary to complete responses to the NRC for LAR approval. (DR-1.2)
 - b. Discuss any RAI response items that may impact the Unit outages or LAR approvals.
 - c. Describe management's actions to resolve any outstanding issues or any anticipated delays.
 - d. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 12.
 - a. Discuss the monitoring requirements associated with the PSL IWF Permit received in September 2011.
 - b. Is the IWF for both units, or for each unit separately?
 - c. Are there different requirements for both units?
 - d. Please describe any difference in requirements for each unit.
 - e. What were the Two pre-uprate baseline biological monitoring events that have been completed?
 - f. Describe what the monitoring for biological events includes.
 - g. Discuss any potential delays of the PSL EPU LAR due to monitoring requirements. (DR-1.2)
 13.
 - a. Was the PTN Gantry Crane upgrade completed as expected in December 2011?
 - b. Were the costs different than those provided in FPL's response to DR-1.2?
 - c. Please explain any differences in cost or schedule to complete the PTN Gantry Crane upgrade. (DR-1.2)
 14. Explain why FPL modified the outage duration for:
 - a. PSL-1 from 110 days to 127 days
1 [REDACTED]
 - c. PTN-3 from 120 days to 160 days
2 [REDACTED]
 15.
 - a. Discuss why FPL added replacement of the PSL-2 #4 A & B Low Pressure Feedwater Heaters to the 2012 Unit 2 EPU outage scope.
 - b. Discuss why the mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation is necessary.
 - c. Will PSL1 be run at currently licensed levels until after the mid cycle outage?
 - d. When will the unit be brought to full uprate power?
 - e. Explain the cost/benefit between running PSL1 at the current licensed level until the next scheduled outage and the mid cycle outage to insert new fuel. (DR-1.3)
 16.
 - a. Did the addition of Bechtel Field Planners for PTN EPU improve the timeliness of work package planning as believed?
 - b. Discuss the number of additional planners added and the project improvements experienced.
 - c. Describe the improvements realized by adding work package planners.
 - d. Provide the PTN project costs for adding planners to improve work package timeliness. (DR-1.3)
 17.
 - a. Please provide the root cause analysis for the December 17, 2011, Bechtel imposed PSL safety stand down caused when craft personnel commenced work on the wrong motor control center.
 - 3 b. Explain how the [REDACTED] of estimated cost was calculated and by whom.
 - c. Explain who is responsible for paying those costs.
 - d. Explain what options are available to resolve the commercial settlement.
 - e. When does the company plan to pursue those options?
 - f. When should the commercial negotiations be complete?
 - g. Will the company submit any costs for this event to the NCRRC for recovery?) (DR-1.3)

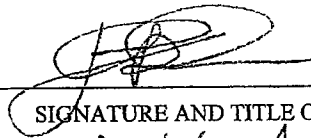
18. a. Explain any progress in the commercial settlement of the Bechtel November 2010 Turkey Point Unit 3 work stoppage.
b. What options are left to resolve the commercial settlement?
c. When does the company plan to complete pursuing the available options? (DR-1.3)
19. a. Please explain the impact of the TEI Force Majeure on each of the uprate units schedule.
b. Please explain any additional project costs for each uprate unit experienced due to the Force Majeure.
c. Explain the problems with TEI's quality of work experienced by the project prior to the Force Majeure.
d. Provide copies of any Recovery Plans for TEI improvement during 2011. (DR-1.6, COO Update 2011-06-06.pdf)
20. a. Please further explain the scope and purpose of the Six Sigma project performed at PSL after the spring 2011 SL2-19 outage.
b. Please explain how the Six Sigma project was related to the Siemens scope.
c. Provide the cost borne by Siemens for the Six Sigma project.
d. Provide any e-mails, letters, or other documents evidencing the project scope and costs paid by Siemens.
e. Were any costs incurred by the EPU project for the Six Sigma project?
f. If the project incurred costs for the Six Sigma project please provide a breakdown of costs incurred.
g. Provide an explanation of any of the costs associated with the Six Sigma project being submitted for recovery. (DR-1.9)
21. a. Do FPL penalties assessed to contractors for lost badge, lost badge w/elevated access, etc. escalate for repeated incidents?
b. Explain whether there is any particular reason the staff augmentation contractors were released for non performance issues at the same time?
c. Discuss the reasons why the PSL EPU Site Director issued recovery plans to the PSL Site Vice President in July and September 2011.
d. Were any additional Recovery Plans issued to the PSL Site Vice President in 2011 or 2012 to date? (If so, please provide)
e. Discuss the reasons why the PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President in June and September 2011.
f. Were any additional Recovery Plans issued to the PTN Site Vice President in 2011 or 2012 to date? (If so, please provide)
g. Discuss when the "new" Bechtel Project Engineering Manager at PTN came aboard and any reasons for replacement of the prior Bechtel Engineering Manager.
h. Discuss the reasons behind the FPL & Bechtel Engineering Optimization effort and establishing leads as issue managers.
i. Provide all Recovery Plans submitted to FPL after April 2011, not previously provided in DR-1.13. (DR-1.13)
22. a. Explain why it was necessary for FPL to request Siemens to set up a cost reporting system for the future PSL and PTN time and materials outage scopes.
b. Had FPL experienced problems with Siemens reporting correct charges in previous project scopes of work?
c. Is this a regular FPL request of all T&M contractors, or was this request for specific reasons? (DR-1.14)
23. Provide a copy of the following, or provide access to view:
 - a. The Extended Power Uprate (EPU) Review of 2010 Expenditures Audit was performed by Jefferson Wells.
 - b. The Bechtel Vendor Audit performed by FPL Internal Auditing was completed in December 2011.
 - c. PTN completed a self-audit of augmented staffing in November 2011.
 - d. The Extended Power Uprate (EPU) Review of 2011 Expenditures Audit will be performed by Experis under FPL Internal Auditing's direction and supervision 2nd Qtr.
 - e. The Shaw or Siemens Vendor Audit 3rd Qtr.
 - f. Experis Audit of Bechtel contracts 2nd Qtr.
 - g. Turkey Point and St. Lucie Contractor Overtime Investigation 1st Qtr.
 - h. St. Lucie Contractor Hiring Practices Investigation 1st Qtr.
 - i. Internal Audit Investigation (AWPP) when completed (DR-1.15)

TO: AUDIT MANAGER Dave Rich DATE: 2/24/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 3.3 (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.

(4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU-SUPP
2012

DATE OF REQUEST: February 6,

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 2, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

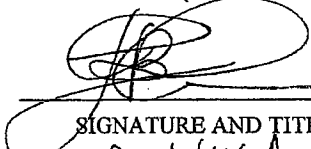
9. Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.

TO: AUDIT MANAGER Dave Rich

DATE: 3-2-12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.9g-supp (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)


SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-5 DATE OF REQUEST: 3/1/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 3/12/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

 X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

* * * * *

1. Please provide copies of monthly paid invoices, and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges, resolutions of disputed charges, et al), for the following contractors and months in 2011:

For PSL EPU Project:

a. Westinghouse:

1. January 2011
2. April 2011
3. August 2011
4. October 2011

b. Bechtel:

1. March 2011
2. April 2011
3. July 2011
4. December 2011

c. Siemens Material:

1. February 2011
2. May 2011
3. August 2011
4. October 2011

d. Siemens Labor:

1. January 2011
2. April 2011
3. September 2011
4. December 2011

e. Long Lead Materials:

1. February 2011
2. June 2011
3. September 2011
4. December 2011

f. Plant Craft Support:

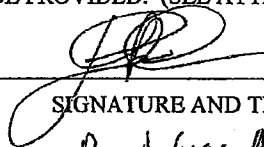
1. February 2011
2. April 2011
3. August 2011
4. December 2011

TO: AUDIT MANAGER Dave Rich

DATE: 3/14/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-5 DATE OF REQUEST: 3/1/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 3/12/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Please provide copies of monthly paid invoices, and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges, resolutions of disputed charges, et al), for the following contractors and months in 2011:

For PSL EPU Project:

a. Westinghouse:

1. January 2011
2. April 2011
3. August 2011
4. October 2011

b. Bechtel:

1. March 2011
2. April 2011
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1. February 2011
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3. September 2011
4. December 2011

e. Long Lead Materials:

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3. September 2011
4. December 2011

f. Plant Craft Support:

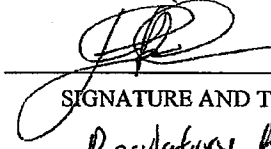
1. February 2011
2. April 2011
3. August 2011
4. December 2011

TO: AUDIT MANAGER Dave Rich

DATE: 3/14/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 4, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Project Planning and Risk Assessment

EPU DR1.1

- a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012.
- b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects.
- c) Provide a written summary of monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month.
- d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

EPU DR1.2

- a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each.
- b) Provide a written summary of major project risks identified and company mitigation programs undertaken to address each risk, from January 2011 and planned through April 2012.
- c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012.
- d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012.
- e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs.
- f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs.
- g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects.
- h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed.

- i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs?
- j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012.
- k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final.
- l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project.
- m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates.
- n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1.
- o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments.
- p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR.
- q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk.
- r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates?
- s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

EPU DR1.3

- a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns.
- b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues.
- c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling.
- d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy.
- e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage.
- f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.

Project Organization and Procedures

EPU DR1.4

- a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects.
- b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month.
- c) Explain the company's rationale and expected benefits for making the organizational changes in b) above.

- d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- e) Explain the company's rationale and expected benefits for making the organizational changes in d) above.
- f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month.
- g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month.
- h) Provide the percent of staffing requirements not completed to date.
- i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels.
- j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.

EPU DR1.5

- a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012.
- b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.

Project Cost Estimates and Schedules

EPU DR1.6

- a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012.
- b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:
 - 1. EPU Monthly Operating Report
 - 2. Internal and external audit engagements
 - 3. FPL Executive Steering Committee reports
 - 4. Monthly EPU Project Risk Matrix
 - 5. Monthly Risk Mitigation Plan Review
 - 6. Vendor Integration Committee reports (consolidated/replaced by Project Steering Committee Report and Technical Steering Committee)
 - 7. EPU Executive Steering Committee Report
 - 8. EPU Technical Steering Committee Report (consolidated/replaced by Vendor Integration report)
 - 9. Bi-Weekly Updates (CNO Updates) PSL & PTN
 - 10. EPU Project and Individual Unit Cost Data
 - 11. Disciplinary actions against contractors
 - 12. Provide copies of the Weekly Contract Compliance Matrix
- c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.
- d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

EPU DR1.7

- a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month.

- b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month.
- c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset.
- d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects.
- e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.

EPU DR1.8

- a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects.
- b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment.
- c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.

EPU DR1.9

- a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012.
- b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.
- c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.

Contractor Selection and Management

EPU DR1.10

- a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates.
- b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications.
- c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011.
- d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.
- e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month.
- f) Describe what efforts the company made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI.

EPU DR1.11

- a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects.

- b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits since January 2011 going forward through April 2012 by the 15th of each month.
- d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.

EPU DR1.12

- a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012.
- c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.

EPU DR1.13

- a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011.
- b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects.
- c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011.
- d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan.
- e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization.
- f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.

EPU DR1.14 Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.

Internal Audits and Quality Assurance Reports

EPU DR1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

EPU DR1.16

- a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012.
- b) Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.

EPU DR1.17

- a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs.

EPU DR1.18 List and describe any Quality Assurance actions (holds, delays, stops, etc.) recommended or taken, pending or planned by FPL, on manufacturers or contractors for the St. Lucie and Turkey Point projects since April 2011. Include a description of the events surrounding the action, the date the action was taken, a description of the Quality Assurance actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the project.

EPU DR1.19 Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.

March 2012 Monthly updates enclosed.

TO: AUDIT MANAGER Dave Rich DATE: 3/21/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT

(3) 1.1c, 1.3f, 1.4d, 1.4e, 1.6a-b, 1.7g-b, 1.10d, 1.16b
1.4g,

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-5 DATE OF REQUEST: 3/1/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 3/12/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
 X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Please provide copies of monthly paid invoices, and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges, resolutions of disputed charges, et al), for the following contractors and months in 2011:

PTN EPU Project

a. Westinghouse:

1. March 2011
2. May 2011
3. August 2011
4. October 2011

b. Bechtel:

1. March 2011
2. May 2011
3. September 2011
4. December 2011

c. Siemens Material:

1. March 2011
2. May 2011
3. September 2011
4. December 2011

d. Siemens Labor:

1. February 2011
2. June 2011
3. October 2011
4. December 2011

e. Long Lead Materials:

1. March 2011
2. April 2011
3. August 2011
4. November 2011

f. Implementation Support:

1. March 2011
2. May 2011
3. September 2011
4. December 2011

For PSL EPU Project:

a. Westinghouse:

1. January 2011
2. April 2011
3. August 2011
4. October 2011

b. Bechtel:

1. March 2011
2. April 2011
3. July 2011
4. December 2011

c. Siemens Material:

1. February 2011
2. May 2011
3. August 2011
4. October 2011

d. Siemens Labor:

1. January 2011
2. April 2011
3. September 2011
4. December 2011

e. Long Lead Materials:

1. February 2011
2. June 2011
3. September 2011
4. December 2011

f. Plant Craft Support:

1. February 2011
2. April 2011
3. August 2011
4. December 2011

TO: AUDIT MANAGER

Dave Rich

DATE:

3/21/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 5a, d, e (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 4, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Project Planning and Risk Assessment

EPU DR1.1

- a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012.
- b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects.
- c) Provide a written summary of monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month.
- d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

EPU DR1.2

- a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each.
- b) Provide a written summary of major project risks identified and company mitigation programs undertaken to address each risk, from January 2011 and planned through April 2012.
- c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012.
- d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012.
- e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs.
- f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs.
- g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects.
- h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed.

- i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs?
- j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012.
- k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final.
- l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project.
- m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates.
- n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1.
- o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments.
- p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR.
- q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk.
- r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates?
- s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

EPU DR1.3

- a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns.
- b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues.
- c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling.
- d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy.
- e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage.
- f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.

Project Organization and Procedures

EPU DR1.4

- a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects.
- b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month.
- c) Explain the company's rationale and expected benefits for making the organizational changes in b) above.

- d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- e) Explain the company's rationale and expected benefits for making the organizational changes in d) above.
- f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month.
- g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month.
- h) Provide the percent of staffing requirements not completed to date.
- i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels.
- j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.

EPU DR1.5

- a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012.
- b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.

Project Cost Estimates and Schedules

EPU DR1.6

- a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012.
- b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:
 - 1. EPU Monthly Operating Report
 - 2. Internal and external audit engagements
 - 3. FPL Executive Steering Committee reports
 - 4. Monthly EPU Project Risk Matrix
 - 5. Monthly Risk Mitigation Plan Review
 - 6. Vendor Integration Committee reports (consolidated/replaced by Project Steering Committee Report and Technical Steering Committee)
 - 7. EPU Executive Steering Committee Report
 - 8. EPU Technical Steering Committee Report (consolidated/replaced by Vendor Integration report)
 - 9. Bi-Weekly Updates (CNO Updates) PSL & PTN
 - 10. EPU Project and Individual Unit Cost Data
 - 11. Disciplinary actions against contractors
 - 12. Provide copies of the Weekly Contract Compliance Matrix
- c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.
- d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

EPU DR1.7

- a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month.

- b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month.
- c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset.
- d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects.
- e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.

EPU DR1.8

- a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects.
- b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment.
- c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.

EPU DR1.9

- a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012.
- b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.
- c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.

Contractor Selection and Management

EPU DR1.10

- a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates.
- b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications.
- c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011.
- d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.
- e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month.
- f) Describe what efforts the company made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI.

EPU DR1.11

- a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects.

- b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits since January 2011 going forward through April 2012 by the 15th of each month.
- d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.

EPU DR1.12

- a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012.
- c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.

EPU DR1.13

- a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011.
- b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects.
- c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011.
- d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan.
- e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization.
- f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.

EPU DR1.14 Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.

Internal Audits and Quality Assurance Reports

EPU DR1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

EPU DR1.16

- a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012.
- b) Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.

EPU DR1.17

- a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs.

EPU DR1.18 List and describe any Quality Assurance actions (holds, delays, stops, etc.) recommended or taken, pending or planned by FPL, on manufacturers or contractors for the St. Lucie and Turkey Point projects since April 2011. Include a description of the events surrounding the action, the date the action was taken, a description of the Quality Assurance actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the project.

EPU DR1.19 Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.

March 2012 Monthly updates enclosed.

TO: AUDIT MANAGER Dave Rich DATE: 3/21/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

SIGNATURE AND TITLE OF RESPONDENT

(3) 1.1c, 1.3f, 1.4d, 1.4e, 1.6a-b, 1.7a-b, 1.10d, 1.16b
1.4g,

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 EPU DATE OF REQUEST: March 28, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 28, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

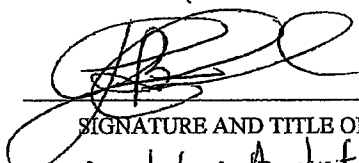
- 6.1 FPSC Staff, Turkey Point visit presentation dated March 27, 2012.
- 6.2 Extended Power Uprate Management Update presentation dated March 28, 2012.
- 6.3 Nuclear Business Operations Organizational Chart.
- 6.4 Cost Recovery Team Process and Cost Recovery Form.

TO: AUDIT MANAGER David Rich

DATE: 3/28/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 6.1, 6.2, 6.4 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)


SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst.

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 EPU

DATE OF REQUEST: March 28, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 28, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

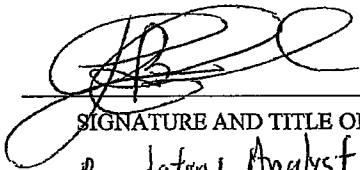
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- 6.4 Cost Recovery Team Process and Cost Recovery Form.

TO: AUDIT MANAGER David Rich

DATE: 3/28/12

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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst.

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU-APRIL DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 15, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Project Planning and Risk Assessment

EPU DR1.1

- a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012.
- b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects.
- c) Provide a written summary of monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month.
- d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

EPU DR1.2

- a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each.
- b) Provide a written summary of major project risks identified and company mitigation programs undertaken to address each risk, from January 2011 and planned through April 2012.
- c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012.
- d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012.
- e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs.
- f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs.
- g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects.
- h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed.

- i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs?
- j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012.
- k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final.
- l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project.
- m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates.
- n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1.
- o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments.
- p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR.
- q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk.
- r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates?
- s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

EPU DR1.3

- a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns.
- b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues.
- c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling.
- d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy.
- e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage.
- f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.

Project Organization and Procedures

EPU DR1.4

- a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects.
- b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month.
- c) Explain the company's rationale and expected benefits for making the organizational changes in b) above.

- d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- e) Explain the company's rationale and expected benefits for making the organizational changes in d) above.
- f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month.
- g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month.
- h) Provide the percent of staffing requirements not completed to date.
- i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels.
- j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.

EPU DR1.5

- a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012.
- b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.

Project Cost Estimates and Schedules

EPU DR1.6

- a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012.
- b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:
 - 1. EPU Monthly Operating Report
 - 2. Internal and external audit engagements
 - 3. FPL Executive Steering Committee reports
 - 4. Monthly EPU Project Risk Matrix
 - 5. Monthly Risk Mitigation Plan Review
 - 6. Vendor Integration Committee reports (consolidated/replaced by Project Steering Committee Report and Technical Steering Committee)
 - 7. EPU Executive Steering Committee Report
 - 8. EPU Technical Steering Committee Report (consolidated/replaced by Vendor Integration report)
 - 9. Bi-Weekly Updates (CNO Updates) PSL & PTN
 - 10. EPU Project and Individual Unit Cost Data
 - 11. Disciplinary actions against contractors
 - 12. Provide copies of the Weekly Contract Compliance Matrix
- c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.
- d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

EPU DR1.7

- a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month.

- b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month.
- c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset.
- d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects.
- e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.

EPU DR1.8

- a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects.
- b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment.
- c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.

EPU DR1.9

- a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012.
- b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.
- c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.

Contractor Selection and Management

EPU DR1.10

- a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates.
- b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications.
- c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011.
- d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.
- e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month.
- f) Describe what efforts the company made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI.

EPU DR1.11

- a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects.

- b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits since January 2011 going forward through April 2012 by the 15th of each month.
- d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.

EPU DR1.12

- a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012.
- b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012.
- c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.

EPU DR1.13

- a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011.
- b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects.
- c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011.
- d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan.
- e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization.
- f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.

EPU DR1.14 Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.

Internal Audits and Quality Assurance Reports

EPU DR1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

EPU DR1.16

- a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012.
- b) Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.

EPU DR1.17

- a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month.
- b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs.

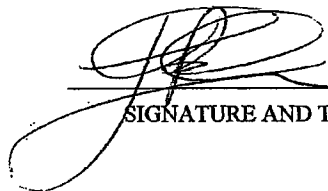
EPU DR1.18 List and describe any Quality Assurance actions (holds, delays, stops, etc.) recommended or taken, pending or planned by FPL, on manufacturers or contractors for the St. Lucie and Turkey Point projects since April 2011. Include a description of the events surrounding the action, the date the action was taken, a description of the Quality Assurance actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the project.

EPU DR1.19 Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.

TO: AUDIT MANAGER Dave Rich DATE: 4/16/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) i.1c, i.4g, i.6a, i.6b, i.16e i.16b, i.7a & i.7b IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU

DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 17, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X **OUTSIDE OF AN INQUIRY**

ITEM DESCRIPTION: Please Provide:

- 4.1. b. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts ongoing for January through April 2012. (T. Jones)

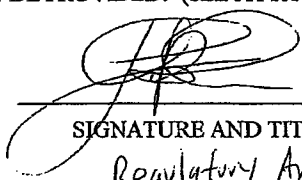
- 4.3 Provide a complete listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012, indicating:
 - a. The dates of the stand down or work stoppage,
 - b. The number of employees involved in each event,
 - c. The number of days for the stand down or stoppage,
 - d. And any additional schedule delays or costs due to the stand downs or work stoppage. (DR-1.3)

- 4.10 FPL has provided information that states approximately 81% of the engineering design work is complete based on earned hours (excluding unapproved Bechtel trends), yet approximately 64% of the total number of design packages are completed and approved.
 - d. Provide an updated chart of the engineering design package progress monthly through April 2012 (ongoing monthly), as provided on page 24 of FPL's 1/24/12 FPSC Staff Visit EPU Project Update.

TO: AUDIT MANAGER Dave Rich DATE: 4/17/12

THE REQUESTED RECORD OR DOCUMENTATION:

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- (3) AND IN MY OPINION, ITEMS(S) 4.16 (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

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AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

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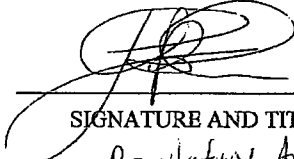
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TO: AUDIT MANAGER Dave Rich DATE: 4/17/12

THE REQUESTED RECORD OR DOCUMENTATION:

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- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.16 (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johannie ColemanUTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSCREQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1.
 - a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the *Project Estimate to Complete, Update 3/27/12, St. Lucie Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4.*
 - b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
 - c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
 - d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.

2.
 - a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$\$, total \$\$\$\$\$\$.
 - b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
 - c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
 - d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
 - e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
 - f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
 - g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
 - h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.

3.
 - a. Describe how the PSL1 reactor start-up went after the latest PSL1 BPU outage completed on March 27, 2012.
 - b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?
 - c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
 - d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
 - e. What is the net increased MWe output after the EPU?
 - f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the updated output?
 - g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL, PTN, Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
b. Please provide copies of the PSL, PTN, Variance Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
6. a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefitting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify.
b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3' company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: - Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED], but will the company ask recovery for any costs related to this event in 2011?
6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

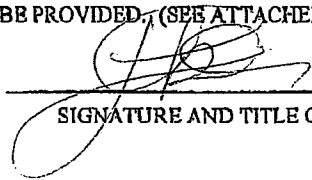
- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen, LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lead
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machning) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowserve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowserve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 2 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - 3 b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
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13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
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 - 4 5 b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED]; explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9605229).
 - 3) For PTN Siemens Labor
 - 6 a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
 - 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid 1 and total amount 2 on invoice 0022324; explain difference in amount paid 1 and amount invoiced 2 on invoice 39695363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
 - 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfine transfer, PR, Freight, Labor, et al).
14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
 b. Identify any differences in dollars and percent of total for each vendor and job position.
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 e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
 f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
 g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
 h. Has Guidant been complicit in preventing this type of activity?
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TO: AUDIT MANAGER Dave Rich DATE: 4/20/12

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- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.5, 7.11, 7.14, 7.19 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Jahonna Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

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 - b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
 - c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
 - d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.
2.
 - a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$\$, total \$\$\$\$\$\$.
 - b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
 - c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
 - d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
 - e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
 - f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
 - g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
 - h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.
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 - a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.
 - b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?
 - c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
 - d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
 - e. What is the net increased MWe output after the EPU?
 - f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the updated output?
 - g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL, PTN, Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
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b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3 company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: - Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED], but will the company ask recovery for any costs related to this event in 2011?
6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan. 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen. LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lezd
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowsolve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowsolve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M.
 - b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
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13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - 4 b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice
 - 5 of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9603229).
 - 3) For PTN Siemens Labor
 - 6 a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

4) For PTN Long Lead Material

- a. Bates 038793 provide copy of accruals and reversal documentation
- b. Bates 038808 provide copy of accruals and reversal documentation
- c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
- d. Bates 038939 provide copy of accruals and reversal documentation

5) For PTN Implementation Support

- a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
- b. Bates 051838 provide copy of accruals and other expenditures documentation.
- c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid 1 and total amount 2 on invoice 0022324; explain difference in amount paid 1 and amount invoiced 2 on invoice 39695363.
- d. Bates 052243 provide copy of accruals and other expenditures documentation

6) For PTN Bechtel

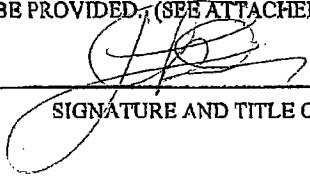
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TO: AUDIT MANAGER Dave Rich DATE: 4/20/12

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 SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-7

DATE OF REQUEST: 4/9/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12

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 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan. 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul. 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pt in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen, LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lezd
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowserve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowserve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 2) 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - 3) b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - 4) b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice
 - 5) of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9603229).
 - 3) For PTN Siemens Labor
 - 6) a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

4) For PTN Long Lead Material

- a. Bates 038793 provide copy of accruals and reversal documentation
- b. Bates 038808 provide copy of accruals and reversal documentation
- c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
- d. Bates 038939 provide copy of accruals and reversal documentation

5) For PTN Implementation Support

- a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
- b. Bates 051838 provide copy of accruals and other expenditures documentation.
- c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid 1 and total amount 2 on invoice 0022324; explain difference in amount paid 1 and amount 2 invoiced 2 on invoices 39695363.
- d. Bates 052243 provide copy of accruals and other expenditures documentation

6) For PTN Bechtel

- a. Bates 038967 provide copy of accruals and reversal documentation
- b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
- c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
- d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfm transfer, PR, Freight, Labor, et al).

14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
- b. Identify any differences in dollars and percent of total for each vendor and job position.
- c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
- d. Is this practice acceptable to FPL?
- e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
- f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
- g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
- h. Has Guidant been complicit in preventing this type of activity?
- i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Dwe Buch

DATE: 7/26/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.2a, 7.2d, 7.7, 7.8, 7.9, 7.10, 7.12 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

[Signature]

 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-3 EPU DATE OF REQUEST: January 31, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 14, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1. a. Please describe the nature of the NRC EPU audit at Turkey Point and at Westinghouse, conducted in December 2011, and supported by FPL.
b. Describe the recommendations and actions taken as a result of the audit.
c. Please provide, or make available, a copy of the audit, audit results, recommendations, and management responses. (EPU DR-1.1a)
2. a. Please explain further why it was necessary for Bechtel Procurement to review FPL issued PO's related to contract performance issues, and the commercial impact due to poor supplier performance.
b. Please describe the Procurement Review results and any actions taken by EPU management as a result of the Bechtel/FPL Procurement Review. (6/1/11 PSL Weekly Leadership Meeting (Bates 003200))
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
3. a. Discuss the Bechtel Procurement, Supplier Quality, PSL, and PTN Project Management meeting regarding a revised Supplier Quality approach, and issues raised by FPL QA regarding the current program (purpose, date, attendees, issues, actions, recommendations or resolutions, and cost and schedule impacts on the project). (7/6/11 PSL Weekly Leadership Meeting (Bates 003275))
b. Describe the FPL QA issues identified at both plant sites and the outcome of EPU management decisions.
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
4. a. Discuss the Engineering Subcontractors program compliance surveillance initiated with reviews of completed training initiated, and the meeting held with the FPL QA Manager (Juno) regarding this issue. (10/5/11 Weekly Leadership Meeting).
b. Describe the FPL QA compliance issues identified, the subcontractors involved, the results of the meeting, and any management actions taken to resolve the issues.
c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
5. a. Discuss the "Issues/Concerns Hilti Summary and what changes were made as a result of the Bechtel QA limited scope audits. (Bates 003477, 10/5/11 Weekly Leadership Meeting).
b. Provide any e-mails, letters, or other documents to document the management actions taken.
6. a. Discuss the QA audit, issue 4 corrective action reports, and MSR corrective action report.
b. Provide any e-mails, letters, or other documents to evidence the management actions taken (11/2/11 Weekly Leadership Meeting).
c. Discuss the three (3) Bechtel EPU HU Related CR's for the week ending 10/28/11.
d. Provide any e-mails, letters, or other documents to evidence the management actions taken.
7. a. In item 4 on page 13 of 28 (Bates 003554), what is meant by qualification is still an issue?
b. Describe management actions to correct the qualification issue and provide any documentation of actions taken.
c. What rework was needed due to the issue?

- d. Explain any schedule or cost impacts necessary due to the rework?
 - e. Provide any documentation identifying the rework scope, schedule, or cost impacts.
8.
 - a. In item 5 on page 13 of 28 (Bates 003554), discuss the recent changes identified and the impacts on the SL1-24 outage.
 - b. Describe any actions taken by management to resolve the impacts.
 - c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 9.
 - a. Please explain the Licensing group qualification issue (Two candidates still waiting for 50.59 evaluation related qualification) and how this issue slowed down the package revision progress, resulting in rework. (11/2/11 PSL Weekly Leadership Meeting (Bates 003544))
 - b. Describe any actions taken by management to resolve the impacts.
 - c. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 10.
 - a. Explain why Bechtel asked for the deviation of expansion anchors provided by Hilti. (11/2/11 PSL Weekly Leadership Meeting)
 - b. Were the anchors provided by Hilti problematic, or not to specification?
 - c. Please identify any anticipated risks or impacts to the project, as a result of the Hilti anchors.
 - d. Describe any actions taken by management to resolve any risks or project impacts.
 - e. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 11.
 - a. Provide the most current listing, by Unit, of the remaining RAIs necessary to complete responses to the NRC for LAR approval. (DR-1.2)
 - b. Discuss any RAI response items that may impact the Unit outages or LAR approvals.
 - c. Describe management's actions to resolve any outstanding issues or any anticipated delays.
 - d. Provide any e-mails, letters, or other documents to evidence the management actions taken.
 12.
 - a. Discuss the monitoring requirements associated with the PSL IWF Permit received in September 2011.
 - b. Is the IWF for both units, or for each unit separately?
 - c. Are there different requirements for both units?
 - d. Please describe any difference in requirements for each unit.
 - e. What were the Two pre-uprate baseline biological monitoring events that have been completed?
 - f. Describe what the monitoring for biological events includes.
 - g. Discuss any potential delays of the PSL EPU LAR due to monitoring requirements. (DR-1.2)
 13.
 - a. Was the PTN Gantry Crane upgrade completed as expected in December 2011?
 - b. Were the costs different than those provided in FPL's response to DR-1.2?
 - c. Please explain any differences in cost or schedule to complete the PTN Gantry Crane upgrade. (DR-1.2)
 14. Explain why FPL modified the outage duration for:
 - a. PSL-1 from 110 days to 127 days
 - b. PSL-2 from [redacted] days to [redacted] days.
 - c. PTN-3 from 120 days to 160 days
 - d. PTN-4 from [redacted] days to [redacted] days (DR-1.3)
 15.
 - a. Discuss why FPL added replacement of the PSL-2 #4 A & B Low Pressure Feedwater Heaters to the 2012 Unit 2 EPU outage scope.
 - b. Discuss why the mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation is necessary.
 - c. Will PSL1 be run at currently licensed levels until after the mid cycle outage?
 - d. When will the unit be brought to full uprate power?
 - e. Explain the cost/benefit between running PSL1 at the current licensed level until the next scheduled outage and the mid cycle outage to insert new fuel. (DR-1.3)
 16.
 - a. Did the addition of Bechtel Field Planners for PTN EPU improve the timeliness of work package planning as believed?
 - b. Discuss the number of additional planners added and the project improvements experienced.
 - c. Describe the improvements realized by adding work package planners.
 - d. Provide the PTN project costs for adding planners to improve work package timeliness. (DR-1.3)
 17.
 - a. Please provide the root cause analysis for the December 17, 2011, Bechtel imposed PSL safety stand down caused when craft personnel commenced work on the wrong motor control center.
 - b. Explain how the [redacted] of estimated cost was calculated and by whom.
 - c. Explain who is responsible for paying those costs.
 - d. Explain what options are available to resolve the commercial settlement.
 - e. When does the company plan to pursue those options?
 - f. When should the commercial negotiations be complete?
 - g. Will the company submit any costs for this event to the NCRC for recovery?) (DR-1.3)

18.
 - a. Explain any progress in the commercial settlement of the Bechtel November 2010 Turkey Point Unit 3 work stoppage.
 - b. What options are left to resolve the commercial settlement?
 - c. When does the company plan to complete pursuing the available options? (DR-1.3)

19.
 - a. Please explain the impact of the TEI Force Majeure on each of the uprate units schedule.
 - b. Please explain any additional project costs for each uprate unit experienced due to the Force Majeure.
 - c. Explain the problems with TEI's quality of work experienced by the project prior to the Force Majeure.
 - d. Provide copies of any Recovery Plans for TEI improvement during 2011. (DR-1.6, COO Update 2011-06-06.pdf)

20.
 - a. Please further explain the scope and purpose of the Six Sigma project performed at PSL after the spring 2011 SL2-19 outage.
 - b. Please explain how the Six Sigma project was related to the Siemens scope.
 - c. Provide the cost borne by Siemens for the Six Sigma project.
 - d. Provide any e-mails, letters, or other documents evidencing the project scope and costs paid by Siemens.
 - e. Were any costs incurred by the EPU project for the Six Sigma project?
 - f. If the project incurred costs for the Six Sigma project please provide a breakdown of costs incurred.
 - g. Provide an explanation of any of the costs associated with the Six Sigma project being submitted for recovery. (DR-1.9)

21.
 - a. Do FPL penalties assessed to contractors for lost badge, lost badge w/elevated access, etc. escalate for repeated incidents?
 - b. Explain whether there is any particular reason the staff augmentation contractors were released for non performance issues at the same time?
 - c. Discuss the reasons why the PSL EPU Site Director issued recovery plans to the PSL Site Vice President in July and September 2011.
 - d. Were any additional Recovery Plans issued to the PSL Site Vice President in 2011 or 2012 to date? (If so, please provide)
 - e. Discuss the reasons why the PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President in June and September 2011.
 - f. Were any additional Recovery Plans issued to the PTN Site Vice President in 2011 or 2012 to date? (If so, please provide)
 - g. Discuss when the "new" Bechtel Project Engineering Manager at PTN came aboard and any reasons for replacement of the prior Bechtel Engineering Manager.
 - h. Discuss the reasons behind the FPL & Bechtel Engineering Optimization effort and establishing leads as issue managers.
 - i. Provide all Recovery Plans submitted to FPL after April 2011, not previously provided in DR-1.13. (DR-1.13)

22.
 - a. Explain why it was necessary for FPL to request Siemens to set up a cost reporting system for the future PSL and PTN time and materials outage scopes.
 - b. Had FPL experienced problems with Siemens reporting correct charges in previous project scopes of work?
 - c. Is this a regular FPL request of all T&M contractors, or was this request for specific reasons? (DR-1.14)

23. Provide a copy of the following, or provide access to view:
 - a. The Extended Power Uprate (EPU) Review of 2010 Expenditures Audit was performed by Jefferson Wells.
 - b. The Bechtel Vendor Audit performed by FPL Internal Auditing was completed in December 2011.
 - c. PTN completed a self-audit of augmented staffing in November 2011.
 - d. The Extended Power Uprate (EPU) Review of 2011 Expenditures Audit will be performed by Experis under FPL Internal Auditing's direction and supervision 2nd Qtr.
 - e. The Shaw or Siemens Vendor Audit 3rd Qtr.
 - f. Experis Audit of Bechtel contracts 2nd Qtr.
 - g. Turkey Point and St. Lucie Contractor Overtime Investigation 1st Qtr.
 - h. St. Lucie Contractor Hiring Practices Investigation 1st Qtr.
 - i. Internal Audit Investigation (AWPP) when completed (DR-1.15)

TO: AUDIT MANAGER DAVE RICH DATE: 2/23/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 3.2, 3.4, 3.6, 3.10-3.11, 3.14-3.18, 3.21-3.23 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.00654 A.C.

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Jahnnia ColemanUTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSCREQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1.

- a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the *Project Estimate to Complete, Update 3/27/12, St. Lucia Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4.*
- b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
- c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
- d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.

2.

- a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$, total \$\$\$\$\$.
- b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
- c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
- d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
- e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
- f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
- g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
- h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.

3.

- a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.
- b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?
- c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
- d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
- e. What is the net increased MWe output after the EPU?
- f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the uprated output?
- g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL PTN Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
b. Please provide copies of the PSL PTN Variance Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
6. a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefitting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify.
b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel Imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3 company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED] but will the company ask recovery for any costs related to this event in 2011?
2) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
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 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowsolve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowsolve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9603229).
 - 3) For PTN Siemens Labor
 - a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
 - 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid 1 and total amount; 2 on invoice 0022324; explain difference in amount paid 1 and amount invoiced 2 on invoice 39695363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
 - 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfine transfer, PR, Freight, Labor, et al).
14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
 b. Identify any differences in dollars and percent of total for each vendor and job position.
 c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
 d. Is this practice acceptable to FPL?
 e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
 f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
 g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
 h. Has Guidant been complielt in preventing this type of activity?
 i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Lynn Yisler DATE: 4/30/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.1 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, ~~366.093~~, OR 367.156 P.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Alfany Colon Manager
 SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Jahnnie ColemanUTILITY: Florida Power & Light CompanyDavid Rich
AUDIT MANAGERFROM: FPSCREQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1.
 - a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the *Project Estimate to Complete, Update 3/27/12, St. Lucie Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4.*
 - b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
 - c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
 - d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.
2.
 - a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$\$, total \$\$\$\$\$\$.
 - b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
 - c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
 - d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
 - e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
 - f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
 - g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
 - h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.
3.
 - a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.
 - b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?
 - c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
 - d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
 - e. What is the net increased MW output after the EPU?
 - f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the uprated output?
 - g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL, PTN, Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
b. Please provide copies of the PSL, PTN, Variance Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
6. a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefiting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify.
b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3 company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: - Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED] but will the company ask recovery for any costs related to this event in 2011?
2. 6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan. 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul. 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen, LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lezd
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re; Flowsolve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowsolve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M.
 - b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (Inv. # 9605229).
 - 3) For PTN Siemens Labor
 - a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
 - 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid [REDACTED] and total amount [REDACTED] on invoice 0022324; explain difference in amount paid [REDACTED] and amount [REDACTED] invoiced [REDACTED] on invoice 39095363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
 - 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xtime transfer, PR, Freight, Labor, et al).
14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSI Contractor Hiring Practices Investigation, for the same job positions.
 b. Identify any differences in dollars and percent of total for each vendor and job position.
 c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
 d. Is this practice acceptable to FPL?
 e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
 f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
 g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
 h. Has Guidant been complicit in preventing this type of activity?
 i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Lyndy M. Fisher DATE: 5/11/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY 7-13
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7-13 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.136 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Jeffrey Cohen Manager
 SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 17, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1.
 - a. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts from January through December 2011. (T. Jones)
 - b. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts ongoing for January-through April 2012. (T. Jones)
2. Provide the following information regarding the PTN September 24, 2011 Bechtel imposed stand down of select employees:
 - a. The PTN Unit where the work stoppage occurred
 - b. The total number of employees involved
 - c. The dates the employees were suspended without pay
 - d. The number of work stoppages and stand downs attributed to Bechtel employees during 2011 (DR-1.3)
3. Provide a complete listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012, indicating:
 - a. The dates of the stand down or work stoppage,
 - b. The number of employees involved in each event,
 - c. The number of days for the stand down or stoppage,
 - d. And any additional schedule delays or costs due to the stand downs or work stoppage. (DR-1.3)
4.
 - a. Please provide evidence of the Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair.
 - b. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages of this outage. (DR-1.3)
5.
 - a. Discuss the incident on October 12, 2011, when a lead EPU project manager at the St. Lucie Nuclear Plant was suspended without pay for five days for harassing and intimidating behavior.
 - b. Explain what caused the incident.
 - c. Was the person being harassed and intimidated an employee or contractor?
 - d. Has this manager exhibited this type of behavior in the past?
 - e. Did this event cause any schedule delay or additional costs to the project?
 - f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
6.
 - a. Discuss the incident on October 18, 2011, when a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session.
 - b. Explain what caused the incident.
 - c. What was the inappropriate behavior?
 - d. Has this employee exhibited this type of behavior before?
 - e. Did this event cause any schedule delay or additional costs to the project?

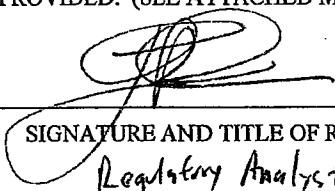
- f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
- 7.
- a. Please explain why the February and March Siemens Liquidated Damages are not paid as of July 8, 2011 (Bates 051433).
 - b. Provide documentation of when and how the Siemens Liquidated Damages were paid, similar to the manner the Bechtel LD Event Log was completed.
 - c. Provide company procedures document the proper handling and payment of Liquidated Damages used by the EPU project.
 - d. Explain why the July 8, 2011 Bechtel LD Event Log shows event #9 a NRC Recordable firearm violation paid on 6/9/11 with a LD category of d, indicating a reportable Badging event. (Bates 051432).
 - e. Provide updated information for event #17 showing whether a Fitness of Duty violation was paid, including support information showing payment.
 - f. Provide the most current Liquidated Damages Logs for all contractors having recorded events in 2011 and 2012, in the same format as the Bechtel and Siemens logs. (DR-1.13)
- 8.
- a. Please provide evidence of the correcting entries (completed 5/2/11 and 5/16/11) to reclassify non-recoverable payroll and expense report charges for employees identified in EPU Review, 2010 Expenditures completed on May 12, 2011.
 - b. What were the total dollars in the correcting entries?
 - c. Explain why the adjustments for 6/14/11 and 7/27/11 additional training hours were needed.
 - d. Provide evidence of the adjusting entries made for 6/14/11 and 7/27/11 additional training hours identified from 1/1/09 to 5/31/11. (Extended Power Uprate (EPU) Review, 2010 Expenditures was completed on May 12, 2011) (DR-1.19)
- 9.
- Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- a. Date of settlement agreement
 - b. Copy of signed agreement
 - c. Provide an explanation and breakdown of all expenses due to the generator stator work stoppage during the PSL2 outage
 - d. Explain how FPL arrived at the original estimated expense in early 2011 and why that estimate was lowered to the current amount.
 - e. Provide documented evidence of the expenses paid by FPL and Siemens in support of the agreement.
 - f. Provide an explanation and breakdown of the:
 - 1. Dollar amount of expenses FPL has paid to date.
 - 2. Dollar amount of expenses Siemens has paid to date.
 - 3. The Siemens contractual limited liability amount calculated by FPL, and the contractual sections documenting the limitations.
 - 4. Expenses for which FPL has already received NCRC recovery
 - 5. Expenses for which FPL will request recovery in this year's NCRC proceedings
 - g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.
- 10.
- FPL has provided information that states approximately 81% of the engineering design work is complete based on earned hours (excluding unapproved Bechtel trends), yet approximately 64% of the total number of design packages are completed and approved.
- a. Explain why the earned hours for the engineering packages are approximately 17% higher than the approximate design packages completed.
 - b. Explain the expected impacts on engineering design packages and earned hours when the unresolved Bechtel trends are considered.
 - c. When are the unresolved Bechtel trends expected to be resolved, and what are the expected impacts to project cost and schedule?
 - d. Provide an updated chart of the engineering design package progress monthly through April 2012 (ongoing monthly), as provided on page 24 of FPL's 1/24/12 FPSC Staff Visit EPU Project Update.
- 11.
- Please provide a chart showing:
- a. The initial estimated MWs produced by each PSL and PTN unit,
 - b. The initially estimated increase in MW output (from Need hearing),
 - c. The final estimated MW output as a result of the uprate of each unit, and
 - d. The particular unit changes that provide the estimated additional increased MW for each unit.
- 12.
- a. Explain why the PSL EPU Site Director, the PSL EPU Construction Manager, and the PTN EPU Project Controls Manager, all left the company of their own volition in the same month (September 2011).
 - b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.

TO: AUDIT MANAGER Dave Rich

DATE: 5/15/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.3-reusecl (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Jahinnie ColemanUTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSCREQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1.
 - a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the *Project Estimate to Complete, Update 3/27/12, St. Lucie Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4.*
 - b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
 - c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
 - d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.
2.
 - a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$\$, total \$\$\$\$\$\$.
 - b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
 - c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
 - d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
 - e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
 - f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
 - g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
 - h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.
3.
 - a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.
 - b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?
 - c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
 - d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
 - e. What is the net increased MWe output after the EPU?
 - f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the updated output?
 - g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL, PTN, Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
b. Please provide copies of the PSL, PTN, Variance Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
6. a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefiting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify.
b. Please provide a copy of Concentrio's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "declassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3 company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: - Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED], but will the company ask recovery for any costs related to this event in 2011?
6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan. 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul. 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen. LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lead
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowserve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowsolve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9603229).
 - 3) For PTN Siemens Labor
 - a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

4) For PTN Long Lead Material

- a. Bates 038793 provide copy of accruals and reversal documentation
- b. Bates 038808 provide copy of accruals and reversal documentation
- c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
- d. Bates 038939 provide copy of accruals and reversal documentation

5) For PTN Implementation Support

- a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
- b. Bates 051838 provide copy of accruals and other expenditures documentation.
- c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid and total amount on invoice 0022324; explain difference in amount paid and amount invoiced on invoice 39695363.
- d. Bates 052243 provide copy of accruals and other expenditures documentation

6) For PTN Bechtel

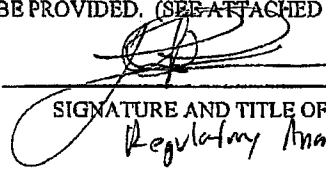
- a. Bates 038967 provide copy of accruals and reversal documentation
- b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
- c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
- d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfine transfer, PR, Freight, Labor, et al).

14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
- b. Identify any differences in dollars and percent of total for each vendor and job position.
- c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
- d. Is this practice acceptable to FPL?
- e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
- f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
- g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
- h. Has Guidant been complicit in preventing this type of activity?
- i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Dave Rich DATE: 5/15/14

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.2b-suppl/7.9 revised IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johonia ColemanUTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSCREQUEST NUMBER: EPU DR-8 DATE OF REQUEST: 5/3/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 5/14/12REFERENCE RULE 25422.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Please answer the following questions related to the February 2011 PSL-2 stator core work stoppage incident:
 - a. Did Siemens worksite tool accountability control protocol(s) or procedure(s) exist in February 2011?
 - b. Please provide the Siemens tool worksite tool accountability control protocol(s) or procedure(s) as they existed on February 1, 2011.
 - c. Had FPL reviewed the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 2011?
 - d. Did FPL inspect and approve the Siemens stator core worksite tool accountability control protocol(s) or procedure(s) prior to the February 2011 stator core alignment pin incident?
 - e. Please describe the FPL review methodology and scope used for the tool accountability review for the Siemens stator core worksite tool accountability control protocol(s) or procedure(s).
 - f. Who completed the worksite tool accountability review for FPL?
 - g. Did FPL note any discrepancies to the Siemens worksite tool accountability control protocol(s) or procedure(s)? Please describe any discrepancies noted by FPL.
 - h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011?
 - i. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) following the work stoppage incident involving the alignment pin left inside the stator?
 - j. Please provide the Siemens worksite tool accountability control protocol(s) or procedure(s) currently in effect for EPU.
 - k. What was the date that the current worksite tool accountability control protocol(s) were implemented?
 - l. In its root cause investigation of the stator core alignment pin incident, did FPL find any fault with its own supervisory oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
 - m. Please describe FPL's responsibilities for oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?

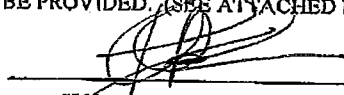
- n. In the year preceding the stator core incident, how many times did FPL inspect and certify as adequate the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
- o. Under the stator core worksite tool accountability control protocol(s) and/or procedure(s) that existed prior to the stator core alignment pin incident, how was accountability procedures determined for a new tool coming into the inventory?
- p. Was the methodology for determining worksite tool accountability control protocol(s) or procedure(s) the same for a new single piece tool and one with multiple components?
- q. At the time of the Siemens stator core alignment pin incident, by job and position title, who was responsible for determining the suitable and adequate tool accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
- r. At the time of the Siemens stator core alignment pin incident, by job and position title, who approved the determination of what was suitable and adequate accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
- s. As compared to a single-piece new tool coming into the inventory, at the time when the new alignment pin set was introduced, was the method to determine suitable and adequate tool accountability different or more exacting for a multi-piece tool set than a single-piece?
- t. Does FPL recognize that tool accountability is an integral, critical safeguard for a complex worksite?
- u. Please describe the changes to tool accountability that Siemens has been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- v. Please describe the changes to tool accountability that have been put into place or caused to be put in place (as a result of) since the February 2011 Siemens stator core alignment pin incident by:
- FPL
 - Siemens
- w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- x. When were those changes put into place (month and year)?
- y. Provide copies of the updated procedures for tool accountability that have been put into place (as a result of) since the February 2011 stator core alignment pin incident.
- z. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what actions FPL took as the owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- aa. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what measures FPL had in place as owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- bb. When was FPL first made aware of the new alignment pin tool set used by Siemens?
- cc. Did FPL supervisory personnel have any discussions with Siemens tool accountability personnel about how to structure and implement adequate tool accountability for the multi-piece alignment pin tool set?
2. Please provide the following information regarding the LAR schedule:
- a. Provide the date (day/month/year) the PTN AST LAR was submitted, and the date of NRC acceptance for review.
 - b. Provide the date (day/month/year) the PTN SFPC LAR was submitted, and the date of NRC acceptance for review.
3. a. Please explain the EPU resolution of the [REDACTED] estimated to be a result of the Bechtel 11/1/10 work stoppage due to a Bechtel worker cutting into a pipe while grinding.
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.
4. a. Please provide a breakdown of the dollar amount of estimated additional cost for the 6/30/11 Bechtel work stoppage at PTN3 in the Turbine Building.
- b. Explain what FPL means by "no significant impact" to estimated costs.
- c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

- 5. a. Provide a breakdown of the [redacted] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL.
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER Dave Rich DATE: 5/15/12

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- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 9.3, 9.4, 85 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1, 4, 5, 7, 8 EPU

DATE OF REQUEST: NA

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: NA

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Attached are revised, supplement and May responses to DRs 1, 4, 5, 7 and 8 as follows:

Item	Confidential
1.6a April Supplemental	Yes
4.3 Revised	Yes
5.1f PTN Revised	Yes
7.13 Revised	Yes
7.2b Supplemental	Yes
7.3 Supplemental	No
7.9 Revised	Yes
8.1 Supplemental	No

May items:

1.1c	Yes
1.3f	Yes
1.4b, d, e, f, g	1.4g
1.6a, b, d	1.6a, b
1.7a, b	Yes
1.10a, b, d	Yes
1.11 c, d	No
1.16b	Yes
1.17a, b	No
4.1b	Yes
4.3	No
4.10d	No

TO: AUDIT MANAGER _____ Lynn Fisher _____

DATE: 5/24/12 _____

THE REQUESTED RECORD OR DOCUMENTATION:

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 - g. Did FPL note any discrepancies to the Siemens worksite tool accountability control protocol(s) or procedure(s)? Please describe any discrepancies noted by FPL.
 - h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011?
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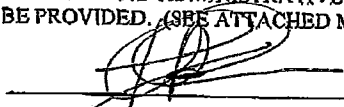
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- Siemens
- w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- x. When were those changes put into place (month and year)?
- y. Provide copies of the updated procedures for tool accountability that have been put into place (as a result of) since the February 2011 stator core alignment pin incident.
- z. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what actions FPL took as the owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- aa. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what measures FPL had in place as owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- bb. When was FPL first made aware of the new alignment pin tool set used by Siemens?
- cc. Did FPL supervisory personnel have any discussions with Siemens tool accountability personnel about how to structure and implement adequate tool accountability for the multi-piece alignment pin tool set?
2. Please provide the following information regarding the LAR schedule:
a. Provide the date (day/month/year) the PTN AST LAR was submitted, and the date of NRC acceptance for review.
b. Provide the date (day/month/year) the PTN SFPC LAR was submitted, and the date of NRC acceptance for review.
3. | a. Please explain the EPU resolution of the [REDACTED] estimated to be a result of the Bechtel 11/1/10 work stoppage due to a Bechtel worker cutting into a pipe while grinding.
b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.
4. a. Please provide a breakdown of the dollar amount of estimated additional cost for the 6/30/11 Bechtel work stoppage at PTN3 in the Turbine Building.
b. Explain what FPL means by "no significant impact" to estimated costs.
c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

- 5. | a. Provide a breakdown of the [REDACTED] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL.
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER Dave Rich DATE: 5/15/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 8.3, 8.4, 8.5 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-8- Supp 2 DATE OF REQUEST: 5/3/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 5/14/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Please answer the following questions related to the February 2011 PSL-2 stator core work stoppage incident:
 - a. Did Siemens worksite tool accountability control protocol(s) or procedure(s) exist in February 2011?
 - b. Please provide the Siemens tool worksite tool accountability control protocol(s) or procedure(s) as they existed on February 1, 2011.
 - c. Had FPL reviewed the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 2011?
 - d. Did FPL inspect and approve the Siemens stator core worksite tool accountability control protocol(s) or procedure(s) prior to the February 2011 stator core alignment pin incident?
 - e. Please describe the FPL review methodology and scope used for the tool accountability review for the Siemens stator core worksite tool accountability control protocol(s) or procedure(s).
 - f. Who completed the worksite tool accountability review for FPL?
 - g. Did FPL note any discrepancies to the Siemens worksite tool accountability control protocol(s) or procedure(s)? Please describe any discrepancies noted by FPL.
 - h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011?
 - i. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) following the work stoppage incident involving the alignment pin left inside the stator?
 - j. Please provide the Siemens worksite tool accountability control protocol(s) or procedure(s) currently in effect for EPU.
 - k. What was the date that the current worksite tool accountability control protocol(s) were implemented?
 - l. In its root cause investigation of the stator core alignment pin incident, did FPL find any fault with its own supervisory oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
 - m. Please describe FPL's responsibilities for oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?

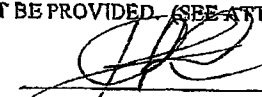
- n. In the year preceding the stator core incident, how many times did FPL inspect and certify as adequate the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
- o. Under the stator core worksite tool accountability control protocol(s) and/or procedure(s) that existed prior to the stator core alignment pin incident, how was accountability procedures determined for a new tool coming into the inventory?
- p. Was the methodology for determining worksite tool accountability control protocol(s) or procedure(s) the same for a new single piece tool and one with multiple components?
- q. At the time of the Siemens stator core alignment pin incident, by job and position title, who was responsible for determining the suitable and adequate tool accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
- r. At the time of the Siemens stator core alignment pin incident, by job and position title, who approved the determination of what was suitable and adequate accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
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- t. Does FPL recognize that tool accountability is an integral, critical safeguard for a complex worksite?
- u. Please describe the changes to tool accountability that Siemens has been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- v. Please describe the changes to tool accountability that have been put into place or caused to be put in place (as a result of) since the February 2011 Siemens stator core alignment pin incident by:
- FPL
- Siemens
- w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- x. When were those changes put into place (month and year)?
- y. Provide copies of the updated procedures for tool accountability that have been put into place (as a result of) since the February 2011 stator core alignment pin incident.
- z. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what *actions* FPL took as the owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
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- bb. When was FPL first made aware of the new alignment pin tool set used by Siemens?
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a. Provide the date (day/month/year) the PTN AST LAR was submitted, and the date of NRC acceptance for review.
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b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.
4. a. Please provide a breakdown of the dollar amount of estimated additional cost for the 6/30/11 Bechtel work stoppage at PTN3 in the Turbine Building.
b. Explain what FPL means by "no significant impact" to estimated costs.
c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

- 5. a. Provide a breakdown of the [redacted] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL.
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER Dave Rich DATE: 5/4/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) S.1b, e, j, y IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU -1.15-suppl 2 DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: June 6, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Internal Audits and Quality Assurance Reports

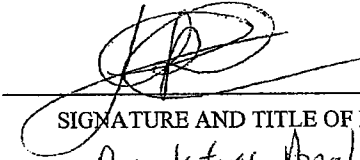
EPU DR 1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

TO: AUDIT MANAGER DweRich DATE: 6/6/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1-15-suppl 2 (IS) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Jahnnie Coleman

UTILITY: Florida Power & Light Company David Rich

AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-8 1-5/11 3 DATE OF REQUEST: 5/3/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 5/14/12 6/8/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

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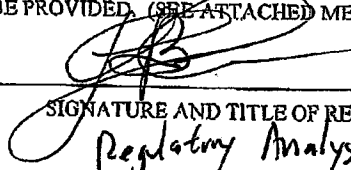
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c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

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- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER Dave Rich DATE: 6/8/12

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- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
 Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 EPU DATE OF REQUEST: February 6, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 17, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

1.
 - a. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts from January through December 2011. (T. Jones)
 - b. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts ongoing for January through April 2012. (T. Jones)
2. Provide the following information regarding the PTN September 24, 2011 Bechtel imposed stand down of select employees:
 - a. The PTN Unit where the work stoppage occurred
 - b. The total number of employees involved
 - c. The dates the employees were suspended without pay
 - d. The number of work stoppages and stand downs attributed to Bechtel employees during 2011 (DR-1.3)
3. Provide a complete listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012, indicating:
 - a. The dates of the stand down or work stoppage,
 - b. The number of employees involved in each event,
 - c. The number of days for the stand down or stoppage,
 - d. And any additional schedule delays or costs due to the stand downs or work stoppage. (DR-1.3)
4.
 - a. Please provide evidence of the Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the \$6,400 being withheld from the Bechtel invoice to pay for the repair.
 - b. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages of this outage. (DR-1.3)
5.
 - a. Discuss the incident on October 12, 2011, when a lead EPU project manager at the St. Lucie Nuclear Plant was suspended without pay for five days for harassing and intimidating behavior.
 - b. Explain what caused the incident.
 - c. Was the person being harassed and intimidated an employee or contractor?
 - d. Has this manager exhibited this type of behavior in the past?
 - e. Did this event cause any schedule delay or additional costs to the project?
 - f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
6.
 - a. Discuss the incident on October 18, 2011, when a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session.
 - b. Explain what caused the incident.
 - c. What was the inappropriate behavior?
 - d. Has this employee exhibited this type of behavior before?
 - e. Did this event cause any schedule delay or additional costs to the project?

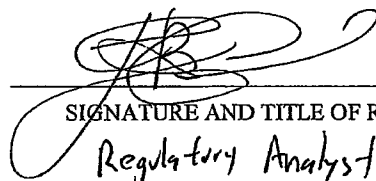
- f. Was the employee's personnel file documented regarding the event?
 - g. Is this employee still employed by FPL on the EPU project? (DR-1.4)
- 7.
- a. Please explain why the February and March Siemens Liquidated Damages are not paid as of July 8, 2011 (Bates 051433).
 - b. Provide documentation of when and how the Siemens Liquidated Damages were paid, similar to the manner the Bechtel LD Event Log was completed.
 - c. Provide company procedures document the proper handling and payment of Liquidated Damages used by the EPU project.
 - d. Explain why the July 8, 2011 Bechtel LD Event Log shows event #9 a NRC Recordable firearm violation paid on 6/9/11 with a LD category of d, indicating a reportable Badging event. (Bates 051432).
 - e. Provide updated information for event #17 showing whether a Fitness of Duty violation was paid, including support information showing payment.
 - f. Provide the most current Liquidated Damages Logs for all contractors having recorded events in 2011 and 2012, in the same format as the Bechtel and Siemens logs. (DR-1.13)
- 8.
- a. Please provide evidence of the correcting entries (completed 5/2/11 and 5/16/11) to reclassify non-recoverable payroll and expense report charges for employees identified in EPU Review, 2010 Expenditures completed on May 12, 2011.
 - b. What were the total dollars in the correcting entries?
 - c. Explain why the adjustments for 6/14/11 and 7/27/11 additional training hours were needed.
 - d. Provide evidence of the adjusting entries made for 6/14/11 and 7/27/11 additional training hours identified from 1/1/09 to 5/31/11. (Extended Power Uprate (EPU) Review, 2010 Expenditures was completed on May 12, 2011) (DR-1.19)
9. Explain the FPL settlement with Siemens for the February PSL2 outage due to an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Provide the following information:
- a. Date of settlement agreement
 - b. Copy of signed agreement
 - c. Provide an explanation and breakdown of all expenses due to the generator stator work stoppage during the PSL2 outage
 - d. Explain how FPL arrived at the original estimated expense in early 2011 and why that estimate was lowered to the current amount.
 - e. Provide documented evidence of the expenses paid by FPL and Siemens in support of the agreement.
 - f. Provide an explanation and breakdown of the:
 - 1. Dollar amount of expenses FPL has paid to date.
 - 2. Dollar amount of expenses Siemens has paid to date.
 - 3. The Siemens contractual limited liability amount calculated by FPL, and the contractual sections documenting the limitations.
 - 4. Expenses for which FPL has already received NCRC recovery
 - 5. Expenses for which FPL will request recovery in this year's NCRC proceedings
 - g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.
10. FPL has provided information that states approximately 81% of the engineering design work is complete based on earned hours (excluding unapproved Bechtel trends), yet approximately 64% of the total number of design packages are completed and approved.
- a. Explain why the earned hours for the engineering packages are approximately 17% higher than the approximate design packages completed.
 - b. Explain the expected impacts on engineering design packages and earned hours when the unresolved Bechtel trends are considered.
 - c. When are the unresolved Bechtel trends expected to be resolved, and what are the expected impacts to project cost and schedule?
 - d. Provide an updated chart of the engineering design package progress monthly through April 2012 (ongoing monthly), as provided on page 24 of FPL's 1/24/12 FPSC Staff Visit EPU Project Update.
11. Please provide a chart showing:
- a. The initial estimated MWs produced by each PSL and PTN unit,
 - b. The initially estimated increase in MW output (from Need hearing),
 - c. The final estimated MW output as a result of the uprate of each unit, and
 - d. The particular unit changes that provide the estimated additional increased MW for each unit.
- 12.
- a. Explain why the PSL EPU Site Director, the PSL EPU Construction Manager, and the PTN EPU Project Controls Manager, all left the company of their own volition in the same month (September 2011).
 - b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.

TO: AUDIT MANAGER Dave Rich

DATE: 2/23/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
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- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: EPU DR-5 DATE OF REQUEST: 3/1/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 3/12/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY

 X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

* * * * *

1. Please provide copies of monthly paid invoices, and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges, resolutions of disputed charges, et al), for the following contractors and months in 2011:

For PSL EPU Project:

a. Westinghouse:

1. January 2011
2. April 2011
3. August 2011
4. October 2011

b. Bechtel:

1. March 2011
2. April 2011
3. July 2011
4. December 2011

c. Siemens Material:

1. February 2011
2. May 2011
3. August 2011
4. October 2011

d. Siemens Labor:

1. January 2011
2. April 2011
3. September 2011
4. December 2011

e. Long Lead Materials:

1. February 2011
2. June 2011
3. September 2011
4. December 2011

f. Plant Craft Support:

1. February 2011
2. April 2011
3. August 2011
4. December 2011

TO: AUDIT MANAGER Dave Rich DATE: 3/14/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johannie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 EPU DATE OF REQUEST: March 28, 2012

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: March 28, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

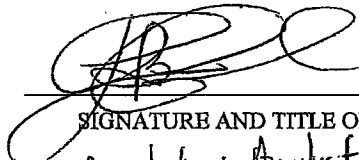
ITEM DESCRIPTION: Please Provide:

- 6.1 FPSC Staff, Turkey Point visit presentation dated March 27, 2012.
- 6.2 Extended Power Uprate Management Update presentation dated March 28, 2012.
- 6.3 Nuclear Business Operations Organizational Chart.
- 6.4 Cost Recovery Team Process and Cost Recovery Form.

TO: AUDIT MANAGER David Rich DATE: 3/28/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 6.1, 6.2, 6.4 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst.

FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSO

REQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- Please provide a signed Notice of Intent with responses.
Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

- 1. a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the Project Estimate to Complete, Update 3/27/12, St. Lucia Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4.
b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors.
c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars.
d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.
2. a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$\$, total \$\$\$\$\$.
b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.
c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL.
d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012.
e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate.
f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors?
g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions.
h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.
3. a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.
b. Were there any outages related deficiencies experienced or identified after the Unit 1 start-up?
c. Has the unit turbine efficiency been tested and measured for MW output under operational load?
d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?
e. What is the net increased MWe output after the EPU?
f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the updated output?
g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

- h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?
i. When can FPL realize the full increased EPU output of PSL1?
4. a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012.
b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012.
c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.
5. a. Please provide copies of the PSL, PTN, Accrual Report listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.
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6. a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefiting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify.
b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page 25).
c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45).
d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).
7. Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees:
1) Which PTN unit was involved?
2) Would work normally have been conducted on weekends as well as week days?
3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11?
4) How many employees were suspended for the entire time?
5) Was additional training given to all employees?
6) If not, how many people were trained?
7) What CRs, ARs, or other reports were issued to document the work stoppage?
8) Did this work stoppage occur in an outage condition?
9) What were the costs for this work stoppage and who incurs those costs?
8. Related to the DR-4.3 company response re: a listing of all work stoppages and stand downs for all vendors, by Unit, during 2011 and ongoing through April 2012:
1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs.
2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery.
3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?
9. Related to the DR- 4.4 company response re: - Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair:
1) Were other costs for re-training, etc. considered in the final adjustment amount?
2) Explain how FPL came up with the final costs associated with the work stoppage and why they are different from those estimated last year.
3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors?
4) Who paid the costs for the 15 day work stoppage and human performance training?
5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED], but will the company ask recovery for any costs related to this event in 2011?
6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.
10. Related to the DR-3.13 company response re: The PTN Gantry Crane.
1) What is meant by the Gantry Crane being substantially completed?

- 2) What work remains to be completed?
 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability?
 4) Explain what the negotiations between Bechtel and Whiting Services is regarding.
 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?
11. Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.
12. Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:
- 1) For PSL Westinghouse
 - a. Bates 021921 provide copy of accrual information for Jan. 11
 - b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11
 - c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul. 11 and Aug 11.
 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
 - 2) For PSL Siemens Material
 - a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11
 - 3) For PSL Siemens Labor
 - a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses).
 - b. Bates 034335 provide copy of accrual information for Gen, LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount.
 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
 - 4) For PSL Long Lead
 - a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED]
 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowserve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowserve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED]; explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9604229).
 - 3) For PTN Siemens Labor
 - a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
- 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid 1 and total amount 2 on invoice 0022324; explain difference in amount paid 1 and amount 2 invoiced 2 on invoice 39695363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
- 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfm transfer, PR, Freight, Labor, et al).

- 14.
 - a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
 - b. Identify any differences in dollars and percent of total for each vendor and job position.
 - c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
 - d. Is this practice acceptable to FPL?
 - e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
 - f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
 - g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
 - h. Has Guidant been complicit in preventing this type of activity?
 - i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Dwe Rich DATE: 7/26/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.2a, 7.2d, 7.7, 7.8, 7.9, 7.10, 7.12 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
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[Signature]

 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Jahinnie ColemanUTILITY: Florida Power & Light Company David Rich
AUDIT MANAGERFROM: FPSCREQUEST NUMBER: EPU DR-7 DATE OF REQUEST: 4/9/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 4/19/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

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 - d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred.
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 - c. Bates 034580 provide copy of accruals and Other Charges documentation.
 - d. Bates 034691 provide copy of accruals and Other Charges documentation.
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 - b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowsolve.
 - c. Bates 034854 provide copy of accruals and reclasses (Flowsolve and ABB); explain accrual error and provide documentation.
 - 5) For PSL Plant Craft Support
 - a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.
 - d. Bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.
 - 6) For PSL Bechtel
 - 2 a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).
 - 3 b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)
 - c. Bates 027373 provide copy of accruals and reclasses documentation
 - d. Bates 029325 provide copy of accruals and reclasses documentation
13. Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:
- 1) For PTN Westinghouse
 - a. Bates 038626 provide copy of accruals documentation
 - 4 5 b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED] explain accrual for [REDACTED] and reversal for [REDACTED]
 - c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)
 - d. Bates 038675 provide copy of accruals and reversal documentation
 - 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9605229).
 - 3) For PTN Siemens Labor
 - 6 a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])

- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
 - 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid and total amount on invoice 0022324; explain difference in amount paid and amount invoiced on invoice 39695363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
 - 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xtime transfer, PR, Freight, Labor, et al).
14. a. Provide a comparison of 2011 rates charged for Black Diamond candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions.
 b. Identify any differences in dollars and percent of total for each vendor and job position.
 c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules?
 d. Is this practice acceptable to FPL?
 e. What prevents other employees and contractors from being paid for recruiting augmentation staff?
 f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay?
 g. Was this practice similar to the one previously identified in EPU by the TSSD audit?
 h. Has Guidant been complicit in preventing this type of activity?
 i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements.

TO: AUDIT MANAGER Sybil Fischer DATE: 4/30/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 7.1 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Alfany Colon Manager
 SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie ColemanUTILITY: Florida Power & Light CompanyDavid Rich
AUDIT MANAGERFROM: FPSCREQUEST NUMBER: EPU DR-8 DATE OF REQUEST: 5/3/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 5/14/12REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ♦ Please provide a signed Notice of Intent with responses.
- ♦ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

1. Please answer the following questions related to the February 2011 PSL-2 stator core work stoppage incident:
 - a. Did Siemens worksite tool accountability control protocol(s) or procedure(s) exist in February 2011?
 - b. Please provide the Siemens tool worksite tool accountability control protocol(s) or procedure(s) as they existed on February 1, 2011.
 - c. Had FPL reviewed the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 2011?
 - d. Did FPL inspect and approve the Siemens stator core worksite tool accountability control protocol(s) or procedure(s) prior to the February 2011 stator core alignment pin incident?
 - e. Please describe the FPL review methodology and scope used for the tool accountability review for the Siemens stator core worksite tool accountability control protocol(s) or procedure(s).
 - f. Who completed the worksite tool accountability review for FPL?
 - g. Did FPL note any discrepancies to the Siemens worksite tool accountability control protocol(s) or procedure(s)? Please describe any discrepancies noted by FPL.
 - h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011?
 - i. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) following the work stoppage incident involving the alignment pin left inside the stator?
 - j. Please provide the Siemens worksite tool accountability control protocol(s) or procedure(s) currently in effect for EPU.
 - k. What was the date that the current worksite tool accountability control protocol(s) were implemented?
 - l. In its root cause investigation of the stator core alignment pin incident, did FPL find any fault with its own supervisory oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
 - m. Please describe FPL's responsibilities for oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?


- n. In the year preceding the stator core incident, how many times did FPL inspect and certify as adequate the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
- o. Under the stator core worksite tool accountability control protocol(s) and/or procedure(s) that existed prior to the stator core alignment pin incident, how was accountability procedures determined for a new tool coming into the inventory?
- p. Was the methodology for determining worksite tool accountability control protocol(s) or procedure(s) the same for a new single piece tool and one with multiple components?
- q. At the time of the Siemens stator core alignment pin incident, by job and position title, who was responsible for determining the suitable and adequate tool accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
- r. At the time of the Siemens stator core alignment pin incident, by job and position title, who approved the determination of what was suitable and adequate accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory?
- s. As compared to a single-piece new tool coming into the inventory, at the time when the new alignment pin set was introduced, was the method to determine suitable and adequate tool accountability different or more exacting for a multi-piece tool set than a single-piece?
- t. Does FPL recognize that tool accountability is an integral, critical safeguard for a complex worksite?
- u. Please describe the changes to tool accountability that Siemens has been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- v. Please describe the changes to tool accountability that have been put into place or caused to be put in place (as a result of) since the February 2011 Siemens stator core alignment pin incident by:
- FPL
- Siemens
- w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
- x. When were those changes put into place (month and year)?
- y. Provide copies of the updated procedures for tool accountability that have been put into place (as a result of) since the February 2011 stator core alignment pin incident.
- z. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what *actions* FPL took as the owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- aa. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what *measures* FPL had in place as owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s).
- bb. When was FPL first made aware of the new alignment pin tool set used by Siemens?
- cc. Did FPL supervisory personnel have any discussions with Siemens tool accountability personnel about how to structure and implement adequate tool accountability for the multi-piece alignment pin tool set?
2. Please provide the following information regarding the LAR schedule:
a. Provide the date (day/month/year) the PTN AST LAR was submitted, and the date of NRC acceptance for review.
b. Provide the date (day/month/year) the PTN SFPC LAR was submitted, and the date of NRC acceptance for review.
3. | a. Please explain the EPU resolution of the [REDACTED] estimated to be a result of the Bechtel 11/1/10 work stoppage due to a Bechtel worker cutting into a pipe while grinding.
b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.
4. a. Please provide a breakdown of the dollar amount of estimated additional cost for the 6/30/11 Bechtel work stoppage at PTN3 in the Turbine Building.
b. Explain what FPL means by "no significant impact" to estimated costs.
c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

- 5. a. Provide a breakdown of the [redacted] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL.
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER Dave Rich DATE: 5/15/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 9.3, 8.4, 85 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



 SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie ColemanUTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSCREQUEST NUMBER: EPU DR-8 DATE OF REQUEST: 5/3/12AUDIT PURPOSE: Project Management Internal ControlsREQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 5/14/12REFERENCE RULE 25422.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRYX OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION:

INSTRUCTIONS

- ◆ Please provide a signed Notice of Intent with responses.
- ◆ Please furnish items in electronic format, via CD (2 copies each, confidential and non-confidential)

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 - h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011?
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 - m. Please describe FPL's responsibilities for oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?

- n. In the year preceding the stator core incident, how many times did FPL inspect and certify as adequate the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)?
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- v. Please describe the changes to tool accountability that have been put into place or caused to be put in place (as a result of) since the February 2011 Siemens stator core alignment pin incident by:
- FPL
 - Siemens
- w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident.
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- b. Explain what FPL means by "no significant impact" to estimated costs.
- c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

- 5. a. Provide a breakdown of the [redacted] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL
- b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

TO: AUDIT MANAGER *Kyle Fisher* DATE: *5/25/12*

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY *8-1*
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Anthony Cohen Manager
SIGNATURE AND TITLE OF RESPONDENT

**FLORIDA PUBLIC SERVICE COMMISSION
AUDIT DOCUMENT/RECORD REQUEST
NOTICE OF INTENT**

TO: Johnnie Coleman

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 EPU -1.15-suppl 2 DATE OF REQUEST: November 2, 2011

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: June 6, 2012

REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE: INCIDENT TO AN INQUIRY
X OUTSIDE OF AN INQUIRY

ITEM DESCRIPTION: Please Provide:

Internal Audits and Quality Assurance Reports

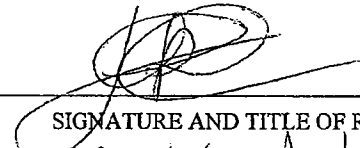
EPU DR 1.15

- a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012.
- b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.

TO: AUDIT MANAGER DneRich DATE: 6/6/12

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.15-suppl 2 IS ARE PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)



SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

***7. Document
Summaries &
Control Logs***

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company	Workload Control #: PA-11-11-005
Area: 2012 Nuclear Controls Review	File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\Documents\DR-1\PTN DocSumLog
Auditor(s): D. Rich L. Fisher	

Document #: NEW DR-1.1 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please explain the FPL philosophy toward its commitment to construct Turkey Point 6&7.
	Summary of Contents: FPL states that the entered into the PTN 6&7 project because it "...recognized the economic, environmental and system reliability benefits provided by nuclear generation for FPL's customers." The company claims it has maintained close scrutiny on the potential benefits throughout the project, and continues to affirm that they are substantial, realistic and achievable.
	FPL says it remains committed to realizing those benefits for our customers, which naturally entails ultimately constructing Turkey Point 6&7.
	Realizing those benefits is contingent on completing a series of important milestones, including: <ul style="list-style-type: none"> ⊙ selecting a site and technology ⊙ obtaining all permits ⊙ developing an execution plan with committed contracts and schedule ⊙ then executing that plan.
	FPL says that its philosophy is to maintain a diligent, risk-managed approach to accomplish each milestone so that the project and its benefits may be delivered at the earliest practicable time.
	Conclusions: Data Request(s) Generated: No. _____ Description: No. _____ Description:
Follow-up Required: Yes. What does FPL now consider the "earliest practical time"	

Document #: NEW DR-1.2 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please explain how the nuclear incident at Fukushima, and the regulatory or industry reactions to it, impacted FPL Turkey Point 6&7 construction plans or planning?
	Summary of Contents: FPL claims that to date there has been no impact from the Fukushima event on PTN 6&7 construction plans or planning.
FPL further states that in the (NRC) regulatory arena there have been several related activities, none of which have discernibly impacted the project. They cite a group of parties to the NRC Combined License proceeding (including Southern Alliance for Clean Energy and Citizens Allied for Safe Energy) petitioned the NRC to halt all licensing of the AP1000 until a full review can be analyzed for changes to other technologies. The NRC dismissed the petition. The NRC indicates that while	

	<p>it is reasonable that some future requirements may be developed, that possibility is not a reason to stop current processes. NRC processes are available to incorporate future requirements, once developed.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: What is the current estimated cost of completion of the Turkey Point 6&7 project?</p> <p>Summary of Contents: Current cost estimates to complete PTN 6&7 has not changed from the data provided in the May 2011 filing. See TOR-2 schedule, True Up to Original, Sect (8)(f). A copy of the TOR-2 was attached – also see TOR-2 filing. The in-service cost of PTN 6&7 is currently estimated to be in a range from \$12.85B (low end) to \$18.75B (high end).</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: FPL previously described its ‘window of opportunity’ to sign a Turkey Point 6&7 project construction contract (EPC or EP and C) as 2013-2014, in order to avoid negatively impacting project schedule. Please explain:</p> <ol style="list-style-type: none"> a. Whether this remains the project planning timeframe for signing a construction contract. b. Whether FPL has decided to use an EPC or an EP and C contract. If so, which? c. If preliminary talks or negotiations have begun with a prospective EPC contractor. d. If preliminary talks or negotiations have begun with prospective EP and C contractors. e. How failure to sign a contract by 2013-2014 will impact the project for schedule and cost. <p>Summary of Contents:</p> <ol style="list-style-type: none"> a. Based on the current project schedule (Rev 5A), the EP and C (or EPC) contracts are scheduled to be awarded November 30, 2014. Therefore the above timeframe is consistent with the current project schedule. b. No. c. No. d. No. e. FPL states that failing to sign a contract by 11/30/14 may or may not impact project schedule or costs. <p>If work is not initiated by that date, FPL says there would be increasing risk (reducing probability) of maintaining the scheduled COD dates based on assumptions made when project schedule (5A) was developed. Lessons learned from the early construction units will inform the scheduling process identifying challenges and opportunities.</p>

	<p>Potential cost impacts (positive or negative) of such scenarios cannot be determined with limited information and the large number of project variables. FPL states that costs above or below those currently projected are possible. However, the decision to proceed will be made based on the project's feasibility and will be presented to FPSC through the annual process.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: NEW DR-1.5 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a recap of work accomplished on the Turkey Point 6&7 project from January 1, 2011 through December 31, 2011.</p> <p>Summary of Contents: During 2011 FPL focus was to maintain progress in the licensing and permitting processes.</p> <p>In the state Site Certification process, several key milestones were achieved.</p> <p>In the Transmission track, the project worked with individual agencies to review the application and develop agency reports. Two alternative corridors were submitted by interested parties and are in the statutory review process.</p> <p>The project team has maintained an ongoing interaction with ENP staff to support the EIS being conducted to review the federally authorized land exchange.</p> <p>In the Plant track, the project responded to significant requests for information resulting in being found complete in September. Since that time the project team has coordinated with interested agencies and local governments to begin the review of the application that will lead to the plant agency reports in the first half of 2012.</p> <p>A draft SCA amendment was developed and is being considered for submittal in late 2011 or early 2012.</p> <p>FPL also filed a motion requesting that the Administrative Law Judge provide guidance defining the proper scope of Miami-Dade County's Land Use determination. This step was necessary to assist in the efficient processing of the application through the land use and site certification hearing stages.</p> <p>The project also continued to respond to NRC staff RAIs as they develop the NRC Environmental Impact Statement and Safety Evaluation Report; two reports that will be the subject of the Atomic Safety Licensing Board hearings in 2014. The FPL licensing team incorporated numerous RAIs and other changes into Rev 3 of the COLA.</p> <p>Project staff continued to monitor industry milestones and events to identify potential impacts to overall project cost or schedule and provide indicators as to when Preparation phase activities are warranted.</p> <p>Review and approval of the AP1000 DC Amendment and Vogtle Reference (R)-COLA maintained progress in 2011; no impacts to the PTN 6&7 project are indicated.</p>

	Conclusions: Data Request(s) Generated: No. ____ Description: No. ____ Description: Follow-up Required:																																				
Document #: NEW DR-1.6 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide an itemized list, description, and timeline of Turkey Point 6&7 milestones achieved from January 1, 2011 through December 31, 2011. Summary of Contents: <table border="1"> <thead> <tr> <th>PROCESS</th> <th>MILESTONE</th> <th>DATE ACHIEVED</th> </tr> </thead> <tbody> <tr> <td>SCA/ COLA Submitted</td> <td>Submitted revised groundwater model</td> <td>February 2011</td> </tr> <tr> <td>Underground Injection Control</td> <td>Commenced UIC Exploratory Well</td> <td>May 2011</td> </tr> <tr> <td>Land Exchange w/ ENP</td> <td>EIS Scoping Meeting</td> <td>June 2011</td> </tr> <tr> <td>SCA</td> <td>Alternate Corridors</td> <td>August 2011</td> </tr> <tr> <td>FPSC</td> <td>NCRC Hearings</td> <td>August 2011</td> </tr> <tr> <td>SCA</td> <td>Plant Completeness</td> <td>September 2011</td> </tr> <tr> <td>USACE</td> <td>Submitted Alternatives Analysis</td> <td>October 2011</td> </tr> <tr> <td>FPSC</td> <td>2011 Order</td> <td>November 2011</td> </tr> <tr> <td>USACE</td> <td>RAI Response West Transmission</td> <td>December 2011</td> </tr> <tr> <td>SCA</td> <td>Motion to Define LU Scope</td> <td>December 2011</td> </tr> <tr> <td>NRC</td> <td>COLA Revision 3</td> <td>December 2011</td> </tr> </tbody> </table> <p>FPL states that project pace was indirectly impacted by several external events:</p> <ul style="list-style-type: none"> ⊙ March 2011 tsunami in Japan and subsequent Fukushima Dai-Ichi nuclear accident influenced the NRC's COLA review. ⊙ Regionally, a change in executive administration and layoffs at the South Florida Water Management District influenced the pace of SCA reviews. ⊙ A recall of Miami-Dade County Mayor Alvarez and subsequent special election of Mayor Gimenez influenced response time of MDC in reviewing the SCA. Conclusions: Data Request(s) Generated: No. ____ Description: No. ____ Description: Follow-up Required:	PROCESS	MILESTONE	DATE ACHIEVED	SCA/ COLA Submitted	Submitted revised groundwater model	February 2011	Underground Injection Control	Commenced UIC Exploratory Well	May 2011	Land Exchange w/ ENP	EIS Scoping Meeting	June 2011	SCA	Alternate Corridors	August 2011	FPSC	NCRC Hearings	August 2011	SCA	Plant Completeness	September 2011	USACE	Submitted Alternatives Analysis	October 2011	FPSC	2011 Order	November 2011	USACE	RAI Response West Transmission	December 2011	SCA	Motion to Define LU Scope	December 2011	NRC	COLA Revision 3	December 2011
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USACE	RAI Response West Transmission	December 2011																																			
SCA	Motion to Define LU Scope	December 2011																																			
NRC	COLA Revision 3	December 2011																																			
Document #: NEW DR-1.7 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide an itemized list, description, and timeline of Turkey Point 6&7 activities and/or milestones anticipated in 2012. Summary of Contents: <table border="1"> <thead> <tr> <th>PROCESS</th> <th>MILESTONE</th> <th>DATE ACHIEVED</th> </tr> </thead> <tbody> <tr> <td>SCA</td> <td>Land use consistency determination</td> <td>February 2012</td> </tr> <tr> <td>SCA</td> <td>FDEP Project Analysis - Transmission</td> <td>February 2012</td> </tr> <tr> <td>SCA</td> <td>SCA Amendment</td> <td>February 2012</td> </tr> </tbody> </table>	PROCESS	MILESTONE	DATE ACHIEVED	SCA	Land use consistency determination	February 2012	SCA	FDEP Project Analysis - Transmission	February 2012	SCA	SCA Amendment	February 2012																								
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SCA	Agency Reports – Plant	March 2012
NRC	Safety Review – RAI Phase A complete	March 2012
SCA	Land Use Hearing (if required)	April 2012
FPSC	NCRC Testimony filed for 2012/2013	May 2012
SCA	Siting Board Hearing – Land Use	July 2012
SCA	FDEP Project Analysis – Plant	July 2012
FPSC	NCRC Hearings	August 2012
SCA	Site Certification Hearings	September 2012
SCA	ALJ Recommendation Order	December 2012

FPL contends that project pace may be indirectly impacted by certain external events:

- ⊙ NRC response to Fukushima could further influence the COLA review schedules.
- ⊙ Elections in MDC and local municipalities may influence the ability of those parties to timely participate in the SCA review process.

Conclusions:

Data Request(s) Generated:
 No. _____ Description:
 No. _____ Description:

Follow-up Required:

Document #: NEW DR-1.8
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please provide a copy of all white papers used to capture 2011 project decisions.

Summary of Contents:
 FPL provided one (1) memorandum (No. 2011 – 001, dated August 18, 2011, from Robert Regan)

It was identified as company document **FPLMTF-11-0149**

Subject: Reclaimed Water Treatment Facility Alternative Sites Evaluation

Background
 A Reclaimed Water Treatment Facility (RWTF) is needed to provide additional treatment of reclaimed water received from Miami-Dade County, which is the proposed primary cooling water makeup supply for the Turkey Point Units 6 & 7 Project (PTN 6 & 7). During initial project design and layout, the location of the RWTF was determined based on a number of considerations including plant operations, zoning approvals, land availability, construction feasibility, and potential environmental impacts. In response to agency reviews of the PTN 6 & 7 site certification application, FPL evaluated alternative sites for the RWTF.

Situational Analysis
 FPL evaluated alternative sites for the RWTF both on and off the Turkey Point plant property (see Figure 1). The evaluation compared the current and alternate locations against nine criteria. The results are summarized in what follows.

(Page 2 is Fig 1, an aerial view of the area showing alternative reclaimed water treatment sites)

(Page 3 – a chart comparing the FPL proposal and 3 alternative proposals, looking at the following criterion:

- ⊙ Operations
- ⊙ Security
- ⊙ CDMP / Zoning
- ⊙ Commercial
- ⊙ Wetlands
- ⊙ Land Use Impacts
- ⊙ RWTF Construction Costs
- ⊙ Additional Pipeline Construction
- ⊙ Property Owners Affected (by pipeline construction)

(Page 4) For operations and security, FPL considered its experience at other operating facilities, including an affiliate plant, that use reclaimed water for cooling water supply. FPL determined that an on-site location for the RWTF was necessary for effective integration of reclaimed water into the project. Operational advantages of managing the reclaimed water treatment immediately upstream of the PTN 6&7 cooling towers include allowing the operating staff to manage the water quality into the makeup water reservoir, and to immediately respond to any reclaimed water issue that would affect PTN 6&7 operation. In addition, an on-site location of the facility avoids the need for additional security personnel, since these areas are already patrolled by plant security. Also, an off-site location would require a backup power supply, thus increasing the required acreage for the facility. As such, Alternatives #1 and #2 were determined to not support effective/efficient operations and require additional security personnel/features, and thus acreage, when compared to the other alternatives.

Alternatives #1 and #2 are designated Agriculture/AU and would require amendment of the CDMP and unusual use zoning approval to allow the siting of the RWTF, while the FPL Proposed and Alternative #3 locations should not require any further zoning approval, as the RWTF would be an approved ancillary facility under the current Unusual Use zoning approval. In addition, a change to an offsite location for the RWTF would complicate and negatively impact the relationship between the seller (MDC) and buyer (FPL) of reclaimed water services. Inherent in the current commercial arrangement is the concept that the pipeline is fully owned and operated by MDC. Relocation of the FPL-owned and operated RWTF to a site within the MDC-owned and operated pipeline would deny MDC unconditional use of its own asset, as water quality and usage of treated water downstream of the FPL RWTF would necessarily be restricted to the PTN 6&7 project vs. alternatives that may be of interest to MDC, such as wetland rehydration.

Regarding land use and wetlands impacts, the Alternatives #1 and #2 have the highest impacts for each of these criteria compared to the on-site locations. This is primarily driven by the need for additional land at the off-site locations to accommodate items such as backup power supplies and security, and because the off-site locations are also located in wetlands. The costs for the facility and the associated pipeline for the off-site alternatives would be approximately \$70 million higher for Alternative #1 and \$45 million higher for Alternative #2, driven by the need for additional infrastructure at these locations, as well as longer pipeline runs for Alternative #1. In addition, the number of private property owners that would be affected is considerably higher for Alternative #1, again due to the longer pipeline run.

Based on these considerations, FPL has confirmed the appropriateness of the proposed location, but also the reasonableness

of relocating the RWTF from its proposed location to Alternative #3. This on-site location is an area of wetlands at the Turkey Point Plant that has been historically dredged in association with the test cooling canal evaluations, and currently consists of upland spoil piles dominated by Australian pine, excavated open water canals, an upland access pathway, sawgrass marsh, dwarf mangroves, and exotic wetland hardwoods. The use of this significantly disturbed area would reduce wetland impacts by approximately 8 acres (18%) as compared to the proposed location. Should Alternative #3 be certified, the pipeline route would need to be modified south of Palm Drive to connect to the facility. The modification to the pipeline route will result in approximately 5.3 additional acres of temporary wetland impacts compared to the FPL proposed route.

Determination

As part of initial project design and layout, the location of the Reclaimed Water Treatment Facility (RWTF) was determined based on a number of considerations including plant operations, zoning approvals, land availability, construction feasibility, and potential environmental impacts. In response to agency reviews of the PTN 6&7 site certification application, FPL evaluated alternative sites for the RWTF both on and off the Turkey Point plant property. Based on that evaluation, FPL determined that an offsite location is not appropriate, but identified the possibility of relocating the RWTF from its proposed location to Alternative #3. The relocation of the RWTF would result in a reduction of wetland impacts by approximately 8 acres (18%) as compared to the current location. A minor modification of the pipeline route on FPL property south of Palm Drive would be necessary resulting in approximately 5.3 additional acres of temporary wetland impacts.

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

Document #: DR-1.9
Date Requested:
Date Received:
Comments: (I.e., Confidential)

Document Title and Purpose of Review: Please describe and provide the dates of **federal**-level (e.g. NRC, EPA, DOE, etc) applications, approvals and certifications granted to Turkey Point 6&7 since January 1, 2011.

Summary of Contents:

JURISDICTIONAL AGENCY	DESCRIPTION	STATUS
Federal Aviation Agency	FAA Obstruction Permit for Unit 6 containment bldg	Permit issued 01/31/2011
Federal Aviation Agency	FAA Obstruction Permit for Unit 7 containment bldg	Permit issued 01/31/2011

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

Document #: DR-1.10
Date Requested:
Date Received:
Comments: (I.e., Confidential)

Document Title and Purpose of Review: Please describe pending **federal**-level (e.g. NRC, EPA, DOE, etc) applications, approvals and certifications required for PTN 6&7, the anticipated dates of completion, and a timeline depicting the events.

Summary of Contents:

FPL submitted a Combined License Application to the NRC for the construction and operation of PTN 6&7. This application seeks, through the inclusion of appropriate provisions, authorization to possess and use such quantities of source material, by-

product material, and special nuclear material needed to construct and operate the units. The NRC review process includes the preparation of a Safety Evaluation Report (SER) and an Environmental Impact Statement (EIS) pursuant to the National Environmental Policy Act. Following completion of the SER and EIS, the NRC will hold hearings that will result in a decision on granting the license. In addition, a Joint Application for Environmental Resource Permit/Authorization to Use Sovereign Submerged Lands/Federal Dredge and Fill Permit will be submitted separately to the ACOE. The ACOE will use the EIS developed in the NRC process as the record of decision to support the ERP. The most current timeline for the project is provided below.

JURISDICTIONAL AGENCY	DESCRIPTION	STATUS
NRC	Final SER issued	Expected November 2013
NRC	Final EIS issued	Expected February 2014
NRC	COLA issued	Estimated June 2014
ACOE	Permit	Estimated June 2014

Conclusions:

Data Request(s) Generated:

No. _____ Description:
 No. _____ Description:

Follow-up Required:

Document #: DR-1.11
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: Please provide a description of pending state-level applications, approvals, licenses, and certifications required for the Turkey Point 6&7 project, the anticipated dates of completion, and a timeline depicting the events.

Summary of Contents:

JURISDICTIONAL AGENCY	DESCRIPTION	STATUS
FDEP Siting Board	Power Plant Site Certification	Decision expected for: 2013
FDEP USEPA Region IV review	NPDES storm water operations permit for industrial activities	Application Date: 06/30/2009
FDEP USEPA Region IV review	Modification of Industrial Wastewater Treatment Facility (IWW) Permit	Application Date: 06/30/2009
FDEP / USEPA	NPDES construction storm water permit	Application to be submitted two days prior to beginning construction
FDEP	UIC well construction permit	Application date TBD. Decision to move forward and submit application to be made after the exploratory well is completed.
FDEP	Class I well operation permit	Application date TBD. Decision to move forward and submit application to be made after the

			exploratory well is completed.						
	FDEP	Title V Air Permit	Application to be submitted 90 days prior to expiration of the Prevention of Significant Deterioration (PSD) permit, but no later than 180 days after commencing operations.						
Conclusions:									
Data Request(s) Generated: No. _____ Description: No. _____ Description:									
Follow-up Required:									
Document #: DR-1.12 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a description of pending <u>local</u> -level (municipal or county) applications, approvals, licenses, and certifications required for the Turkey Point 6&7 project the anticipated dates of completion, and a timeline depicting the events.								
Summary of Contents:									
<table border="1"> <thead> <tr> <th>JURISDICTIONAL AGENCY</th> <th>DESCRIPTION</th> <th>STATUS</th> </tr> </thead> <tbody> <tr> <td>Miami Dade County</td> <td>Land Use Consistency Determination</td> <td>Decision expected 02/15/2012</td> </tr> </tbody> </table>				JURISDICTIONAL AGENCY	DESCRIPTION	STATUS	Miami Dade County	Land Use Consistency Determination	Decision expected 02/15/2012
JURISDICTIONAL AGENCY	DESCRIPTION	STATUS							
Miami Dade County	Land Use Consistency Determination	Decision expected 02/15/2012							
Conclusions:									
Data Request(s) Generated: No. _____ Description: No. _____ Description:									
Follow-up Required:									
Document #: DR-1.13 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: What is the current NRC COLA review schedule from the NRC?								
Summary of Contents: (summarized from a letter dated 10/27/11, NRC to Mano K. Nazar, FPL Sr VP & CNO):									
<p>By letter dated June 30, 2009, FPL submitted its application to the NRC for combined licenses (COLs) for two AP1000 advanced passive pressurized water reactors in accordance with the requirements contained in Title 10 of the <i>Code of Federal Regulations</i> (10 CFR) Part 52, "Licenses, Certifications and Approvals for Nuclear Power Plants."</p> <p>By letter dated September 4, 2009, the NRC informed FPL it had docketed the COL application for the PTN 6&7. By letter to FPL dated May 28, 2010, the NRC established the review schedule for both the safety and environmental reviews. The letter of 10/27/11 transmits a revised review schedule for the COL application.</p> <p>The COL application safety review incorporates by reference both Appendix D to 10 CFR Part 52 and the AP1000 Design Control Document amendment submitted by Westinghouse as Rev 17. Because a portion of the PTN 6&7 COL review schedule was dependent on the review of the AP1000 design certification amendment as well as the Vogtle and Summer applications, the NRC now believe that substantial progress on the safety reviews will be made during FY12. As a result, the</p>									

NRC updated the PTN 6&7 safety review schedule and provided it as an enclosure. The new schedule provides for completion of the advanced safety evaluation report (SER) with no open items in January 2013, and completion of the final SER in November 2013.

In the NRC's May 28, 2010, schedule letter, NRC staff indicated that it planned to issue the draft Environmental Impact Statement (EIS) in October 2011, and the final EIS in October 2012. In developing the revised schedule for the draft EIS, staff considered the review status of information that had been provided to date; the technical review of the revised groundwater model and comparison to staff results; the future issuance of RAI related to the application; the receipt of RAI responses; and the administrative needs for completing the draft EIS, including editing and publication.

The revised schedule provides for **completion of the draft EIS in February 2013**, and **completion of the final EIS in February 2014**. The schedule assumes FPL will provide technically correct and complete responses to each RAI within 45 days of receipt. For any RAI that cannot be answered within 45 days, staff requested FPL to provide an anticipated date of submission within the 45 day period so that staff can assess how the delay may impact the established schedule. In addition, the NRC instructed FPL to notify it of any significant changes or additions to the COL application, any changes to the ACOE permit application, or any other supporting documentation that could impact staff conclusions in the EIS and therefore impact the schedule for completing the draft EIS.

NRC staff will reevaluate this schedule (below) after the comment period on the draft EIS has ended. At that point, NRC staff may establish a new milestone for issuance of the final EIS based on the number and complexity of the comments received from other Federal, State and local agencies; members of the public; and other interested stakeholders.

PHASE OF SAFETY REVIEW	TARGET COMPLETION DATE	
	Existing	Revised
Phase A - RAIs and Supplemental RAIs	5/2011	3/2012
Phase B - Advanced Safety Evaluation Report (SER) with no Open Items (OIs)	5/2012	1/2013
Phase C - ACRS review of Advanced Final SER	9/2012	7/2013
Phase D - Final SER 12/2012 11/2013	12/2012	11/2013
PHASE OF ENVIRONMENTAL REVIEW		
Phase 1 - Environmental Impact Statement scoping report issued	Completed 12/01/10	
Phase 2 - Draft Environmental Impact Statement (DEIS)	10/2011	02/2013
Phase 3 - Final Environmental Impact Statement	10/2012	2/2014
HEARING		

	Mandatory Hearings	06/2014*
	<p>* Target date for completion is based on guidance in the SRM for SECY-10-0082, dated 12/23/10. The SRM states that the objective for completing the mandatory hearing will be four months after the issuance of the FSER or Final Environmental Impact Statement.</p>	
	Conclusions:	
	Data Request(s) Generated:	
	No. _____ Description:	
	No. _____ Description:	
	Follow-up Required:	
Document #: DR-1.14 Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Document Title and Purpose of Review: Please provide an overview of 2011 NRC decisions impacting the Turkey Point 6&7 project.</p> <p>Summary of Contents: FPL states that other than the schedule changes shown in response to DR-1.13 (above), there were no NRC decisions that <u>directly</u> impacted the PTN 6&7 project.</p> <p>Several NRC actions that had an <u>indirect</u> impact on the PTN 6&7 project, namely the approval of the Westinghouse Design Control Document (DCD) Rev 19 and the mandatory hearing on the Vogtle COL application (RCOLA).</p> <p>The DCD is referenced by the PTN 6&7 application and the RCOLA has standard wording that is used throughout the PTN 6&7 application.</p> <p>Final approval of both of these documents is one of the items needed for the final approval of the PTN 6&7 application.</p> <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required:</p>	
Document #: DR-1.15 Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Document Title and Purpose of Review: Please address specifically how recent NRC changes (e.g. FSER, FEIS, and hearing dates) impact Turkey Point 6&7 project decision making and critical path timeline. Please provide project critical path timelines depicting before and after these changes.</p> <p>Summary of Contents: FPL states that (potential) impacts of recent NRC schedule changes (DR-1.13), are being evaluated.</p> <p>Preliminary review indicates that the CODs included in the current project schedule (2022/2023) are still achievable.</p> <p>The primary effect of the NRC schedule change is to reduce or eliminate the margin that was assumed in the current project schedule.</p>	

	<p>The critical path occurs through the relationship of the EIS to the ACOE Environmental Resources Permits.</p> <p>The revised NRC schedule completes the EIS 16 months later than the prior review schedule.</p> <p>The ACOE permits, necessary to initiate site preparation, cannot be processed until the EIS is complete.</p> <p>A timeline will be developed with the more detailed schedule analysis currently underway.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.16 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: How will FPL manage recent NRC changes (e.g. FSER, FEIS, and hearing dates) to preserve planning schedule margins?</p> <p>Summary of Contents: FPL states that its ability to “manage recent NRC changes” to FSER, FEIS, and hearing dates are somewhat limited.</p> <p>The company went on to state that the federal process is impacted by external events, such as the Fukushima and the annual federal budgeting process, which may also affect FPL's planning schedule margins. However, the company says it takes actions and develops strategies to mitigate and/or minimize the impacts. The primary means of mitigating impacts (on FPL customers) is to engage in a stepwise development process that limits capital outlays during the licensing period. In terms of the federal review process, FPL endeavors to answer NRC RAI within the timeframes assumed by the NRC when developing its review schedule.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.17 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide an itemized list and narrative description of NRC requests for additional information (RAI) received since January 1, 2011. Provide the RAI number, date received, NRC due date, and the actual or anticipated date of each FPL response. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.</p> <p>Summary of Contents: FPL anticipates it will respond to each request by or on the NRC due date. See Attachment for RAI listing.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.18</p>	<p>Document Title and Purpose of Review: What is the status of cooling water for the Turkey Point 6&7 project?</p>

<p>Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Summary of Contents: In its SCA and COLA documents, FPL outlined its water resource plan for PTN6&7, of utilizing reclaimed water as the primary cooling water makeup source. A commitment to provide reclaimed water and an outline of the commercial arrangement envisioned was approved by FPL and the MDC Board of County Commissioners in 2010, the Joint Participation Agreement (JPA). Since that time, both parties have maintained communications while the precedent conditions are achieved.</p> <p>As a part of this JPA and to ensure operational reliability of the future project FPL is also pursuing approval of a backup water supply. Source and method was described in the SCA and COLA documents. FPL's initial analysis was augmented with responses to additional RAI's and completeness responses including an extensive revision to the groundwater model.</p> <p>Both sources, as elements of FPL's water resource plan for PTN 6&7, are under consideration in state and federal processes.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.19 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: For cooling water, please describe:</p> <ol style="list-style-type: none"> a. The milestones achieved or anticipated in 2011. b. The in-service daily estimated requirement. c. A recap of the current plan to provide sufficient quantities. d. Potential challenges to obtaining sufficient quantities. e. Possible impacts to project schedule and cost. f. The sourcing agreements reached and their dates. g. Discharge standards and FPL's planning to meet these standards. h. The milestones anticipated in 2012. <p>Summary of Contents:</p> <ol style="list-style-type: none"> a. Cooling water milestones are incorporated with SCA and COLA milestones. See DR-1.6. b. The water for various plant needs will be obtained from a reclaimed water supply, a saltwater supply, and a potable water supply. Reclaimed water will be used as the primary makeup water to the circulating water system (CWS). The makeup reclaimed water rate for the CWS is based on maintaining four cycles of concentration in the CWS cooling towers. The back-up makeup water source will be saltwater from radial collector wells, which may constitute 100 percent of required makeup water under some conditions. The makeup saltwater rate to the CWS is based on maintaining 1.5 cycles of concentration in the cooling towers. When reclaimed water is not available in sufficient quantity, a combination of reclaimed water and saltwater will be used. The ratio of water supplied by the two makeup water sources will vary based on the availability of reclaimed water from the MDC Water and Sewer Department (MDWASD). Potable water will be used as makeup water for the service water system. The makeup water rate for the service water system is based on maintaining four cycles of concentration in the cooling towers. <p>The tables below are part of Tables 4.5-1 through 4.5-2 contained in Chapter 4, Section 4.5 of the SCA:</p>

Division of Regulatory Compliance

Bureau of Performance Analysis

I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.1 DocSumLog PTN DR-1.doc

STREAM DESCRIPTION	NORMAL CASE (gal/min)
Reclaimed Water Makeup to Circulating Water System	38,400
Saltwater Makeup to Circulating Water System	86,400
MDWASD Potable Water Supply to Service Water System	488

c. The primary source of cooling water makeup for PTN 6&7 will be reclaimed water from the MDWASD South District Wastewater Treatment Plant (SDWWTP), with potable water also from MDWASD. The Project will include an off-Site FPL reclaimed water treatment facility and associated pipelines. FPL states that this is a beneficial and cost-effective means of increasing the use of reclaimed water from MDC and helps the County meet its reclaimed water compliance requirements. In the absence of reuse opportunities, this treated domestic wastewater would likely continue to be discharged to the ocean or deep injection wells. MDC is required to eliminate ocean outfalls and increase the amount of water that is reclaimed for environmental benefit and other beneficial uses. PTN 6&7 will use reclaimed water 24 hrs per day, 365 days per year when operating and water is available in sufficient quantity and quality. PTN 6&7 will efficiently use a recycled resource to produce safe, clean and reliable power. This use of reclaimed water will enable MDC to meet approximately half of its wastewater reuse goals and will provide environmental benefits by reducing the volume of wastewater discharged. The JPA between MDC and FPL was signed 7/20/10. The agreement allocates up to 90 million gallons per day (MGD) of reclaimed water treated with high level disinfectants to cool FPL's existing gas powered plant and the two proposed nuclear power units. A reclaimed water delivery pipeline will be installed between the SDWWTP and an FPL reclaimed water treatment facility for final treatment prior to delivery. The reclaimed water pipeline will be co-located with existing linear facilities, including roadways, transmission line rights of-way, and canals to minimize impacts. The FPL reclaimed water treatment facility will be located adjacent to the existing Turkey Point plant primary access road. When reclaimed water is not available in sufficient quantity, the secondary makeup water source will come from radial collector wells, substratum collectors of saltwater that will recharge from Biscayne Bay. The radial collector wells are to be located upon upland areas of the Turkey Point peninsula; the associated delivery pipeline will be co-located with existing access roads and berms. Wastewater disposal will be on-site deep injection wells. The potable water pipeline corridor will connect the site to the MDWASD potable supply.

d. Challenges include issues related to the reliability of the integrated cooling water delivery systems. Elements of the reliability include

- MDWASD system reliability and ability to meet State requirements for release of reclaimed water,
- Delivery pipeline integrity and operation to the FPL site,
- FPL reclaimed water treatment facility reliability and quality,
- Delivery pipeline integrity and operation to the cooling water reservoir, and
- Cooling water reservoir and integrity. Failure of MDWASD to perform its requirements would not be supported by financial guarantees or liquidated damages. Therefore, the most

	<p>effective means of mitigating delivery risk is to have a redundant backup water supply.</p> <p>e. Project schedule and cost considerations for cooling water supply is integrated into the overall project schedule and cost estimate. No specific cost or schedule impacts are indicated.</p> <p>f. The joint-participation agreement was approved in 2010 (7/20/10).</p> <p>g. Cooling tower blowdown and other site wastewater, except storm water, will be collected in a lined blowdown sump and discharged to the deep injection wells. See Table 4.6-1 in Chapter 4 of the SCA. The deep injection wells will meet the requirements established by FDEP and Chapter 62-528, F.A.C. These wells will be installed in accordance with the FDEP and local requirements. The wastewater discharged to the deep injection wells will not be hazardous as defined by Chapter 62-730, F.A.C. The quality of water that will be discharged via the deep injection wells is presented in the SCA Chapter 4, Tables 4.6-2 and 4.6-3.</p> <p>h. Cooling water milestones are incorporated with SCA and COLA milestones. See DR-1.7.</p>
<p>Document #: NEW DR-1.20 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p> <p>Document Title and Purpose of Review: For transmission issues, please describe:</p> <p>a. The milestones achieved or anticipated in 2011. b. A recap of the current plan for corridor acquisition. c. Remaining challenges to acquiring adequate corridors. d. Possible impacts to project schedule and cost. e. The milestones anticipated in 2012.</p> <p>Summary of Contents: a. Milestones achieved or anticipated in 2011:</p> <ul style="list-style-type: none"> ⊙ 05/02/11 – Four parties filed notice of proposed alternate transmission corridor(s) ⊙ 05/09/11 - FPL & FDEP file notices of acceptance of proposed alternate corridors ⊙ 05/31/11 – City of Miami withdraws proposed alternate corridor ⊙ June 1, 2011 – City of Doral withdraws proposed alternate corridor ⊙ June 15, 2011 - Reviewing Agencies issued reports on FPL's proposed transmission line corridors as to matters within their jurisdiction ⊙ June 15, 2011- Reviewing Agencies filed with FDEP issues concerning completeness of alternate corridor data ⊙ August 08, 2011- FDEP issued 1st determination of completeness of alternate corridors, finding both alternates incomplete

- ⊙ (est) December 16, 2011- Miami-Dade County and SFWMD submit to FDEP final reports on FPL's proposed transmission line corridors as to matters within their respective jurisdiction
- ⊙ (est) December 16, 2011 - Proponent of alternate corridor submits corrective data in response to DEP's determination of incompleteness (if no data is submitted, alternate corridor is deemed withdrawn)

b. The proposed corridors must be certified through the state's Power Plant Siting Act process. Currently underway. It is not expected final until early 2013. Once FPL has a certified corridor, the necessary land rights (fee or easement) for the right-of-way within that corridor can then be identified and acquired. See the FPL Site Certification Application, Sections W9.3.2, W9.3.5, E9.3.2, and E9.3.5.

- c. The remaining challenges to FPL's successful certification of the proposed transmission line corridors include:
- ⊙ Obtaining recommendations regarding FPL's proposed corridors from SFWMD & MDC
 - ⊙ Obtaining a recommendation regarding the corridors from the ALJ based on the evidence to be presented at the certification hearing, and
 - ⊙ Obtaining a Final Order regarding certification from the Power Plant Siting Board (consisting of the Governor and Cabinet), and subject to conditions of certification.

d. Possible impacts to the project schedule and cost that may occur include potential schedule delays due to requests by other entities; such schedule delays may impact project schedule and cost. There are no known anticipated impacts to project schedule or cost going forward at this time.

e. Milestones anticipated in 2012:

- ⊙ 01/05/2012 - Reviewing agencies file with DEP any remaining issues concerning completeness of alternate corridor data
- ⊙ 01/11/2012 - DEP issues 2nd determination of completeness of alternate corridor (schedule assumes complete – if incomplete, alternate corridor is deemed withdrawn)
- ⊙ 01/30/12 - DEP issues its Project Analysis on FPL's proposed transmission line corridors
- ⊙ 02/06/12 - Agencies headed by non-collegial bodies file with DEP supplementary reports on alternate corridor(s) for which submitted data has been determined complete.
- ⊙ 02/20/12 - Agencies headed by collegial bodies file with DEP supplementary reports on alternate corridor(s) for which submitted data has been determined complete.
- ⊙ 03/09/12 - DEP issues its Project Analysis on alternate corridor(s)
- ⊙ 6/12/12 - Deadline for agencies to file notices of intent to be a party to the Certification Hearing
- ⊙ 9/10/12 - Hearing on Site Certification before the ALJ (commencement date)
- ⊙ 12/10/12 – ALJ issues Recommended Order on Site Certification

Conclusions:

Data Request(s) Generated:
 No. Description:

	<p>No. ____ Description:</p> <p>Follow-up Required: Yes; Were the following achieved per FPL's estimation at the time of DR responses?</p> <ul style="list-style-type: none"> ⊙ (est) 12/16/11- MDC and SFWMD submit to FDEP final reports on FPL's proposed transmission line corridors as to matters within their respective jurisdiction ⊙ (est) 12/16/11- - Proponent of alternate corridor submits corrective data in response to DEP's determination of incompleteness (if no data is submitted, alternate corridor is deemed withdrawn) ⊙ (est) 01/05/2012 - Reviewing agencies file with DEP any remaining issues concerning completeness of alternate corridor data ⊙ (est) 01/11/12 January 11, 2012 - DEP issues 2nd determination of completeness of alternate corridor (schedule assumes complete – if incomplete, alternate corridor is deemed withdrawn) ⊙ (est) 01/30/12 - DEP issues its Project Analysis on FPL's proposed transmission line corridors ⊙ (est) 02/06/12 - Agencies headed by non-collegial bodies file with DEP supplementary reports on alternate corridor(s) for which submitted data has been determined complete. ⊙ (est) 02/20/12 - Agencies headed by collegial bodies file with DEP supplementary reports on alternate corridor(s) for which submitted data has been determined complete. ⊙ (est) 03/09/12 - DEP issues its Project Analysis on alternate corridor(s)
<p>Document #: NEW DR-1.21 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Regarding benchmarking of <u>domestic</u> new nuclear construction programs:</p> <ol style="list-style-type: none"> a. Identify the project(s) that FPL completed benchmarking in 2011. b. Identify the project(s) that FPL is currently benchmarking. c. Describe the FPL staffing and scope for each project benchmarked. d. Provide any FPL reports and/or studies from each benchmarking. e. Provide briefing recaps, briefing slides, and lessons learned from each benchmarking. f. Identify construction issues that may impact Turkey Point 6&7 schedule or cost. g. Identify operational issues that may impact Turkey Point 6&7 schedule or cost. h. Identify the project(s) that FPL plans to benchmark in 2012. <p>Summary of Contents:</p> <p>a. FPL is a member of the APOG Construction Committee formed by US utilities pursuing development of the Westinghouse AP1000 Nuclear design. Members of the APOG Construction committee include engineering and construction personnel from Southern Services, Progress Energy, Duke Energy, SCANA, and Florida Power & Light. The main objectives of the APOG construction committee is to benchmark the construction of all AP1000 units in order to provide a quality final product for all end-users. The APOG construction committee was established to provide input and experience from 5 Utilities with a Technology in Common, 5 Independent Construction Experience (CE)/Operating Experience (OE) Programs, 2 Supplier "CE" Programs (Westinghouse & Shaw Construction), and the INPO Program (recently provided online). The APOG construction committee has established a guideline for sharing information and lessons learned from the AP1000 units currently under construction (Attachment #1). The APOG construction committee meets bi-weekly (through teleconferences) to discuss and screen new and/or developing issues. Face-to-Face Quarterly meetings are held to maintain continuity and provide walkdowns of sites under construction or in planning for construction. An items/issues list is maintained by the APOG committee (attached). The AP1000 projects under construction, or planned for construction, that provide representation for the group are:</p>

- ⊙ Vogtle Units 3 & 4 (Southern Services)
- ⊙ VC Summer Units 2 & 3 (SCANA)
- ⊙ Levy County Project Units 1 & 2 (Progress Energy)
- ⊙ William States Lee III, Units 1 and 2 (Duke Energy)
- ⊙ Turkey Point Units 6 & 7 (Florida Power & Light)
- ⊙ Shearon Harris, Units 2 and 3 (Progress Energy)

Additionally, Shaw shares information and lessons learned from the construction of the Sanmen and Haiyang sites in China.

b. As noted in item a. above, FPL will continue to benchmark the following projects through the APOG Construction committee:

- ⊙ Vogtle Units 3 & 4 (Southern Services)
- ⊙ VC Summer Units 2 & 3 (SCANA)
- ⊙ Levy Project Units 1 & 2 (Progress Energy)
- ⊙ Shearon Harris, Units 2 and 3 (Progress Energy)
- ⊙ William States Lee III, Units 1 and 2 (Duke Energy)

c. FPL provides a total of six people on various committees:

- ⊙ APOG Executive - 2
- ⊙ APOG Construction - 1
- ⊙ APOG Electrical - 1
- ⊙ APOG Licensing - 1
- ⊙ APOG I&C - 1

d. A database is maintained as part of the APOG CE committee of construction experience obtained from various sources and is attached.

e. The attached listing provides potential CE/OE which are evaluated for any lessons learned.

f. Each item identified in the attachment has a potential to impact cost and schedule, however, no Turkey Point specific evaluations have been performed to-date.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document #: NEW DR-1.22

Date Requested:

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I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.1 DocSumLog PTN DR-1.doc

Document Title and Purpose of Review: Regarding benchmarking of foreign new nuclear construction programs:

<p>Date Received: Comments: (i.e., Confidential)</p>	<p>a. Identify the project(s) that FPL completed benchmarking in 2011. b. Identify the project(s) that FPL is currently benchmarking. c. Describe the FPL staffing and scope for each project benchmarked. d. Provide any FPL reports and/or studies from each benchmarking. e. Provide briefing recaps, briefing slides, and lessons learned from each benchmarking. f. Identify construction issues that may impact Turkey Point 6&7 schedule or cost. g. Identify operational issues that may impact Turkey Point 6&7 schedule or cost. h. Identify the project(s) that FPL plans to benchmark in 2012.</p> <p>Summary of Contents:</p> <p>See responses above, in DR-1.21</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.23 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please list all risk assessment and/or mitigation meetings or reviews, and their dates, held in 2011. Please provide all meeting briefing slides, post-meeting recaps, meeting reports, and meeting minutes produced from each meeting. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.</p> <p>Summary of Contents: Tracking and characterization of project risk is a central principle behind all project reports, whether they are monthly accounting variance reports, vendor status reports, or quarterly risk assessments. However, formal risk management is centered in two specific reporting documents. On a monthly basis, a project specific dashboard has been developed to track key aspects of the project that represent major risk areas. Quarterly, a broader review is conducted to determine significant risk areas and the associated trends, reported in the Quarterly Due Diligence Report. Additionally, on a monthly basis, the project reports status to an executive team through meetings and presentations. When specific situations or decisions warrant, the project has the option of presenting this information to, and obtaining the advice of the FPL Risk Committee. No presentations were made to the Risk Committee in 2011.</p> <p>The following reports are included in response to ICDR 1-31:</p> <ul style="list-style-type: none"> ⊙ 2011 01 PTN 6 and 7 Dashboard ⊙ 2011 02 PTN 6 and 7 Dashboard ⊙ 2011 03 PTN 6 and 7 Dashboard ⊙ 2011 04 PTN 6 and 7 Dashboard ⊙ 2011 05 PTN 6 and 7 Dashboard ⊙ 2011 06 PTN 6 and 7 Dashboard

	<ul style="list-style-type: none"> o 2011 07 PTN 6 and 7 Dashboard o 2011 08 PTN 6 and 7 Dashboard o 2011 09 PTN 6 and 7 Dashboard o 2011 10 PTN 6 and 7 Dashboard o 2011 11 PTN 6 and 7 Dashboard o 2011 Q1 PTN 6 and 7 Due Diligence o 2011 Q2 PTN 6 and 7 Due Diligence o 2011 Q3 PTN 6 and 7 Due Diligence o The December 2011 Reports will be provided by January 15, 2012, as requested by staff. <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: Yes, were the 12/2011 reports received by 01/15/12?</p>
<p>Document #: NEW DR-1.24 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please describe:</p> <ol style="list-style-type: none"> a. Changes to project planning, timeline, or budget occurring in 2011. b. A description of the impact of each on project schedule and costs. c. Which changes were due to perceived risk and/or attempts to mitigate that risk? d. Risk mitigation strategies considered, developed, or adopted, and the result if completed. <p>Summary of Contents: Changes have not occurred to the project planning, timeline or budget in 2011. The overall project schedule is under review to determine what impacts, if any, will result from the revised Nuclear Regulatory Commission Review Schedule received on October 27, 2011.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.25 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please describe:</p> <ol style="list-style-type: none"> a. All problems or challenges to the project identified during 2011. b. Potential impact(s) to project schedule and cost, including but are not limited to marketplace, domestic economic, and capital market conditions, FPL demand projections, vendor and contractor issues, site infrastructure planning, project logistics, and regulatory changes. d. Mitigation strategies considered, developed, adopted, and the result if completed. For each, indicate whether it is

	<p>under development, developed and under consideration for deployment, currently deployed, or completed.</p> <p>e. Any problems or challenges anticipated or identified for 2012.</p> <p>Summary of Contents:</p> <p>a. May 2011 testimony (Scroggs) provides a summary of issues potentially affecting the project, key decisions, and milestones for 2011. Fundamentally these have not changed. FPL states that additional information related to these issues has been developed. Examples include the achievement of milestones and further progress on activities such as the UIC exploratory well. To be discussed in the March 2012 filing.</p> <p>b. Market and demand projections will be reviewed as a part of the 2012 annual feasibility analysis and provided in the May 2012 testimony. In general, conditions appear to be similar to 2011. No significant vendor/contractor issues have been identified during 2011. A schedule and logistics review is underway to determine potential impact of the NRC schedule revision of October 27, 2011. No other regulatory changes have been identified.</p> <p>c. FPL is reviewing the current schedule to incorporate the Q4 2011 NRC schedule revision and lessons learned from current AP1000 projects. The results of this review are expected to be available in 2012.</p> <p>d. The Quarterly Risk Assessment and Monthly Project Dashboard track risk areas and identify mitigation strategies for the ongoing management of project issues. See documents contained in response to DR-1.31</p> <p>e. 2011 issues carry into 2012.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.26 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review:</p> <p style="text-align: center;"><u>Project Organization & Procedures</u></p> <p>For FPL or Turkey Point 6&7 project management, please provide:</p> <ol style="list-style-type: none"> a. A list of new policies, procedures, and controls created in 2011. b. A list of policies, procedures, or controls revised in 2011 or currently under revision. c. A list of policies, procedures, or controls deleted during 2011 and a rationale for deletion. d. A list of policies, procedures, or controls scheduled for revision in 2012. e. A copy of new or revised policies, procedures, and controls. f. A copy of policies, procedures, and controls currently under revision, when available. <p>Summary of Contents:</p> <ol style="list-style-type: none"> a. No new Project Instructions were created in 2011 b. The following Project Instructions were revised in 2011:

	<ul style="list-style-type: none"> ⊙ NNP-PI-07, NNP Department Training ⊙ NNP-PI-012, Visiting Dignitaries ⊙ NNP-PI-14, Discovery Production Instructions Related to Turkey Point 6 & 7 Combined License Hearing <p>c. No Project Instructions were deleted in 2011</p> <p>d. The following Project Instructions are scheduled for revision in 2012:</p> <ul style="list-style-type: none"> ⊙ NNP-PI-03, NNP Project Document Retention and Records Processing ⊙ NNP-PI-06, NNP NRC Correspondence <p>e. FPL provided NNP-PI-03, NNP-PI-07, and NNP-PI-012. The company did not furnish NNP-PI-14, stating that it is privileged attorney-client communication and attorney work product.</p> <p>f. No Project Instructions are currently under revision.</p> <p>Conclusions: Yes; The company did not furnish NNP-PI-14, stating that it is privileged attorney-client communication and attorney work product. Discuss with supervisor and staff legal team. Possible push back.</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.27 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide or identify:</p> <ul style="list-style-type: none"> a. A current by-name project organizational chart, showing FPL project management, work unit staffing, and reporting linkages. b. A by-name list of project personnel changes made in 2011, supervisor and above, outgoing and incoming. Please include the reason and date for each change. c. Any personnel changes that resulted from FPL succession planning. d. Any anticipated personnel changes for 2012. <p>Summary of Contents:</p> <ul style="list-style-type: none"> a. FPL provided a current by-name organizational char showing FPL project management, work unit staffing, and reporting linkages It is an attachment to this summary log. b. None in 2011. c. No succession planning changes were made. d. No changes are planned for 2012. <p>Conclusions:</p>

	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.28 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a copy of the company's staffing plan for the Turkey Point 6&7 project.
	Summary of Contents: FPL staffing plan for the current phase of the project is reflected in its current organizational chart. See DR-1.27
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.29 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a summary of organization changes made during 2011, those planned for 2012, and the rationale for each change or projected change.
	Summary of Contents: The Development portion of the project was moved from under Armando Olivera to Bob McGrath, Executive Vice President, Engineering, Construction and Corporate Services. No other changes were made. There are no planned changes for 2012.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.30 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide: <ol style="list-style-type: none"> a. A summary of 2011 disciplinary actions taken or pending for FPL project employees. b. A description of the event(s) leading to discovery of the incident(s). c. A description of the cause, date, management response, timetable for remedial action(s), and whether the employees was allowed to continue work.
	Summary of Contents: None taken in 2011 and none pending.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.31 Date Requested: Date Received:	Document Title and Purpose of Review: <p style="text-align: center;">Project Cost Estimates & Schedules</p>

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Comments: (i.e., Confidential)

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Please provide copies of all project management reports/status updates during 2011. These would include reports issued by and for project middle, senior, and executive management. Topics would include, but not be limited to briefings, minutes, findings, handouts, PowerPoint slides, and reports. Going forward, until the completion of the current NCRC review, please update this list no later than the 15th day of each month (or the next business day if a weekend). Notify staff upon completion.

Summary of Contents:

Includes full reports for the following:

- ⊙ PTN6&7 Monthly Dashboards (January thru November 2011)
- ⊙ PTN 6&7 Construction Cumulative Spending graphs (February thru November 2011)
- ⊙ Monthly Cost Reports (January thru November 2011)
- ⊙ Due Diligence Reports (Q1, Q2, and Q3 2011)
- ⊙ Bechtel Monthly Progress Report (January thru November 2011)
- ⊙ PTN 6&7 COL Weekly Status Conference Call Minutes
 - January – 11, 18, 25
 - February – 1, 8, 15, 22
 - March – 1, 8, 15, 22, 29
 - April – 4, 12, 19, 25
 - May – 3, 10, 17, 24
 - June – 1, 7, 14, 21, 28
 - July – 5, 12, 19, 26
 - August – 2, 9, 16, 23, 30
 - September – 6, 13, 20, 27
 - October – 4, 11, 18, 25
 - November – 1, 8, 15, 29
 - December – 6, 13, 20
- ⊙ Weekly NNP Staff Meeting Minutes
 - January – 10, 18, 31
 - February – 7, 14, 21, 28
 - March – 7, 14, 21, 28
 - April – 4, 11, 18, 25
 - May – 2, 9, 16, 23, 30
 - June – 6, 13, 20, 27
 - July – 5, 11, 18, 25
 - August – 1, 8, 15, 22, 29
 - September – 6, 12, 19, 26
 - October – 3, 10, 17, 24, 31
 - November – 7, 14, 21, 28
 - December – 5, 12, 19

Conclusions:

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	Data Request(s) Generated: No. _____ Description: No. _____ Description:																
	Follow-up Required:																
Document #: NEW DR-1.32 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a copy of the Key Performance Indicators used by FPL management to monitor the status of Turkey Point 6&7 projects and sub-projects. Please provide the 2011 monthly results for each indicator. Going forward, until the completion of the current NCRC review, please update this list no later than the 15 th day of each month (or the next business day if a weekend). Notify staff upon completion.																
	Summary of Contents: Furnished in responses to data requests DR-1.23 and DR-1.31																
	Conclusions:																
	Data Request(s) Generated: No. _____ Description: No. _____ Description:																
	Follow-up Required:																
Document #: NEW DR-1.33 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide the current schedule and timeline for completing the Turkey Point 6&7 project.																
	Summary of Contents: Please see the DR- 1.33 Project Timeline, attached to this summary log.																
	FPL states that the impact of the recent NRC schedule changes are currently being evaluated for impact to the project timeline.																
	Conclusions:																
	Data Request(s) Generated: No. _____ Description: No. _____ Description:																
	Follow-up Required:																
Document #: NEW DR-1.34 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a recap and description of schedule variances compared to projections contained in the FPL May 2011 filing.																
	Summary of Contents: <table border="1" data-bbox="598 1128 1837 1347"> <thead> <tr> <th>PROCESS</th> <th>MILESTONE</th> <th>EXPECTED AS OF MAY 1 2011</th> <th>ACTUAL/ESTIMATED DATE</th> </tr> </thead> <tbody> <tr> <td>SCA</td> <td>Alternate Corridors</td> <td>04/2011</td> <td>08/2011</td> </tr> <tr> <td>SCA</td> <td>Plant Completeness</td> <td>07/2011</td> <td>09/2011</td> </tr> <tr> <td>SCA</td> <td>Land Use Determination</td> <td>09/2011</td> <td>02/2012</td> </tr> </tbody> </table>	PROCESS	MILESTONE	EXPECTED AS OF MAY 1 2011	ACTUAL/ESTIMATED DATE	SCA	Alternate Corridors	04/2011	08/2011	SCA	Plant Completeness	07/2011	09/2011	SCA	Land Use Determination	09/2011	02/2012
PROCESS	MILESTONE	EXPECTED AS OF MAY 1 2011	ACTUAL/ESTIMATED DATE														
SCA	Alternate Corridors	04/2011	08/2011														
SCA	Plant Completeness	07/2011	09/2011														
SCA	Land Use Determination	09/2011	02/2012														

	COLA	Enviro Review – Draft EIS	10/2011	02/2013
	COLA	Safety Review – Phase B, SER	05/2012	01/2013
	COLA	Safety Review – Final SER	12/2012	11/2013
	COLA	Enviro Review – Final EIS	10/2012	02/2014
	SCA milestones based on 10th Revised SCA Schedule, COLA milestones based on Revised Schedule of 10/27/11.			
	Conclusions:			
	Data Request(s) Generated: No. _____ Description: No. _____ Description:			
	Follow-up Required:			
Document #: NEW DR-1.35 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide the current cost estimate for completing the Turkey Point 6&7 project.			
	Summary of Contents: See response to DR-1.3			
	Conclusions:			
	Data Request(s) Generated: No. _____ Description: No. _____ Description:			
	Follow-up Required:			
Document #: NEW DR-1.36 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a recap and description of cost variances compared to projections contained in the FPL May 2011 filing.			
	Summary of Contents: See the variance reports, included in the Monthly Cost Reports in response DR-1.31			
	Conclusions:			
	Data Request(s) Generated: No. _____ Description: No. _____ Description:			
	Follow-up Required:			
Document #: NEW DR-1.37 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide all Turkey Point 6&7 feasibility studies and feasibility analyses conducted by or for FPL during 2011.			
	Summary of Contents: The results of all of the economic feasibility analyses/studies conducted by FPL regarding PTN 6&7 project during 2011 were filed with the Florida Public Service Commission (FPSC) in the NCRC 2011 docket. There were two sets of such analyses whose results were separately filed: <ul style="list-style-type: none"> ⊙ the original feasibility analyses results filed 05/02/11, and ⊙ supplemental feasibility analyses based on updated EPU project and resource planning 			

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I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.1 DocSumLog PTN DR-1.doc

	<p>assumptions that was filed on 07/15/11. Errata sheets were filed for both feasibility analyses. The errata for the original feasibility analyses results were filed on 06/10/11 and the errata for the supplemental feasibility analyses results were filed on 08/04/11.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.38 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please describe all efforts or initiatives undertaken by FPL in 2011 or planned in 2012 to secure power purchase agreements or joint-owner agreements for the project.</p> <p>Summary of Contents: FPL states that it continues to maintain contact with a group of utilities that expressed interest in potential ownership of capacity. FPL holds an annual meeting with interested parties and reports the status of discussions quarterly to the FPSC through a separate docket (080271-EI). FPL held an annual update for potential owner participants in 05/2011. Two presentations were provided and were attached as part of this response. See Disk 3. FPL states that the company has not yet determined whether it would be in customers' best interest to enter into a power purchase or any joint-owner agreements.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.39 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Did FPL hold quarterly meetings with potential joint owners in 1Q11, 2Q11, 3Q11, and 4Q11? Please provide the briefing slides, notes, handouts, minutes, recaps, reports, or white papers produced from each meeting. Please provide the scheduled date, time, and probably attendees for the 4Q11 meeting if not already held.</p> <p>Summary of Contents: See response to DR-1.38</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.40 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a copy of all Turkey Point 6&7 project white papers completed in 2011. Identify any white papers currently in production. Provide a copy upon completion of any white papers currently in production.</p> <p>Summary of Contents: See response to DR-1.8. No other white papers are in production. (Note for future reference: FPL refers such documents</p>

	as a "Project Memorandum")
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.41 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Will FPL participate in the DOE Loan Guarantee program? Please describe the decision-making process(es) involved and the efforts or planning undertaken in 2011
	Summary of Contents: FPL says that any participation in or consideration of the DOE Loan Guarantee program is subject to the expected costs, benefits and terms of participation. As of December 2011 there are no open solicitations in which the PTN 6&7 project can participate but FPL states that the company maintains a dialogue with the DOE Loan Guarantee Office (LGO) to keep informed about the timing and process by which future solicitations may be made available. During 2011 FPL monitored the federal budget proposed by the current administration, which included additional loan guaranty funds. However, Congressional approval is not expected. The DOE program is awaiting congressional approval prior to initiating a new solicitation.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.42 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: What are the company expectations or anticipated/planned actions regarding the DOE Loan Guarantee program in 2012?
	Summary of Contents: FPL plans to monitor the DOE LG program, and evaluate any opportunities as they are identified. FPL does not expect significant preparatory work is needed to be in a position to respond should a new solicitation be opened.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.43 Date Requested:	Document Title and Purpose of Review: <u>Contractor Selection & Management</u>

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<p>Date Received: Comments: (i.e., Confidential)</p>	<p>Please describe any revisions made during 2011 for contractor selection and management policies or procedures for the Turkey Point 6&7 project.</p> <p>Summary of Contents: NNP Procurement Guideline "<i>Award of Critical Project Agreements</i>" was approved on 1/11/2011.</p> <p>This document is applicable to projects anticipated at \$5MM or greater. It provides guidance that proposal pricing is not to be reviewed prior to proposal due date and will be performed by two or more ISC members at approximately the same time.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.44 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide any revisions made to contractor oversight and management policies and procedures for the Turkey Point 6&7 project made during 2011.</p> <p>Summary of Contents: None</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.45 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide:</p> <ul style="list-style-type: none"> a. A summary of 2011 disciplinary actions taken, pending, or planned on project contractors. b. A description of the event(s) leading to discovery of the incident(s). c. A description of the cause, date, FPL response, timetable for remedial action(s), and whether the contractor was allowed to continue work. <p>Summary of Contents: None</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.46 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide the status, terms, conditions, and expiration date of the current long lead forging agreement.</p> <p>Summary of Contents: The manufacturing space reservation agreement between FPL and Westinghouse Electric Company is currently valid through March 1, 2012. Amendments executed to this agreement have been for the</p>

REQUESTED CONFIDENTIAL BY NOI	<p>purpose of extending validity, with no changes to terms or conditions. The current revision was attached to FPL's response (see Disk 4). The current amendment is signed by Bill Maher (FPL) and Mark Lloyd (Westinghouse). The agreement was first signed 5/22/08 and has been amended six (6) times:</p> <ul style="list-style-type: none"> ⊙ 11/01/09 ⊙ 04/06/10 ⊙ 03/09/11 ⊙ 05/12/11 ⊙ 07/14/11 ⊙ 09/15/11
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.47 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Are negotiations ongoing to further extend terms or expiration date for long lead forgings? Please explain.
	Summary of Contents: Yes. Since early 2011 (month unspecified) FPL states it has engaged Westinghouse in negotiations to resolve the long term disposition of the Forging Reservation Agreement. FPL states that its objective in the ongoing negotiations is to maximize value for FPL customers, recognizing the changes that have occurred in FPL's schedule and the heavy forging market since the initial agreement was executed in May of 2008.
	The current agreement is in force until March 1, 2012 with no changes to terms or conditions.
	Conclusions:
Document #: NEW DR-1.48 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: What is the current no-later-than date that FPL believes forging must begin for long lead items in order to meet the project in-service timeline date?
	Summary of Contents: Based on a COD of 2022, the forgings would need to commence sometime in 2015.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
Document #: NEW DR-1.49 Date Requested:	Document Title and Purpose of Review: Please provide a current status in the purchase and provision of other major
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:

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<p>Date Received: Comments: (i.e., Confidential)</p>	<p>items of equipment required for Turkey Point 6&7.</p> <p>Summary of Contents: No major items of equipment for Turkey Point Units 6&7 have been purchased.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.50 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Provide all RFPs issued and bid evaluations prepared (both financial and technical) in 2011 to support Turkey Point 6&7 project contracts in excess of \$100,000.</p> <p>Summary of Contents: <u>Exploratory / UIC Well Installation; RFP No. JMR081710;</u> Bid due date 09/23/10. FPL invited companies to submit a proposal for the installation at the PTN 6&7 site. The project involves drilling and testing of an exploratory injection well to a depth of approximately 3,500' below land surface. If a suitable injection zone is encountered, a dual zone monitoring well will be constructed. The standard will be to complete the well with a tubing and packer completion and constructed to Class I injection well standards. Specific details regarding the scope of work are described in Attachment 1 to the RFP. Bidder's proposal were based on the following FPL milestone dates:</p> <ul style="list-style-type: none"> ⊙ Bids Due 09/23/10 ⊙ Project Award - On or before 11/19/10 ⊙ Site Mobilization – 01/10/11 ⊙ Complete Site Work & Demobilize Per Attachment 1 <p>The RFP included the attachments: (available on the FPL FTP site)</p> <ul style="list-style-type: none"> ⊙ Att 1- Scope of Work and Tech Requirements (this file included all appendices) ⊙ Att 2- RFP JMR081710 Bid Form ⊙ Att 3- FPL General Conditions for Contract Work ⊙ Att 4- Site Specific Requirements for Turkey Point Units 6&7 ⊙ Att 5- FPL FEDI Agreement Form ⊙ Att 6- Map and Directions to Turkey Point Units 6&7 ⊙ Att 7- Project Controls Requirements ⊙ Att 8- PTN 6&7 Project Survey Requirements ⊙ Att 9- Form of Lien Release <p><u>Preliminary Design of the Radial Collector Well System; RFP No. JMR110411</u> Bid due date 11/30/11; FPL invited companies to submit a proposal to provide engineering services for preliminary design of the radial collector well system at PTN 6&7. The purpose of this project is to determine optimized design and construction considerations, features, and configuration options for the radial collector well system being considered as a backup water supply for the new units. Specific details regarding the scope of work are described in Attachment 1 to this RFP. This entire scope of work is classified as Not-Nuclear Safety. The system will be located within an area currently controlled by Turkey Point plant security; all bidder personnel in the area will require escort by FPL personnel. FPL may subsequently determine</p>

that selected Contractor personnel are to be authorized for unescorted access. Bidder's proposal were based on the following FPL milestone dates:

- ⊙ Bids Due 11/30/11
- ⊙ Project Award 12/12/11 (approximately)
- ⊙ Project Kickoff Meeting 12/2011 (tentative*)
- ⊙ Issue Draft Report -- Project Award plus 16 weeks
- ⊙ FPL Provide Comments on Draft Report -- Draft Report receipt plus 2 weeks
- ⊙ Issue Final Documents -- FPL comments receipt plus 2 weeks

* Final date for Project Kickoff Meeting to be established upon Project Award.

The RFP included the following attachments (available on the FPL FTP site)

- ⊙ Att 1- Scope of Work (including References)
- ⊙ Att 2- RFP JMR110411 Bid Form
- ⊙ Att 3- FPL Standard Terms and Conditions for Services
- ⊙ Att 4- Site Specific Requirements for Turkey Point Units 6&7
- ⊙ Att 5- FPL FEDI Agreement Form
- ⊙ Att 6- Form of Lien Release

Conclusions: Exploratory / UIC Well Installation; RFP No. JMR081710;

Contracting recommended on 02/0211 that Layne Christensen be awarded the contract. Bill Maher signed off on that recommendation on 02/04/11. The scoring profile showed All Webbs with 167 points and a bid of [REDACTED] Layne Christensen with 214 points and a lump sum bid of [REDACTED] and Youngquist with 242 points and a bid of [REDACTED]

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required: Yes. Re Exploratory / UIC Well Installation; RFP No. JMR081710; lease explain the reasoning for recommending Layne Christensen when Youngquist had a better score. Did the recommendation to award come down to dollars?

Document #: NEW DR-1.51
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Please provide a description and status of **new contracts in excess of \$100,000** executed in 2011. Please summarize the scope of work, terms, length of the contract, total contract dollars, pricing/costing methodology (e.g. T&M, fixed price, fixed w/incentives, etc) dollars spent to date, all change orders or amendments, the cost change of each change order or amendment and copies of single or sole source justifications.

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Summary of Contents:

PO	Vendor	Description	Pricing	Amount	Issued	Expires	CO Total	Spent thru 11/30/11
	Brigham Moore, LLP	Expert Legal Support	T&M	[REDACTED]	01/05/11	12/31/11	\$0	[REDACTED]
4500645896	Turner, Inc.	Selection RAI	T&M	[REDACTED]	02/08/11	07/01/14	[REDACTED]	250

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1: PERFORMANCE ANALYSIS SECTION 00 PERFORMANCE ANALYSIS Nuclear Controls Site New 2012 EPL 3.0 Work Paper 3.3 Document Summaries NEW 3.3.1 Doc Sum Log PTN DR-1

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		Support							
4500652043	Layne Christensen Company	PTN 6&7 Exploratory/UIC Well Installation	Fixed		03/03/11	03/03/12	■	■	
4500667205	Curtis Group	Expert Support	T&M		05/04/11	12/31/11	■	■	
2000043511	Gunster Yoakley & Stewart PA	Expert Legal Services	T&M		08/26/11	12/31/11	■	■	

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Letters of justification were present and in compliance with FPL internal policies and procedures.

Change orders were not included.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document #: NEW DR-1.52
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Please provide a description of Turkey Point 6&7 new contracts in excess of \$100,000 anticipated through April 30, 2012. Please summarize the scope of work, terms, length of the contract, total contract dollars anticipated, pricing/costing methodology (e.g. T&M, fixed price, fixed w/incentives, etc), and copies of single or sole source justifications.

Summary of Contents:

FPL anticipates that a new contract will be awarded for PTN 6&7 Preliminary Design for the Radial Collector Well System. RFP JMR110411 was issued on 11/04/11. Proposals were received 11/30/11 and are currently under evaluation.

The contract amount is anticipated in the range of \$250,000 - \$500,000. Award is projected for January 2012.

No other new contracts in excess of \$100,000 are anticipated through April 30, 2012.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required: Yes. Has the contract for RFP JMR110411 been let? To which company? What terms? What amount?

Document #: NEW DR-1.53
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Please provide a description and status of all contract change orders in excess of \$100,000 executed for the project in 2011. Please provide a summary describing the scope of work, changes to the contract term, change to total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.), dollars spent to date

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and, if applicable, copies of single or sole source justification.

Summary of Contents:

PO	CO	Vendor	Description	Price	CO Amt.	Issued	Expires	Spent thru 11/30/11
4500395492	38	Bechtel	COLA Dev Spt	T&M	A	10/11/11	08/31/15	B
4500425707	5	HDR Engineering	Concept Eng, Cooling Water	T&M		01/03/11	04/30/11	
4500430034	1	EPRI	Adv Nuc Tech	T&M		01/28/11	12/31/13	
4500443122	3	EcoMetrics Inc	Enviro Consult	T&M		11/29/11	12/31/12	
4500518160	4	Golder Assoc.	SCA Ph2 Spt	T&M		03/23/11	12/31/11	
4500518160	5	Golder Assoc.	SCA Ph2 Spt	T&M		06/24/11	12/31/11	
4500518167	4	Environmental Consulting & Tech	SCA Ph2 Spt	T&M		03/23/11	12/31/11	
4500518167	6	Environmental Consulting & Tech	SCA Ph2 Spt	T&M		09/14/11	12/31/11	
4500536449	2	McNabb Hydro Consulting	UIC SME	T&M		11/29/11	12/31/12	
4500645896	1	McCallum Turner, Inc.	COLA Site Select RAI Spt	T&M		08/04/11	12/31/11	
4500645896	2	McCallum Turner, Inc.	COLA Site Select RAI Spt	T&M		12/15/11	07/01/14	

Letters of justification were present and in compliance with FPL internal policies and procedures.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

Document #: NEW DR-1.54
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Internal Audits & Quality Assurance (QA) Reports

Please list all on-site manufacturer visits conducted or planned by FPL QA in 2011.

Summary of Contents: None conducted; none planned

Conclusions:

	Data Request(s) Generated: No. _____ Description: No. _____ Description: Follow-up Required:
Document #: NEW DR-1.55 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please list all FPL QA on-site visits to manufacturers planned in 2012. Summary of Contents: None planned Conclusions: Data Request(s) Generated: No. _____ Description: No. _____ Description: Follow-up Required:
Document #: NEW DR-1.56 Date Requested: Date Received: Comments: (i.e., Confidential) <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	Document Title and Purpose of Review: Please list all internal audits completed for Turkey Point 6&7 in 2011. Summary of Contents: The Engineering & Construction - New Nuclear Projects - 2010 Expenditures Review was performed by Jefferson Wells (currently known as Experis) under Internal Audit's direction and supervision. Conclusions: Data Request(s) Generated: No. _____ Description: No. _____ Description: Follow-up Required: Yes, review The Engineering & Construction - New Nuclear Projects - 2010 Expenditures Review . It is available in the FPL Tallahassee offices. FOLLOW-UP: Report reviewed in TLH offices of FPL, 01/19/12. Period covered by the review was 01/01/10 to 12/21/10 and was performed for IA / FPL by Jefferson Wells. The review examined approximately [REDACTED] of the total expenditures of [REDACTED] during that period. Areas reviewed included employee reimbursed expense reports, third-party invoices, payroll, and reconciliation of amounts included in the annual filing with amounts subject to audit testing. Employee expense reports reviewed totaled [REDACTED] employees and approximately [REDACTED] out of a possible [REDACTED]. [REDACTED] <div style="background-color: black; height: 100px; width: 100%;"></div> <p style="text-align: center;">- The New Nuclear Review - 2011 Expenditures -</p> FOLLOW-UP 2: Audit Report #12040, TC-122600-00, reviewed in TLH offices of FPL, 05/23/12. Period covered by the review was 01/01/11 to 12/31/11 and was performed for IA / FPL by Experis. Anthony Maceo signed off as the FPL audit

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	<p>manager. The review examined approximately [REDACTED] of the total expenditures of [REDACTED] during the period. Areas reviewed included employee reimbursed expense reports, third-party invoices, payroll, and reconciliation of amounts included in the annual filing with amounts subject to audit testing. Employee expense reports reviewed totaled [REDACTED]. No exceptions noted.</p>
<p>Document #: NEW DR-1.57 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide all internal audit reports for audits completed in 2011. Include audit findings or recommendations, FPL management responses, remedial actions, and results of the actions.</p> <p>Summary of Contents: A copy of the audit report is available in the FPL Tallahassee offices</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: Yes, review The Engineering & Construction - New Nuclear Projects - 2010 Expenditures Review.</p>
<p>Document #: NEW DR-1.58 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please list all external audits completed for Turkey Point 6&7 in 2011.</p> <p>Summary of Contents: No external audits in 2011. There was an external review conducted by Concentric Energy Advisors in 2011, as described in the testimony of John Reed filed in Docket No. 110009-EI. That report has been extensively reviewed by staff.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-1.59 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide all external audit reports for audits completed in 2011. Include audit findings or recommendations, FPL management responses, remedial actions, and results of the actions.</p> <p>Summary of Contents: See DR-1.58 response above</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

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Document #: NEW DR-1.60 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a list and schedule of internal audits planned for Turkey Point 6&7 in 2012.
	Summary of Contents: The Engineering & Construction -New Nuclear Projects 2011 Expenditures review is planned to begin in the first quarter of 2012 and conclude in the second quarter of 2012.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: Yes, request report be made available for review by FPSC Staff. Review the report when available.
Document #: NEW DR-1.61 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a list and schedule of external audits planned for Turkey Point 6&7 in 2012.
	Summary of Contents: None planned in 2012
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.62 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please describe any changes in project management controls implemented as a result of quality assurance reviews or internal/external audit findings for the Turkey Point 6&7 project.
	Summary of Contents: No changes in project management controls were implemented as a result of quality assurance reviews or internal/external audit findings during 2011.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-1.63 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please list and describe any other internal investigations conducted on Turkey Point 6&7 during 2011.
	Summary of Contents: In 2011, FPL documented one (1) employee or contractor concern related to PTN 6&7. The concern alleged potential retaliation against a subcontractor employee for raising safety concerns. A representative of FPL's Employee Concerns Program (ECP) investigated the complaint and found no evidence to support the allegation.

	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: Yes, review the complaint, investigation, and final investigative report

Office of Auditing and Performance Analysis Document Summary and Control Log

Company: Florida Power & Light Company
 Area: 2012 Nuclear Controls Review
 Auditor(s): D. Rich L. Fisher

Workload Control #: PA-11-11-005
 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\Documents\DR-3-PTN DocSumLog

Document #: **NEW DR-3.1**
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Document Title and Purpose of Review: (reference PTN DR-1.1) response, please quantify and explain what is meant by "the earliest practical time" for culmination of the project and whether there is any current impact on the scheduled COD of 2022 and 2023 for PTN 6&7.

Summary of Contents: FPL states that the response to DR-1.1 used "earliest practicable time" as a means of explaining how the company is attempting to incorporate technical and regulatory achievability with economic feasibility. The phrase means that it is FPL's intent to deliver the project and its corresponding benefits to rate payers, when technical, regulatory and economic goals can be achieved. The company further stated that its stepwise process of developing the opportunity requires continued pursuit of approvals and information that will determine when the earliest practicable time is.

FPL still currently considers 2022 and 2023 to be the earliest practicable time for PTN 6 & 7.

A schedule review is underway to determine the impact of a recent revision to the NRC COLA review schedule. While some interim milestones have moved out in time, the current scheduled CODs for Turkey Point Units 6 & 7 appear achievable.

Conclusions: (in other words, they can't predict when the "earliest practicable time" will be – and implying that they are somewhat at the mercy of regulators and the marketplace)

Data Request(s) Generated:

No. _____ Description:
 No. _____ Description:

Follow-up Required:

Document #: **NEW DR-3.2**
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Document Title and Purpose of Review: (reference response to PTN DR-1.7) Please identify whether each of the upcoming milestones have been achieved early, are on track for the target month, or delayed. If delayed, please provide the reason for delay and a revised target date.

PROCESS	MILESTONE	DATE ACHIEVED
SCA	Land use consistency determination	February 2012
SCA	FDEP Project Analysis - Transmission	February 2012
SCA	SCA Amendment	February 2012
SCA	Agency Reports – Plant	March 2012
NRC	Safety Review – RAI Phase A complete	March 2012
SCA	Land Use Hearing (if required)	April 2012
FPSC	NCRC Testimony filed for 2012/2013	May 2012
SCA	Siting Board Hearing – Land Use	July 2012
SCA	FDEP Project Analysis – Plant	July 2012
FPSC	NCRC Hearings	August 2012
SCA	Site Certification Hearings	September 2012

	SCA	ALJ Recommendation Order	December 2012
	<p>Summary of Contents: As of 2/10/15, FPL, FDEP and Miami-Dade County have submitted a revised schedule for the SCA process associated with the county's Land Use Determination. Because of the revised schedule, SCA milestones will likely shift by approximately 5 months. FPL believes that the schedule revision would impact the SCA dates, <u>but not the overall project schedule</u>.</p> <p>A recent RAI from the NRC is being reviewed. Resolution of the scope and schedule for that RAI may result in a revision to the NRC milestone.</p> <p>The FPSC milestones are on track.</p> <p>FPL stated that the company believes it should be noted that the regulatory review processes are dynamic and dependent upon the perspectives, constraints and resources of a large group of agencies and stakeholders. Therefore, the pace of these processes is not directly under the control of the applicant. FPL continues to facilitate an expeditious but comprehensive review of its applications.</p> <p>Conclusions: <i>again, implying they are at the mercy of regulators and other factors or actors outside of their control</i></p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>		
<p>Document #: NEW DR-3.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: (reference response to PTN DR-1.11) Has the Land Use Consistency Determination been made? If so, please provide details. If it has not been made or received, does FPL still expect it no later than 2/15/2012? Please explain any delays and a new target date.</p> <p>Summary of Contents: FPL says this was addressed in the response to DR-3.2. As of 2/10/15, FPL, FDEP and Miami-Dade County have submitted a revised schedule for the SCA process associated with the county's Land Use Determination. Because of the revised schedule, SCA milestones will likely shift by approximately 5 months. FPL believes that the schedule revision would impact the SCA dates, <u>but not the overall project schedule</u>.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>		
<p>Document #: NEW DR-3.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide the number of currently outstanding NRC RAIs, a list of them, and the projected response date for each.</p> <p>Summary of Contents: Nine RAIs were detailed (see attachment). The oldest (RAI3114 – ER 2.3-4 Aquifer Diffusivity) was received in June 2011 but the response is not due from FPL to the NRC until 3/12/12. Others are due from 2/27/12 to 7/26/12.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: Continue to monitor FPL's RAI response productivity.</p>		
<p>Document #: NEW DR-3.5</p>	<p>Document Title and Purpose of Review: Does FPL still expect DEP to issue its final Project Analysis on alternative corridors in</p>		

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Date Requested: Date Received: Comments: (i.e., Confidential)	March 2012?
	Summary of Contents: See FPL response to DR-3.2.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: Inquire during the second set of interviews – DR-3.2 response isn't clear on this issue.
Document #: NEW DR-3.6 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: (refer to response to PTN DR-1.26) Two Project Instructions scheduled for revision in 2012 are NNP-PI-03 (Document Retention and Records Processing) and NNP-PI-06 (NRC Correspondence). Are those revisions normal, periodic updates or the result of some flaw or deficiency discovered during routine review? Please explain and provide the target dates for completion.
	Summary of Contents: FPL is currently revising NNP-PI-003 and NNP-PI-006. According to FPL's response, this is in order to reflect a change in responsibility for archiving NRC correspondence from Juno Beach Licensing to Turkey Point Units 3 & 4 Document Control. The company states that there was no flaw or deficiency which prompted the revisions. It states that FPL made a change to its business processes to increase efficient handling of NRC correspondence. The revisions are expected to be completed in the 2Q12.
	Conclusions: Check on status; obtain copies when completed
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-3.7 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: (refer to response to PTN DR-1.29) Please explain the decision to move the development portion of the PTN project to fall under the Executive Vice-President for Engineering, Construction, and Corporate Services.
	Summary of Contents: FPL underwent a corporate reorganization in 3Q11. Several reporting relationships were modified. Development was split into nuclear development and non-nuclear development. New Nuclear Development is under Steve Scroggs. Non-nuclear development was reassigned to VP External Affairs, Pam Rauch. Nuclear Development was assigned to VP Engineering, Construction and Corporate Services, Bob McGrath because of synergies with the Construction and New Nuclear Projects team (which reports to Bill Maher).
	Conclusions: Get a further explanation of the 'synergies' involved during the second set of interviews.
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: NEW DR-3.8 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: (refer to response to PTN DR-1.33) Will design engineering begin in the summer of 2012, as depicted on the schedule timeline attached as part of the response to DR-1.33? What will this entail?
	Summary of Contents: FPL states that in witness Scroggs' May 2011 testimony (pg. 30), it was identified that expenditures for Preparation phase activities were not included in the 2012 projected costs.
	A cost and schedule review is now underway to determine the impact of the NRC COLA schedule revision and what specific preparation activities, if any, will be undertaken in 2012.

	<p>FPL states that -- at present -- it does not seem likely that design engineering will begin in summer 2012 and that initiating these activities in 2012 was based on an assumption that the Corps of Engineers Wetland Permits would be on schedule for issuance in May 2013. That date will be delayed until 2014. An analysis is underway to determine if there is any impact to the current project COD.</p>
<p>Document #: DR-3.9 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Conclusions: During the second set of interviews, update whether an impact to the current project COD has been determined.</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.10 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Has there been any updates to the Long Lead Forging agreement? What changes to existing terms of the placeholder contract is FPL seeking? Does FPL want to extend the agreement another 3 months or for a longer term. Please identify the term if longer.</p> <p>Summary of Contents: FPL states that the current agreement expires 3/1/12 and that there are no further updates. FPL says it continues to seek to maximize the value to customers in whatever resolution is achieved. The manner in which that value is maximized, including the length of any further extensions, has not been determined at this point in the negotiation process.</p> <p>Conclusions: Negotiations must be ongoing, two weeks removed from the end of the current contract. Perhaps FPL does not want to divulge details prior to the upcoming March testimony.</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required: If not part of the march testimony of Mr. Scroggs, inquire during the second set of interviews</p>
<p>Document #: DR-3.11 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: (refer to response to PTN DR-1.52) Has a contract been awarded for the Preliminary Design for the Radial Collector Well System (RFP JMR110411)? In its earlier response, FPL predicted the award of the contract in January 2012. Please identify the awardee, the amount of the contract, pricing terms, the date issued, the expiration date (term), any change orders and their amounts, and spent to date amount.</p> <p>Summary of Contents: Burns & McDonnell was selected. Relevant FPL document is T&E Purchase Order # 2000060695. FPL states that Burns & McDonnell was selected due to "...superior technical merit and cost-effectiveness of the proposal....". It was initiated in the FPL SAP system and is currently awaiting final approval. Expiration of the PO is 12/31/12.</p> <p>The value of the contract is [REDACTED]</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required: Check during second set of interviews whether final approval was given and whether any CO's have been processed for the contract.</p>
	<p>Document Title and Purpose of Review: (refer to response to PTN DR-1.63) Please provide the complaint and investigation report regarding the Employee Concerns Program report from a subcontractor employee about alleged retaliation for raising safety concerns.</p> <p>Summary of Contents: FPL stated in its DR response that the report will be made available for review at FPL's Tallahassee office.</p>

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**REQUESTED
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BY NOI**

- Staff review - 02/16/12.
- An investigative report under the Employee Concerns Program (ECP-PTN-11-046)
- Dated October 11, 2011
- The report covered alleged threat of retaliation by the PTN 6&7 [REDACTED] Mr. [REDACTED]
- Threat was supposedly to get a contract engineer [REDACTED] run off the site because of statements she apparently made as part of an ACE (Apparent Cause Evaluation) interview
- In his initial statement, the investigator said he advised against such actions
- He told Mr. [REDACTED] that such actions and speech were inappropriate and probably illegal
- Further advised Mr. [REDACTED] to seek (FPL) legal counsel before proceeding with any such action(s)
- He told Mr. [REDACTED] that the interview process was confidential FPL personnel and improper to share any such information with an FPL subcontractor for the purpose of retaliation
- Mr. [REDACTED] also made statements re another on-site injury (AR1673428) and "gave the impression that the injury might not be real and that the contract employee was lying."
- [REDACTED] initial statement indicated potential weakness in the PTN 6&7 safety response & notification training
- At issue:
 - An apparent retaliation against subcontractor(s)
 - Ongoing instances of threats by Mr. [REDACTED]
 - Existence of a "threat and cover-up culture" on the RPN 6&7 job site
- Ms. [REDACTED] was later interviewed via an 8-item questionnaire which was ECP-generated. Ms. [REDACTED] was described as positive and forthright.
- She indicated having no troubles with the program at PTN 6&7, had experienced no retaliation, that she had a good and ongoing work relationship with Mr. [REDACTED], and that the programs at PTN 6&7 were sound.
- The ACE evaluator is Mr. [REDACTED]
- Finding - FPL ECP found no evidence of the [REDACTED] having made the statement(s) alleged and recorded.

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Conclusions: The initial statement of the investigator (name unknown) is at odds with the later assertion by Mr. [REDACTED] that the sentiments recorded were never expressed. It is improbable that recollections of a specific event and the precise facets of so serious a conversation (of legality regarding retaliation) could be recalled and recorded with such marked difference from the later statements of those involved. Because the discrepancy is in such opposition, because the investigator's report and the later assertions of others are in such sharp contrast with one another, follow-up is warranted.

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Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required: Requested the following in a subsequent DR, PTN DR-4:

* Re the response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide AR01664088 and AR1673428.

* Re the response to DR-3.11 and the events pertaining to ECP report No. ECP-PTN-11-046, please provide:

-date of the injury or incident that precipitated the ECP investigation and report

-date the investigation was initiated and the name of the investigator

-date of the conversation between the [REDACTED] and the ECP investigator

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	<ul style="list-style-type: none">-date of the interview between the ECP investigator and the complainant-date the 8-item questionnaire was given to the complainant and the name of the individual who administered it-date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and the complainant.-date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and Principal Engineer.-date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other FPL employees.-date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other contract employees <p>* Re the FPL response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide the names of the investigator who conducted the initial investigation and the supervisor who approved the investigation report.</p>
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**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
 Area: 2011 Nuclear Controls Review
 Auditor(s): D. Rich, L. Fisher

Workload Control #: _____
 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.3 DocSumLog PTN DR-4.doc

Document #: NEW DR-4.1
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Document Title and Purpose of Review:

- For the UIC exploratory well, please provide
- a. An update on the testing to confirm confinement
 - b. Whether confinement has been confirmed.
 - c. An update on whether a determination was able to be made whether the shallower zone is suitable for injection, and
 - d. If the testing proves the current location is unsuitable, describe FPL's follow-on plan and location of new drilling.

Summary of Contents:

- a. Florida Power & Light (FPL) obtained a permit on May 5th 2010, to construct a Class V, Group 9 Exploratory Well & Dual Zone Monitoring Well. This permit requires that geophysical logs and packer tests are conducted in order to determine the confinement of the interval tested. The Department of Environmental Protection (DEP) issued this permit under the provisions of Chapter 403.087, Florida Statutes, and Florida Administrative Code (F.A.C.) Rules 62-4, 65-520, 62-522, 62-528, 62-550, and 62-660. As part of the permitting process, the data collected from the geophysical logs and the packer tests is submitted to DEP for review, and subject to their approval. The results from the geophysical logs were analyzed for the interval from 1,535 to 3,232 feet bpl to identify the confining layer. The results obtained identify that the interval from 1,980 to 2,915 bpl is confining in nature and makes up the primary confinement at the site. This task was completed by December 9th 2011.
- b. Straddle packer tests and an open-ended packer test were performed on the pilot hole. The packer test water level data indicates that the packer test intervals from 1,930' to 2,500' are confining in nature. The specific capacity of these confining straddle packer tests ranged from 0.003 gpm/foot to 0.24 gpm/foot. This task was completed by January 30th 2012.
- c. The data obtained to date from the geophysical logs and the packer tests support that there is adequate confinement. These data will be submitted to DEP as part of the final engineering report at the end of the exploratory well construction. Ultimately, DEP will review the data to verify that adequate confinement has been confirmed.
- d. A formation test was conducted to assess the capability of the boulder zone to accept fluids at approximately 3,010 feet bpl. A review of the formation test data indicate that the downhole pressure increased by approximately three to five psi above the static pressure when pumping water into the test interval at a rate of 1,625 gpm. The low downhole pressure increase while pumping confirms that the test interval is located within the Boulder Zone.
- e. Formation test results indicate the location is suitable for injection.

Conclusions:

Data Request(s) Generated:

No. _____ Description:
 No. _____ Description:

Follow-up Required:

Document #: NEW DR-4.2
 Date Requested:

Document Title and Purpose of Review:

Site Certification Land Use Determination was expected by 02/15/12. Please provide:

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<p>Date Received: Comments: (i.e., Confidential)</p>	<p>a. Whether the Land Use Determination was received. b. A synopsis of the Determination.</p> <p>Summary of Contents: a. In early February the 12th revised schedule for the SCA was approved by the Administrative Law Judge. The revision reschedules the Land Use Determination deadline to July 16, 2012. The result of this change has affected other key dates by approximately five months. The expected date for the Siting Board hearing on the Site Certification is now July 30, 2013. The SCA process is scheduled to conclude prior to the NRC COL process, and therefore no impact to the overall schedule is expected from this revision. b. Not applicable.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-4.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: The Forging Reservation Agreement was earlier extended until March 1, 2012. Please explain: a. Whether FPL is currently in negotiations to extend the Forging Reservation Agreement b. Whether a new agreement has been reached further extending the Forging Reservation Agreement c. If a new agreement is not yet in place, what actions FPL is undertaking to secure a new Forging Reservation Agreement d. If a new agreement has been signed, the new expiration date of the Forging Reservation Agreement e. Key points of the revised Forging Reservation Agreement f. Whether under the new Forging Reservation Agreement FPL forfeited or was refunded any portion of the reservation fee g. If a forfeiture occurred, the amount forfeited</p> <p>Summary of Contents: a. FPL continues negotiations with Westinghouse towards final resolution of the Forging Reservation Agreement. b. A new extension was executed in February, extending the current agreement to June 1, 2012. All other terms remain the same. Supplemental Response (Bates 063737 & 0673738): On 5/17/12, the parties signed another extension, to October 1, 2012. c. See response to 4.3 b d. June 1, 2012 e. The terms are unchanged. f. The terms are unchanged. g. Not applicable.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-4.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p>NOI - CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: Re the response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide AR01664088 and AR1673428.</p> <p>Summary of Contents: Individual in AR01664088 was injured when the arm on a fork lift detached due to lack of welded stops. He was struck and required 11 stitches to close the wound. Welded stops were affixed, personnel were retrained about what to look for and (in its absence) to stop work if an unsafe condition exists. With modifications in place, the AR was closed</p>

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	<p>In the second, AR1673426, A Layne-Christensen subcontractor on the Exploratory/UIC site reported a pain in his arm at the end of shift. When questioned, he said he strained it 1½ weeks before but did not report it then. It began to hurt now so he decided to report it. The supervisor called their 'Health-Bridge' (1st Aid services company) who directed the superintendent to take the worker to see a doctor. The doctor perscribed pain-relief medication and 'light-duty'. Investigation was completed, determined not to be an OSHA-reportable event and the AR was closed.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: NEW DR-4.5 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Re the response to DR-3.11 and the events pertaining to ECP report No. ECP-PTN-11-046, please provide:</p> <ol style="list-style-type: none"> date of the injury or incident that precipitated the ECP investigation and report date the investigation was initiated and the name of the investigator date of the conversation between the Project Principal Engineer and the ECP investigator date of the interview between the ECP investigator and the complainant date the 8-item questionnaire was given to the complainant and the name of the individual who administered it date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and the complainant. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and Principal Engineer. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other FPL employees. date(s) of any subsequent meeting(s), teleconference(s), or email(s) between the investigator and other contract employees <p>Summary of Contents: As described in the ECP, this employee complaint was an allegation of discrimination, which was determined to be unsubstantiated. The employee complaint had no effect on the project cost or project schedule.</p> <ol style="list-style-type: none"> June 25, 2011 Date investigation was initiated is unknown to the project team. The name of investigator was [REDACTED] Unknown to the project team Unknown to the project team Questionnaire administrated by [REDACTED]. Date unknown to the project team. Unknown to the project team Unknown to the project team Unknown to the project team Unknown to the project team <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: Interview Mr. [REDACTED] and Mr. [REDACTED] separately, during the second set of on-site interviews.</p>
<p>Document #: NEW DR-4.6 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Re the FPL response to DR-3.11 and ECP report No. ECP-PTN-11-046, please provide the names of the investigator who conducted the initial investigation and the supervisor who approved the investigation report.</p> <p>Summary of Contents:</p>

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	<p>The ECP Investigator was [REDACTED] and the supervisor who approved the report was [REDACTED] ECP Manager.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: Interview Mr. [REDACTED] and Mr. [REDACTED], separately, during the second set of on-site interviews.</p>
<p>Document #: NEW DR-4.7 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Re the <i>Bechtel 12-01 Jan Progress Report.pdf</i> (DR-1.31 update, latest CD, pg 2 of 10) please:</p> <ol style="list-style-type: none"> provide details of the warranty claim filed as a result of additional effort associated with regenerating and resubmitting optical storage media. provide the dollar amount in dispute provide details, reports, documents, emails, and any other correspondence pertinent to the warranty claim describe a summary of any settlement or resolution agreed to by FPL and Bechtel if unresolved, a date by which FPL expects closure <p>Summary of Contents:</p> <ol style="list-style-type: none"> FPL and Bechtel correspondence provided describing the warranty claim filed by FPL regarding regenerating and resubmitting optical storage media. The value of the related labor hours was [REDACTED]. FPL was not billed, as indicated in the provided Bechtel correspondence. An attached Warranty Cost table detailed the hours associated with the claim. FPL and Bechtel correspondence documents were provided, describing the warranty claim filed by FPL regarding regenerating and resubmitting optical storage media. As indicated in the attached Bechtel Correspondence, this claim has been resolved. Not applicable. <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-4.8 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Re the <i>Bechtel 12-01 Jan Progress Report.pdf</i> (DR-1.31 update, latest CD, pg 4 of 10) please:</p> <ol style="list-style-type: none"> provide details of a warranty claim filed by FPL regarding the adequacy and suitability of the analysis originally performed by Bechtel for Tidal Oscillations in Site Monitoring Wells provide the dollar amount in dispute provide details, reports, documents, emails, and any other correspondence pertinent to the warranty claim describe a summary of any settlement or resolution agreed to by FPL and Bechtel if unresolved, a date by which FPL expects closure <p>Summary of Contents:</p> <ol style="list-style-type: none"> FPL and Bechtel correspondence documents provided describing the warranty claim filed by FPL re adequacy and suitability for Tidal Oscillations in Site Monitoring wells. The full dollar amount has not been determined (thru 02/27/12) FPL has withheld [REDACTED] from payment for Bechtel labor hours spent on this matter. The attached Warranty Adders Deducted table details the hours to date associated with this claim. FPL and Bechtel correspondence documents are attached describing the warranty claim filed by FPL regarding the adequacy and suitability for Tidal Oscillations in Site Monitoring wells.

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	<p>d. Bechtel and PTN 6&7 Project management have had conversations regarding the FPL expectation for the scope of the settlement of the warranty. Bechtel has taken it under advisement and have the action to propose an equitable settlement. PTN 6&7 Management is currently awaiting Bechtel's response.</p> <p>e. This matter is expected to come to closure in the first or second quarter of 2012.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p>
	<p>Follow-up Required:</p> <p>DR4.8(a) -- Determine resolution during interview trip 03/26-20/12 --- whether the [REDACTED] withheld from payment was sufficient to satisfy the claim, whether a lower/higher amount was determined subsequently, and the amount of the final settlement.</p> <p>DR4.8 (c) thru DR-4.8(e) -- Determine resolution during interview trip 03/26-20/12 --- whether Bechtel has proposed a settlement, the details and amounts associated with their proposal, and whether a resolution has been reached.</p>

Office of Auditing and Performance Analysis Document Summary and Control Log

Company: Florida Power & Light Company
 Area: 2012 Nuclear Controls Review
 Auditor(s): D. Rich. L. Fisher

Workload Control #: PA-11-11-005
 File Name: i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.4 DocSumLog PTN DR-5.doc

Document #: NEW DR-5.1
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

**REQUESTED
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BY NOI**

Document Title and Purpose of Review: For the month of the highest invoiced amount during the **first quarter 2011**, please provide copies of paid invoices and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges/pushback, resolution of disputed charges, et al), for the following contractors:

- a. Bechtel Power Corporation
- b. EPRI
- c. Golder Associates, Inc.
- d. Environmental Consulting & Tech
- e. Layne Christensen Company
- f. McNabb Hydrogeologic Consulting
- g. McCallum Turner, Inc.

Summary of Contents: FPL provided invoices with the highest invoiced amount during the first quarter of 2011 were provided. McCallum Turner, EPRI and Layne Christensen did not have any invoices processed during the first quarter.

Bechtel Invoice 1012089R. Dated 12/22/10. Paid 01/11. Vendor originally billed [REDACTED] Authorizations were correct (project controls reviewer, principal engineer reviewer, managing professional, and project director approval signatures are present). Supporting documentation attached per procedures. A reduction of [REDACTED] was applied from previously paid groundwater model and geolab software support. Net payment of [REDACTED]

Bechtel Invoice 11010204. Dated 01/27/11. Vendor billed [REDACTED] Authorizations were correct (project controls reviewer, principal engineer reviewer, managing professional, and project director approval signatures are present). Supporting documentation attached per procedures.

Bechtel Invoice 11020142. Dated 02/16/11. Invoice of [REDACTED] This is essentially a 'refund' of previously withheld / deducted geolab support. See Inv #1012089R. The amount withheld previously was in error, with this payment leveling things. Authorizations were correct (project controls reviewer, principal engineer reviewer, managing professional, and project director approval signatures are present).

Golder & Associates, Inc., Invoice 283374. Dated 02/15/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, principal engineer reviewer, managing professional, and project director approval signatures are present). Supporting documentation attached per procedures. An expense report entry error by a Golder Associate employee was noted by FPL review. The amount claimed did not match the receipts provided ~ it was approximately [REDACTED] less. Emails between the vendor review and FPL review determined that an adjustment was in order and the invoice was increased by the amount of the discrepancy. The system worked again in this instance, benefitting the vendor.

Environmental Consulting & Technology, Inc. Invoice 110429. Dated 02/11/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures.

McNabb Hydrogeologic Consulting, Inc. Invoice UIC-9. Dated 01/19/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures.

	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-5.2 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: For the month of the highest invoiced amount during the <u>second quarter 2011</u>, please provide the same types of requested information (as in 1a-g, above) for:</p> <ol style="list-style-type: none"> a. Bechtel Power Corporation b. EPRI c. Golder Associates, Inc. d. Environmental Consulting & Tech e. Layne Christensen Company f. McNabb Hydrogeologic Consulting g. McCallum Turner, Inc. <p>Summary of Contents:</p> <p>Bechtel Invoice 11040169. Dated 04/25/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering reviewer, licensing manager, and project director approval signatures are present). Supporting documentation attached per procedures. 1</p> <p>EPRI Invoice EP00389484. Dated 4/20/11. Invoiced amount [REDACTED] for 2010 membership in EPRI (Electric Power Research Institute). Two authorization signatures were present - project controls reviewer (Jacques) and the senior director (Maher). No documentation was attached. 2</p> <p>Golder & Associates, Inc., Invoice 286794. Dated 03/28/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, environmental svcs reviewer, manager, and general manager / director approval signatures are present). Supporting documentation attached per procedures. A 7-percent "office service fee" is added to each subtotal. About [REDACTED] total in this case. <u>Follow up.</u> 3 4</p> <p>Environmental Consulting & Technology, Inc. Invoice 110819. Dated 03/15/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures. 5</p> <p>Layne Christensen. Invoice 89014889. Dated 05/10/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, reviewer, project engineer, engineering supervisor, and licensing director approval signatures are present). Supporting documentation attached per procedures. This is for mobilization of the injection well effort. Balance of approximately [REDACTED] to be billed at completion of project milestones 6 7</p> <p>McNabb Hydrogeologic Consulting, Inc. Invoice UIC-13. Dated 05/02/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering principal, and engineering supervisor approval signatures are present). Supporting documentation attached per procedures. 8</p> <p>McCallum Turner, Inc. Invoice 10205. Dated 05/04/11. Invoice of [REDACTED] Authorizations were correct (project controls analyst, nuclear engineering principal, and licensing supervisor approval signatures are present). Supporting documentation attached per procedures. 9</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description:</p>

	<p>No. _____ Description:</p> <p>Follow-up Required: What is entailed in "Office Service Fees"? How is the rate of [redacted] percent derived? Is it the same for all vendors? Why is Golder Associates paid an office service fee of an additional [redacted] percent (totaling [redacted] for 5 people working a 78 hours? Why is Golder Associates paid an office service fee of an additional [redacted] percent (totaling [redacted] for one man working 81.5 hours? Who negotiates hourly rates, how does an admin assistant rate [redacted] /hr....and are they hiring?</p>	1 2 3 4
<p>Document #: NEW DR-5.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: For the month of the highest invoiced amount during the <u>third quarter 2011</u>, please provide the same types of requested information (as in 1a-g, above) for:</p> <ul style="list-style-type: none"> a. Bechtel Power Corporation b. EPRI c. Golder Associates, Inc. d. Environmental Consulting & Tech e. Layne Christensen Company f. McNabb Hydrogeologic Consulting g. McCallum Turner, Inc. <p>Summary of Contents: Bechtel Invoice 11070203. Dated 07/27/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, engineering supervisor, licensing manager, and project director approval signatures are present). Supporting documentation attached per procedures. Email from Maher to Bechtel inquiring about charge reversals of [redacted] and [redacted] on pages 14 and 34 ~ of a document apparently attached to the email but not included in the FPL response to this DR.</p> <p>Golder & Associates, Inc., Invoice 295323. Dated 07/19/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, environmental svcs, manager, and general manager & director). Ray Butts signed for Barbara Linkiewicz (general manager & director). Supporting documentation attached per procedures.</p> <p>Golder & Associates, Inc., Invoice 297348. Dated 08/19/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, environmental svcs, and manager approval signatures are present). Supporting documentation attached per procedures.</p> <p>Golder & Associates, Inc., Invoice 299803. Dated 09/06/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, environmental svcs, and manager approval signatures are present). Supporting documentation attached per procedures.</p> <p>Environmental Consulting & Technology, Inc. Invoice 111988. Dated 06/20/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures. Ray Butts signed for Barbara Linkiewicz. Email from B. Linkeiwicz provides her subsequent approval. <u>Follow up.</u></p> <p>Environmental Consulting & Technology, Inc. Invoice 112387. Dated 07/14/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures. Ray Butts signed for Barbara Linkiewicz. No subsequent email from B. Linkeiwicz providing her approval. <u>Follow up.</u></p> <p>Layne Christensen. Invoice 89014889. Dated 05/10/11. Invoice of [redacted] Authorizations were correct (project controls reviewer, engineering principal, engineering supervisor, and licensing director all approved. Signatures are absent for engineering principal and licensing director. Subsequent email authorizations received and they are attached. Other supporting documentation also attached per</p>	5 6 7 8 9 10 11 12

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	<p>procedures. This is for the injection well project.</p> <p>McNabb Hydrogeologic Consulting, Inc. Invoice UIC-15. Dated 07/15/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering principal, engineering supervisor, and licensing director approval signatures are present). Supporting documentation attached per procedures. [REDACTED] disallowed to correct error in billing rates – documented. <u>Follow up.</u></p> <p>McNabb Hydrogeologic Consulting, Inc. Invoice UIC-16. Dated 08/12/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering principal, engineering supervisor, and licensing director. Approval signatures are present with the exception of the licensing supervisor who authorized by email). Supporting documentation attached per procedures. <u>Follow up.</u></p> <p>McCallum Turner, Inc. Invoice 10205. Dated 05/04/11. Invoice of [REDACTED] Authorizations were correct (project controls analyst, n(uclear) engineering principal, and licensing supervisor approval signatures are present). Supporting documentation attached per procedures.</p> <p>Conclusions: (Bechtel) What were the [REDACTED] and [REDACTED] charge reversals for? (Golder & Associates) Is Ray Butts authorized to sign for Barbara Linkiewicz in her absence? How is this authorization conveyed / memorialized? (Environmental Consulting & Technology) Is Ray Butts authorized to sign for Barbara Linkiewicz in her absence? Why is a subsequent email for authorization required in one case and not another? (McNabb) – UIC-15: How is meal money paid – receipts from Publix, with non-food items. How is travel to/from home authorized? How often is it allowed? Daigle requested reimbursement seven times in June for trips home (6/2, 6/5, 6/9, 6/13, 6/19, 6/22, & 6/30; (1 x 300 miles, 1 x 302 miles, & 5 x 310 miles) @ approximately \$160 per roundtrip. With other expenses, the total reimbursement was \$1725. Who vets the expenses? (hoses, coffee, groceries, keys, computer cables). (McNabb) – UIC-16: Daigle requested reimbursement five times in July for trips home (7/5, 7/13, 7/18, 7/28, & 7/31; 1 x 300 miles, 4 x 300 miles) @ \$160 per roundtrip. With other expenses, the total reimbursement was \$1331. D. McNabb and M. Jordan (FPL) meal expense on 7/19 (\$114.06 with tip) included alcohol (2 Black & Tan, 2 Heineken) and four dishes (2 appetizers, 2 entrées?)</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>	1 2 3 4 5
<p>Document #: NEW DR-5.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: For the month of the highest invoiced amount during the <u>fourth quarter 2011</u>, please provide the same types of requested information (as in 1a-g, above) for:</p> <ol style="list-style-type: none"> a. Bechtel Power Corporation b. EPRI c. Golder Associates, Inc. d. Environmental Consulting & Tech e. Layne Christensen Company f. McNabb Hydrogeologic Consulting g. McCallum Turner, Inc. <p>Summary of Contents: Bechtel Invoice 11100198. Dated 10/29/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering supervisor, licensing manager, and project director approval signatures are present). Supporting documentation attached per procedures. FPL pushback -- email challenging some expenses (mileage, hotel rate, and use of auto instead of flying). Bechtel provided justification / rationalization. Accepted by FPL.</p>	6

Golder & Associates, Inc., Invoice 301892. Dated 10/17/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, environmental svcs, and manager approval signatures are present). Supporting documentation attached per procedures. 1

Golder & Associates, Inc., Invoice 303964. Dated 11/02/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, environmental svcs, and manager approval signatures are present). Supporting documentation attached per procedures. 2

Environmental Consulting & Technology, Inc. Invoice 113567. Dated 11/03/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, reviewer, and director approval signatures are present). Supporting documentation attached per procedures. 3

McNabb Hydrogeologic Consulting, Inc. Invoice UIC-19. Dated 11/02/11. Invoice of [REDACTED] Authorizations were correct (project controls reviewer, engineering principal, engineering supervisor, and licensing director approval signatures are present). Supporting documentation attached per procedures. Follow up. 4

McCallum Turner, Inc. Invoice 10327. Dated 10/17/11. Invoice of [REDACTED] Authorizations were correct (project controls analyst, nuclear engineering principal, and licensing manager approval signatures are present). Supporting documentation attached per procedures. 5

Conclusions:

Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

(McNabb) – **UIC-19:** How is meal money paid – receipts from Publix, with non-food items. How is travel to/from home authorized? How often is it allowed? Daigle requested reimbursement four times in October for trips home (10/5, 10/13, 10/20, & 10/24; (1 x 300 miles & 3 X 310 miles) @ approximately \$160 per roundtrip. With other expenses, the total reimbursement was \$1147. Non-food items.

(McNabb) – **UIC-16:** Daigle requested reimbursement five times in July for trips home (7/5, 7/13, 7/18, 7/28, & 7/31; 1 x 300 miles, 4 x 300 miles) @ \$160 per roundtrip. With other expenses, the total reimbursement was \$1331.

Document #: NEW DR-5.5
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review:

Completing the chart below, please provide the amount invoiced monthly by each company (as in 1a-g, above):

Summary of Contents:

COMPANY	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Bechtel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EPRI	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Golder	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
ECT	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
LayneChrist	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
McNabb	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
McCallum	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	260	[REDACTED]
MONTH TOTAL,	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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COMPANY	2011
Bechtel	
EPRI	
Golder	
ECT	
LayneChrist	
McNabb	
McCallum	

A

Conclusions: Reviewed 2011 invoices totaling ~

- ⊙ Bechtel: [REDACTED] (44.93 percent)
- ⊙ EPRI: [REDACTED] (100 percent)
- ⊙ Golder: [REDACTED] (68.91 percent)
- ⊙ ECT: [REDACTED] (52.11 percent)
- ⊙ Layne Christensen [REDACTED] (78.79 percent)
- ⊙ McNabb: [REDACTED] (52.35 percent)
- ⊙ McCallum: [REDACTED] (43.24 percent)

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Data Request(s) Generated:

No. _____ Description:
No. _____ Description:

Follow-up Required:

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: <u>Florida Power & Light Company</u> Area: <u>2012 Nuclear Controls Review</u> Auditor(s): <u>D. Rich L. Fisher</u>		Workload Control #: PA-11-11-005 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries NEW\3.3.6 DocSumLog PTN DR-7.doc
Document #: NEW DR-7.1 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Pg 36 of the March 1, 2011 NCRC testimony (Scroggs) What schedule turbulence is expected from the 2011 decision to defer pre-construction activities until 2013? What activities have been deferred?	
	Summary of Contents: FPL stated in the company reply that as in their March testimony, a project schedule review was conducted to determine potential impacts of the 1 NRC COLA (Oct 2011) schedule revision. That review indicated that by eliminating assumed margin and revising the sequence of activities, the COLA revision could be accommodated and FPL could still meet the 2022 and 2023 CODs for Units 6&7, respectively. The previous schedule (Rev 5 A) had included an assumed 8-mo delay in receiving the COL. FPL eliminated this margin, gaining or saving schedule time. Two PREPARATION phase activities were specifically reviewed -- excavation / removal of muck was revised and modified. FPL now plans to backfill portions of the site while excavation /muck removal occurs simultaneously elsewhere on the site. The company indicates that this technique is similar to the methodology used when constructing of PTN-5. Bid evaluation and negotiation of the EP and C contracts are now planned to be conducted in parallel rather than sequence (of negotiating EP followed by the C portion) FPL says this change reflects what is anticipated as the actual sequence of negotiations that will support a decision of whether to contract via a combined EPC or an EP contract and a C contract. Preparation activities are now scheduled to begin in late 2012 and continue through 2013. The new schedule is identified as Revision 6.	
	Conclusions:	
	Data Request(s) Generated: No. _____ Description: No. _____ Description:	
	Follow-up Required:	
Document #: NEW DR-7.2 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Pg 36, lines 13-14 ~ Has FPL identified (as part of its ongoing schedule review) specific tasks that can be done in parallel, or other measures, to preserve the current project timeline?	
	Summary of Contents: See FPL response to DR-7.1	
	Conclusions:	
	Data Request(s) Generated: No. _____ Description:	

	No. _____ Description:
	Follow-up Required:
<p>Document #: NEW DR-7.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Re previous responses to DR-4.8 (warranty claim), DR-5.1 (Bechtel Invoice 1012089R), and PTN6&7 interviews (03/28/12), please provide:</p> <ol style="list-style-type: none"> a. The final amount of the warranty claim against Bechtel b. The final total amount of the settlement agreed to by FPL & Bechtel c. The amount of the total in Item b above that was paid by or given up by: <ul style="list-style-type: none"> - FPL - Bechtel d. Terms of the warranty settlement agreement e. Any measure(s) resulting from the claim, resolution process, and settlement that either party or the parties proposed or have mutually adopted to improve future performance. <p>Summary of Contents: FPL furnished documents responsive to the DR -- warranty claim email, warranty claim letter, a warranty claim reconciliation.</p> <p>Originally, \$195,310.10 was the amount associated with the warranty item. FPL withheld this amount from various Bechtel invoices. Review determined that [REDACTED] was <u>not</u> associated with the warranty work. FPL reimbursed that amount to the vendor.</p> <p>After the reimbursement, a net of [REDACTED] was withheld from payment. The warranty claim has been finalized. (Bechtel has agreed to forego this amount)</p> <p>As a result of this claim, Bechtel has agreed to re-emphasized that any questions pertaining to the groundwater model should have FPL and FPL expert input as part of answer development.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-7.4 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: DR-5.2 EPRI Invoice EP00389484. The Electric Power Research Institute 2010 membership fee [REDACTED] was paid in April of 2011. Does membership fee payment usually lag by a year? Authorizations were present but no documentation was provided why the payment was made in the calendar year following the membership year or whether this is normal FPL procedure. Please explain.</p> <p>Summary of Contents: FPL stated that the membership fee was actually for 2011. The year 2010 was erroneously listed in the description section on the coversheet. EPRI 2011 Agreement signed on 01/31/11 was provided.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>

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<p>Document #: NEW DR-7.5 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Follow-up Required:</p> <p>Document Title and Purpose of Review: DR-5.3 ECT Invoices 111988 (6/20/11) and 112387 (7/14/11). Mr. Ray Butts signed in lieu Ms. Barbara Linkiewicz in each case. The former included a subsequent authorization email from Ms. Linkiewicz. The latter did not include a similar subsequent authorization or a delegation of signature authority. Is Mr. Butts (or others) always authorized to sign for Ms. Linkiewicz in her absence? How is this authorization conveyed / memorialized on each transaction? Please explain signature authority designation policy and whether there was any breach of procedure in the handling of ECT Invoice 111988 or 112387.</p> <p>Summary of Contents: FPL states that the invoice in question was properly reviewed -- by the Project team reviewer and that it was signed off by the Project Manager and an Environmental Services Director. The individual signing is a Director in the Environmental Services Department -- Directors are authorized to sign invoices up to \$500K.</p> <p>There was no breach of procedure in the handling of ECT invoice 111988 or 112387.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-7.6 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Re McNabb Hydrologic Consulting, Inc. PO#4500517152, for UIC Invoice #15 (7/15/11) and UIC Invoice #16 (08/12/11). Receipts contain food and non-food items. If contract personnel receive per diem, why are food and non-food items reimbursable? Please explain how meal money and/or per diem is determined and what additional food / non-food expenses are authorized</p> <p>Summary of Contents: FPL clarified, in response, that the correct PO for the work related to invoices UIC-15 and UIC-16 is 4500536449, not 4500517152 as stated in the request. It was included in the response.</p> <p>Per section 3.1.2.1 of the terms and conditions, "<i>Moderate and reasonable travel and living expenses, including transportation, lodging, meals and other similar expenses required in the performance of the Consulting Services at actual cost.</i>"</p> <p>The personnel contracted under PO 4500536449 did not receive per diem, as per diem is not allowable under the Terms and Conditions of Purchase Order 4500536449.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-7.7 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: 7. Re McNabb Hydrologic Consulting, Inc. Invoice UIC Invoice #15, UIC Invoice #16, and UIC Invoice #19 (11/02/11). The employee requested reimbursement seven times in June for trips home (6/2/11, 6/5, 6/13, 6/19, 6/22, and 6/30 - 1 x 300mi, 1 x 302mi, and 5 x 310mi), five trips in July (7/5, 7/13, 7/18, 7/28, & 7/31 - 1 x 300 mi and 4 x 310 mi.), and four in October (10/5, 10/13, 10/20, & 10/24 - 1 x 300 mi, 3 x 310 mi). Each trip is reimbursed at approximately \$160. (16 x 160 = \$2560) Please explain how McNabb contractor home travel is structured and who authorizes it. How often is it allowed? Is there a maximum for distance? Is there a maximum for frequency? Is there a maximum for costs allowable by FPL for McNabb employee</p>

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	<p>reimbursement regarding travel to and from home? During the time this employee was at home, was FPL also paying for a temporary residence near the job site and a per diem allowance?</p> <p>Summary of Contents: To clarify, the correct purchase order number governing the work related to invoices UIC-15 and UIC-16 is 4500536449, not 4500517152 as stated in the request. Please see the attached purchase order 4500536449 and terms and conditions. Per section 3.1.2.1 of the terms and conditions, <i>"Moderate and reasonable travel and living expenses, including transportation, lodging, meals and other similar expenses required in the performance of the Consulting Services at actual cost."</i> The personnel contracted under PO 4500536449 did not receive per diem, as per diem is not allowable under the Terms and Conditions of Purchase Order 4500536449. ICDR</p> <p>FPL points to the Purchase Order and terms and conditions (provided in DR-7.6), stating that LAW 3.1.2.1 of terms and conditions, <i>"Moderate and reasonable travel and living expenses, including transportation, lodging, meals and other similar expenses required in the performance of the Consulting Services at actual cost."</i> The company states that because expenses are reimbursed at actual cost, per diem is not allowable.</p> <p>Mileage expense is reviewed by FPL reviewers and approvers, to ensure requested reimbursements are each "moderate and reasonable". Terms and conditions of the contract do not specify or restrict miles allowed, distance covered, or frequency of trips.</p> <p>The Time and Materials purchase order defines a total not to exceed amount for the purchase order.</p> <p>Two 3-bdrm corporate housing units were leased for the combination of FPL employees, contractors and subcontractors required by the UIC well portion of the project. A cost analysis was performed comparing the corporate housing lease rates to the rates for area hotels. FPL's cost analysis showed that leasing was a lower cost alternative and ensured housing would be available for project duration. Units were not leased for specific individuals, but to make available adequate housing during the duration. The schedule of work, overlapped with EPU at Turkey Point, created hotel space scarcity and made the leasing option attractive because hotel space could not be to be continually available.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: NEW DR-7.8 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: How many McNabb employees were on the PTN 6&7 project each month during 2011 and to date in 2012? Please provide a month by month number, from January 2011 to end-March 2012.</p> <p>Summary of Contents:</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description:</p>

	No. _____ Description:
	Follow-up Required:
Document #: DR-7.9 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Is every McNabb employee on the PTN 6&7 project under the same rules for home travel, per diem, housing and food reimbursement? Please explain the authorizations and breakdown.
	Summary of Contents:
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-7.10 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide the total amount FPL reimbursed to McNabb contractors for home travel from January 2011 to end-March 2012.
	Summary of Contents: FPL response indicate that PTN6&7 had two purchase orders on which mileage was billed and reimbursed 01.11 thru 03.12. These are No. 4500517152 and No. 4500536449. Per terms and conditions of PO 4500536449, mileage expense is not required to be specified as home travel or otherwise. From January 2011 through March 2012, 48,440 miles (@ \$0.51/mile) was billed and reimbursed. The total was \$24,704.40. From 01.11 thru 03.12 on PO 4500517152, 240 miles (@ \$0.50/mi) was billed and reimbursed. Total of \$120.00 for one trip to the PTN 6&7 site for a meeting.
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required:
Document #: DR-7.11 Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: 11. Re McNabb Hydrologic Consulting, Inc. Invoice #UIC-16 (08/12/11) – A dinner on 7/19/11 (\$114.06 with tip) included alcoholic beverages. Is alcohol an authorized reimburseable item?
	Summary of Contents: FPL stated in reply that alcohol is not explicitly <i>permitted or disallowed</i> by the terms and conditions of the PO. All expenses submitted for reimbursement are reviewed by FPL reviewers and approvers, to ensure they are moderate and reasonable. In this specific instance, the company stated that two beers per person with a dinner meal, outside of working hours, was determined to be reasonable.
	Conclusions:
	Data Request(s) Generated:

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	No. _____ Description:
	No. _____ Description:
	Follow-up Required:

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 Bureau of Performance Analysis

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
Area: Nuclear Cost Recovery Clause
Auditor(s): D. Rich and L. Fisher

Workload Control #: PA-11-11-005
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Document Title and Purpose of Review: a) Provide a written summary of the work accomplished on the St. Lucie and Turkey Point uprate projects since January 2011 and planned activities through April 2012. b) Provide the most current copy of the Project Plan for St. Lucie and Turkey Point uprate projects. c) Provide a written summary monthly EPC contractor KSI performance measures, and monthly EPC project report updates since January 2011, and provide ongoing reports through April 2012 by the 15th of each month. d) Provide a copy of the most current project implementation plan (PIP) for St. Lucie and Turkey Point uprate projects.

Summary of Contents:
(Bates 002879-83)

a) The EPU project is currently being implemented in four overlapping phases.

1. In the Engineering Analysis Phase, the analyses that support the License Amendment Requests (LARs) are performed. During this phase, the major modifications required to implement the EPU are identified and confirmed, the LARs are prepared and submitted to the NRC for review, the NRC approves a license amendment for each plant (or unit, as applicable), and the conceptual scope is better defined. In 2011, this phase of the project was nearly completed with the acceptance for review by the NRC of four EPU LARs, St. Lucie Unit 1, St. Lucie Unit 2, Turkey Point Unit 3&4 and Turkey Point Core Operating Limits Report (COLR). The remaining effort for this phase is to respond to any additional NRC Requests for Additional Information (RAIs) and perform any additional analyses that may be required as a result of the NRC's review. In June of 2011, the NRC approved the Turkey Point Alternative Source Term (AST) LAR. In October 2011, the NRC approved the Turkey Point Spent Fuel Criticality LAR. Approval of the remaining LARs required for EPU is expected in 2012. In December 2011, FPL supported an NRC EPU audit at Turkey Point and at Westinghouse.
2. In the Long Lead Equipment Procurement Phase, the major long lead equipment is procured. During this phase, purchase specifications are developed, vendor quotes are requested, vendor proposals are received and evaluated, contracts are awarded, and the cost of long lead equipment is better defined. The vast majority of this phase was completed in 2011 with some equipment deliveries scheduled for 2012. Payment schedules for this equipment were established based on planned outages when the equipment would be installed.
3. In the Engineering Design Modification Phase, the detailed modification packages are prepared. During this phase, calculations are prepared, construction drawings are issued, some equipment and materials are procured, general installation instructions are provided, and high level testing requirements are identified. These activities provide the basis for preparing detailed estimates of the implementation costs. Approximately 220 design modification packages, ranging from small modifications to major modifications, are needed to implement EPU. The engineering design modification packages needed for the three outages in 2011 have been completed. The remaining modification packages will be completed in 2012.
4. The final Implementation Phase consists of two major parts. The first is planning and scheduling. Planning is the process to convert the design packages into detailed work packages for implementation. During this part of the implementation phase, revisions to the design may be warranted based on constructability. Scheduling is the process that takes the detailed work packages and translates them into a detailed integrated implementation schedule which is the point at which the final outage durations are determined. The second part of the final implementation is actual execution of the physical work in the plant including extensive testing and systematic turnover to operations. This phase of the project is reaching its peak and will continue through completion of the EPU project. Following the startup of each unit and operation at EPU conditions extensive baseline testing will be performed to ensure continued reliable operation. Two EPU outages were completed in 2011 and three EPU outages will be completed in 2012.

Through 2011, the EPU project was nearing completion of the Engineering Analysis and the Long Lead Procurement Phase, and progressing with the Engineering Design Modification and Implementation Phases in support of each outage. The project scope is more fully defined and thus a more definitive cost estimate was completed. FPL developed a non-binding cost estimate range in 2011 that recognized the uncertainties of the stage of the project and quantified the associated project risks based on known information. In 2011, FPL continued work on the overlapping phases of the project bringing a few to near closure. Several of the key activities that occurred in 2011 include: (i) submittal of the St. Lucie Unit 2 EPU LAR to the NRC for review and approval of the engineering analyses; (ii) the progress of modification engineering for the St. Lucie and Turkey Point Units; (iii) the execution and quality inspections of vendor supplying long lead equipment as well as receipt, inspection, and storage of long lead procurement items; (iv) continued vigilant oversight and management of vendors; (v) preparation for and successful execution of implementation activities during the St. Lucie Unit 2 and the Turkey Point Unit 4 outages; (vi) an increase of approximately 36 MW electrical output from St. Lucie Unit 2 following the replacement of the low pressure turbine; (vii) continued forward-looking project management resulting in adjustments to outage durations, project plans and procedures. FPL's efforts in 2011 included performing engineering analyses in support of responses to NRC RAIs. FPL has promptly responded to numerous NRC requests for additional information. The NRC accepted for review the St. Lucie Unit 1 EPU LAR on March 9, 2011, the Turkey Point EPU LAR on March 11, 2011, and the St. Lucie Unit 2 EPU LAR on June 23, 2011. The NRC approved the Turkey Point AST LAR on June 23, 2011. The NRC approved the PTN Spent Fuel Criticality LAR on October 31, 2011. The NRC review and approval time for each EPU LAR was anticipated to be approximately 12 months following NRC acceptance for review. In 2011, FPL completed the majority of contracts for long lead equipment. Several long lead procurement items were received, inspected, and stored or prepared for installation at the St. Lucie and Turkey Point plants. These items include steam turbine and generator rotors, moisture separator reheaters, and feedwater heaters. FPL also conducted quality assurance reviews at the equipment manufacturing and testing locations. The EPC vendor continued its efforts to prepare the detailed modification packages in 2011. Calculations were prepared, construction drawings were issued, some equipment and materials were procured, general installation instructions were provided, and high level testing requirements were identified. These activities provide the basis for preparing detailed estimates of the implementation costs. **By the end of 2011, approximately 140 of approximately 220 design packages will be completed.** The remainder will be completed in 2012. FPL continued to manage the EPC vendor to ensure the costs expended for the EPC work are reasonable and appropriate, including challenging estimates of future staffing requirements. For example, FPL periodically conducts senior-level management meetings in Frederick, Maryland at the vendor's headquarters to address then-current trends and metrics. FPL also awarded scopes of EPC work at St. Lucie to other vendors including Day & Zimmermann NPS (DZNPS) the former onsite construction vendor and Shaw which is FPL's current on-site construction vendor. These assignments were made as part of FPL's continuing effort to control costs. Additionally, FPL amended the PSL EPC vendor contract to include a specific "target price" in the spring of 2011 and is currently working to agree upon an EPC target price for PTN. Late in 2009, FPL contracted with a third party vendor, High Bridge Associates, with expertise in detailed estimating of nuclear project work, particularly with respect to the implementation of modifications. High Bridge Associates returned in 2011 to perform modification implementation estimating services at Turkey Point to help reach a target price for PTN. St. Lucie Unit 2 and Turkey Point Unit 4 successfully completed their first EPU outages in 2011. The major activities at St. Lucie Unit 2 included rewinding the generator stator, replacing the generator rotor, replacing the 2B main transformer, and replacing the low pressure turbine rotor. The major activities at Turkey Point Unit 4 included feedwater heater inspections, feedwater heater drain valve replacements, isophase bus duct replacement, main transformer cooler upgrades, partial replacement of feedwater heaters, and feedwater heater drain digital controls replacement. During each outage, transmission and substation upgrade work was performed in preparation for the increased electrical output from the power uprates. Regularly scheduled meetings were held to help effectively manage the uprate project and communicate the performance of the project in terms of quality, schedule and costs. These include the following:

- Daily meetings to mutually share lessons learned information from each of the projects and to coordinate project activities;
- Weekly project management, project controls, and risk meetings to review the status of the schedules and project costs, and to identify areas needing attention;

- Biweekly meetings with the Chief Nuclear Officer; Vice President, Power Uprate; Implementation Owner South; and other project leaders to review project progress and work through any identified risks to schedules or costs;
- Routine, usually quarterly, FPL Executive Steering Committee meetings where project management presents the status of the project. Strategy discussions take place to help improve management of risk areas;
- Monthly Project Meetings involving FPL and major vendors during which the project schedules and challenges are discussed; and
- Quarterly Project Meetings involving FPL and its major vendors during which strategy discussions take place to help improve management of risk areas.

The EPU Project also produces several reports. The information provided in these reports assists in the overall management of the EPU Project.

Activities planned for 2012 are to receive NRC approval of the EPU LAR's for the St. Lucie Unit 1, Unit 2, and the Turkey Point Units 3 and 4; to complete the licensing engineering analysis phase of the project; to complete the long lead equipment phase and the engineering design modifications phase of the project; to successfully complete the St. Lucie Unit 1-24 outage; and to perform a mid cycle outage for St. Lucie Unit 1 to adjust instrumentation set points following the NRC's approval of the St. Lucie Unit 1 EPU LAR. The EPU project is scheduled to complete the Turkey Point Unit 3-26 EPU outage in July 2012 and the St. Lucie Unit 2-20 EPU outage in October 2012. The Turkey Point Unit 4-27 EPU outage is scheduled to begin in November 2012 and is scheduled to complete in March of 2013.

b) The following EPU Project Plans are attached:

1. Fleet EPU Project Plan, revision 2. (Bates 002884-918) (35 pgs.)
2. PSL EPU Project Plan, revision 2. (Bates 002919-37) (19 pgs)
3. PTN EPU Project Plan, revision 2.

c) Bechtel uses Cost Performance Index (CPI) and Schedule Performance Index (SPI) to measure progress and performance versus a budget and target schedule. Generally, these performance indicators have been less than 1.0, which indicates performance less than planned. Many factors can affect these performance indicators, such as changes in work scope, additional engineering analyses required, additional regulatory requirements, constructability reviews needing additional implementation considerations, and estimates based on conceptual design information. These performance indicators are contained in the periodic Bechtel reports. Attached are PSL and PTN Bechtel weekly reports (one from each month for January 2011 through November 2011). Supplemental (Disk 8) These performance indicators are contained in the periodic Bechtel reports. Attached are PSL (Bechtel Leadership Mtgs.) and PTN (Bechtel Performance Indicators) weekly reports for December 2011.

• The 3/2/11 PSL Weekly Leadership Meeting (Bates 003117) states: SL1-24 Issues/Concerns: Delays to issuance of 100% design packages are delaying the start and progress of WP reviews. This will compress the SL1-24 pre-outage construction window and could result in cost and schedule impacts. SL2-20 Issues/Concerns: The same concerns noted in SL1-24 regarding the developed issuance of 100% design packages will delay the Field Engineers and compress the SL2-20 pre-outage window which could result in further cost and scheduling impacts.

• The 4/11/11 PSL Weekly Leadership Meeting (Bates 003134) states: 4/11/11 SL2-19 Bechtel is continuing to troubleshoot and coordinate with Station Operations to perform the deluge test for the auxiliary and main transformers. Testing is scheduled for this week along with the concrete pour for the containment pit around 2A and 2B transformers. The Daily Outage Report and Blackberry Report were concluded, per FPL's direction as of March 29 (Day 87 of the Outage). SL1-24 and SL 2-20 Due to the delay in outage start dates, Bechtel is revising work plans accordingly to delay major equipment deliveries, where possible, and to streamline the planning activities between the outages. We have begun meeting twice a week to review pre-outage work activities and resources. Design Engineering Variance of -99 work days (net) is noted for SL1-24 while early work on SL2-20 continues to be delayed due to staffing shortfalls and SL1-24 priorities. Field Engineering is proceeding based upon preliminary 90% design engineering documents where possible and the first work package, of a total 618, for SL 1-24 has achieved Status 30.

The 5/4/11 PSL Weekly Leadership Meeting (Bates 003200) states: Issues Requiring FPL Support 13,000 jobhours for

emergent work (PSCDNs written since January 1st) have been spent since January 1st. **This represents an unplanned personnel increase of about 27 equivalent engineers for the first 3 months of this year (27% growth in scope on a to-go basis. Such an increased work load is the major cause for all schedule slippage since January 1st**

The 6/1/11 PSL Weekly Leadership Meeting (Bates 003200) states: on page 3 of 50, Total Bechtel Related CRs: 161 (2011 YTD)

- o 106 were Bechtel Self Identified (65.8%)
- o 20 Bechtel Related are still Open (2011 YTD)
- o **68 are Bechtel Related Human Performance Issues (Bates 003224) (Represents 64% of all Condition Reports; is this abnormal?)**

SL1-24 material planning and FMR processing carry on in support of scheduled pre-outage activities by MOD. **A trip is scheduled for 6/1 and 6/2 by Bechtel Procurement, Engineering, Supplier Quality and FPL Engineering to AZZ's plant to inspect the Unit 1 coolers which have been identified to have several fabrication quality issues.** The intent is to identify and have AZZ correct the deficiencies prior to proceeding with the FAT. Bechtel Procurement is reviewing FPL issued PO's related to contract performance issues to assist FPL in assessing contractual and commercial impact due to poor supplier performance.

- EPPR SPI decreased to 0.84 this week, with engineering continuing to evaluate resources and addressing the issues with SL2-20. The CPI is 0.78. Engineering percent complete is currently at 67.1% vs. plan of 79.7%.
- Engineering is not executing to the baseline schedule and is deviating from the plan (SPI = 0.29) due to staffing constraints. Bechtel Engineering has an action to coordinate with FPL to address the subsequent activity pushes due to resource leveling. SL2-20 percent complete is 13% vs. plan of 44%.

The 7/6/11 PSL Weekly Leadership Meeting (Bates 003275) states: Procurement - Bechtel Procurement, Supplier Quality, PSL and PTN Project Management are working on a revised Supplier Quality approach to address issues raised by FPL QA regarding our current program. A joint meeting with FPL is scheduled for 7/7/11.

The 8/3/11 PSL Weekly Leadership Meeting (Bates 003338) states: In Quality Assurance - FPL audit scheduled for 8/3-8/4/11 of Bechtel QA Corrective Action program

The 10/5/11 PSL Weekly Leadership Meeting (Bates 003466) states: In Quality Assurance - Engineering Subcontractors program compliance surveillance has been initiated with reviews of completed training initiated. Meeting held with FPL QA Manager (Juno) regarding this issue.

Under Human Performance - Bechtel Daily Observation Summary for week ending 10/02/11: Total Bechtel Only Observation Cards: 87 of 72 Required. o Exceeds:2 o Meets: 45 o Needs Improvement: 40 Top Needs Improvement Area: Industrial Safety.

The areas identified were results of the following:

- [REDACTED] 7
- [REDACTED] 12
- [REDACTED] 21
- Action Taken: Bechtel Management and Supervision was notified that [REDACTED] was the primary cause for performance falling short of management's expectations. [REDACTED] will be addressed through morning briefs and craft huddles.
- Quality Observations: 84 of 87 (97%)

-Of the [REDACTED] 39 of the 40 were rated quality observations

There were five (5) Bechtel EPU HU Related CRs for the week ending 9/30/11. (Bates 003467)

- o AR #1690667 "Near Miss at Gate #5 on East Crane Rail" (HU Clock Reset)
- o AR #1690883 "Industry Welding Expectations not Met for Bechtel Socket Weld"
- o AR #1691117 "Bechtel Personnel Performing Unauthorized Field Walkdown" (HU Clock Reset)
- o AR #1691687 "Drafting Error on Drawing ENG-08158-0021"
- o AR #1691853 "Socket Welds Made as 1x1 in lieu of 2 to 1 Taper as Required"

"Issues/Concerns Hilti Summary: states that: (Bates 003477)

- Bechtel conducted limited scope audits of Hilti facilities in Schaan, Liechtenstein and Tulsa, OK to provide added assurance that

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Hilti's QA program is in compliance with NQA-1 1994, including supplements.

- The results of the audit were satisfactory with no findings and six observations.
- The Bechtel ESL was updated accordingly with Hilti approved for project use.
- One issue remains to resolve regarding proper wording on Bechtel Purchase Orders regarding one of the observations: NQA-1 1994 Supplement 10S-1 states that inspection personnel shall not report to supervisors who are directly responsible for the work being performed ("independent reporting requirement", or "IRR") -- this was specifically referenced in Bechtel's September 12-15, 2011 supplier audit report, observation 1.
- The current inspection setup meets the requirements of the NQA-1-2000 version and 10 CFR 50 app. B, which is the basis of the Hilti Nuclear Quality Program. To address this question, Hilti has instituted a revised reporting process. Hilti has stated that there is:
 - No 10CFR21 relevance.
 - No current regulatory concerns
 - No impact on quality of previously or future manufactured products
 - Expect resolution this week and the disposition of the PSL AR, NCR and CAR regarding this issue.

The 11/2/11 PSL Weekly Leadership Meeting (Bates 003544) states: Quality Assurance –

- Complete Audit Checklists from site QA Audit
- Write/Issue four (4) Corrective Action reports from Audit
 1. Corrective Action Reports not properly stored/retrievable
 2. Electrical cable laydown
 3. NCR administration errors
 4. Procurement training not documented
- MSR Corrective Action Report (WPCN/FME)

In HU - There was three (3) Bechtel EPU HU Related CR's for the week ending 10/28/11.
 AR #1700265 "Welding Documents not Correctly Filled Out"
 AR #1700330 "EPU EC Revision Approved in NAMS W/O Appropriate Review"
 AR #1700497 "Bechtel Electrician Lost Control of Tool Being Lowered"

In the SL1-24 PCM Packages items 4 and 5 state: (Bates 003554)
 4. 50.59 related package revisions required on eight packages: MSIV (115), LEFM (119), EBM (124), HLI (143), CMP (147), PVM (156), PSM (157) and CPF (165). Two package revisions completed: LEFM, PVM. **Licensing group qualification is still an issue. Two candidates are still waiting for 50.59 evaluation related qualification.**
This issue is slowing down the package revision progress and resulting in rework.

5. New scope or changes (identified recently) that will require additional efforts on SL1-24 packages:

- a. Another revision of Piping support mod (Mod 157) to address applicable system stress calculation to maintain facility configuration management
- b. Revise EC or issue CRN for five ECs to address applicable system stress calculations. The affected ECs are:
 - i. FWH 5A/B replacement
 - ii. MSR replacement
 - iii. MSR/Htr Drain valve upgrade
 - iv. MSIV
 - v. LEFM

Under Major Equipment Near Term Deliveries

- Feedwater Pumps Unit 1, A and B – Forecast delivery: 1-A, 1-B – Delivered
- Heater Drain Pumps: Forecast Delivery: 11/28
- Feedwater Heaters: Forecast Delivery: 11/3 for both 5-A & 5-B
- Siemens equipment/material deliveries are being supported by Bechtel and 6 truckloads of core iron donuts are

	<p><u>being delivered this week.</u></p> <p><u>Under Issues/Concerns Hilti Summary:</u></p> <p>□ A Bechtel PSL EPU letter to FPL was issued 10-31-11 <u>requesting that FPL grant a deviation</u> to the provisions of Supplement 10S-1, Section 3.1 of NQA-1, 1994, <u>for the supply of expansion anchors purchased from Hilti Corporation.</u></p> <p><u>(Disk 37) 1.1c March update</u> - These performance indicators are contained in the periodic Bechtel reports. Attached are PSL and PTN Bechtel weekly reports for February 2012.</p> <p><u>(Disk 45) 1.1c April update</u> - These performance indicators are contained in the periodic Bechtel reports. Attached are PSL and PTN Bechtel weekly reports for March 2012.</p> <p><u>(Disk 64) 1.1c May update</u> - These performance indicators are contained in the periodic Bechtel reports. Attached are PSL and PTN Bechtel weekly reports for April 2012.</p> <p>d) Attached are copies of the following current EPU project integration plans (PIP) for St. Lucie and Turkey Point uprate projects:</p> <ol style="list-style-type: none"> 1. PSL EPU Project Integration Plan, Revision 3, dated May 3, 2011. 2. PTN EPU Project Integration Plan, Revision 4, dated November 8, 2011.
	<p>Conclusions:</p>
	<p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p>
	<p><u>Follow-up Required:</u> a. 1) Discuss the <u>NRC EPU audit at Turkey Point and at Westinghouse, conducted in December 2011, and supported by FPL</u> (provide a copy). b. 1) Fleet EPU Project Plan, revision 1 was made 7/30/10, revision 2 was made 9/14/11; When was the Rev. 0 first documented? 2) PSL EPU Project Plan, revision 2 was made 11/17/11; When was revision 1 made? When was the Plan first documented (i.e. Rev 0? 3) When was the SL1-24 EPU Outage Execution Plan developed? (Bates 002938- 003045) (108 pgs)? c. 1) Were there any supplier impacts to TEI due to the Joplin Mo. Tornados in late 2011? Discuss problems with TEI quality of work. 2) 68 are Bechtel Related Human Performance Issues (Bates 003224) (Represents 64% of all Condition Reports; is this abnormal?) 3) Discuss the 6/1-2 trip to AZZ re: Unit 1 coolers with fabrication quality issues. 4) Discuss Bechtel Procurement is reviewing FPL issued PO's related to contract performance issues to assist FPL in assessing contractual and commercial impact due to poor supplier performance. 5) Discuss the engineering poof completion performance for SL2-20 in the 6/1/11 PSL Weekly Leadership Meeting 6) Discuss the Bechtel Procurement, Supplier Quality, PSL, and PTN Project Management meeting to work on a revised Supplier Quality approach to address issues raised by FPL QA regarding the current program. A joint meeting with FPL is scheduled for 7/7/11. 7) Discuss Quality Assurance - FPL audit scheduled for 8/3-8/411 of Bechtel QA Corrective Action program in 8/3/11 Weekly Leadership Meeting. (conducted by whom? For what reason? Ongoing QA audits? Results and recs?) 8) Discuss the <u>Engineering Subcontractors program compliance surveillance has been initiated with reviews of completed training initiated.</u> Meeting held with FPL QA Manager (Juno) regarding this issue from the 10/5/11 Weekly Leadership Meeting. 9) Discuss <u>five (5) Bechtel EPU HU Related CRs for the week ending 9/30/11.</u> (Bates 003467) from the 10/5/11 Weekly Leadership Meeting. 10) Discuss the <u>"Issues/Concerns Hilti Summary:</u> (Bates 003477) from the 10/5/11 Weekly Leadership Meeting and what changes were made as a result of the Bechtel QA limited scope audits. 11) Discuss the QA audit, issue 4 corrective action reports, and MSR corrective action report in the 11/2/11 Weekly Leadership Meeting. 12) Discuss the three (3) Bechtel EPU HU Related CR's for the week ending 10/28/11 13) In item 4 on page 13 of 28 (Bates 003554), what is meant by <u>qualification is still an issue</u> and what <u>rework</u> is needed due to the issue? 14) In item 5 on page 13 of 28 (Bates 003554), discuss the <u>recent changes identified</u> and the impacts on the SL1-24 outage. 15) Explain what <u>Siemens equipment/material deliveries are being supported by Bechtel</u> means on page 15 of 28 (Bates 003556) 16) Explain why Bechtel asked for the deviation for expansion anchors provide by Hilti (were they problematic or not to spec?).</p>
<p>Document #: DR-1.2 (Disk7) Date Requested: 11/3/11 Date Received:</p>	<p>Document Title and Purpose of Review: a) Provide a written summary of pending NRC and other regulatory applications, approvals, and certifications for the St. Lucie and Turkey Point uprate projects, including the current status and timeline for completing each. b) Provide a written summary of major project risks identified and company mitigation programs undertaken to</p>

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address each risk, from January 2011 and planned through April 2012. c) Summarize the results of the Turkey Point site certification monitoring wells and sampling to date and describe any potential impacts to the project during 2011 through April 2012. d) Describe the current status of FPL's EPU efforts to satisfy DEP site "certification conditions" for the St. Lucie Unit 1 & 2 uprates and any potential impacts to the project during 2011 through April 2012. e) Describe any current cooling water conditions or requirements that remain as possible challenges to the uprate projects and any potential impact on project schedule and costs. f) Describe any transmission conditions or electric grid requirements remaining as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs. g) Describe the actions taken by FPL since January 2011, and any planned through April 2012, to complete its LAR requirements for the St. Lucie and Turkey Point uprate projects. h) For each uprate unit with a pending LAR and NRC RAIs, provide the most current list of RAIs from the NRC, and a current timeline showing when the RAI responses for each LAR will be completed. i) Provide a written description of any other conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project's schedule and costs? j) Provide a status of the progress for upgrading the gantry cranes at each uprate unit since January 2011, and include: a description of the equipment being changed, timeframes for completion, salvageable materials and estimated costs for each crane upgrade through April 2012. k) Provide a summary of the engineering design packages completed to date, for each unit and outage, showing the unit, number of packages currently identified, and items initiated to 30% complete, 90% complete, and final. l) Discuss the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3&4 Spent Fuel Criticality Analysis and the impact of these amendments on the uprate project. m) Discuss the impact of the amendments on the use of a higher enriched fuel and operating output levels for the Turkey Point Units 3&4 uprates. n) Discuss the implications of burning higher enriched fuel at the lower fuel enrichment limit of 4.5 wt% U-235 specified in TS 5.5.1. o) Discuss the impact of the NRC not changing the higher level fuel enrichment limit with the issuance of the Turkey Point 3&4 license amendments. p) Discuss whether any further FPL analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR. q) Discuss how the October 31, 2011 NRC letter impacts FPL planning to accommodate the amendments, and how FPL manages the accompanying risk. r) Discuss how this letter and the amendments might possibly impact critical path for the Turkey Point 3&4 uprates? s) Discuss any other requests for change/approval/amendment (LARs or other) besides this Spent Fuel Criticality LAR currently working through the NRC system to gain necessary approvals to store more highly enriched fuel?

Summary of Contents: a) The status of pending regulatory applications as of December 5, 2011 is:

St. Lucie (PSL)

- FPL submitted the **PSL1 EPU License Amendment Request (LAR)** to the NRC on November 22, 2010 and the NRC accepted the LAR for review on March 9, 2011. **NRC review is ongoing with NRC approval anticipated in the second quarter of 2012.**
- FPL submitted the **PSL2 EPU LAR** to the NRC on February 25, 2011 and the NRC accepted the LAR for review on June 23, 2011. **NRC review is ongoing with NRC approval anticipated in the second quarter of 2012.**
- The NRC has made substantial progress in the reviews of the PSL EPU LARs. The NRC is experiencing resource constraints associated with impacts from the Japan and Virginia earthquakes. The NRC remains challenged to complete the reviews to meet the current targets. Further minor delays are possible.** FPL continues to emphasize to the NRC the importance to complete the reviews and issue the EPU license amendments.

Turkey Point (PTN)

- FPL submitted the **PTN EPU LAR** to the NRC on October 21, 2010 and the NRC accepted the LAR for review on March 11, 2011. **NRC review is nearing completion with NRC approval anticipated in the first quarter of 2012.**
- FPL submitted the **PTN Core Operating Limits Report (COLR) LAR** to the NRC on February 2, 2011, and the NRC accepted the LAR for review on March 29, 2011. **NRC review is ongoing with NRC approval anticipated in the first quarter of 2012.**
- NRC has made substantial progress in the review of the PTN EPU LAR.** There is little risk remaining to obtaining the NRC license amendment during the Unit 3 Spring 2012 EPU implementation outage.

b) The EPU risk assessments and risk mitigation plans are documented in the EPU Risk Registers. See the PSL and PTN Risk Registers provided in response to DR-1.6b4.

c) FPL completed installation of the Turkey Point monitoring wells and associated infrastructure in October 2010. Sampling of the monitoring stations began in June 2010. The sampling data gathered to date is considered pre-EPU baseline data and intended to be used to compare to the post-EPU data to be gathered after the uprate. Sampling is expected to continue for at least two years after the uprate is achieved. Currently, the monitoring program is on schedule and there are no expected impacts on the cost or schedule for the Turkey Point uprate project since funding for the monitoring program is being funded through the environmental cost recovery clause (ECRC).

d) The current St. Lucie Industrial Wastewater Facility (IWF) Permit issued in September 2011 requires FPL to perform ambient monitoring, thermal monitoring, and biological monitoring in the Atlantic Ocean in accordance with a previously issued Administrative Order (AO). In August 2011, the FDEP approved FPL's monitoring plans for implementation. FPL initiated biological monitoring in August 2011. Two pre-uprate baseline biological monitoring events have since been completed. The pre-uprate baseline monitoring results will be used to compare aquatic biological species at the St. Lucie Plant with similar monitoring data that will be obtained after EPU operation has commenced. Biological monitoring will continue for a minimum of 2 years following implementation of EPU operation for the second unit. The plan for thermal/ambient monitoring is currently in a competitive bidding process. Thermal monitoring is not required to commence until after implementation of EPU operation for the second unit. Thermal monitoring will be performed for a minimum of two years. Currently, the monitoring programs are on schedule and there are no expected impacts on the cost or schedule for the St. Lucie uprate project since the monitoring programs are funded through the environmental cost recovery clause (ECRC).

e) Currently, there are no known cooling water conditions or requirements that remain as possible challenges to the Turkey Point Unit 3 & 4 uprate projects. FPL is continuing to monitor the Turkey Point cooling canal as part of the Turkey Point Power Plant Groundwater, Surface Water and Ecological Monitoring Plan, in accordance with Section X of the site "certification conditions". There are no expected impacts on the Turkey Point EPU cost or schedule. Currently, there are no known cooling water conditions or requirements that remain as possible challenges to the St. Lucie Units 1 & 2 uprate projects. See FPL response to DR-1.2d. There are no expected impacts on the St. Lucie EPU cost or schedule.

f) From a transmission planning perspective, FPL has not identified any specific transmission conditions or requirements at this time that would create additional projects or impact the St. Lucie and Turkey Point uprate projects' schedule and costs. From a transmission and substation construction perspective, scheduled transmission line and substation equipment clearances for the uprate project can potentially be impacted by unplanned generation or transmission system outages, which is a possible challenge that could impact the St. Lucie and Turkey Point uprate projects' schedule and costs.

g) **The following LAR actions have been taken since January 2011 or are planned through April 2012.**
St. Lucie Uprate Project

- FPL held weekly teleconference meetings with the NRC project manager to discuss the review status and issues associated with the PSL1 and PSL2 EPU LARs
- FPL submitted the PSL2 EPU LAR on February 25, 2011
- FPL responded to NRC acceptance questions on the PSL1 EPU LAR
- FPL responded to NRC acceptance questions on the PSL2 EPU LAR
- FPL met with NRC to facilitate the NRC's review of the PSL1 EPU LAR and the PSL2 EPU LAR on March 16, July 12, and September 21, 2011
- FPL obtained NRC acceptance of the PSL1 LAR on March 9, 2011
- FPL obtained NRC acceptance of the PSL2 LAR on June 23, 2011
- FPL responded to numerous of NRC Requests for Additional Information (RAIs) on the PSL1 EPU LAR and the PSL2 EPU LAR throughout 2011

- FPL supported NRC audits of FPL technical documents in 2011
- FPL discussed the PSL1 and PSL2 EPU LARs' review schedule with NRC management on multiple occasions
- FPL plans to continue support of the NRC's review of the PSL1 and PSL2 EPU LARs through April 2012. This consists of continuing to:
 - o conduct weekly teleconference meetings,
 - o respond to NRC RAIs,
 - o support NRC requested technical audits,
 - o meet with NRC as needed,
 - o discuss NRC's review schedules with NRC management,
 - o support NRC Advisory Committee on Reactor Safeguards (ACRS) meetings on each EPU LAR, and
 - o other tasks as deemed appropriate to facilitate obtaining NRC approval of the EPU LARs.
- Turkey Point Uprate Project**
- FPL held weekly teleconference meetings with the NRC project manager to discuss the review status and issues associated with the PTN Alternate Source Term (AST), Spent Fuel Criticality (SFC), Core Operating Limits Report (COLR) and EPU LARs
- FPL submitted the COLR LAR on February 21, 2011
- FPL obtained NRC acceptance of the PTN EPU LAR on March 11, 2011
- FPL obtained NRC acceptance of the COLR LAR on March 29, 2011
- FPL met with NRC to facilitate the NRC's review of the PTN AST, SFC and EPU LARs on March 31 and June 23, 2011
- FPL responded to acceptance questions and hundreds of NRC RAIs on the PTN AST, SFC, COLR and EPU LARs
- FPL supported NRC audits of FPL technical documents in 2011
- FPL discussed the PTN EPU LAR's review schedule with NRC management on multiple occasions
- FPL obtained NRC approval of the PTN AST LAR on June 23, 2011
- FPL obtained NRC approval of the PTN SFC LAR on October 31, 2011
- FPL plans to continue support of the NRC's review of the PTN COLR and EPU LAR through April 2012. This consists of continuing to:
 - o conduct weekly teleconference meetings,
 - o respond to NRC RAIs,
 - o support NRC requested technical audits,
 - o meet with NRC as needed,
 - o discuss NRC's review schedules with NRC management, as needed,
 - o support NRC Advisory Committee on Reactor Safeguards (ACRS) meetings on the EPU LAR, and
 - o other tasks as deemed appropriate to facilitate obtaining NRC approval of the EPU LAR.
- h) Receipt and response to NRC RAIs is an ongoing process throughout the NRC review of a LAR. As of December 2, 2011, FPL has received and responded to the majority of the RAIs associated with pending LARs for PSL1, PSL2 and PTN uprate projects. The outstanding RAIs received pending FPL responses as of December 2, 2011 are summarized below. FPL notes that additional RAIs are anticipated throughout the review process.
- St. Lucie Unit 1 EPU LAR:**
 - 6 questions on the design of metamorphic inserts associated with the spent fuel criticality analysis
 - 1 question on the turbine missile generation probability analysis
 - 2 questions on instrumentation uncertainty calculations
 The responses to these RAIs are anticipated to be submitted in December 2011 and January 2012.
- St. Lucie Unit 2 EPU LAR:**
 - 86 questions related to the accident analyses performed for the EPU
 - 6 questions on the design of metamorphic inserts associated with the spent fuel criticality analysis

- 1 question on the turbine missile generation probability analysis
- 2 questions on instrumentation uncertainty calculations

The responses to these RAIs are anticipated to be submitted in December 2011 and January 2012.

Turkey Point Units 3 & 4 EPU and COLR LARs:

There are no open RAIs on Turkey Point EPU or COLR LARs (as of 12/2/11). FPL is supporting NRC's closure of open items identified in the NRC draft safety evaluation of the EPU. FPL anticipates that additional information will be submitted in January 2012 to address some of the open items.

i) Conditions or requirements that remain as possible challenges to the St. Lucie and Turkey Point uprate project schedules and costs are documented in the PSL and PTN EPU Risk Registers provided in response to data request 1.6b-4. Generally, the risk register is used to document potential risks to the project schedule and an order of magnitude potential cost impact to the project. For example, the NRC approval of the PSL Unit 1 license amendment will likely occur after the ongoing PSL-1 uprate outage. Therefore, a short mid-cycle or post-outage implementation window is currently being planned.

j) Upgrade of the PSL Turbine Gantry Cranes was completed prior to January 2011. Upgrade of the PTN Turbine Gantry Crane began in June 2011 and is expected to complete in December 2011. The cost of the PTN Turbine Gantry Crane upgrade is estimated to be [REDACTED]. Salvage materials are included in FPL's response to DR-1.7c. The PTN crane upgrade includes the following:

- Crane structure component reinforcement.
- Replacement of the existing motors and drives system to ensure reliable operation during EPU outages, with an infinitely variable speed control capability.
- The existing trolley and load block are being replaced by a new lighter trolley with an infinitely variable speed control capability.
- Increased travel speed for the bridge and hoists to improve material handling events to ensure reliable operation during EPU outages with an infinitely variable speed control capability.
- Upgraded drive control system to minimize potential "crabbing" of the bridge with an infinitely variable speed control capability.
- Replacement of the control operators cab and controls with an infinitely variable speed control capability.
- 3rd party engineering inspection & analysis completed to support the uprate:
- Inspection of rails and replacement of east rail
- Inspection of girders
- Replacement of crane walkway support
- Design and installation of new storm locks, runway end stops, and storm brake system
- Inspection of welds and materials of existing structure
- Third party review and recommendations for upgrading the electrical and control systems

k) The status of engineering design packages as of December 5, 2011 is:

	Currently Identified	Initiated	30%	90%	Final
St. Lucie - 1	49	49	49	46	44
St. Lucie - 2	53	51	48	30	23
Turkey Point - 3	58	58	57	55	41
Turkey Point - 4	60	60	25	25	22
Total	220	218	179	156	130
Percent		99%	81%	71%	59%

l) The October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3 & 4 Spent Fuel Criticality Analysis are supporting amendments needed to allow operation at the uprated conditions. At NRC's request, FPL submitted the spent fuel criticality analyses in a separate LAR prior to submitting the EPU LAR. Receipt of the approval of the spent fuel criticality analyses

was needed prior to receipt of an approval of the EPU LAR. NRC approval of the EPU LAR will reference the spent fuel criticality amendment approval. The spent fuel criticality amendment provides approval for FPL to store fuel that has operated at uprate conditions in the units' spent fuel pools. This amendment is an integral part of the uprate project and is currently being implemented to support the uprates.

m) The October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3 & 4 (PTN) Spent Fuel Criticality Analysis do not permit use of a higher enriched fuel or operating output level. These approvals are planned as part of the NRC approval of the PTN EPU LAR.

n) The October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3 & 4 Spent Fuel Criticality Analysis do not permit FPL to use higher enriched fuels; rather, the approval to use higher enriched fuel is part of the PTN EPU LAR and pending NRC approval. Since NRC approval of the PTN EPU LAR is not anticipated until during the Unit 3 Spring 2012 outage, the fuel for the first cycle of uprate operation on Unit 3 will meet the existing TS 5.5.1 limits, consistent with the plant's current NRC license requirements. Upon NRC approval of the PTN EPU LAR, future reactor cores may be designed and operated using fuel with enrichments of up to 5.0 weight percent U-235.

o) FPL requested approval of the use of the higher fuel enrichment limit as part of the PTN EPU LAR. FPL recognized that it was not going to be included in the October 31, 2011 amendments approved by the NRC to FPL's Turkey Point 3 & 4 Spent Fuel Criticality Analysis. At the NRC's request, the spent fuel criticality analysis amendment was submitted separately for NRC review and approval. In order for the NRC to approve a higher fuel enrichment limit, two additional elements require NRC review, the impact of the higher enriched fuel on the spent fuel cooling system and the impact of the higher enriched fuel on the new fuel storage area. These two areas are addressed in FPL's PTN EPU LAR in addition to the request to change the fuel enrichment limit in Technical Specification 5.5.1. It is FPL's plan to obtain approval of the higher fuel enrichment limit as part of the uprate license amendment; therefore, there is no impact to the uprate project due to the NRC not changing the fuel enrichment level as part of the spent fuel criticality analysis license amendment.

p) No further analysis or additional information is required for the NRC to complete the Spent Fuel Criticality LAR. The Spent Fuel Criticality license amendments issued by the NRC on October 31, 2011 are complete as intended.

q) The October 31, 2011 NRC letter does not impact FPL planning or risk as provided in FPL's responses to data requests 1.2n and 1.2o.

r) The October 31, 2011 NRC letter and spent fuel criticality license amendments have no impact on critical path for the Turkey Point 3 & 4 uprates. Receipt of this approval completes an important milestone in the NRC licensing process necessary to keep the approval of the PTN EPU LAR on track.

s) The PTN EPU LAR requests approval for use of the higher fuel enrichment limit. Please see responses to data requests 1.2n and 1.2o.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required: 1) Discuss LAR schedule and potential impacts to the project completion 2) Discuss RAIs and any potential impacts to the project's completion 3) Discuss the potential for cost impacts due to LAR changes or delays.4) Discuss the PSL monitoring requirements associated with the PSL IWF Permit received in September 2011 (is the IWF for both units? Are there

	<p>different requirements for both units? What were the <u>Two pre-uprate baseline biological monitoring events that have been completed?</u> What does the monitoring include for biological events? 5) Ask whether the PTN Gantry Crane Upgrade work was completed in December as estimated 6) Discuss the status of the engineering design packages shown in (k) above (is the 59% where the company would like to be at this time? has the company made an effort to improve results?)</p>
<p>Document #: DR-1.3 (Disk 5), (Disk 9, 1.3f) (Disk 12, 1.3f Jan revised) (Disk 20, 1.3 revised number 7-EPU) (Disk 37, 1.3f Mar) (Disk 64, 1.3f May) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a) Please describe any changes made to project planning for the St. Lucie and Turkey Point uprates since April 2011, due to potential project risks or other project management concerns. b) Please describe any new changes, challenges, project delays, or work stoppages, impacting project planning for the St. Lucie and Turkey Point uprates, since April 2011. Examples include, but are not limited to, economic conditions, demand projections, capital market conditions, vendor/contractor issues, site logistics, and regulatory issues. c) Identify the corrective actions undertaken for any new changes, challenges, project delays, or work stoppages, the timeframes involved, and the estimated impacts on project costs and scheduling. d) Please describe all mitigation strategies developed or considered for each problem or challenge, indicate which strategy the company is deploying, and provide the reasoning for choosing that strategy. e) Provide a current status of the commercial negotiations to settle damages and costs associated with the November 2010 Turkey Point Unit 3 work stoppage and the February 2011 St. Lucie Unit 2 work stoppage. f) Describe any other work stoppages occurring during the period 2011 through April 30, 2012 where damages or additional costs were incurred as a result the events, and provide a current status of the event and its impact.</p>
<p>REQUESTED CONFIDENTIAL BY NOI</p>	<p>Summary of Contents: (Bates 007060-62)</p> <p>a) <u>In June 2011, FPL adjusted the approved outage schedule for the remaining EPU outages to reflect the planned scope of work for each outage and planned outage durations. The PSL-1 EPU outage planned duration was changed from 110 days to 127 days. The PSL-2 EPU outage planned duration was changed from [redacted] days to [redacted] days. The PTN-3 EPU outage planned duration was changed from 120 days to 160 days. The PTN-4 EPU outage planned duration was changed from [redacted] days to [redacted] days.</u> Additional Bechtel field planners were added to the PTN EPU project to improve the timeliness of work package planning. <u>FPL added replacement of the PSL-2 #4 A & B Low Pressure Feedwater Heaters to the 2012 Unit 2 EPU outage scope.</u> FPL is currently planning for a mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation. This mid-cycle outage will be necessary if the NRC does not complete the review and approval of the PSL Unit 1 LAR prior to completion of the current PSL1 EPU outage.</p> <p>b,c,d) <u>See FPL's response to DR-1.6b4 for project challenges captured on the project risk registers.</u></p> <p>1. <u>On November 4, 2011, Bechtel imposed a PTN safety stand down on its subcontractor, Whiting Services Incorporated, as a result of a fall protection safety violation by Whiting employees working on the turbine gantry crane. The stand down lasted 3 days and Whiting suspended two employees from work for 5 days. There were no project cost impacts since the Whiting subcontract is a lump sum contract. The stand down and suspensions resulted in no impact to the project critical path schedule.</u> The stand down itself was a strategy to mitigate safety events. Bechtel implemented this strategy to emphasize to Whiting the importance of following safe work practices in preventing safety events.</p> <p>2. <u>On June 30, 2011, Bechtel imposed a PTN safety stand down on a Bechtel crew as a result of a fall protection safety violation by the Bechtel crew working on the Unit 3 turbine building. The stand down lasted approximately one hour and included a coaching session on safe work practices. There was no significant project cost impact and no impact to the project critical path schedule. The stand down itself was a strategy to mitigate safety events. Bechtel implemented this strategy to emphasize to its employees the importance of following safe work practices in preventing safety events.</u></p> <p>3. <u>On August 26, 2011, Bechtel imposed a PTN safety stand down on its subcontractor, Whiting Services Incorporated, as a result of a safety violation involving a Whiting employee moving from a man lift basket onto a scaffold. The stand down lasted approximately one hour and included a coaching session on safe work practices. There were no project cost impacts since the Whiting subcontract is a lump sum contract. The stand down resulted in no impact to the project critical path schedule.</u> The stand down itself was a strategy to mitigate safety events. Bechtel implemented this strategy to emphasize to Whiting the importance of following safe work practices in preventing safety events.</p>

4. On September 24, 2011, Bechtel imposed a PTN safety stand down of select Bechtel employees as a result of an OSHA recordable injury. The stand down lasted 4 days. All Bechtel craft personnel were suspended without pay and Bechtel craft supervisors were trained and coached on their responsibilities for promoting safe work practices and preventing injuries. The supervisors also worked during the stand down to plan upcoming work with an emphasis on safety. The stand down resulted in an improved work plan and a more safety-conscious work force. There was no significant project cost impact since the craft personnel were suspended without pay. Although there was a 4-day impact to the pre-outage schedule, there was no impact to the project critical path schedule. The stand down itself was a strategy to mitigate safety events. While the affected craft personnel were away from work, their immediate supervision was coached and mentored on their responsibilities in supervising craft personnel. Bechtel implemented this strategy to emphasize the importance of following safe work practices in preventing safety events.

5. FPL added replacement of the two #4 Feedwater Heaters to the PSL Unit 2 scope for SL2-20 outage installation. FPL has placed the order for the fabrication and delivery of the two #4 Feedwater Heaters to be installed in the SL2-20 outage. FPL instructed the EPC contractor to plan for this work scope. The cost impact of this scope change is estimated to be approximately [REDACTED] and there is no schedule impact expected.

6. The PSL Unit 1 license amendment approval schedule remains a significant challenge to project planning. FPL has actively supported the NRC's review of the PSL-1 License Amendment Request through frequent meetings and expeditious responses to NRC requests for additional information. The potential cost impact is indicated on the risk registers provided in FPL's response to DR-1.6b4 and the schedule impact could be several months. FPL is developing a short, several days, mid cycle outage implementation plan which would go into effect should the license amendment for Unit 1 be approved after the end of the SL1-24 outage.

7. On December 17, 2011, Bechtel imposed a PSL safety stand down on its electrical craft personnel following a human performance event in which Bechtel electrical craft personnel commenced work on the wrong motor control center. Upon discovery, the supervisor immediately stopped the work. No injuries occurred and no equipment was damaged. The Bechtel electrical personnel were retrained in equipment clearance processes and returned to work after approximately 2 days. The estimated cost of the work stoppage is approximately [REDACTED]. The stand down itself was a strategy to mitigate safety events.

(Disk 20) 1.3 Revision to 7 above: Based on actual labor costs captured by Bechtel, the cost of this stand-down and retraining was [REDACTED]. The stand-down and retraining was appropriate to mitigate safety events.

e) FPL and Bechtel did not reach mutual agreement on commercial negotiations to settle damages associated with the November 2010 Turkey Point Unit 3 work stoppage. On 11-1-10, a Bechtel craftsman inadvertently cut into a TPCW pipe while grinding a weld on an adjacent conduit support. Shortly thereafter, Bechtel repaired the pipe. FPL maintained that Bechtel was responsible for repairing the damaged pipe, but Bechtel maintained that FPL should compensate Bechtel on a time and material basis for repairing the pipe. FPL subsequently estimated the cost to repair the pipe at [REDACTED] and withheld that amount from a Bechtel invoice.

In February 2011, Siemens inadvertently left an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. Siemens repaired the damage on an expedited basis over the next several weeks. Following Siemens repair efforts, the generator was tested and determined to be satisfactory, and has operated satisfactorily since the outage ended in May 2011. FPL and Siemens are working to finalize a settlement agreement related to the repair costs.

f) Other than the work stoppages described in FPL's response to DR-1.3b, no other work stoppages occurred in 2011 and none are currently planned for 2012.

(Disk 9) Supplement to DR-1.3 f No EPU work stoppages occurred in December 2011.

(Disk 12) January revised No EPU work stoppages occurred in December 2011, except as noted in the original response to DR 1.3 f.

February revised No EPU work stoppages in January 2012.

	<p>(Disk 37) Supplement to DR-1.3 f - The following work stoppages occurred in February 2012: PSL – On Saturday February 25, 2012 a QC inspector and a Field Engineer manipulated a valve resulting in the QC inspector getting injured. A management decision was made to stop all field work, and craft and non-manuals for Bechtel were sent home while an investigation was performed and Bechtel could demonstrate they could safely execute the remaining work scope for the Unit 1 Outage. There were no damages. Costs would be per the craft agreements related to show up pay, which would be 2 to 4 hours pay for starting work before being released, or approx [redacted]. Work was resumed on day shift Sunday, 2/26/12 for select critical path work and then normal working hours on Monday, 2/27/12. Approximately [redacted] craft and field non-manual workers were involved in the work stoppage. There was no schedule impact due to the work stoppage since the workers sent home were not working on critical path activities. PTN – There were no EPU work stoppages at PTN in February 2012. (Disk 64) DR-1.3f May update - The following work stoppages occurred in April 2012: 1) 4/11/12 stop work notice to TEI on PTN-4 Moisture Separator Reheaters manufacturing facility until the root cause for tube leaks identified during fabrication process. No additional schedule delays or project costs as a result of this work stoppage. 2) On 4/12/12 Siemens implemented a safety stand down for entire work force due to a dropped turbine blade during removal of an old blade at PTN3; Approx [redacted] Siemens employees were on stand down for three hours; schedule impact was minimum for affected activities; ROM is [redacted] and no added schedule or cost impact to project; 3) On 4/12/12 Bechtel implemented a safety stand down when rigging for a condensate pump came in contact with a conduit; During approximately 24 hours a rolling stand down occurred involving approximately 1000 craft and contractor personnel in which Bechtel conducted safety training, site area clean-up, and personel signed a document signifying their renewed commitment to working safely. To assess the potential impact of this event, the project analyzed earnable man-hours as a measure of work achieved. On the day of the event over 6,500 earnable man-hours were achieved. The team analyzed pre and post event averages. FPL determined that approximately [redacted] hours was a result of the safety stand down, at an approximate value of [redacted]</p>	1 2 3 4 5
	<p>Conclusions:</p>	
	<p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p>	
	<p>Follow-up Required: 1) Discuss what caused the need to change the <u>PSL-1 EPU outage planned duration was changed from 110 days to 127 days</u> 2) Discuss the reasons for the <u>PSL-2 EPU outage planned duration being changed from [redacted] days to [redacted] days.</u> 3) Discuss the reasons for the <u>PTN-3 EPU outage planned duration was changed from 120 days to 160 days.</u> 4) Discuss the <u>PTN-4 EPU outage planned duration was changed from [redacted] days to [redacted] days.</u> 5) Discuss why <u>FPL added replacement of the PSL-2 #4 A & B Low Pressure Feedwater Heaters to the 2012 Unit 2 EPU outage scope.</u> (was this work the result of a previous outage not completing the work?) (Explain why it was needed) 6) Discuss why the <u>mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation is necessary</u> (what work has to be done?) (could this work have been completed sooner, in an earlier outage?) (what delayed this work from being completed sooner?) 7) Will PSL be run at currently licensed levels until after the mid cycle outage (will the unit be brought to full power then?) Would it be more cost effective to run at the current licensed level until the next schedule outage? (Why not?) 8) Did the addition of Bechtel Field Planners for PTN EPU improve the timeliness of work package planning as believed? (discuss how many additional planners were added and the project improvements experienced) 9) Explain what a <u>fall protection safety violation</u> is 10) Discuss the stand downs and their impacts (did any occur during an outage? (what was the impact to the outage?) 11) <u>Discuss the December 17, 2011, Bechtel imposed PSL safety stand down on its electrical craft personnel following a human performance event in which Bechtel electrical craft personnel commenced work on the wrong motor control center.</u> (explain the [redacted] estimated cost and who is responsible for paying those costs? what options are left to resolve the commercial settlement and when does the company plan to pursue those options? When should negotiations be complete? Will the company submit any costs for this event to the NCRC for recovery?) 12) Explain where FPL and Bechtel are going</p>	6 7 8

	<p>with the commercial settlement of the <u>November 2010 Turkey Point Unit 3 work stoppage (what options are left to resolve the commercial settlement and when does the company plan to pursue those options?)</u> 13) Explain where FPL and Siemens are going with the commercial settlement of the <u>February 2011 work stoppage event where, Siemens inadvertently left an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing. (what options are left to resolve the commercial settlement and when does the company plan to pursue those options? When should negotiations be complete? Will the company submit any costs for this event to the NCRC for recovery?)</u> 14) Have any work stoppages, stand downs, or other delays of work been reported for the EPU outages since December 2011?</p>
<p>Document #: DR-1.4 (Disk 7), (Disk 8, 1.4g) (Disk 9, 1.4d Jan, 1.4e Jan, 1.4f, Jan) (Disk 37, 1.4d Mar, 1.4e Mar, 1.4g Mar) (Disk 39, 1.4b Mar, 1.4b Mar) (Disk 45, 1.4g Apr) (Disk 64, 1.4g May) (Disk 65, 1.4b May, 1.4d May, 1.4e May, 1.4f May) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Provide a current organizational chart of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects. b) Describe any senior/executive managerial changes made, since January 2011 and ongoing through April 2012 by the 15th of each month. c) Explain the company's rationale and expected benefits for making the organizational changes in b) above. d) Please describe any changes occurring in the EPU organization and management of the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month. e) Explain the company's rationale and expected benefits for making the organizational changes in d) above. f) Describe any company disciplinary actions of EPU project employees since January 2011 and going forward through April 2012 by the 15th of each month. g) Provide a readable copy (8 pt. or larger) of the company's staffing plan for the St. Lucie and Turkey Point uprates, a description of project staffing changes made since January 2011, and any planned staff changes through April 2012 by the 15th of each month. h) Provide the percent of staffing requirements not completed to date. i) Describe the actions necessary, and expected timeframe, for meeting planned staffing levels. j) Provide any staffing plan corrective actions undertaken, timeframes involved, and estimated impacts on project costs and scheduling.</p> <p>Summary of Contents:</p> <p>a) Attached are the following current organization charts of project management and work units currently responsible for completing the St. Lucie and Turkey Point nuclear uprate projects:</p> <ol style="list-style-type: none"> 1. JB EPU Organization 2011-11-10 2. PSL EPU Site Organization 2011-11-15 3. PTN EPU Site Organization 2011-04-11 <p>b) <u>There have been no EPU executive management changes made since January 2011.</u> See FPL's response to DR-1.4d for EPU management changes. <u>(Disk 9) 1.4b January</u> - There were no EPU executive management changes made in December 2011. See FPL's response to DR-1.4d for EPU management changes. <u>Revised February</u> - There were no EPU executive management changes made in January 2012. <u>(Disk 39) 1.4b update</u> - There were no EPU executive management changes made in February 2012. See FPL's response to DR-1.4d for EPU management changes. <u>(Disk 65) 1.4b update</u> - There were no EPU executive management changes made in April 2012. See FPL's response to DR-1.4d for EPU management changes.</p> <p>c) Not Applicable</p> <p>d) <u>The following changes in the EPU organization and management of the St. Lucie and Turkey Point uprate projects have occurred since January 2011:</u></p> <ol style="list-style-type: none"> 1. <u>In January 2011, Steve Franzone, PTN LAR Manager, returned to his former position within FPL as originally planned and was replaced by Steve Hale.</u> 2. <u>In April 2011, Mike Delowery, PSL EPU Director, left FPL of his own volition. Alan Fata was moved from PTN EPU Director to PSL EPU Director and Alan Katz was assigned PTN EPU Director.</u> 3. <u>In September 2011, Alan Fata, PSL EPU Director, retired from FPL of his own volition and was replaced by James Piazza.</u>

4. In September 2011, Russ Merle, PSL EPU Construction Manager, left FPL of his own volition and was replaced by Mike Pacholke.

5. In September 2011, Babar Suleman, PTN EPU Project Controls Manager, left FPL of his own volition and was replaced by Ken Koscinien.

(Disk 9) Supplement to DR-1.4d - January

An announcement was made on December 21, 2011, with the following changes to take effect January 10, 2012:

Fred Pastor will assist in supplier oversight and report to Terry Jones.

Steve Robitzski will become the EPU Implementation Owner for St. Lucie, Jamie Piazza will report to Steve Robitzski.

Fred Huber will assume the EPU Construction Manager position at St. Lucie.

Steve Reuwer will continue to be the Implementation Owner for Turkey Point, Alan Katz will report to Steve Reuwer.

Michael Moran will become a second engineering manager at Turkey Point, reporting to Alan Katz.

February revised - The following changes in the EPU organization and management of the St. Lucie and Turkey Point uprate projects have occurred in January 2012:

1. Steve Reuwer, EPU Implementation Owner South became the Turkey Point EPU Implementation Owner

2. Steve Robitzski became St. Lucie EPU Project Implementation Owner.

3. Michael Moran became a Turkey Point EPU Project Assistant Engineering Manager.

4. Fred Huber became the St. Lucie EPU Project Construction Manager.

(Disk 37) 1.4d Mar update - There were no changes in the EPU organization and management at the St. Lucie and Turkey

Point uprate projects in February 2012. Mr. Fred Pastor, of the Juno Beach EPU organization completed his EPU assignment and was no longer part of the EPU organization on February 1, 2012.

(Disk 65) 1.4d May update - The following changes in the EPU organization and management of the St. Lucie and Turkey Point uprate projects occurred in April 2012:

The Director of EPU Licensing was reassigned to a non-EPU position within Next Era Energy.

The Director of EPU Licensing position will not be filled as the EPU licensing activities are nearing completion. The remaining responsibilities of the Director of EPU Licensing will be shared by the St. Lucie and Turkey Point EPU LAR Managers.

e) The organizational changes identified in response to DR-1.4d were made as a result of employees electing to leave FPL. FPL selected the assigned replacements based on their qualifications, experience, and capabilities.

(Disk 9) January revised - The organizational changes identified in response to DR-1.4d were made to ensure the appropriate FPL resources were assigned to the EPU Project during the implementation phase of the Project. FPL selected the newly assigned personnel based on their qualifications, experience, and capabilities.

February revised - The organizational changes identified in response to DR-1.4d were made as a result of identified project resource needs. FPL selected the assigned individuals based on their qualifications, experience, and capabilities.

(Disk 37) 1.4e Mar update Mr. Fred Pastor satisfactorily completed his EPU project assignment. The expected benefit is reduction in cost now that he is no longer in the EPU organization.

(Disk 65) 1.4e May update - See response to DR-1.4d.

f) On October 12, 2011, a lead EPU project manager at the St. Lucie Nuclear Plant was suspended without pay for five days for harassing and intimidating behavior. On October 18, 2011, a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session.

(Disk 9) January revised - There were no disciplinary actions of EPU project employees in December 2011.

Disk 37

Supplement to DR-1.4f - January - There were no disciplinary actions of EPU project employees in December 2011

1.4d February revised - There were no disciplinary actions of EPU project employees in January 2012.

(Disk 65) 1.4f May update - There were no disciplinary actions of EPU project employees in April 2012.

g) Attached are copies of the staffing plans for PSL and PTN EPU. See FPL's response to DR-1.4d for changes made in the EPU management organization since January 2011.

(Disk 8) Supplement to DR-1.4g for January - Attached are copies of the staffing plans for PSL and PTN EPU as of December 31, 2011. Staffing changes announced in December 2011 are described in FPL's response to DR-1.4d. Staffing changes planned for 2012 include release or reassignment of project personnel after their assigned duties are completed (e.g., LAR personnel after the LARs are approved by the NRC). There are currently no significant staffing changes planned through April 2012.

Disk 37) update to Dr-1.4g for March - See FPL's response to DR-1.4d for changes made in the EPU management organization in February 2012. There are currently no significant staffing changes planned through April 2012.

Disk 45 update to Dr-1.4g for April - Attached are copies of the staffing plans for PSL and PTN EPU as of March 2012. PSL EPU plans to reduce some staff in April 2012 based on completion of the PSL Unit 1 outage. There are currently no significant staffing changes planned for PTN EPU through April 2012.

Disk 64 update to Dr-1.4g for May - Attached are copies of the staffing plans for PSL and PTN EPU. See FPL's response to DR-1.4d for changes made in the EPU management organization in April 2012.

h) EPU staffing at PSL and PTN is essentially 100% complete; therefore, 0% of staffing requirements are not completed to date.

i) No actions are required since planned staffing levels have been achieved.

j) Since the project has been fully staffed, it has not been necessary to undertake any staffing plan corrective actions. When a position opened up, the position was filled from internal or external resources.

Supplement to DR-1.4e - January - The organizational changes identified in response to DR-1.4d were made to ensure the appropriate FPL resources were assigned to the EPU Project during the implementation phase of the Project. FPL selected the newly assigned personnel based on their qualifications, experience, and capabilities.

(Disk 39) DR-1.4f - March - There were no disciplinary actions of EPU project employees in February 2012.

Supplement to 1.4g - January

Attached are copies of the staffing plans for PSL and PTN EPU as of December 31, 2011. Staffing changes announced in December 2011 are described in FPL's response to DR-1.4d. Staffing changes planned for 2012 include release or reassignment of project personnel after their assigned duties are completed (e.g., LAR personnel after the LARs are approved by the NRC).

(Disk 37, 1.4g Mar) update - Attached are copies of the staffing plans for PSL and PTN EPU issued in February 2012. See FPL's response to DR-1.4d for changes made in the EPU management organization in February 2012. There are currently no significant staffing changes planned through April 2012.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required: 1) Discuss the January 2011 return of Steve Franzone to his former position within FPL as originally planned, and his replacement by Steve Hale as PTN LAR Manager (return from Point Beach planned all along?) 2) Discuss the September 2011, retirement of Alan Fata, PSL EPU Director, and his replacement by James Piazza (planned retirement or unplanned?) 3) Discuss the September 2011 replacement of Babar Suleman, PTN EPU Project Controls Manager, and replacement by Ken Koskimiemi (where did he come from (inside/out) and was this planned or unplanned movement?). 4) Discuss the September 2011 termination of Russ Merle, PSL EPU Construction Manager, who left FPL of his own volition and was replaced by Mike Pacholke (reason for leaving? Planned or unplanned? Where is Mike from inside/out? Prior experience w/EPU? From other FPL assignment?) 5) Discuss the incidents on October 12, 2011, when a lead EPU project manager at the St. Lucie Nuclear Plant was suspended without pay for five days for harassing and intimidating behavior and on October 18, 2011, a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session. (What was the cause?)

	What was the result? Are both still employed? Did either leave of their own volition? Were both documented into employee records? Was there any impacts to the project?)
<p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Provide copies of EPU Project Management policies and procedures newly-created or revised since January 2011, and any planned revisions through April 30, 2012. b) Provide a listing of Project Management policies and procedures deleted since April 2011 and the company's reason for deleting each.</p>
	<p>Summary of Contents: Newly Created EPPIs: EPPI-302, Rev. 0, Nonbinding Cost Estimate Range EPPI-391, Rev. 0, EPU Obsolete and Spare Parts Process Guideline Revised EPPIs and Procedures EPPI-100, Rev. 4, Project Instruction Preparation, Revision, and Cancellation EPPI-110, Rev. 23, EPU Project Expectations and Conduct of Business EPPI-170, Rev. 3, Time and Expense Reporting to FPLE Support EPPI-220, Rev. 5, Funding Requests and SSJ EPPI-250, Rev. 1, Target Price Control Process EPPI-301, Rev. 1, Forecast Variance and Trends EPPI-310, Rev. 6, Development, Maintenance, and Update of Schedules EPPI-340, Rev. 4, Risk Management Program EPPI-370, Rev. 4, EPU-FPL Accrual Process EPPI-380, Rev. 2, EPU Project Self Assessment EPPI-520, Rev. 2, Personnel Training Requirements EPPI-560, Rev. 4, EPU Project Qualification Guidelines EPPI-640, Rev. 1, Requests for Information at PSL and PTN EPPI-810, Rev. 3, Severe Weather Preparation EPPI-820, Rev. 1, Environmental Control Program EPU Project Governance and Oversight Protocol, Rev. 3 Planned Revisions EPPI-830, Rev. 0, St. Lucie RFI Process (New EPPI) EPPI-140, Rev. 9, Roles and Responsibilities EPPI-160, Rev. 2, EPU Formal Correspondence EPPI-180, Rev. 1, EPU Nuclear Cost Recovery EPPI-920, Rev. 0, PTN-EPU Environmental Control Programs</p>
	<p>b) The below table is a listing of Project management policies and procedures deleted since April 2011 and the company's reason for deleting each.</p>
	<p>EPPI Number Revision Title Description of Change 610 2 EPU License Amendment Writers Guide Cancelled, guidance no longer needed due to LAR submittals and acceptances are Complete 345 0 EPU LAR Engineering Risk Management Cancelled, guidance no longer needed dueto LAR submittals and acceptances are complete</p>
	<p>Conclusions: Two new EPPIs produced, 16 EPPIs revised, 5 planned revisions in 2012. Shows that FPL continues to update EPPIs through 2012 to reflect changes in guidance through project procedures.</p>
<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>	
<p>Follow-up Required: 1) Review EPPI changes made during 2011 2) Discuss any planned revisions for 2012</p>	

Document #: DR-1.6
 (Disk 6, 1.6a, 1.6b1,3,4,6,9,10,11,12)
 (Disk 7, 1.6)
 (Disk 8, 1.6a, 1.6b Jan)
 (Disk 9, 1.6d)
 (Disk 37, 1.6a Mar, 1.6b Mar)
 (Disk 39, 1.6d Mar)
 (Disk 45, 1.6a Apr)
 (Disk 64, 1.6a May, 1.6b May)
 (Disk 65, 1.6d May)
 Date Requested: 11/3/11
 Date Received:
 Comments: (i.e., Confidential)

**REQUESTED
 CONFIDENTIAL
 BY NOI**

Document Title and Purpose of Review:

a) Provide copies of all periodic or adhoc reports discussing St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through April 30, 2012. b) Please provide copies of the following EPU project and management reports for the period January 1, 2011 through April 30, 2012 on an ongoing basis by the 15th of each month:

1. EPU Monthly Operating Report
2. Internal and external audit engagements
3. FPL Executive Steering Committee reports
4. Monthly EPU Project Risk Matrix
5. Monthly Risk Mitigation Plan Review
6. Vendor Integration Committee reports (consolidated/replaced by Project Steering Committee Report and Technical Steering Committee)
7. EPU Executive Steering Committee Report
8. EPU Technical Steering Committee Report (consolidated/replaced by Vendor Integration report)
9. Bi-Weekly Updates (CNO Updates) PSL & PTN
10. EPU Project and Individual Unit Cost Data
11. Disciplinary actions against contractors
12. Provide copies of the Weekly Contract Compliance Matrix

(Disk 64) 1.6a update May - Attached are the following FPL periodic or ad hoc reports discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management for April 2012.

- PSL Daily Reports for April 2, 2012 through April 30, 2012.
 - PTN Daily Reports for April 2, 2012 through April 30, 2012.
 - PTN Outage Earned Value Reports for April 1, 2012 through April 30, 2012.
- emens Weekly Status Reports dated 4/3/12, 4/10/12, 4/17/12, and 4/24/12.

c) Identify any new uprate project controls introduced since April 1, 2011 and describe any planned for implementation going forward through April 30, 2012.

d) Provide a copy of the Key Performance Indicators report to monitor the status of the uprate projects for the period January 2011 through April 30, 2012, on a going forward basis by the 15th of each month.

(Disk 65) 1.6d May Update - See response to DR-1.1c May for copies of periodic Key Performance Indicator reports issued in April 2012.

Summary of Contents:

a) Below is a listing of the attached copies of other FPL periodic or ad hoc presentations or reports discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management, including but not limited to briefings, minutes, recommendations, findings, handouts, and Power Point slides for the period January 1, 2011 through December 15, 2011. The attached include the following:

Board of Directors:

BOD Input 2011-02 (Bates 008875) Approval of the Turkey Point License Amendment is expected during the Spring 2012 outage. -Approval of the St. Lucie Unit 1 License Amendment is likely to occur following the Fall 2011 outage, requiring a mid cycle implementation. -The project continues to experience scope growth and upward cost pressure as a result of design evolution and Major Supplier productivity. -The EPU team is renegotiating the major supplier contract at St. Lucie to improve the risk profile.
BOD Input 2011-07-21 (Bates 008878-79) - All license amendment requests have been submitted to the NRC and are expected to

be approved by spring 2012 – The recent replacement of the low-pressure turbine at St. Lucie Unit 2 resulted in approximately 29 MW vs 21MW additional capacity; Turkey Point EPU LAR was submitted in October 2010 and accepted for review by the NRC on March 11, 2011

- Forecast for approval is December 2011, prior to the Unit 3 outage St. Lucie Unit 1 EPU LAR was submitted in November 2010 and accepted for review by the NRC on March 9, 2011

- Forecast for approval is March 2012, near the end of the Unit 1 Outage St. Lucie Unit 2 EPU LAR submitted February 25, 2011 and accepted for review by the NRC on June 23, 2011

- Forecast for approval is June 2012, just prior to the start of the Unit 2 outage St. Lucie increase in capacity, at share, is approximately 29MW (.85 x 34MW) vs. 21 MW (.85 x 25MW)

BOD Input 2011-10 (Bates 008881-82) - The NRC regulatory approval timelines remain uncertain, driven by new resource demands on the NRC as a result of the Fukushima and North Anna events – As a result, the NRC is challenged to meet the February schedule

for the approval of the St. Lucie License Amendment Request (LAR) – The first full EPU implementation for St. Lucie begins on **November 26**, and is expected to be completed in **March of 2012** – The Turkey Point EPU LAR, while impacted by these NRC resource constraints, is expected to be approved by year-end 2011 – The first full EPU implementation for Turkey Point begins on **January 30, 2012** and is expected to be completed by **June of 2012**; • Turkey Point EPU LAR was submitted in October 2010 and accepted for review by the NRC on March 11, 2011 – Forecast for approval is December 2011, prior to the Unit 3 outage • St. Lucie Unit 1 EPU LAR was submitted in November 2010 and accepted for review by the NRC on March 9, 2011– Forecast for approval is March 2012, near the end of the Unit 1 Outage • St. Lucie Unit 2 EPU LAR submitted February 25, 2011 and accepted for review by the NRC on June 23, 2011 – Forecast for approval is June 2012, just prior to the start of the Unit 2 outage • St. Lucie increase in capacity, at share, is approximately 29MW (.85 x 34 MW) vs. 21 MW (.85 x 25 MW)

BOD Input 2011-02-08 (Bates 008885-86) • The EPU outage for St. Lucie Unit 1 began **November 27th** and is scheduled for **127 days** • NRC regulatory approval timelines remain uncertain, driven by new resource demands on the NRC as a result of the Fukushima and North Anna events. As a result:

- The St. Lucie Unit 1 License Amendment Request (LAR) will be approved after unit start-up

- A short implementation outage for St. Lucie Unit 1 is being planned for the 2nd quarter of 2012

- The Turkey Point EPU LAR is expected to be approved during the 1st quarter of 2012

- **The first full EPU implementation for Turkey Point begins on January 30, 2012 and is expected to be completed by June of 2012**

- Turkey Point EPU LAR was submitted in October 2010 and accepted for review by the NRC on March 11, 2011

- Schedule for ACRS Sub-Committee is December 14, 2011

- Schedule for Full ACRS approval is January 19 2012.

- Once the Full committee approves the LAR, it takes the NRC 60 days to complete and issue the final License Amendment (March 19, 2012)

- St. Lucie Unit 1 EPU LAR was submitted in November 2010 and accepted for review by the NRC on March 9, 2011

- The goal for approval is March 2012, near the end of the Unit 1 Outage, however, given the NRC's workload, actual approval is likely to be at least 2 months later (likely end of May 2012)

- St. Lucie Unit 2 EPU LAR submitted February 25, 2011 and accepted for review by the NRC on June 23, 2011

- Forecast for approval is June 2012, just prior to the start of the Unit 2 outage

- Bechtel is significantly behind in engineering, work order planning and pre-outage construction. BPC is working on a recovery plan.

COO Updates:

COO Update 2011-02-17

COO Update 2011-02-28

COO Update 2011-03-10

	<p>COO Update 2011-03-24 COO Update 2011-04-14 COO Update 2011-04-21 COO Update 2011-05-26 COO Update 2011-06-06</p> <p><u>Nuclear Board:</u> <u>EPU Fall Outages R2 10-07-11 Redacted</u> <u>EPU Outage Readiness 12-02-11 Redacted</u> Meeting Minutes 03-01-11 <u>NBC-EPU Spring Outage Performance 07-12-11 Redacted</u> NBC-EPU Status 07-12-11 Redacted Nuc Board Minutes 10-07-11 Nuclear Committee Minutes 03-01-11 Redacted Nuclear Committee Minutes 07-12-11</p> <p><u>PSL Daily Reports</u> PSL Daily Reports for January 2011 through December 15, 2011 (Disk 8) PSL Daily Reports</p> <p><u>PTN Daily Reports</u> PTN Daily Reports for January 2011 through December 15, 2011</p> <p><u>Siemens Reports:</u> <u>Siemens Reports from August through November 2011</u></p> <p><u>Other:</u> EPU Summary for CNO by M. Waldron Redacted 2011-08-01 PSL2 Main Gen Core Repairs 2011-02-07; PSL Testing Review 2011-02-03 (Disk 8) FPL Draft NEE BPC 12/9/11</p> <p><u>Attached are copies of the following ad hoc documents discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management for the period December 1, 2011 through December 31, 2011:</u></p> <p><u>PSL Daily Reports</u> PSL Daily Reports for December 2011</p> <p><u>PTN Daily Reports</u> PTN Daily Reports for December 2011</p> <p><u>Siemens Reports</u> Siemens Reports for December 2011</p> <p><u>Other</u> St. Lucie and Turkey Point Extended Power Uprate (EPU) BPC – NEE Executive Review Meeting December 9, 2011</p> <p><u>(Disk 37) 1.6a March 2012</u> - Attached are the following February 2012, FPL periodic or ad hoc reports discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management for February 2012.</p> <ul style="list-style-type: none"> <input type="checkbox"/> 2-17-12 EPU Input for Board of Directors <input type="checkbox"/> <u>PSL Daily Reports for February 1, 2012 through February 29, 2012.</u> <input type="checkbox"/> <u>PSL Daily Outage Reports for February 1, 2012 through the final report February 24, 2012.</u> <input type="checkbox"/> <u>PTN Daily Reports for February 1, 2012 through February 29, 2012.</u> <input type="checkbox"/> <u>PTN Weekly Earned Value Reports dated 2/5/12, 2/12/12, 2/19/12, and 2/26/12.</u> <input type="checkbox"/> <u>Siemens Weekly Status Reports dated 2/7/12, 2/14/12, 2/21/12, and 2/27/12</u>
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(Disk 45) 1.6a update April - Attached are the following FPL periodic or ad hoc reports discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management for March 2012.

- EPU Input for Board of Directors March 16, 2012
- Nuclear Board Committee March 15, 2012
- PSL Daily Reports for March 1, 2012 through March 30, 2012.
- PTN Daily Reports for March 1, 2012 through March 30, 2012.
- PTN Outage Earned Value Reports dated for 2/29/12 through 3/31/12.

emens Weekly Status Reports dated 3/6/12, 3/13/12, 3/20/12, and 3/27/12.

(Disk 64) 1.6a May 2012 - Attached are the following FPL periodic or ad hoc reports discussing the St. Lucie and Turkey Point project updates with the Board of Directors, FPL senior management, or project management for April 2012.

- PSL Daily Reports for April 2, 2012 through April 30, 2012.
- PTN Daily Reports for April 2, 2012 through April 30, 2012.
- PTN Outage Earned Value Reports for April 1, 2012 through April 30, 2012.
- Siemens Weekly Status Reports dated 4/3/12, 4/10/12, 4/17/12, and 4/24/12.

b) The following documents are provided for the period indicated:

1. Attached are the EPU Monthly Operating Performance Reports (MOPRs) for January 2011 through November 2011.
2. The 2010 EPU internal audit was completed by Jefferson Wells, at the direction of FPL Internal Audit on May 12, 2011. A copy of the report is available at FPL's Tallahassee office. There are currently other reviews by Internal Audit underway but results are not yet available. These audits include a review of per diems at St. Lucie and contractor overtime.
3. Attached are EPU Executive Steering Committee Reports dated March 23, 2011, June 23, 2011, and September 15, 2011.
4. Copies of EPU Risk Registers since January 1, 2011 are attached (one per month per site).
5. See response to DR-1.6b4 for risk mitigation plans.
6. **The Vendor Integration Meetings have been replaced by Key Supplier Meetings.**
Attached are copies of **Key Supplier Meeting reports dated June 23, 2011, August 11, 2011, September 7, 2011, and November 21, 2011.**
7. See response to DR-1.6b3 for EPU Executive Steering Committee reports.
8. See response to **DR-1.6b6 for Key Supplier Meeting reports which replaced Vendor Integration Meeting reports, which replaced Technical Steering Committee reports.**
9. See attached CNO Updates from January 2011 through November 2011.
10. Attached are copies of the EPU Project and Individual Unit Cost Data (Monthly Cost Review reports) for January 2011 through October 2011.
11. **2011 disciplinary actions against contractors from January 2011 through December 14, 2011 are attached.**
12. Copies of the St. Lucie and Turkey Point Contract Compliance Matrix are attached. These documents are updated (and overwritten) on an as needed basis; and therefore are not issued weekly.
1. **Attached are the December 2011 EPU Monthly Operating Performance Reports (MOPRs).**
2. The 2010 EPU internal audit was completed by Jefferson Wells, at the direction of FPL Internal Audit on May 12, 2011. **There are currently several reviews by Internal Audit underway but results are not yet available. These audits include a review of per diems at St. Lucie and contractor overtime.**
3. Attached is the EPU Executive Steering Committee Report dated December 9, 2011.
4. Copies of EPU Risk Registers for December 2011 are attached.
5. See response to DR-1.6b4 for risk mitigation plans.
6. The Vendor Integration Meetings have been replaced by Key Supplier Meetings. (None for December 2011.)
7. See response to DR-1.6b3 for EPU Executive Steering Committee reports.
8. See response to DR-1.6b6 for Key Supplier Meeting reports which replaced Vendor Integration Meeting reports, which replaced

Technical Steering Committee reports. (None for December 2011.)
 9. See attached CNO Update dated December 5, 2011.
 10. Attached are copies of the EPU Project and Individual Unit Cost Data (Monthly Cost Review reports) for November 2011.
 11. Attached are copies of the EPU disciplinary actions against contractors in December 2011.
 12. Copies of the St. Lucie and Turkey Point Contract Compliance Matrix are attached. These documents are updated (and overwritten) on an as needed basis; and therefore are not issued weekly.

(Disk 37) update for DR 1.6b March for February 2012 follows:

1. EPU Monthly Operating Performance Report (MOPR) for February 2012.
2. There are currently several reviews by Internal Audit underway but results are not yet available. These audits include a review of per diems at St. Lucie and contractor overtime.
3. There were no EPU Executive Steering Committee Reports for February 2012.
4. EPU Risk Registers for St. Lucie and Turkey Point for February 2012.
5. See response to DR-1.6b4 for risk mitigation plans.
6. Vendor Integration Meetings have been replaced by Key Supplier Meetings. There were no Key Supplier Meetings in February 2012.
7. See response to DR-1.6b3 for EPU Executive Steering Committee reports.
8. See response to DR-1.6b6 for Key Supplier Meeting reports which replaced Vendor Integration Meeting reports, which replaced Technical Steering Committee reports.
9. CNO Updates for February 2012.
10. EPU Project and Individual Unit Cost Data reports (Monthly Cost Review reports) for February 2012.
11. Disciplinary actions against contractors in February 2012 include:

Contractor	Site	Date	AR/CR#	Event Description	LD
Bechtel	PSL	02/13/12	1733788	Lost Badge	
Bechtel	PSL	02/25/12	1738181	OSHA Reach Rod Incident	
Siemens	PSL	02/14/12	1734344	Lost Badge w/ Elevated Access	
Bechtel	PTN	02/16/12	1735056	Laborer lost unescorted access badge while inside PA	
Bechtel	PTN	02/16/12	1734854	Employee did not make sure the door latched properly	
Bechtel	PTN	02/22/12	1737162	Employee did not verify Security Door was secured	
Bechtel	PTN	02/28/12	1738898	Employee did not make sure	

the door latched properly

12. Attached is the latest EPU Contract Compliance Log. This document is updated (and overwritten) on an as needed basis and thus is not issued weekly.

(Disk 64) update for DR 1.6b May

1. Attached is the EPU Monthly Operating Performance Report (MOPR) for April 2012.
2. There were no internal or external audit reports issued in April 2012.
3. Attached is the Executive Steering Committee report issued April 16, 2012.
4. Attached are the EPU Risk Registers for St. Lucie and Turkey Point for April 2012.
5. See response to DR-1.6b4 for risk mitigation plans.
6. Attached are the April 2012 Key Supplier Meeting presentations. Vendor Integration Meetings were replaced by Key Supplier Meetings.
7. See response to DR-1.6b3 for EPU Executive Steering Committee reports.
8. See response to DR-1.6b6 for Key Supplier Meeting reports which replaced Vendor Integration Meeting reports, which replaced Technical Steering Committee reports.
9. Attached are the CNO Updates for April 2012.
10. Attached are the EPU Project and Individual Unit Cost Data reports (Monthly Cost Review reports) issued in April 2012.
11. Disciplinary actions against contractors in April 2012 were:

Contractor	Site	Date	AR/CR#	Event Description	LD
Bechtel	PSL	4/19/2012	1756841	FailedPlant Access Training	
Bechtel	PTN	04/03/12	1751121	A Nooter individual lost his badge	
Shaw	PTN	04/04/12	1752295	Security Loggable – Lost Badge	
Bechtel	PTN	04/05/12	1752596	Security Loggable – Lost Badge	
Bechtel	PTN	04/16/12	1755821	Security Loggable – Lost Badge	
AAF	PTN	04/18/12	1756576	Security Loggable – Lost Badge	
Bechtel	PTN	04/19/12	1756685	Security Loggable – Lost Badge	
Bechtel	PTN	04/21/12	1757021	Security Loggable – Door not latched	
Bechtel	PTN	04/24/12	1758974	Keys left in the ignition of 2 Unattended man lifts.	
Siemens	PTN	04/28/12	1760630	Security Loggable – Lost Badge	

Bechtel	PTN	04/29/12	1760836	Security Loggable - Door not latched	
Bechtel	PTN	04/30/12	1761762	Security Loggable - Lost Badge	

12. Attached is the contract compliance matrix updated through April 2012.

c) See FPL's response to DR-1.14.

d) See response to DR-1.1c for copies of periodic Key Performance Indicator reports
(Disk 9) January revised - See response to DR-1.1c for copies of periodic Key Performance Indicator reports issued in December 2011.

February revised - See response to DR-1.1c for copies of periodic Key Performance Indicator reports.

(Disk 39) 1.6d Mar - See FPL's response to DR-1.1c for copies of Key Performance Indicator reports issued in February 2012.

COO Update 2011-05-26.pdf - Florida • License Amendment Requests (LAR) - Turkey Point EPU LAR approval forecast is March 2012; Containment reanalysis submittal is due 7/29/11; Alternative Source Term LAR approval is expected in June 2011; Spent Fuel Pool Criticality LAR approval forecast is August 2011 - St. Lucie Unit 1 EPU LAR approval forecast is March 2012; Submittal to address AREVA methodology concerns is targeted for 5/31/11- St. Lucie Unit 2 EPU LAR approval forecast is June 2012; NRC acceptance review is delayed • Design Engineering - Design Engineering is behind plan; St. Lucie Unit 1 Fall 2011 Outage Recovery Plan has been issued by Bechtel; additional Engineering staff is to be assigned by 6/15/11- 33% (70 of 210) of the total number of design packages are completed and approved - 67% (631,851 of 948,777 hrs) of the engineering design work performed based on earned hours • Planning and Implementation - Bechtel is behind schedule on work order planning for the upcoming outages - Bechtel is increasing field non manual staff which will have a significant cost impact - Evaluating Siemens proposal for Harris Generator rewind • Cost - The updated non-binding cost estimate for Engineering and Construction is \$2,065 - \$2,221 - The current (4/30/11) Engineering and Construction forecast is at \$2,065M - Undefined Scope as of 4/30/11 is at \$60.4M; depletion is expected due to: St. Lucie • Bechtel engineering cost overrun (CPI = 0.79) • Staff for recovery plan • Additional staff for outage support; Turkey Point • Anticipated Bechtel trend for non-manual staff

COO Update 2011-06-06.pdf - Florida • License Amendment Requests (LAR) - Turkey Point EPU LAR approval forecast is March 2012; Containment reanalysis submittal is due 7/29/11; Alternative Source Term LAR approval is expected in June 2011; Spent Fuel Criticality LAR approval forecast is August 2011 - St. Lucie Unit 1 EPU LAR approval forecast is March 2012; AREVA methodology analysis submittal complete - St. Lucie Unit 2 EPU LAR approval forecast is June 2012; NRC acceptance review is delayed • Design Engineering - Design Engineering is behind plan at St. Lucie and Turkey Point - 34% (71 of 210) of the total number of design packages are completed and approved - 67% (638,982 of 948,073 hrs) of the engineering design work performed based on earned hours • Planning and Implementation - Work Order planning is behind plan at St. Lucie and Turkey Point - Bechtel is increasing field non manual staff which will have a significant cost impact - Force Majeure letter from TEI due to tornado in Joplin, Mo.; fabrication schedule impact for St. Lucie and Turkey Point Feedwater Heaters not yet known • Cost - The updated non-binding cost estimate for Engineering and Construction is \$2,065 - \$2,221- The current Engineering and Construction forecast as of 4/30/11 is at \$2,065M - Undefined Scope as of 4/30/11 is at \$60.4M; depletion is expected due to: St. Lucie: • Bechtel engineering cost overrun (CPI = 0.78) • Staff for recovery plan • Additional staff for outage support Turkey Point: • Anticipated Bechtel trend for non-manual staff.

Meeting Minutes 2011-March-01.pdf - A meeting of the Nuclear Committee ("Committee") of the Board of Directors of NextEra Energy, Inc. ("NextEra") was held from 7:00 a.m. to 12:00 p.m. on Tuesday, March 1, 2011, at Duane Arnold Energy Center

PSL EPU Daily Updates 4/22/11-6/30/11 - In 4/22/11 LAR summary information there is a Unit 1 - Issue LAR Supplement to Correct AREVA Error for Wasik for 5/6/11 w/approval required by SVP level (4/26/11 report shows completed); Critical Path:

Mod Variance for SL1-24 to Milestone 4a due 11/29/10. (Recovery plan submitted) ; In 4/26/11 Mod. Focus Items – for MSIV Actuator Replacement Procurement of new actuators is the path forward (contract activities delay 7 days); **extensive material vendor action re: contracts and NAMS Auto-Award Function Review**; project controls and procedures to be revised; Start up activity workshop by CNO postponed and TBD; **Quick Hit Self Assessment 2R19 Post Outage Critique** - Perform a post outage critique of the work performed by EPU for Lessons Learned Post outage critique per OM-AA-100 (led by Dan deBoer) is TBD. EPU-specific quick-hit self assessment (QHSA AR 1631631) is on track for 4/30/11 (changed to 5/30/11). **In 5/2/11** two additional Mod. Focus Items: **1B Feed Water Motor may not meet EPU Requirements and Heater Drain Pump impeller castings are unacceptable** - Vane Thinning during casting were added to report; **In 5/9/11** Critical Path is through the **Mod Variance for SL1-24 to Milestone 4a due 11/29/10 and revised due date of 02/27/11**; Materials/Vendors section notes that **WSC is to reply to FPL offer to settle Simulator PO revision for expedited schedule claim. MSIV RFP Package may need to be re-bid**, and other contract changes; **In 5/9/11 Heater Drain Pump impeller castings** are now acceptable - Vane Thinning during casting was eliminated and new impeller castings inspected show no vane thinning evident. Machining begins week of 5/9/11 with June 10, 2011 completion. **Item being removed from Mod Focus Items.** Bechtel – Amendment 6 to incorporate revised spec. 05/10/11; 05/13/11 Specification to be revised for award.; Ronnie’s Turbine Services – Contract Extension Arnold 05/13/11 Arnold to prepare and issue award.; Award issued 05/10.; Batsch Industries – Contract Extension due 05/13/11 Finnegan issued award 05/10/11. **In 5/13/11** report shows under **MOD Focus Items: - Paine Procure Main Power Transformer 2A** Unsat DQS re: Siemens Manufacture of 2A Main Power Transformer. 1. AR 01648619 was written and needs resolution. Siemens (Austria) did not implement FPL recommended actions following test failure of the 2B Main Transformer during manufacture/Factory Acceptance Testing. 2. Follow-up visit by FPL to Siemens office to resolve issues scheduled for 5/26 - 5/28. **1B Feed Water Motor may not meet EPU Requirements; In 05/13/11** Luke Clark was to investigate existing 1B Motor and determine options by 05/31/11; Shaw has been contracted to determine whether 4KV rotors can be used in 6.9KV stators and meet EPU conditions; in Materials/Vendors section **strikeout of comments for MSIV RFP Package (Internal Parts)** indicates **no rebid required** and Technical review is due 5/17/11; **In 05/16/11 SL-1-24 Mod Package #125** shows that personnel supporting 2-19 package reviews are now available to perform the review and approval.; **Under Mod Focus Unit 1 Stator Re-wind @ Harris Station** Sipos 05/19/11 Conference call with Siemens to review technical and commercial details to be held 05/19. **Unit 1 LP Turbines - Torsional Tuning Modifications** Sipos dates of 05/19/11, 05/26/11, and 10/15/11; Siemens to provide update to analytical model. Siemens to provide plan for tuning the Unit 1 Turbines; Drop Dead Date for shipping the LP turbines to meet outage schedule is 10/15/11.; **Unit 1/ Unit 1 East Catwalk Modification** Sipos 05/19/11 Develop and submit NCRC form; **SL1-24 Siemens Equipment Storage** MacRae 05/18/11 Verify safe transfer of Core Donuts - verify quantities received are in accordance with storage plan. Verify materials stored in accordance with Siemens requirements. **In Material/Vendors** the Bechtel – Amendment 6 to incorporate revised spec. due date was delayed to 5/20/11; **In 05/17/11** Mod Focus Items include: **MSIV Actuator Replacement, Metamic Inserts, CNTMT Spray Mod, Procure Main Power Transformer 2A, 1B Feed Water Motor may not meet EPU Requirements, SL1-24 Siemens Equipment Storage, Unit 1 Stator Re-wind @ Harris Station, Unit 1 LP Turbines - Torsional Tuning Modifications, Replacement FWH #5 FWH Tubesheet Deficiencies, and INPO Readiness; In Materials/Vendors** section Siemens – Proposal for SL1-24 Install and Siemens – SL 1-24 Equipment Storage Negotiating commercial terms with Siemens. Waiting. Siemens comments to terms and draft releases sent 05/09; Target completion date 05/23. **In 05/18/11** under **LAR item Respond to SRXB - Areva Methods Concerns** SVP Approval on 06/08 was needed for resolution of overpressure analysis; this issue delayed completion of response to U1 LAR. Also, new TS change identified for MSSV OOS; requires ORG approval.; **Under Mod Focus Procure Main Power Transformer 2A Unsat DQS re: Siemens Manufacture of 2A Main Power Transformer. 1. AR 01648619 was written and needs resolution.** Siemens (Austria) did not implement FPL recommended actions **following test failure of the 2B Main Transformer during manufacture/Factory Acceptance Testing.** 2. Follow-up visit by FPL to Siemens office to resolve quality issues which may be related to SOER 10-1 concerns. FPL to witness scheduled key activities of construction. Scheduled for 05/26 - 05/28 and changed to 05/24 - 05/30; Construction Focus items indicate TPL SL2-19 Post-Outage - SL1-24 Pre-Outage - SL2-19 Demob: 85% complete - SL1-24 Pre-Outage Staging: 0% complete; will not start until 07/11 - All equipment out of Turbine Bldg by 05/20 - **TSA 2-10-007 restored by 06/01; Under NCRC Focus Items** PSL site support development of an NCRC form for condensate pump repowering

is listed. SL2-19 quick hit assessment; **Under Start-up Activity** - Implementation of Power Uprate Implementation Strategies Soule 08/31/11 INPO 09-005, assess the EPU Project on success factor 5; **Under EPU Quick Hit Self Assessments** 2R19 Post Outage Critique - Perform a post outage critique of the work performed by EPU for Lessons Learned also listed in items; In 5/19/11 under Mod Focus Items **Unit 1 LP Turbines - Torsional Tuning Modifications notes include:** Siemens to provide update to analytical model. Siemens has completed the update of the analytical model. Siemens to provide plan for tuning the Unit 1 Turbines Drop Dead Date for shipping the LP turbines to meet outage schedule. **In 5/20/11** under Mod Focus Items **CNTMT Spray Mod notes** - Final impeller design is dependent upon engineering data developed by Westinghouse. Final issue to Bechtel due 07/28. - A revised fabrication /delivery schedule for replacement impellers to PSL has been requested (normally to fabricate valve takes 23 weeks). New MOVs have been ordered - Update engineering schedule based on vendor input. In progress. - Complete schedule review for challenges and opportunities for improvement.; for **Procure Main Power Transformer 2A Unsat DQS** re: Siemens Manufacture of 2A Main Power Transformer- Transformer being constructed now and ready for inspection. **Follow-up visit by FPL to Siemens office to resolve quality issues which may be related to SOER 10-1 concerns. FPL to witness scheduled key activities of construction is scheduled for 05/23 – changed to 05/31;** **Unit 1 Stator Re-wind @ Harris Station** notes that there is a conference call with Siemens to review technical and commercial details to be held 05/19. **This has been closed. The project has an unacceptable risk profile;** for **Replacement FWH #5 FWH Tubesheet Deficiencies 1. TEI Ultrasonic Examination (UT) of Tubesheets for Unit 1-5A, 5B and Unit 2 -5A found no rejectable areas.** FPL/Bechtel to determine if TEI UT examination was properly implemented. Tubesheets are acceptable; 2. **TEI UT Examination of Tubesheet for Unit 2-5B found extensive rejectable areas.** Tubesheet returned to fabricator for replacement. Est. 10 weeks. **Under EPU Quick Hit Self Assessments** note **2R19 Post Outage Critique** - Perform a post outage critique of the work performed by EPU for Lessons Learned Post outage critique per OM-AA-100 (led by Dan deBoer) is TBD. EPU-specific quick-hit self assessment (QHSA AR 1631631) is on track for 5/30. **Under LAR U1** Call w/NRC to Discuss Draft RAIs on Unit Differences Wasik 0 05/31/11 Call scheduled.; **Under Materials/Vendors Western Services Amendment** to incorporate claim settlement. Jones 5/25/11 SCR And SSJ with T. Jones for approval. **In 5/27/11** under **Mod Focus Items - INPO Readiness:** Coordinate development of strengths papers for E&A visit.; Coordinate development of a book (could be electronically) that contains everything you want your people to tell INPO. Examples include Self Assessments, Benchmarking, Excellence Plan, etc. **In Material/Vendors Western Services Amendment** to incorporate claim settlement. Jones 5/25/11 5/27/11 SCR And SSJ with T. Jones for approval. **HOT; In Station Interface two week look ahead** notes that Turbine Performance Testing Craig Barbehenn 06/01/11 0800 Need SGBD minimized or secured. **In 5/31/11** under SL1-24 mod. #106 MSR Replacement - NAMS Approval notes NAMS approval. Ink package in review and comment taking longer than expected, final NAMS upload and approval date is challenged.; mod. #119 LEFM - NAMS Approval Issues with NAMS vendor data referencing corrected 05/27A.; **Under Mod Focus Items DCS Mods for LEFM & Feedwater Controls MacMeccan** 05/31/11 Meeting with FeedForward to review design progress and discuss F.A.T. expectations 23-24 May 2. Feed Forward send revised schedule with recovery plan; **Replacement FWH #5 FWH Tubesheet Deficiencies R. Brown** 08/01/11 1. TEI UT Examination of Tubesheet for Unit 2 -5B found extensive rejectable areas. Tubesheet returned to fabricator for replacement. Est. 10 weeks. Under SL1-24 Milestones comments include: Milestone not met. Recovery plan submitted 12/02/10, promising all ECs issued by 04/04. Commitments not met re/EC issuance. Will write new recovery letter with current EC issuance projections, by 06/04. This letter will address new projected dates for many successor milestones. Revised recovery plan submitted to PSL leadership May 26, with new projections for successor milestones. Milestone 4a completion letter due on 8/31/11.; **Under Station Interface two week look ahead** Turbine Performance Testing Craig Barbehenn 06/01/11 0800 Need SGBD minimized or secured; **In 6/1/11** Under SL1-24 Giampietro comments for mods #156 Piping Vibration Mods -NAMS Approval, #159 DCS Mods for LEFM & FW - NAMS 100% Pkg Approval, and #162 Feedwater Heater Vent Orifice - NAMS 100% Package Approval are on **Critical Path Focus List;** In Mod Focus Items CNTMT Spray Mod A two phased installation plan for installation of this mod is being evaluated. Delivery of replacement impellers will challenge SL1-24 installation.; on **Procure Main Power Transformer 2A Unsat DQS** re: Siemens Manufacture of 2A Main Power Transformer 06/01/11 comment 3. Notify TSO and site engineering of resent welding issue discovered in Austria on the transformer with the HV and LV turrents. **This could also impact current transformer installed in SL2-19; DCS Mods for LEFM & Feedwater Controls MacMeccan** 05/31/11 Meeting with

FeedForward to review design progress and discuss F.A.T. expectations 23-24 May 1. FeedForward send revised schedule with recovery plan; **In 6/2/11** under **SL1-24 Giampietro** mod items #115 MSIV Actuator Replacement- FPL/ Shaw/ Kalsi review and comment on drawings. 06/02/11 FPL/ Shaw/ Kalsi review and comment on drawings 05/31. Contract issuance impact (Legal). Completion delayed due to resolution of "vendor submittal review and comment" Document Control between Engineering and Bechtel. #165 CS Pump Flow Impacts - Issue Draft Package for Review TBD Bechtel to issue meeting notes/letter confirming scope by 06/03. Issues with calc referencing and revised scope are impacting package development. Under Mod focus Items **Unit 1 LP Turbines – Torsional Tuning Modifications** Siemens to provide update to analytical model. Siemens to provide plan for tuning the Unit 1 Turbines Drop Dead Date for shipping the LP turbines to meet outage schedule. LP Turbine expected ship date from Germany 09/15/11; **Unit 2 FWH #4 A & B Replacement** R. Brown 06/06/11 Engineering to evaluate replacement based on current technical data. **In 6/3/11** under **Project Significant CRs, Lessons Learned and OEs: SL1-24 Recovery Plan** under is listed w/no other info; **Start-up: Brown Activity Operations support to EPU project via loaned personnel.** Deboer/Brown 06/30/11 **SVP meeting 06/01** 3SROs/2 RCOs/4 NLOs requested; **Under Project Controls** is a note to "revise EPU org chart" (**what EPU org changes were made?**); **In 6/6/11** mod 131 DEH notes **Problems with vendor completing deliverables**, contracts notified to expedite. New schedule due date TBD. Under Mod Focus Items **CNTMT Spray Mod** notes A two phased installation plan for installation of this mod is being evaluated. Delivery of replacement impellers will challenge SL1-24 installation.; **Procure Main Power Transformer 2A** (Unsat DQS re: Siemens Manufacture of 2A Main Power Transformer) notes Follow-up visit by FPL to Siemens office to resolve quality issues which may be related to SOER 10-1 concerns. FPL to witness scheduled key activities of construction. Scheduled for 05/23 – 05/31.; **DEH Computer and Controls Replacement** Determine list of Westinghouse and EPU Engineering activities to complete EC in order to determine schedule for F.A.T. and issuance of EC.; **Unit 1 LP Turbines – Torsional Tuning Modifications** Siemens to provide update to analytical model. Siemens to provide plan for tuning the Unit 1 Turbines LP Turbine expected ship date from Germany; **Unit 2 Replacement FWH #5** FWH Tubesheet Deficiencies notes **TEI UT Examination of Tubesheet for Unit 2 -5B found extensive rejectable areas. Tubesheet returned to fabricator for replacement. Est. 10 weeks (what does this do to the outage schedule?);** **Under SL1-24 Milestones** notes Milestone 4a Issue design changes to installer. All approved design change packages have been issued to discipline planner Milestone not met. Recovery plan submitted 12/02/10, promising all Ecs issued by 04/04. Commitments not met re/EC issuance. Revised recovery plan submitted to PSL leadership 05/26, with new projections for successor milestones. Milestone 4a completion letter due on 08/31. (what is the story and was completion letter completed?) **In 6/7/11** under Mod Focus Items **Procure Main Power Transformer 2A Unsat DQS re: Siemens Manufacture of 2A Main Power Transformer** notes 08/09/11; 1. AR 01648619 was written and needs resolution. Siemens (Austria) did not implement FPL recommended actions following test failure of the 2B Main Transformer during Manufacture/Factory Acceptance Testing. Transformer being constructed now and ready for inspection. 2. Follow-up visit by FPL to Siemens office to resolve quality issues which may be related to SOER 10-1 concerns. FPL to witness scheduled key activities of construction. Scheduled for 05/23 – 05/31. Siemens letter of resolution expected by June 17, 2011 to resolve the verification steps issues. 3. New Unsat DQS to be issued regarding potential welding quality issues for the HV and LV turrets. Siemens evaluating the issue at this time. (discuss the Siemens QA difficulties and impact on project); Under LAR Wasik **U1 & U2 Investigate Spray Pump Modification Alternatives and Develop Plan** notes 06/13/11 Not currently a LAR issue. Evaluating alternatives (has this become a LAR issue for U1&2?); Under **Material Vendors Activity Westinghouse** - DEH revision of DOR to reflect reduced scope; Westinghouse to provide proposal based upon revised DOR (**discuss the change of responsibilities and why it was necessary**); **Alion – Support for EPU Projects** Newson 06/07/11 Newson to review SSJ by 06/07. Once approved, SSJ to be routed up to Jones and SCR to be routed up to Fata for approvals (is this normal work by Clyde Newson or another Newson? What is Alion?). Under **Project Controls Activity Executive Steering Committee - Input English** 06/09/11 (**what was the ESC input provided?**); Under **EPU Quick Hit Assessments** Perform a post outage critique of the work performed by EPU for Lessons Learned Russ Harvey 06/30/11 Post outage critique per OM-AA-100 (led by Dan deBoer) is to take place 06/09. Quick-hit self-assessment (QHSA AR 1631631) is on track for 06/30.

Conclusions:

	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Discuss FPL's Response to SRXB - Areva Methods Concerns and how it impacted completion of responses to NRC and completion of the engineering design package 2) Discuss Mod Focus item to Procure Main Power Transformer 2A Unsat DQS re: Siemens Manufacture of 2A Main Power Transformer 3) Discuss other Mod. Focus items on 5/18/11 EPU Daily Report including INPO Readiness 4) Discuss the SL2-19 demob and when the commercial negotiations with Siemens should be completed 5) Discuss NCRC Focus Item for condensate pump repowering and what is needed 6) Discuss the reason The Vendor Integration Meetings have been replaced by Key Supplier Meetings, frequency of meetings, and who is involved in the meetings (were there meetings in July and October?)</p>
<p>Document #: DR-1.7 (Disk 7), (Disk 8, 1.7a Jan) (Disk 9, 1.7b Jan) (Disk 37, 1.7a Mar, 1.7b Mar) (Disk 64, 1.7a May, 1.7b May) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Please provide the most currently available project schedule and cost estimates approved by senior management to complete the uprate projects going forward through April 30, 2012, by the 15th of each month. b) Provide a recap of schedule and cost variances for the St. Lucie and Turkey Point uprate projects since January 2011 going forward through April 30, 2012, by the 15th of each month. c) Provide the most currently available list of surplus or disposable equipment as a result of the uprate, for each unit, and the estimated value of the asset. d) Provide the company's current timeline for disposing of the surplus or disposable equipment associated with the uprate projects. e) Provide a current list of all surplus or disposable equipment transferred as a result of the uprate, for each unit, and the estimated value of the asset.</p> <p>Summary of Contents: a) The current approved EPU project schedule includes implementing the necessary EPU modifications during the following planned outages: PSL1 Fall 2011 outage completing by 04/01/12 PSL2 Spring 2012 outage completing by [REDACTED] PTN3 Spring 2012 outage completing by 07/08/12 PTN4 Fall 2012 outage completing by [REDACTED] PSL1 will likely require a mid-cycle outage of a few days to fully implement EPU after the NRC approves the PSL1 EPU license amendment. The most current FPL senior management-approved non-binding cost estimate remains that which was provided in Docket 110009-EI. FPL is in the process of assessing whether a revision to the non-binding cost estimate is appropriate. <u>The current cost forecast for completing the uprate projects is included in the latest EPU Monthly Operating Performance Reports (MOPRs) provided in response to DR-1.6b1.</u></p> <p><u>(Disk 8) Jan. Update As of December 31, 2011, the approved EPU project schedule includes implementing the necessary EPU modifications during the following planned outages:</u> PSL1 Fall 2011 outage completing by 04/01/12 PSL2 Spring 2012 outage completing by [REDACTED] PTN3 Spring 2012 outage completing by 07/08/12 PTN4 Fall 2012 outage completing by [REDACTED] PSL1 will likely require a mid-cycle outage of a few days to fully implement EPU after the NRC approves the PSL1 EPU license amendment. The most current FPL senior management-approved non-binding cost estimate remains that which was provided in Docket 110009-EI. FPL is in the process of assessing whether a revision to the non-binding cost estimate is appropriate. The current cost forecast for completing the uprate projects is included in the latest EPU Monthly Operating Performance Reports (MOPRs) provided in response to DR-1.6b1.</p>

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(Disk 37) 1.7a March update - The current EPU project schedule includes implementing the necessary EPU modifications during the following planned outages:

PSL1 Fall 2011 outage completing by 04/01/12

PSL2 Spring 2012 outage completing by [REDACTED] (Change)

PTN3 Spring 2012 outage completing by 08/04/12(Change)

PTN4 Fall 2012 outage completing by [REDACTED]

Please note the typographical error in previous responses which indicated that the PTN 4 Fall 2012 outage would be completed by [REDACTED]

PSL1 will likely require a mid-cycle outage of a few days to fully implement EPU after the NRC approves the PSL1 EPU license amendment.

The most current FPL senior management-approved non-binding cost estimate remains that which was provided in Docket 110009-EI. **FPL is in the process of assessing its non-binding cost estimate.** The current cost forecast for completing the uprate projects is included in the latest EPU Monthly Operating Performance Report (MOPR) provided in response to DR-1.6b1.

(Disk 64) 1.7a May update - The current EPU project schedule includes implementing the necessary EPU modifications during the following planned outages:

PSL2 Fall 2011 outage completing by 11/26/12

PSL1 License Amendment Request implementation outage completing by 7/31/2012

PTN3 Spring 2012 outage completing by 08/04/12

PTN4 Fall 2012 outage completing by [REDACTED]

The current senior management approved nonbinding cost estimate range, including costs through completion, transmission, and AFUDC is \$2,950 to \$3,150 million. The current cost forecast for completing the uprate projects is included in the latest EPU Monthly Operating Performance Reports (MOPRS) provided in response to DR-1.6b1.

b) PTN Schedule Variances:

For Turkey Point, the last engineering package for the 4R26 outage which began on 3/21/11 was completed in March 2011, which was a two month schedule variance from the plan. The PTN EPU project has continued to develop engineering design packages for the two remaining EPU outages (3R25 starting in January 2012 and 4R27 starting in November 2012). The last engineering package for the 3R26 outage is expected to be issued in January 2012, which is more than a one month variance from the plan. Design evolution and modification complexity continue to impact the schedule for some design packages. In December 2010, FPL expected to submit the PTN COLR LAR in January 2011; however, the PTN COLR LAR was actually submitted in February 2011, a one month variance. In December 2010, FPL expected the NRC to approve the PTN AST LAR in January 2011; however, the NRC formally approved the AST LAR in June 2011, a five month variance. In December 2010, FPL expected the NRC to approve the PTN Spent Fuel Criticality (SFC) LAR in July 2011; however, the NRC actually approved the SFC LAR in October 2011, a 3 month variance. In December 2010, FPL expected the NRC to approve the PTN EPU LAR in January 2012; however, the current forecast is March 2012, which would be a variance of two months. Despite these PTN LAR schedule variances, FPL expects the PTN LARs to be approved in time to support the planned implementation of EPU modifications.

PSL Schedule Variance:

The PSL EPU project continued to develop engineering design packages for each of the two remaining EPU outages, SL1-24 in fall 2011 and SL2-20 in summer 2012. Design evolution and modification complexity continued to challenge issuance of some design packages per the original schedule. The SL1-24 and SL2-20 outage durations are continually being evaluated and updated based upon the known scope. FPL also experienced schedule challenges in the EPU license amendment approval process due to technical complexity and NRC resource constraints. In December 2010, FPL expected the NRC approval of the PSL-1 EPU LAR in February 2012; however, it is now likely that the PSL-1 EPU LAR will be approved several months later. Approval of the PSL-1 LAR later

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than expected may lead to a short, several days, mid-cycle outage for final implementation of the Unit 1 EPU.

Cost Variance – Below is a summary of the current projected EPU project cost variances for 2010 and 2011.

Plant	2011 Budget (\$000)	2011 Forecast (\$000)	2011 Variance (\$000)	2012 Budget (\$000)	2012 Forecast (\$000)	2012 Variance (\$000)
PSL	\$422,764	\$332,613	\$90,151	\$325,171	\$325,171	\$0
PTN	\$301,326	\$336,375	(\$35,050)	\$537,664	\$537,664	\$0
O&M	\$5,904	\$11,215	(\$5,311)	\$8,208	\$8,208	\$0

Note, however, that the 2012 forecast will be updated monthly in 2012 and will be revised prior to submission of FPL's actual/estimated filing for 2012.

(Disk 9) Supplemental – January 2012 Report The following variances are for December 2011:

PTN Schedule Variances:

For Turkey Point, EPU project has continued to develop engineering design packages for the two remaining EPU outages (3R26 starting in January 2012 and 4R27 starting in November 2012). The last engineering package for the 3R26 outage is expected to be issued in January 2012, which is more than a one month variance from the plan. Design evolution and modification complexity continue to impact the schedule for some design packages. In December 2010, FPL expected the NRC to approve the PTN EPU LAR in January 2012; however, the current forecast is March 2012, which would be a variance of two months. Despite these PTN LAR schedule variances, FPL expects the PTN LARs to be approved in time to support the planned implementation of EPU modifications.

PSL Schedule Variance:

The PSL EPU project continued to develop engineering design packages for each of the two remaining EPU outages, SL1-24 in fall 2011 and SL2-20 in summer 2012. Design evolution and modification complexity continued to challenge issuance of some design packages per the original schedule. The SL1-24 and SL2-20 outage durations are continually being evaluated and updated based upon the known scope. FPL also experienced schedule challenges in the EPU license amendment approval process due to technical complexity and NRC resource constraints. In December 2010, FPL expected to NRC approval of the PSL-1 EPU LAR in February 2012; however, it is likely that the PSL-1 EPU LAR will be approved several months later. Approval of the PSL-1 LAR later than expected will necessitate a short mid-cycle outage for final implementation of the Unit 1 EPU. Cost Variance – Below is a summary of the current EPU project cost variances for 2011 and 2012, as of December 31, 2011.

Plant	2011 Budget (000)	2011 Actual (000)	2011 Variance (000)	2012 Budget (000)	2012 Actual (000)	2012 Variance (000)
PSL	\$422,764	\$336,473	\$86,291	\$325,171	\$325,171	\$0
PTN	\$301,326	\$345,608	(\$44,282)	\$537,664	\$537,664	\$0
O&M	\$5,904	\$12,275	(\$6,371)	\$8,208	\$8,208	\$0

Note, however, that the 2012 forecast will be updated monthly in 2012 and will be revised prior to submission of FPL's actual/estimated filing for 2012.

February Revision - The following variances are for January 2012:

PTN Schedule Variances: For Turkey Point, EPU project has continued to develop engineering design packages for the two

remaining EPU outages (3R26 starting in February 2012 and 4R27 starting in November 2012). The last engineering package for the 3R26 outage is expected to be issued in February 2012, which is more than a one month variance from the plan. Design evolution and modification complexity continue to impact the schedule for some design packages.

In December 2010, FPL expected the NRC to approve the PTN EPU LAR in January 2012; however, the current forecast is April 2012, which would be a variance of three months. Despite these PTN LAR schedule variances, FPL expects the PTN LARs to be approved in time to support the planned implementation of EPU modifications. The PTN3-26 outage start date has been moved from 1/30/2012 to 2/26/2012 to improve certainty to execution and improve the likelihood of LAR approval in time to support the outage.

PSL Schedule Variance: It is likely that the PSL-1 EPU LAR will be approved several months later. Approval of the PSL-1 LAR later than expected will likely necessitate a short mid-cycle outage for final implementation of the Unit 1 EPU.

Cost Variance – Below is a summary of the EPU project cost variances for January 2012.

Plant (\$000)	January 2012 Plan	January 2012 Actual	January 2012 Variance
PSL Capital	\$40,640	\$57,917	(\$17,277)
PTN Capital	\$54,610	\$53,724	\$886
Total O&M	\$320	\$315	\$5

(Disk 37) 1.7b March update - The following variances are for February 2012:

PTN Schedule Variances:

In February 2012, the EPU project team continued to develop engineering design packages for the two remaining EPU outages (3R26 starting in February 2012 and 4R27 starting in November 2012). The last engineering package for the 3R26 outage was completed in February 2012, which was more than a one month variance from the plan. Design evolution and modification complexity continued to impact the schedule for some design packages. In February 2012, the ACRS Subcommittee completed its review of the NRC safety evaluation for the PTN EPU License Amendment as planned. FPL expects the PTN EPU License Amendment to be approved by the NRC in time to support the planned implementation of EPU modifications. The PTN3 EPU implementation outage started on 2/26/2012 per the revised plan.

PSL Schedule Variance:

In February 2012, the PSL EPU project continued to develop engineering design packages for the summer 2012 PSL-2 EPU implementation outage. Design evolution and modification complexity continued to challenge issuance of some design packages per the original schedule. The SL2-20 outage duration is being evaluated and updated based upon the known scope. In February 2012, FPL continued to experience schedule challenges in the EPU license amendment approval process due to technical complexity and NRC resource constraints. In December 2010, FPL expected NRC approval of the PSL-1 EPU LAR in February 2012; however, it is now likely that the PSL-1 EPU LAR will be approved several months later. Approval of the PSL-1 LAR later than expected will likely necessitate a short mid-cycle outage for final implementation of the Unit 1 EPU.

Cost Variance – Below is a summary of the EPU project cost variances for February 2012.

Plant (\$000)	February 2012 Plan	February 2012 Actual	February 2012 Variance
PSL Capital	\$47,075	\$56,534	(\$9,459)
PTN Capital	\$56,435	\$82,884	(\$26,450)
Total O&M	\$80	\$277	(\$197)

(Disk 64) 1.7b March update The following variances are for April 2012:

PTN Schedule Variance:

	<p>In April 2012, FPL continued implementation of the PTN-3 outage and continued to develop engineering design packages for the PTN-4 outage starting in November 2012. While some of these activities varied from the schedule, the EPU completion dates were not impacted. In March 2012 the NRC Advisory Committee on Reactor Safeguards recommended the NRC approve the EPU License Amendment as anticipated. FPL expects the PTN EPU License Amendment to be approved by the NRC in time to support the planned implementation of EPU modifications.</p> <p>PSL Schedule Variance:</p> <p>In April 2012, FPL completed installation of the planned PSL-1 modifications required for EPU. FPL also continued to develop engineering design packages for the PSL-2 outage scheduled to start in August 2012 and continued planning for a License Amendment Request implementation outage after the PSL-1 EPU License Amendment is approved. In April 2012, FPL continued to experience challenges in the EPU license amendment approval process due to technical complexity and NRC resource constraints. Approval of the PSL-1 LAR later than expected will necessitate a short LAR implementation outage for final implementation of the Unit 1 EPU.</p> <p>Cost Variance – Below is a summary of the EPU project cost variances for April 2012.</p> <p>Note: An accounting change was implemented effective March 31, 2012 to discontinue the reclassification of Bechtel's projected payments to prepaid expenses. The accounting policy change accelerates the recognition of Bechtel cash flows as project cost.</p> <table border="1" data-bbox="640 584 1921 706"> <thead> <tr> <th>Plant (\$000)</th> <th>April 2012 Plan</th> <th>April 2012 Actual</th> <th>April 2012 Variance</th> </tr> </thead> <tbody> <tr> <td>PSL Capital</td> <td>\$21,732</td> <td>\$53,305</td> <td>(\$31,573)</td> </tr> <tr> <td>PTN Capital</td> <td>\$46,650</td> <td>\$140,635</td> <td>(\$93,985)</td> </tr> <tr> <td>Total O&M</td> <td>\$80</td> <td>\$1,005.3</td> <td>(\$925.3)</td> </tr> </tbody> </table> <p>c) Attached are the following lists of surplus or disposable materials and equipment for EPU at PSL and PTN. These lists provide the estimated value of each asset, the estimated date of disposition, and indication if the asset has been transferred to another facility. <u>These lists are updated on an as needed basis when additional information becomes available.</u></p> <ol style="list-style-type: none"> 1. PSL EPU Project Recovery Tracking Report dated 12-15-11 2. PTN EPU Project Recovery Tracking Report dated 12-15-11 <p>d) See FPL's response to DR-1.7c.</p> <p>e) See FPL's response to DR-1.7c.</p> <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required: 1) PTN4 Fall 2012 outage completing by [REDACTED] (shouldn't this be complete 2013?) 2) What work will be completed in the planned mid cycle outage for a few days? 3) Is FPL aware of any other potential delays or costs not now included in the cost variance that will further increase estimated project costs beyond the non-binding estimate?</p>	Plant (\$000)	April 2012 Plan	April 2012 Actual	April 2012 Variance	PSL Capital	\$21,732	\$53,305	(\$31,573)	PTN Capital	\$46,650	\$140,635	(\$93,985)	Total O&M	\$80	\$1,005.3	(\$925.3)
Plant (\$000)	April 2012 Plan	April 2012 Actual	April 2012 Variance														
PSL Capital	\$21,732	\$53,305	(\$31,573)														
PTN Capital	\$46,650	\$140,635	(\$93,985)														
Total O&M	\$80	\$1,005.3	(\$925.3)														
<p>Document #: DR-1.8 (Disk 7) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a) Provide a current status and written description of any changes in the purchase and provision of long-lead and other equipment that may impact the St. Lucie and Turkey Point uprate projects. b) Provide, by unit, a listing of any remaining long-lead equipment yet to be purchased, the estimated lead time necessary for procurement and installation, the estimated timeline for procurement, and the estimated costs to procure the equipment. c) Please provide a description and status of any service and/or materials contracts or contract addenda for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012.</p>																

	<p>Summary of Contents: a) <u>There were no changes in 2011 in the purchase of long lead equipment that may impact the St. Lucie and Turkey Point uprate projects.</u></p> <p>b) All known long lead equipment has been purchased for the St. Lucie and Turkey Point EPU projects. <u>The equipment has been received or is scheduled to be delivered prior to its planned installation date.</u></p> <p>c) Attached is a listing of EPU service and materials contracts issued <u>from May 1, 2011 through November 30, 2011. Contracts planned for 2012 include:</u></p> <ol style="list-style-type: none"> 1. Siemens alliance agreement contract for the 2012 PSL-2 outage installation work. 2. Siemens alliance agreement contract for the 2012 PTN-3 outage installation work. 3. Siemens alliance agreement contract for the 2012 PTN-4 outage installation work. 4. PSL engineering services to prepare EC for MOV transfer switches (units 1&2) 5. PSL TEI MSR flushing (unit 2) 6. PSL arc flash study calculation (units 1&2) 7. PSL installation of #4 FWH (unit 2) 8. PSL insulation oversight services (units 1&2) 9. PSL Heated water plan of study (units 1&2) 10. PTN Ames valve maintenance services (units 3&4) 11. PTN security services for <u>off-site warehouse</u> (units 3&4) 12. PTN condensate pump foundation repair (units 3&4) 13. PTN engineering services to prepare <u>emergent EC packages</u> (units 3&4) 14. PTN Bechtel EPC contract for <u>target pricing</u> 15. <u>Revisions to existing time & material contracts to add dollars as needed.</u> 16. Other miscellaneous material and service contracts to support the EPU outages, as needed. <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Discuss the 2012 contracts listed in 1-16 to understand their purpose and timing for 2012 and 2013. 2) How are the Siemens Alliance agreements different from original long lead contracts for turbines? 3) Has Bechtel Target Pricing worked at PSL to keep costs down? 4) Discuss whether target pricing has been an effective tool to incent Bechtel for positive performance and penalize them for negative performance at St. Lucie? 5) Will FPL make any improvement to target pricing contract incentives and penalties to be implemented at Turkey Point?</p>
<p>Document #: DR-1.9 (Disk 7) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Please provide any internal or external St. Lucie and Turkey Point uprate scoping and/or feasibility studies conducted, by or for the company since April 2011, and list any studies planned to be undertaken in 2012. b) Provide a listing of all Six Sigma work activities, hours, and costs for the St. Lucie and Turkey Point uprates executed since April 2011, and/or planned for 2012. c) Provide a copy of all "White Paper" summaries completed since April 2011, documenting the company's rationale for key decision making related to the St. Lucie and Turkey Point uprate projects.</p> <p>Summary of Contents: a) Scoping studies - <u>No specific scoping studies have been conducted by or for the company since April 2011 and none are planned for 2012.</u> However, project scope is continuously reviewed as engineering analyses and designs are completed. <u>Feasibility analysis - The results of all of the 2011 economic feasibility analyses/studies conducted by FPL regarding the EPU project both before and after April 2011 were filed with the Florida Public Service Commission (FPSC) in the NCRC 2011 docket.</u> There were two sets of such analyses whose results were separately filed: (1) the original feasibility analyses results filed May 2, 2011, and (2) supplemental feasibility analyses based on updated EPU project and resource planning assumptions filed on July 15, 2011. In addition, there were errata sheets filed for both of these feasibility analyses. The errata for the original feasibility analyses results were filed on June 10, 2011, and the errata for the supplemental feasibility analyses results were filed on August 4,</p>

	<p>2011. In regard to 2012, <u>FPL currently plans to conduct economic feasibility analyses of the EPU project that are similar in scope and approach to the original feasibility analyses filed on May 2, 2011, but which use updated assumptions and information.</u></p> <p>b) <u>A Six Sigma project was performed at PSL after the spring 2011 SL2-19 outage. This project was related to the Siemens scope and the cost was borne by Siemens. There were no other EPU Six Sigma activities performed in 2011 and none are planned for 2012.</u></p> <p>c) <u>Attached are copies of the following EPU white papers:</u></p> <ol style="list-style-type: none"> 1. Relocation of Fuel Assembly G20 to support Spent Fuel Pool Supplemental Cooling Modification. 2. Turbine Plant Cooling Water Freeze Plug 3. Moisture Separator Reheater Risk Profile 4. Refurbishment of Auxiliary Feedwater Pumps "B, C & Spare" <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required: 1) Discuss the Six Sigma project related to SL2-19 outage and the results of that project. 2) Review white papers completed.</p>
<p>Document #: DR-1.10 (Disk 7) (Disk 8, 1.10d Jan.) (Disk 37, 1.10 d Mar) (Disk 64, 1.10a May, 1.10b May, 1.10d May) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Provide a list of all contracts in excess of \$100,000 executed since April 2011 for the St. Lucie and Turkey Point uprates. b) Provide a summary of contracts in excess of \$100,000 describing the scope of work, term of contract, total contract dollars, pricing/costing methodology (T&M, fixed price, fixed w/incentives, etc.) dollars spent to date, contract amendments, and copies of applicable single or sole source justifications. c) Provide all RFPs issued, and bid evaluation summary sheets (financial and technical) supporting any St. Lucie and Turkey Point contracts competitively bid in excess of \$100,000, since April 2011. d) For all contracts in excess of \$1 million, since January 2011, provide a listing of change orders, by contract and by uprate unit, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order. e) Provide copies of all single and sole source justifications completed by the company for all contracts and change orders since January 2011 and ongoing through April 2012 by the 15th of each month. f) Describe what efforts the company has made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI. (modified request to \$250,000 to conform to contract levels provided in NCRC filings)</p> <p>Summary of Contents:</p> <p>a) Attached is a listing of <u>new contracts in excess of \$250,000 executed from January 1, 2011 through November 30, 2011.</u> The listing does not include corporate blanket contracts. <u>(Disk 64) 1.10a - May update</u> - Attached is a listing of new contracts in excess of \$250,000 executed from January 1, 2012 through April 30, 2012. The listing does not include corporate blanket contracts.</p> <p>b) Attached is a list of <u>PSL and PTN EPU contracts in excess of \$250,000 competitively bid from January 1, 2011 through November 30, 2011, and the associated requests for proposals (RFPs) and bid evaluations.</u> <u>(Disk 64) 1.10b - May update</u> - See FPL's response to DR-1.10a for a list of PSL and PTN EPU contracts in excess of \$250,000 competitively bid from January 1, 2012 through April 30, 2012. Attached are the associated requests for proposals (RFPs) and bid evaluations.</p> <p>c) Attached is a <u>listing of contract change orders for contracts in excess of \$1 million for the period January 1, 2011 through November 30, 2011.</u></p> <p>d) Attached are copies of <u>EPU single and sole source justifications issued from January 1, 2011 through November 30, 2011.</u></p>

	<p>(Disk 8) Supplement to DR-1.10d March Attached are copies of EPU single and sole source justifications approved from December 1, 2011 through December 31, 2011.</p> <p>(Disk 37) 1.10d –March update - Attached are copies of EPU single and sole source justifications issued in February 2012.</p> <p>(Disk 64) 1.10d – May update - Attached are copies of EPU single and sole source justifications issued in April 2012.</p> <p>e) The efforts the company has made since January 2011 to ensure single and sole source justifications have been improved to meet FPSC Order No. PSC-08-0749-FOF-EI include <u>continued focus on the process of documenting and approving single and sole source procurements, to ensure compliance with BO-AA-102-1008, Procurement Control and BO-AA-01, Authorization Limits, and to facilitate review by third parties who are not directly involved in the nuclear procurement process. Training is provided to personnel responsible for having Single and Sole Source Justifications (SSJs) prepared, the SSJ expectations are included in appropriate project instructions, and all new applicable personnel assigned to the EPU Project are required to review and understand the SSJ expectations.</u> To ensure the expected standards are maintained, <u>SSJs originating from the PSL or PTN EPU continue to be reviewed by a designated individual familiar with the expectations of FPSC Order No. PSC-08-0749-FOF-EI.</u></p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Review the contracts in excess of \$250,000, excluding corporate blanket contracts 2) Review contracts bid thru 11/11 and bid proposal information 3) Review change orders in excess of \$1 million 4) Review single/sole source documentation</p>
<p>Document #: DR-1.11 (Disk 5) (Disk 9, 1.11c Jan, 1.11d Jan) (Disk 39, 1.11c Mar, 1.11d Mar) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a) Provide a copy of the company's current Contract Audit Policies and Procedures applicable to the St. Lucie and Turkey Point uprate projects. b) Provide a listing of all internal or external contract audits conducted for the St. Lucie and Turkey Point uprate projects since January 2011 and planned through April 2012. c) Provide copies of any internal or external contract audit results, including all recommendations and actions taken as a result of these audits, since January 2011 going forward through April 2012 by the 15th of each month. d) Provide copies of any internal or external contract investigations including all findings, recommendations, and actions taken as a result of these investigations since January 2011 going forward through April 2012 by the 15th of each month.</p> <p>Summary of Contents: (Bates 007684)</p> <p>a) Although FPL periodically performs audits of select contracts, FPL does not have specific Contract Audit Policies or Procedures. Any such audits would be performed consistent with general corporate or project policies, as applicable.</p> <p>b) See response to data request 1-15a.</p> <p>c) See response to data request 1-15b. (Disk 9) January revised - No additional internal or external contract audits were completed in December 2011. February revised - No internal or external audits were completed in January 2012. (Disk 39) 1.11c March update - There were <u>no internal or external contract audits completed in February 2012.</u> (Disk 65) 1.11c May update - There were no internal or external audits issued in April 2012.</p> <p>d) See response to data request 1-15b. (Disk 9) January revised - See FPL's response to DR-1.11c. February revised - No internal or external contract investigations were completed in January 2012. (Disk 39) 1.11d Mar update - See FPL's response to DR-1.11c. (Disk 65) 1.11d May update - There were no internal or external audits issued in April 2012.</p>

	Conclusions:
	Data Request(s) Generated:
	No. ____ Description:
	No. ____ Description:
	Follow-up Required: 1) See response to DR-1-15a-b 2) Discuss any contract audits of contractors performed in 2011, currently being performed, or planned for 2012 3) Discuss any that may have been requested by EPU or FPL executive management 4) discuss any investigations that have been performed or are being performed related to EPU contractors or employees.
<p>Document #: DR-1.12 (Disk 7) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Provide any changes to the EPC oversight and management plan for contractors working on the St. Lucie and Turkey Point uprate projects, since January 2011 and planned through April 2012 b) Provide a listing of all EPC contract modifications and revisions made since January 2011 and planned through April 2012. c) Provide a listing of all change orders for the EPU EPC contract since January 2011 and planned through April 2012, including the change order number, date the change was executed, whether the change was company or contractor requested, a description of the change in work scope, the dollar value of the change order, and the completion date of the change order.</p>
	<p>Summary of Contents: a) The EPU team continues to work with the EPC contractor to improve work processes to facilitate successful implementation of the EPU project. <u>The PTN EPU project team added the following focus meetings to improve the timeliness of completing engineering design packages:</u></p>
	<p><input type="checkbox"/> Weekly Barrier Meeting <input type="checkbox"/> Weekly Schedule variance meeting <input type="checkbox"/> Daily Engineering Change Focus and Finalization Meetings</p>
	<p>b) Attached is a listing of EPC contract revisions issued since January 1, 2011. <u>The following EPC contract revisions are planned through April 2012:</u></p>
	<p>1. Incorporate target price into the PTN EPC Contract. 2. Adjust the EPC target price as necessary for project scope changes.</p>
	<p>c) <u>Attached is a listing of EPC contract change orders issued since January 1, 2011.</u> The following EPC contract change orders are planned through April 2012:</p>
	<p>1. Incorporate target price in the PTN EPC Contract. 2. Adjust the EPC target price as necessary for project scope changes.</p>
	Conclusions:
	Data Request(s) Generated:
	No. ____ Description:
	No. ____ Description:
	Follow-up Required: 1) Discuss the additional meetings for engineering packages and their benefits in 2011-2012 completion timeliness 2) Review contract revisions planned thru April 2012 and change orders since 1/1/11.
<p>Document #: DR-1.13 (Disk 7) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a) Please provide a summary of any disciplinary actions taken, pending, or planned, by FPL or the EPC, on any contractors working for the St. Lucie and Turkey Point uprate projects since April 2011. b) Please describe the events causing the action taken, the date the action was taken by the company, the disciplinary actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the St. Lucie and Turkey Point projects. c) Please identify and describe all contractor Recovery Plans requested by FPL and completed since April 2011. d) Provide all memos, letters, and associated correspondence between FPL and the contractor, along with a copy of each Recovery Plan. e) Discuss whether the difficulty experienced in late 2010 and early 2011, in keeping design packages on schedule for the Turkey Point 3 & 4 outages, improved as a result of changes made in the EPC project management organization. f) Explain specifically what these changes did to keep design packages on schedule for the 2011 and 2012 outage packages.</p>

Summary of Contents: a) See FPL's response to DR-1.3b-d for known disciplinary actions taken by the EPC (Bechtel) on contractors working for the St. Lucie and Turkey Point uprate project since April 2011. See FPL's response to DR-1.6b11 for Action Requests regarding disciplinary actions against contractors. The following is a summary of disciplinary actions taken by FPL on contractors working for the St. Lucie and Turkey Point uprate project since April 2011.

Contractor	Date Event	AR/CR#	Description	LD
AZZ	4/11/2011	1640179	Employee Lost Badge inside Protected Area.	(PTN)
Siemens	4/17/2011	1642412	Employee Lost Badge inside Protected Area.	(PTN)
Bechtel	8/12/2011	1677420	Employee Lost Badge inside Protected Area.	(PTN)
Whiting	8/17/2011	1678615	Employee Lost Badge inside Protected Area.	(PTN)
Bechtel	11/8/2011	1704602	Security Door left unsecured.	(PTN)
Bechtel	11/9/2011	1705206	Visitor Escort Responsibility not transferred	(PTN)
Bechtel	8/26/2011	1680983	Loss of Visitor escort	(PSL)
Bechtel	9/13/2011	1685954	Lost Security Badge	(PSL)
Siemens	10/28/2011	1701018	Lost Badge w/ Elevated Access	(PSL)
Siemens	10/28/2011	1701024	Employee Lost Badge on site	(PSL)
Bechtel	10/29/2011	1701792	Vital Door Left Unsecure	(PSL)
Siemens	12/1/2011	1711369	Lost Badge w/ Elevated Access	(PSL)
Ames	12/11/2011	1714851	Lost Badge w/ Elevated Access	(PSL)
Siemens	12/14/2011	1715836	Unsecured vital door	(PSL)

Key:

AR (Action Request)
 CR (Condition Request)
 LD (Liquidated Damages)

In addition, FPL released the following seconded contractors (staff augmentation) due to performance issues:

1. PTN LAR Scheduler – November 2011
2. PTN Cost Analyst – November 2011
3. PTN Administrative Assistant – November 2011

b) See FPL's response to DR-1.3b-d and DR-1.6b11 for details of the known disciplinary actions taken by the EPC contractor (Bechtel) on its contractors working for the St. Lucie and Turkey Point uprate project since April 2011. The disciplinary actions taken by FPL listed in FPL's response to DR-1.13a are all security violations that resulted in specific liquidated damages against the listed contractor in accordance with the contract between FPL and the specific contractor. FPL took no action to remove these contractors as a result of the events listed in 1.13a. The disciplinary actions taken by FPL on seconded contractors (staff augmentation) are all as a result of performance issues in which those individuals did not meet expectations for their assigned duties. All these seconded contractors were removed (released from working for FPL).

c) The following recovery plans, which include contractor inputs, were issued since April 2011:

1. On June 16, 2011, the PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President describing the course of action planned to support the 4c "pre-outage milestone" PTN 3R26.
2. On July 5, 2011, the PSL EPU Site Director issued a recovery plan to the PSL Site Vice President describing the course of action planned to support the 4a "pre-outage milestone" for SL1-24.
3. On September 8, 2011, the PSL EPU Site Director issued a recovery plan to the PSL Site Vice President describing the

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	<p>course of action planned to support the 4a "pre-outage milestone" for SL2-20.</p> <p>4. On September 30, 2011, the <u>PTN EPU Site Director issued a recovery plan to the PTN Site Vice President</u> describing the course of action planned to support the 14c "pre-outage milestone" for PTN 3R26.</p> <p>d) <u>Communications between FPL and the contractors regarding recovery plans typically occur verbally in meetings. Date changes are applied to the schedules as discussed in these meetings and recovery plans are transmitted from FPL EPU Project Management to FPL Station Management for approval. Copies of the following recovery plans are attached:</u></p> <ol style="list-style-type: none"> 1. PTN3 Pre-outage Milestone 4c Recovery Plan, dated 6/17/11 2. PSL1 Pre-outage Milestone 4a Recovery Plan, dated 7/5/11 3. PSL2 Pre-outage Milestone 4a Recovery Plan, dated 9/8/11 4. PTN3 Pre-outage Milestone 14c Recovery Plan, dated 9/30/11 <p>e) <u>Bechtel's new Project Engineering Manager at PTN has focused on schedule adherence, issue management, eliminating design barriers, and improving efficiencies. FPL and Bechtel initiated focus meetings which have helped eliminate barriers and improve schedule adherence.</u></p> <p>f) <u>Schedule issues were reduced by the FPL & Bechtel engineering optimization which established engineering leads as issue managers to drive design package completions. Also, the FPL/Bechtel team added focus meetings to increase visibility and awareness of engineering issues to be resolved.</u></p> <p>These focus meetings include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Weekly Barrier Meetings <input type="checkbox"/> Weekly Schedule Variance Meetings <input type="checkbox"/> Daily EC Focus and Finalization Meetings <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required: 1) Do penalties assessed for lost badge, lost badge w/elevated access, etc. escalate for repeated incidents? 2) Is there any particular reason the staff augmentation contractors were released for non performance issues at the same time (anything other than job performance?) 3) Discuss why the PSL EPU Site Director issued recovery plans to the PSL Site Vice President in July and September 2011 4) Discuss why the PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President in June and September 2011 5) Discuss when the "new" Bechtel Project Engineering Manager at PTN came aboard 6) Discuss the FPL & Bechtel Engineering Optimization effort and establishing leads as issue managers (how is this different than the past?) 7) Review the four Recovery Plans issued for PSL and PTN.</p>
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<p>Document #: DR-1.14 (Disk 5) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Describe any changes in project controls to improve the oversight and management of contractor work at the St. Lucie and Turkey Point uprate projects since January 2011, and any planned for 2012.</p> <p>Summary of Contents: (Bates 007753) <u>FPL continues to work with vendors to improve the management of work and the associated projects controls tools. Generally, daily outage reporting on hours and dollars expended, and all of the indicators which compare planned expenditures versus actual expenditures, are received from the major onsite vendors. Productivity analysis, trends and estimated costs at completion are developed and analyzed using these data points. In July 2011, FPL requested that Siemens set up a cost reporting system for the future PSL and PTN Time and Materials outage scopes. FPL developed a sample report and provided guidance to Siemens Project Controls regarding the Work Breakdown Structure to be applied. This report is currently being produced for the Siemens SL1-24 outage scope.</u> The PTN EPU project team added the following focus meetings to improve the timeliness of completing engineering design packages:</p>
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	<input type="checkbox"/> Weekly Barrier Meeting <input type="checkbox"/> Weekly Schedule variance meeting <input type="checkbox"/> Daily Engineering Change Focus and Finalization Meetings
<p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
	Follow-up Required: 1) Why was it necessary for FPL to request Siemens to set up a cost reporting system for the future PSL and PTN Time and Materials outage scopes 2) had FPL experienced problems with Siemens reporting correct charges in previous project scopes of work? 3) Is this a regular request of all T&M contractors?
	<p>Document Title and Purpose of Review: a) Please provide a current listing of all internal and external audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 and any planned through 2012. b) Provide copies of any internal or external audit results, including all recommendations, management responses, and actions made as a result of these audits since January 2011.</p> <p>Summary of Contents: a) 2011 Internal Audits:</p> <ol style="list-style-type: none"> 1. The Extended Power Uprate (EPU) Review of 2010 Expenditures Audit was performed by Jefferson Wells (currently known as Experis) under FPL Internal Auditing's direction and supervision. 2. The Bechtel Vendor Audit performed by FPL Internal Auditing was completed in December 2011. The audit assessed [REDACTED] 3. PTN completed a self-audit of augmented staffing in November 2011. <p>Planned 2012 Internal Audits:</p> <ol style="list-style-type: none"> 1. The Extended Power Uprate (EPU) Review of 2011 Expenditures Audit will be performed by Experis under FPL Internal Auditing's direction and supervision. Report is expected in 2nd quarter 2012. 2. [REDACTED] Vendor Audit – This will be similar to the [REDACTED] audit from 2011. It will either be for [REDACTED] or for [REDACTED]. A report is expected to be issued in the 3rd quarter 2012. 3. Experis Audit of [REDACTED] Contracts - Scope still being defined to ensure no overlap with the [REDACTED] Vendor Audit performed by FPL Internal Audit in 2011. Report is expected in 2nd quarter 2012. 4. [REDACTED] – Internal Auditing is [REDACTED]. Report is expected to be issued in the 1st quarter 2012. Internal Auditing [REDACTED] 5. [REDACTED] – Internal Auditing [REDACTED]. Report is expected to be issued in the 1st quarter 2012. 6. [REDACTED] <p>(Disk 12) January Supplemental</p> <p>a) [REDACTED]</p> <p>These were inadvertently excluded from the original DR 1.15 submission:</p> <ol style="list-style-type: none"> 1. [REDACTED] 2. [REDACTED] <p>b) The audits will be made available for review at FPL's Tallahassee office located at 215 S. Monroe Street Tallahassee, FL 32301.</p> <p>c) As noted in FPL's original response, [REDACTED]</p>

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	<p>product. [REDACTED]</p> <p>(Disk 67) Supplemental 2 EPU PTN completed a self-audit of augmented [REDACTED] staffing on May 29, 2012. The report and documents are included on the disk. No significant findings issued.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Discuss contractual arrangements with Experis (continuing or terminating? 2) Get copy of EPU audit in 2nd Qtr. 3) Get copy of FPL [REDACTED] contract audit results 4) Get copy of Experis audit of [REDACTED] contracts in 2nd Qtr. when avail. 5) Get copy of [REDACTED] audit 3rd Qtr. when available 6) Get [REDACTED] 7) Get copy of [REDACTED] 1st Qtr. 8) Discuss the subject of the Attorney Work Product Privileged internal audit currently under way and any possible availability of the final report. 9) Review the audits available in Tallahassee.</p>	1 2 3 4 5 6 7
<p>Document #: DR-1.16 (Disk 7), (Disk 8, 1.16b) (Disk 37, 1.16b Mar) (Disk 64, 1.16b May) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a) Provide a listing of all quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011, and any planned through April 2012. Provide copies of all quality assurance, observations, reviews, and audits including all recommendations, management responses, and actions taken as a result of these observations, reviews and audits since January 2011 ongoing through April 2012 by the 15th of each month.</p> <p>Summary of Contents: a) Attached is a listing of quality assurance, observations, reviews, and audits completed for the St. Lucie and Turkey Point uprate projects since January 2011 through November 4, 2011. For the period November 2011 through April 2012, Quality Assurance will perform routine surveillance activities of outage work at both PTN and PSL. <u>Five quality engineers will observe EPU construction operations while implementing modifications. Emphasis will be on first time quality achievement and the ability to promptly correct any non-conformances which are found. Please see FPL's response to Data Request No. 1.15 for a listing of Internal Audits.</u></p> <p>b) Attached are copies of quality assurance, observations, reviews, and audits including recommendations, management responses, and actions taken as a result of these <u>observations, reviews and audits from January 2011 through November 4, 2011</u> as titled in FPL's response to DR-1.16a.</p> <p>(Disk 8) Supplement to DR-1.16b Attached are copies of the <u>EPU quality assurance reports issued in November and December 2011.</u></p> <p>(Disk 37) 1.16b Mar - Attached are the FPL EPU quality assurance reviews performed in February 2012.</p> <p>(Disk 64) 1.16b May - Attached are the St. Lucie and Turkey Point EPU quality assurance reviews performed in April 2012.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Review QA observations, reviews, and audits completed in 2011 and 2012 to date. 2) Discuss unsatisfactory audits with QA and EPU project management.</p>	
<p>Document #: DR-1.17 (Disk 7), (Disk 9, 1.17a Jan, 1.17b Jan)</p>	<p>Document Title and Purpose of Review: a) Please provide current copies of all contractor evaluations completed for the St. Lucie and Turkey Point uprate projects since January 2011 and ongoing through April 2012 by the 15th of each month. b) Describe any corrective actions taken as a result of these evaluations and their actual or potential impact to the uprate project's schedules or costs..</p>	

(Disk 39, 1.17a Mar)
 (Disk 65, 1.17a May, 1.17b May)
 Date Requested: 11/3/11
 Date Received:
 Comments: (i.e., Confidential)

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Summary of Contents:

a) Attached is the 2011 EPU contractor evaluation for the PTN EPC contractor. Supplement to DR-1.17a As of December 31, 2011, the approved EPU project schedule includes implementing the necessary EPU modifications during the following planned outages:

PSL1 Fall 2011 outage completing by 04/01/12.

PSL2 Spring 2012 outage completing by [REDACTED]

PTN3 Spring 2012 outage completing by 07/08/12.

PTN4 Fall 2012 outage completing by [REDACTED]

PSL1 will likely require a mid-cycle outage of a few days to fully implement EPU after the NRC approves the PSL1 EPU license amendment.

(Disk 9) 1.17a January revised - There were no additional EPU contractor evaluations in December 2011 that were not provided previously.

1.17a February revised - There were no contractor evaluations completed for St. Lucie and Turkey Point uprate projects in January 2012.

(Disk 39) 1.17a March update - There were no contractor evaluations completed for St. Lucie and Turkey Point uprate projects in February 2012.

(Disk 65) 1.17a May update - There were no contractor evaluations completed for St. Lucie and Turkey Point uprate projects in April 2012.

b) There have not been any specific corrective actions taken as a result of the contractor evaluation provided in response to DR-1.17a. However, there have been corrective actions taken as a result of events described in the contractor evaluation. See FPL's response to DR-1.3b for descriptions of several stand downs that were conducted to correct personnel behaviors and preclude similar events. See FPL's response to DR-1.12a for a description of focus meetings added to improve schedule performance. The most current FPL senior management-approved non-binding cost estimate remains that which was provided in Docket 110009-EI. FPL is in the process of assessing whether a revision to the non-binding cost estimate is appropriate. The current cost forecast for completing the uprate projects is included in the latest EPU Monthly Operating Performance Reports (MOPRs) provided in response to DR-1.6b1.

(Disk 9) January revised - There have not been any specific corrective actions taken as a result of contractor evaluations issued in December 2011.

February revised - As provided in subpart a), no evaluations were conducted in January 2012.

(Disk 39) 1.17b March update - No evaluations were conducted in February 2012.

(Disk 65) 1.17b May update - There were no contractor evaluations completed for St. Lucie and Turkey Point uprate projects in April 2012.

Conclusions:

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required: 1) Review DR-1.3 b responses to review corrective actions for personnel behaviors 2) Review DR-1.12a for focus meetings added to improve schedule performance 3) Discuss the ratings and rankings for Bechtel. 4) Discuss whether FPL will file new numbers in the May filing for year end 5) Has FPL estimated the increased project costs expected in the May filing?

Document #: DR-1.18 (Disk 5) (Disk 7)

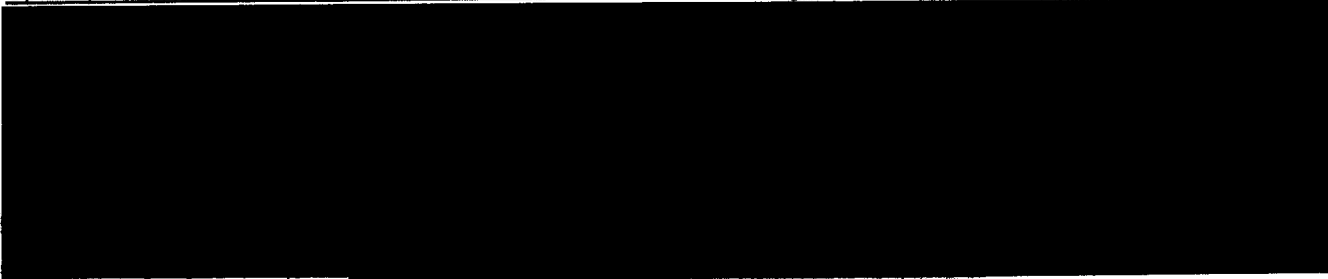
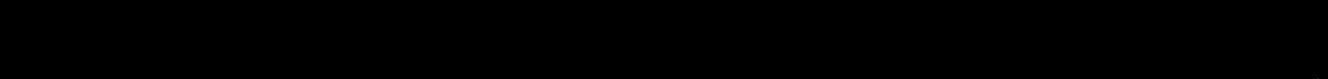
Date Requested: 11/3/11

Date Received:

Comments: (i.e., Confidential)

Document Title and Purpose of Review: (Bates 007758)

List and describe any Quality Assurance actions (holds, delays, stops, etc.) recommended or taken, pending or planned by FPL, on manufacturers or contractors for the St. Lucie and Turkey Point projects since April 2011. Include a description of the events surrounding the action, the date the action was taken, a description of the Quality Assurance actions taken, timetable for any fixes, and whether the contractor was removed or allowed to continue work on the project.

	<p>Summary of Contents: Quality Assurance (QA) performs reviews, inspections, audits, and surveillances. Typically, QA will document recommendations, observations, or findings. <u>It is then the responsibility of the owner organization to address the QA recommendations, observations or findings.</u> QA does not administer disciplinary actions, rather they follow-up as required on items identified in their respective reports. <u>FPL's response to DR-1.16b includes copies of the reviews, inspections, audits and surveillances. Each of these documents includes recommendations, observations, or findings as appropriate.</u></p>
	<p>Conclusions: 1) Review QA inspections, audits, and surveillances 2) Review FPL's response to DR-1.16b</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>
<p>Document #: DR-1.19 (Disk 7) Date Requested: 11/3/11 Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Describe any new project controls implemented as a result of quality assurance reviews, internal auditing, or external audit findings, since January 2011, and any planned to be implemented through April 2012.</p>
	<p>Summary of Contents: FPL has not implemented new project controls as a result of Quality Assurance reviews. <u>See FPL's response to DR-1.12a for other project control enhancements implemented in 2011. The internal audit titled Extended Power Uprate (EPU) Review, 2010 Expenditures was completed on May 12, 2011.</u></p>
	
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required: 1) Discuss with Tony Maceo whether this was completed by Jefferson Wells or FPL internal audit 2) discuss</p>
	

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Office of Auditing and Performance Analysis Document Summary and Control Log

Company: Florida Power & Light Company
 Area: Nuclear Cost Recovery Clause
 Auditor(s): D. Rich and L. Fisher

Workload Control #: PA-11-11-005
 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries EPU\3.3.2 DR-2 Document Control Log.doc

Document #: DR-2.1
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

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Document Title and Purpose of Review: Please provide copies of the FPSC Staff Visit EPU Project Update Presentation.

Summary of Contents: (1/24/12) 36 page presentation provided at company offices in Juno. Addresses outage schedules, NRC regulatory impacts to the project, engineering design package progress for the outages, construction implementation for project outages, projects cost impacts, and challenges ahead for the EPU project; first set of outages for each unit is completed; Second PSL1 outage is in progress and will require a mid cycle outage after EPU LAR expected in June/July timeframe; final PTN3 outage is starting in Feb. 2012, final outage for PSL2 is scheduled to start 8/12; final outage for PSL2 planned to start in 11/12 and complete 1st Q 2013;

Project cost forecast above nonbinding estimate as of 12/31/11; E&C increased from 2.0B-2.2B range and is now estimated at 2.23B; received Bechtel EAC for PTN in November w/approx. [REDACTED] increase in response to target price; FPL vetting Bechtel EAC and performing due diligence; target pricing is being assessed for use at PTN; 2012 feasibility analysis will be completed by 5/1/12; **Primary drivers for increased costs are:** Scope Growth (additional mods, design evolution, additional design engineering resources, and changes in design completion schedule) Implementation (planning and scheduling of additional mods increased implementation complexity; constructability and congestion of work areas affected productivity; increased mods and implementation required more direct and indirect labor to support outage durations); FPL has engaged other major suppliers to provide alternative proposals; However, the Bechtel EAC is not included in the current project nonbinding forecast; the revised forecast will be used to update the 2012 nonbinding cost estimate; the project is expected to remain cost effective after feasibility analysis and remains on target for completion by end of 1st Q 2013. PTN and PSL2 outages moved by approx. 1 mo. To "improve certainty" w/execution and LAR approval.

Key organizational changes include: PSL Site Director and Lead Project Manager at PSL and two PTN positions related to retirement and voluntary separation in 2011; 2012 reductions expected for LAR as EPU LARs are approved by NRC;

Additional schedule contingency has been included for each of the remaining outages for potential discoveries of increased implementation scope during the outage; LAR approval schedule forecasts May 2012 for PSL1 w/further delay possible (requiring mid cycle outage to reach final uprate), Unit 2 EPU LAR forecast for July w/further delay possible;

Delays in the Bechtel designs are being managed, per FPL w/ senior executive oversight meetings held to address issues; PTN3 (largest and most challenging EPU outage) is scheduled to start 2/26/12 and complete by August 2012 w/increase of 123 MWe; final PTN4 outage scheduled to start [REDACTED] and complete by March 2013 w/increase of 123 MWe; **Major Cost Drivers for 2011 at PSL and PTN totaled \$162M; Major Cost Forecast Drivers for 2011 @ PSL are (\$68.9M total (42.5%):** Regulatory and Safety Margin (\$9.0M), Power Generation (\$6.9M), and Implementation Support (\$53M); **Major Cost Forecast Drivers for 2011 @ PTN are (\$93.1M total (57.5%):** Regulatory and Safety Margin (\$22M), Power Generation (\$28.2M), and Implementation Support (\$42.9M);

Resolution of commercial aspects of PSL2 generator stator core repair; Siemens will pay for its repair costs of Approx. [REDACTED] FPL is responsible for its related costs, consistent w/contract (approx. [REDACTED] total cost to EPU lower than estimated weighted risk estimated in 2011;

FPL EPU management states it is managing possible future schedule and cost impacts including:

- 1) Bechtel EAC for PTN at [REDACTED] potential impact,
- 2) Potential additional Siemens cost at Turkey Point,
- 3) Engineering taking longer than expected,
- 4) Work package development taking longer than expected,
- 5) Bechtel productivity lower than expected,
- 6) License amendments not approved in time to support implementation outages,
- 7) Potential for additional modifications and/or

	<p>analyses resulting from NRC LAR reviews, and 8) Other potential costs associated w/discovery during design and implementation; PSL 12/11 EPU Project Forecast w/Goal of \$916M, Current Forecast of \$977.7M (includes ██████ Bechtel EAC forecast) and \$987.9M non-binding estimate; PTN 12/11 EPU Project Forecast w/Goal of \$1148.9M, Current Forecast of \$1252.5M (includes ██████ Bechtel EAC forecast) and \$1232.8M non-binding estimate; Risk Exposure estimated costs include: PSL Risk Register Summary of \$52.4M Max. Exposure and \$8.0M Weighted Cost; PTN Risk Register Summary shows \$383.7M Max. Exposure and \$93.0M Weighted Cost; Total Risk Exposure Profile for the EPU project is \$436.1M Max. Exposure and \$101M Weighted Cost;</p> <p>Also see EPU IVS-1, EPU IVS-2, and EPU IVS-4 interview summaries for additional information.</p>
<p>Document #: DR-2.2 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p> <p>Document Title and Purpose of Review: Please provide four charts consisting of: a. EPU project schedule overview b. EPU Component Work Scheduled for PTN 3R26 Spring 2012 c. EPU Component Work Scheduled for SL1-24 Nov. 2011 d. EPU Implementation Outages W/O dates.</p> <p>Summary of Contents: Charts provided</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-2.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide copies of the PSL Presentation provided at the site on 1/25/12.</p> <p>Summary of Contents: 14 pg. presentation provided status and overview of PSL2-19 Spring 2011 outage and PSL1-24 Fall outage; also went on plant tour to view some of the work completed and scheduled to be completed in the outages; first set of outages for both units are completed, and the second outage for PSL1 is in progress (mid-cycle outage planned to bring PSL1 to full uprate in June/July); Final outage for PSL2 is scheduled to start ██████ and complete in November w/increase in capacity of 84 MWe; PSL2 engineering design packages are scheduled for ██████ Staff examined the Team Room, where coordination of outage activities status and challenges are reviewed by vendor, EPU, and site representatives; equipment staging areas where new equipment will be readied to install; and fabrication areas where staging of some pumps, valves, and other pre-installed equipment is readied for placement into the unit; Staff also reviewed several work areas where vendors were working on the PTN turbine deck.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>

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Bureau of Performance Analysis

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**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
Area: Nuclear Cost Recovery Clause
Auditor(s): D. Rich and L. Fisher

Workload Control #: PA-11-11-005
File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries EPU\3.3.3 DR-3 Document Control Log.doc

Document #: DR-3.1
(Disk 17)
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Please describe the nature of the NRC EPU audit at Turkey Point and at Westinghouse, conducted in December 2011, and supported by FPL. b. Describe the recommendations and actions taken as a result of the audit. c. Please provide, or make available, a copy of the audit, audit results, recommendations, and management responses. (EPU DR-1.1a)

Summary of Contents: a. The NRC EPU audit at Turkey Point and at Westinghouse was a technical information audit by the NRC to allow the NRC staff to review detailed documentation supporting FPL's EPU LAR and to observe certain postulated accident scenarios being run on the plant simulator with a crew of licensed plant operators. The NRC performs audits when reviewing complex license amendments to gather information, perform sample reviews of licensee analyses, and validate their conclusions. Attached are the audit agendas for each portion of the audit. The NRC staff members reviewed detailed engineering calculations, calculation methodology documents and plant operating procedures. The NRC staff members discussed the calculations with FPL and Westinghouse personnel responsible for the analyses, plant operations and plant operator training. b. At the conclusion of the audit, the NRC staff indicated that their questions had been answered and that they were able to complete the preparation of the draft safety evaluation for the PTN EPU. No follow up actions were identified for FPL. c. Attached is the NRC's audit plan and FPL's audit agendas. The NRC will issue an audit summary report after completion of the NRC's draft safety evaluation. FPL has not received this report. This report is not required in order for the NRC to issue the approval of the EPU license amendment.

Conclusions:

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No. _____ Description:
No. _____ Description:

Follow-up Required:

Document #: DR-3.2
(Disk 16)
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Please explain further why it was necessary for Bechtel Procurement to review FPL issued PO's related to contract performance issues, and the commercial impact due to poor supplier performance. b. Please describe the Procurement Review results and any actions taken by EPU management as a result of the Bechtel/FPL Procurement Review. (6/1/11 PSL Weekly Leadership Meeting (Bates 003200) c. Provide any e-mails, letters, or other documents to evidence the management actions taken.

Summary of Contents: a. Under the EPC contract, Bechtel is responsible for administrating certain FPL POs, including identification of supplier performance issues. As a result, Bechtel identified supplier compliance related issues and associated potential liquidated damages for consideration by FPL. Bechtel's preliminary findings were presented to FPL in August 2011 with the understanding that there were activities in process with several of the suppliers that needed to be completed for the final assessment. Supplier non-conforming issues were identified in the following areas:

- Engineering/Drawing Supplier Submittal requirements
- Other Associated Contractual Documentation requirements
- Equipment Delivery Performance

b. FPL and Bechtel are meeting the week of February 20, 2012 to review Bechtel's final analysis and recommendations in detail.

c. FPL has no such documents. See DR-3.10 for details regarding Hilti.

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	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Get analysis and recommendations from 2/20/12 meeting between Bechtel and FPL 2) Identify the suppliers and the non-conforming issues being considered by Bechtel and FPL 3) identify the potential liquidated damages ranges and any potential amounts being asked for recovery 4) identify any equipment costs and schedule delays caused by these issues 5) Get a copy of the preliminary findings made available to FPL in August 2011 and the final analysis in Feb. 2012.</p>
<p>Document #: DR-3.3 (Disk 27) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Discuss the Bechtel Procurement, Supplier Quality, PSL, and PTN Project Management meeting regarding a revised Supplier Quality approach, and issues raised by FPL QA regarding the current program (purpose, date, attendees, issues, actions, recommendations or resolutions, and cost and schedule impacts on the project). (7/6/11 PSL Weekly Leadership Meeting (Bates 003275) b. Describe the FPL QA issues identified at both plant sites and the outcome of EPU management decisions. c. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. <u>The primary purpose of the meeting was to address FPL QA and PTN management concerns regarding Bechtel's oversight of the fabrication process specific to FPL's Supplier, Thermal Engineering, International (TEi) and their Subcontractor, Sedae. Bechtel is responsible under the Turkey Point EPC Contract to provide technical administration of the referenced TEi contract, including oversight of the fabrication process and other FPL Suppliers of the major equipment for FPL's EPU project. This role within Bechtel is managed under Bechtel Procurement Supplier Quality, rather than Bechtel QA. Additionally, FPL Quality Assurance and Management representatives and Bechtel representatives discussed the general expectations of FPL Regarding improvement to Bechtel's oversight of FPL's Suppliers and their fabrication processes. This resulted in discussion on the general approach of each company's internal programs and processes regarding supplier quality and oversight.</u> Meeting Date: July 7, 2011. Meeting Attendees: Bob Exton, Richard Anderson, Mike McDermott, Ned Merchant, Ralph Pinkerton, Ted Jonczak, & Steve Veale from Bechtel, and Raul Fabre, <u>Mark Waronicki</u>, <u>Alan Katz</u>, Steve Sheahan, <u>Rick Weis</u>, & <u>Steve Reuwer</u> from FPL. Issues: <input type="checkbox"/> <u>TEi's deficiencies in their fabrication process of the Turkey Point MSR's;</u> <input type="checkbox"/> <u>FPL's position that Bechtel did not provide adequate oversight of this fabrication process.</u> Actions: <input type="checkbox"/> FPL to provide letter to Bechtel detailing FPL's issues and concerns regarding this matter. (FPL EPU-PTN-11-0821 Letter date July 8, 2011). <input type="checkbox"/> <u>Request by FPL that Bechtel review their Supplier Quality program and changes required to ensure similar issues do not occur with Bechtel's oversight of FPL Suppliers of fabricated equipment.</u> <input type="checkbox"/> <u>Bechtel attached Letter/File No. 25489-000-TCMGPX-00066 dated August 3, 2011 in response to FPL's July 8, 2011 letter detailing specific actions taken by Supplier Quality Supervision (SQS) and Representatives (SOR) to enhance Bechtel's level of effort in response to FPL's request. Additionally, specific actions related to the TEi/Sedae fabrication oversight were detailed.</u> Recommendations: <u>As a result of FPL QA concerns and as identified in the August 3, 2011 letter, Bechtel implemented the following Supplier Quality program enhancements at the project level for the FPL PSL and PTN EPU projects:</u> <input type="checkbox"/> <u>Corporate SQ management has implemented process improvements and focused training to insure that the assigned SOR's are properly performing the planning and preparatory reviews of the FPL and Bechtel issued PO's, contract specifications and project approved supplier documents;</u> <input type="checkbox"/> <u>An all hands training session was conducted in November 2011 and the issue of awareness with regard to FPL work was reinforced. At that meeting, the training centered around 10 case studies that were based on actual events. The studies highlighted the importance of awareness of the shop surroundings and in particular, compliance to the technical requirements. It also</u></p>

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- emphasized the need to include peer checking during the assignment.
- Bechtel has increased SQ supervisory involvement in the review and oversight of shop SQR activities to assure that assigned SQRs are fully aware of the requirements and invoking these requirements at the supplier level;
 - When circumstances and or performance concerns towards a specific Supplier warrant, targeted surveillances will be performed by both area and project SQ supervision to assure Supplier programmatic controls are documented, current and being implemented;
 - Bechtel Area SQ supervision has participated in critical equipment pre-fabrication Initial Visit meetings to assure process compliance and meeting effectiveness;
 - Bechtel Project SQ has increased quality instructions and requirements to reflect lessons learned on these projects;
 - Bechtel has done an assessment of existing surveillance plans and revised as appropriate to assure that the correct level of inspection is in place;
 - In Korea, an expatriate regional supervisor was dispatched to provide instruction to Bechtel's local SQ resources to assure clear understanding of the English language specifications;
 - Project SQ prepared and issued to Korean SQ resources a summary of technical requirements document to assist them in following up on technical criteria specified for the equipment fabrication processes.

Cost and Schedule Impacts to the Project:

There were no known schedule impacts resulting from either Bechtel's oversight activities or the associated TEi / performance issues on the Turkey Point MSR's. Most actions associated with this effort were incidental to the regular communications and activities planned. As such, costs cannot be separated from the previously budgeted activities. The exception is costs associated with increased oversight of the MSR's at Sadae located in S. Korea and added surveillance at the tube manufacturer as follows:

Additional Surveillance at Sadae for Unit 3 MSR's - [REDACTED] Surveillance at Tube Manufacturer - [REDACTED]

b. The FPL QA issues identified are listed in the attached FPL letter EPU-PTN-11-0821 dated July 8, 2011. The outcome of the EPU management decisions is listed in the Recommendations section of the response to part a, which details the management decisions to implement improvements in support of FPL EPU Supplier Quality oversight.

c. Attached are the following project documents which demonstrate the management actions taken:

1. FPL EPU-PTN-11-0821 Letter date July 8,2011
2. File No. 25489-000-TCM-GPX-00066 dated August 3,2011
3. AR# 1672223 (PO Revision distribution finding)
4. QSR 25486-757-YQA-PH02-10001 (example of enhanced activities)
5. QSR 25486-200-YQA-MPGQ-10007 (example of enhanced activities)
6. QSR 25489-000-YQA-MESO-10015 (example of enhanced activities)
7. QSR 25489-300-YQA-PV08-30001 (example of enhanced activities)
8. QSR 25489-000-YQA-MESW-1A009 (Review with Sadae personnel)
9. Email 11Nov 2011 to HoYoung Kwon (Direction to SQR in Korea)
10. SQ-211 Attachment MESW-A (Technical direction for MSR surveillance)
11. QSP 25489-000-YQA-MESW-10000 (Revised Surveillance Plan for MSR)
12. Supervision Trip Report to Sadae Dated 11Nov2011

Conclusions:

Data Request(s) Generated:

No. _____ Description:

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Follow-up Required:

<p>Document #: DR-3.4 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Discuss the Engineering Subcontractors program compliance surveillance initiated with reviews of completed training initiated, and the meeting held with the FPL QA Manager (Juno) regarding this issue. (10/5/11 Weekly Leadership Meeting). b. Describe the FPL QA compliance issues identified, the subcontractors involved, the results of the meeting, and any management actions taken to resolve the issues. c. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. <u>Quality Assurance performed a review of the three engineering subcontractors assisting Bechtel with the development of engineering change packages.</u> Training records were reviewed in the Info Works data base to assure adherence to procedural compliance. <u>Bechtel QA Surveillance 25486-QSSS-011-180 was initiated and documented the fact that four Sargent & Lundy engineers had signed off preliminary EC packages prior to the sign off on the completed training records sheet in violation of the procedural requirements.</u> b. <u>Following the Bechtel QA model, Corrective Action Report (CAR) 25486-QSSF-11-013 was issued to investigate this occurrence. Results identified that S&L did not understand that the completion of the FPL procedures training prior to working on the EC packages was not sufficient and Bechtel procedures training was also required to be completed. S&L personnel were unfamiliar with the Bechtel requirement that the training must be completed prior to sign off on the ECs. CAR actions were completed and verified, and the CAR closed on January 11, 2012.</u> c. <u>Attached is a copy of Corrective Action Report (CAR) 25486-QSSF-11-013.</u></p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Determine what schedule and cost impacts were caused by this event. 2) Determine why the contractors did not realize the training was required before working on engineered packages 3) Determine what impact this may have had on any packages released prior to the training being received 4) were any penalties or disciplinary actions assessed on any of the contractors as a result of this event?</p>
<p>Document #: DR-3.5 (Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Discuss the "Issues/Concerns Hilti Summary and what changes were made as a result of the Bechtel QA limited scope audits. (Bates 003477, 10/5/11 Weekly Leadership Meeting). b. Provide any e-mails, letters, or other documents to document the management actions taken.</p> <p>Summary of Contents: a. See FPL's response to DR-3.10. b. See FPL's response to DR-3.10.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.6 (Disk 20) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: a. Discuss the QA audit, issue 4 corrective action reports, and MSR corrective action report. b. Provide any e-mails, letters, or other documents to evidence the management actions taken (11/2/11 Weekly Leadership Meeting). c. Discuss the three (3) Bechtel EPU HU Related CR's for the week ending 10/28/11. d. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. As required by the Bechtel Nuclear Quality Assurance Manual requirements, the yearly site audit was performed between 10/24/11 and 10/28/11 to assess program compliance. Four Corrective Action Reports (CARs) were generated to document deficiencies identified as a result of the audit team investigation. <u>1. CAR 25486-000-GCA-QSSF-11-015-000</u> was issued to document issues identified in the electrical material lay down and storage process. Deficiencies were corrected, verified by QA and the document closed on 12/22/11. <u>2. CAR 25486-000-GCA-QSSF-016-000</u> documented a lack of rigor and attention to detail in the implementation of the non-</p>

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conformance reporting program. CAR was verified and closed on 12/14/11.

3. CAR 25486-000-GCA-OSSF-11-017-000 was generated due to the corrective action reports closed and input into Info Works under the wrong method and could not be easily found or retrieved. Corrective action reports were re-entered properly and are now easily identified and retrievable. CAR was verified and was closed on 12/20/11.

4. CAR 25486-000-GCA-OSSF-11-018-000 was issued to document a deficiency in the procurement training where it appeared that the latest revision to the procurement procedure was not read by applicable personnel. Training was originally held with both Turkey Point and St. Lucie and the required reading did occur, but the forms were not input into Info Works and therefore did not get tied into the "My Required Reading" system. QA verified the corrective actions were complete and the CAR was accepted and closed on 11/23/11.

5. MSR corrective action report was scheduled to be completed and issued. Upon further review of the conditions associated with the work package and verification in the field that the deficiencies had been corrected, QA cancelled the corrective action report. The assessment revealed that a number of ARs and DOS were documented in the FPL system and a number of NCRs in the Bechtel system had been issued regarding work package implementation and FME on the MSRs. This was determined to be sufficient as numerous corrective actions were completed to address the deficiencies. Increased QA oversight and coaching was performed regarding the MSR work with the applicable personnel. Therefore, no corrective action report was issued.

b. Attached are copies of the Corrective Action Reports listed in response to part a.

c. The three Bechtel HU related CRs are discussed below:

1. AR #1700265 was issued to document that welding documents were incorrectly completed with the wrong designation of 'B' component instead of 'A' component. Work Package contained the weld records WR-5 and WR-6 that had the documentation errors. It was verified that the welds were correct according to reviewed requirements and the new documentation was issued for IR-30-110A to correct the deficiency. Individuals were coached on attention to detail and the subject welding documents were reviewed and verified to have been corrected. A HUPE was determined to not be required. An update of the issue and extent of condition was provided to FPL Quality Assurance.

2. AR # 1700330 documented that a revision was prepared by the electrical discipline to incorporate a CRN. Subsequent to final approval an individual began incorporation of an additional CRN for the two added valves and initiated the incorrect actions identified. EPU immediately issued a revision and Bechtel design engineering conducted a stand down. This was followed with the completion of the Condition Evaluation which determined the apparent causes of the failure to lack of communication between contributing disciplines and lack of understanding of the status of ECs and maintaining integrity in NAMS. A Human Performance Review Worksheet was completed and provided a description of the unexpected results.

3. AR # 1700497 identified and documented the loss of control of a tool that was being lowered by rope. During lowering the tool contacted a scaffold pole the tool fell approximately 10 feet to the ground. All work was stopped and the appropriate notifications made and a stand down was held with the crew. The event was reviewed with the individual involved and further coaching by the HU supervisor. The event was covered in the morning safety meeting and the use of a canvas bag for tools being hoisted was reinforced. A Human Performance Review Worksheet was completed as well as the Condition Evaluation of the incident. No further actions were required.

d. Attached are copies of the ARs listed in response to item c.

Conclusions:

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Document #: DR-3.7 **Document Title and Purpose of Review:** a. In item 4 on page 13 of 28 (Bates 003554), what is meant by qualification is still an

<p>(Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>issue? b. Describe management actions to correct the qualification issue and provide any documentation of actions taken. c. What rework was needed due to the issue? d. Explain any schedule or cost impacts necessary due to the rework? e. Provide any documentation identifying the rework scope, schedule, or cost impacts.</p> <p><u>Summary of Contents:</u> a. <u>Project procedures require engineers to be qualified under the FPL training program prior to completing and signing 10CFR50.59 applicability documents. The qualification is granted based on an evaluation of a candidate's expertise and experience. The statement that "qualification is still an issue" refers to the demand for personnel qualified to sign 10CFR50.59 applicability documents exceeding the supply of personnel qualified to sign 10CFR50.59 applicability documents.</u> b. This issue was discussed in weekly leadership meetings and Project Management assisted by expediting the qualification process. c. 10CFR50.59 applicability documents prepared by the candidates for qualification had to be reviewed by other personnel qualified in accordance with the FPL training program. <u>The involvement of additional qualified people in the work process resulted in enhancements to the draft documents prepared by the candidates. These enhancements were performed to meet the quality standards necessary to satisfy NRC requirements. These enhancements to draft documents were inappropriately characterized as "rework" in the subject Bechtel document. Rather, these enhancements were necessary to complete the 10CFR50.59 applicability documents. Therefore, FPL does not consider these enhancements to be "rework".</u> d. Because there was no rework associated with these 10CFR50.59 applicability document enhancements, there were <u>no associated cost impacts due to rework.</u> e. FPL does not have any documents identifying rework scope, schedule, or cost impacts regarding completion of the 10CFR50.59 applicability documents associated with the referenced package revisions.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) who were the other additional qualified people involved in the work process that made enhancements to the draft documents prepared by the candidates? 2) what enhancements were performed to meet the quality standards necessary to satisfy NRC requirements not previously included by less qualified people? 3) was the uprate project charged for additional work hours due to unqualified engineers? 4) did more qualified (and trained) personnel have to do additional work to complete the packages, thus introducing additional costs? 5) why doesn't FPL document when additional project costs are incurred due to contractors not providing qualified workers? 6) is providing unqualified engineers an acceptable performance by a contractor responsible for doing NRC related work?</p>
<p>Document #: DR-3.8 (Disk 24) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. In item 5 on page 13 of 28 (Bates 003554), discuss the <u>recent changes identified</u> and the impacts on the SL1-24 outage. b. Describe any actions taken by management to resolve the impacts. c. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. The statement in item 5 on page 13 of 28 (Bates 003554) "...changes (identified recently) that will require additional efforts on SL1-24 packages" refers to <u>additional tasks assigned to Bechtel regarding the required revision of previously issued packages.</u> The modification packages had to be <u>revised to load the stress calculations into NAMS and to revise any reference to the umbrella modification.</u> b. <u>No management actions were necessary to resolve the impacts. The modification packages were revised and approved to support implementation during SL1-24.</u> c. <u>FPL has no such documents since no management actions were necessary.</u></p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>

	<p>Follow-up Required: 1) were the revisions required for previously issued packages extensive? 2) how many packages were involved in the revision process 3) was there any delay to the project and if so, how much delay was caused? 4) were there additional costs, and if so, what were they?</p>
<p>Document #: DR-3.9 (Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Please explain the Licensing group qualification issue (Two candidates still waiting for 50.59 evaluation related qualification) and how this issue slowed down the package revision progress, resulting in rework. (11/2/11 PSL Weekly Leadership Meeting (Bates 003544) b. Describe any actions taken by management to resolve the impacts. c. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. Project procedures require engineers to be qualified under the FPL training program prior to completing and signing 10CFR50.59 applicability documents. The qualification is granted based on an evaluation of a candidate's expertise and experience. The statement that "Two candidates still waiting for 50.59 evaluation related qualification" refers to licensing candidates who were not yet qualified to perform 10CFR 50.59 work in accordance with the FPL training program and who had to wait for several days for their expertise and experience to be evaluated for qualification as required by the FPL training program. 10CFR50.59 applicability documents prepared by these candidates for qualification had to be reviewed by other personnel qualified in accordance with the FPL training program. The involvement of additional qualified people in the work process resulted in enhancements to the draft 10CFR50.59 documents prepared by these candidates. These enhancements were performed to meet the quality standards necessary to satisfy NRC requirements. These enhancements to draft documents were inappropriately characterized as "rework" in the subject Bechtel document. Rather, these enhancements were necessary to complete the 10CFR50.59 applicability documents. Therefore, FPL does not consider these enhancements to be "rework". b. This issue was discussed in weekly leadership meetings and Project Management assisted by expediting the qualification process. c. FPL has no other documents to evidence the management actions taken as the issues were discussed verbally in the weekly leadership meetings.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) look in weekly leadership meetings to review discussion re: candidates not having qualifications needed to perform 10CFR 50.59 work 2) did the involvement of other qualified people being involved in the work process create additional cost to the project? 3) what did Project Management do to expedite the qualification process? 4) Does FPL take minutes of verbal discussions in the weekly leadership meetings?</p>
<p>Document #: DR-3.10 (Disk 20) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Explain why Bechtel asked for the deviation of expansion anchors provided by Hilti. (11/2/11 PSL Weekly Leadership Meeting) b. Were the anchors provided by Hilti problematic, or not to specification? c. Please identify any anticipated risks or impacts to the project, as a result of the Hilti anchors. d. Describe any actions taken by management to resolve any risks or project impacts. e. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents: a. Bechtel's Purchase Order with FPL requires that all safety-related materials be procured from suppliers who are compliant with ANSI/ASME NQA-1 1994. Bechtel identified a potential gap between the project requirements of NQA-1 1994 and Hilti's quality program which is based on ANSI/ASME NQA-1 2000. <u>The issue was to determine whether the current revision of Hilti's Quality Assurance Manual, which was revised on April 14, 2011 from revision 6 to revision 7 to comply with NQA-1 2000, meets the intent of the NQA-1 1994 as required by Bechtel's PQs to Hilti. Bechtel audited Hilti's compliance in this regard and identified an observation regarding Hilti's organizational/reporting structure.</u> As a result of Bechtel's audit observation, Hilti concluded that it could not provide unconditional certificates of compliance with NQA-1 1994. Therefore, Bechtel requested that FPL grant a deviation to the provisions of Supplement 10S-1, Section 3.1 of NQA-1, 1994, for the supply of expansion anchors purchased from Hilti Corporation. b. Bechtel has concluded their review and confirms there are no safety or operability issues with the Hilti products delivered and</p>

Division of Regulatory Compliance
Bureau of Performance Analysis

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	<p>installed at the St. Lucie Plant EPU Project.</p> <p>c. <u>There are no known or anticipated risks to the project as a result of using the Hilti anchors now or in the future. Hilti has provided written statement to Bechtel that there are no 10CFR Part 21 issues associated with their product and the results of Bechtel's audit do not contradict this conclusion.</u></p> <p>d. <u>No management actions were required since there are no known or anticipated risks to the project.</u></p> <p>e. Attached is a Bechtel letter dated December 20, 2011 which transmits Corrective Action Report 25486-QSSF-11-007.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.11 (Disk 20) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Provide the most current listing, by Unit, of the remaining RAIs necessary to complete responses to the NRC for LAR approval. (DR-1.2) b. Discuss any RAI response items that may impact the Unit outages or LAR approvals. c. Describe management's actions to resolve any outstanding issues or any anticipated delays. d. Provide any e-mails, letters, or other documents to evidence the management actions taken.</p> <p>Summary of Contents:</p> <p>a. Receipt and response to NRC RAIs is an ongoing process throughout the NRC review of a LAR. <u>As of February 7, 2012, FPL has received and responded to the majority of the RAIs associated with the pending LARs for PSL1, PSL2 and PTN uprate projects. The outstanding RAIs received pending FPL responses as of February 7, 2012 are summarized below. FPL notes that additional RAIs are anticipated throughout the review process.</u></p> <p><u>St. Lucie Unit 1 EPU LAR:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> 6 questions on the accident analyses <input type="checkbox"/> 1 question on the civil/structural design of the hot leg injection modification <p><u>The responses to these RAIs are anticipated to be submitted in February 2012.</u></p> <p><u>St. Lucie Unit 2 EPU LAR:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> 47 questions on mechanical/civil/structural analyses and evaluations <input type="checkbox"/> 4 questions on the nuclear fuel related analyses and evaluations <p><u>The responses to these RAIs are anticipated to be submitted in February 2012.</u></p> <p><u>Turkey Point Units 3 & 4 EPU and COLR LARs:</u></p> <p><u>There are no open RAIs on Turkey Point EPU or COLR LARs. FPL is supporting NRC's closure of open items identified in the NRC draft safety evaluation of the EPU and questions that have arisen since the issuance of the draft safety evaluation. FPL anticipates that additional submittals may be needed prior to receipt of the approved license amendments.</u></p> <p>b. There are no RAI response items that are anticipated to impact the Unit outages or LAR approvals.</p> <p>c. <u>FPL management maintains oversight of the EPU LAR RAIs including daily oversight by the Director EPU Licensing and Regulatory Interface. FPL utilizes the available processes to interface with NRC on technical issues including nearly daily interface with the NRC project manager, RAI clarification calls with NRC technical staff, and NRC technical audits. FPL management maintains regular interface with NRC management on the EPU LAR review schedule and milestones. This includes weekly interface with the NRC project manager, regular interface with the NRC branch chief and NRC deputy director. Additionally, periodic interface with NRC upper management and FPL's executives is conducted to discuss schedules and priorities for the EPU LAR reviews.</u></p> <p>d. <u>FPL management oversight of the outstanding items (notably RAIs) is shown in the EPU project daily reports (provided in response to DR 1.6a). FPL management oversight of any anticipated delays is shown in the weekly NRC project manager update emails (sample attached) and the CNO updates (sample attached). Management meetings and phone calls with NRC upper management on schedules are not public meetings, therefore meeting minutes are not issued.</u></p>

	Conclusions:
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<p>Document #: DR-3.12 (Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Discuss the monitoring requirements associated with the PSL IWF Permit received in September 2011. b. Is the IWF for both units, or for each unit separately? c. Are there different requirements for both units? d. Please describe any difference in requirements for each unit. e. What were the <u>Two pre-uprate baseline biological monitoring events that have been completed?</u> f. Describe what the monitoring for biological events includes. g. Discuss any potential delays of the PSL EPU LAR due to monitoring requirements. (DR-1.2)</p> <p>Summary of Contents: <u>a. St. Lucie Plant Industrial Wastewater Facility Permit No. FL0002208 (PSL IWF Permit) was revised and reissued by the Florida Department of Environmental Protection (FDEP), as a part of the routine National Pollutant Discharge Elimination System (NPDES) permitting cycle, on September 29, 2011. The PSL IWF Permit requires FPL to monitor its sources of surface water discharges and internal outfalls for various physical and chemical parameters at specified intervals, using specified methods and reporting criteria. The revised PSL IWF Permit contains new requirements related to monitoring for nutrients, monitoring for aquatic organism entrapment in the intake canal and development of an organism return plan. In addition, changes were incorporated pertaining to monitoring for Whole Effluent Toxicity (WET) and an Oxidants, Total Residual (TRO) monitoring plan. None of the new requirements or changes in the revised permit are related to the Extended Power Uprates (EPU). The PSL IWF Permit issued in September 2011 also requires FPL to comply with Administrative Order, AO022TL. AO022TL was originally issued and incorporated in a revision to the previous PSL IWF Permit on December 21, 2010. The Permit revision was issued by the FDEP as a result of FPL's predicted temperature increase associated with the Unit 1 and Unit 2 EPUs and a request by FPL to revise the PSL IWF Permit. AO022TL contains requirements for FPL to perform studies for ambient temperature, thermal monitoring and pre- and post- biological monitoring in the Atlantic Ocean, in the vicinity of the St. Lucie Plant. As required by AO022TL, FPL prepared and submitted study plans to the FDEP for performing the ambient, thermal and biological monitoring studies. The thermal and biological study plans were approved for implementation by the FDEP. FPL initiated the pre-EPU biological monitoring studies in August 2011. The thermal monitoring studies will commence after the EPUs have been completed on both units and ICDR 3.12 EPU 019299 will continue for a period of 24 months. b. The PSL IWF Permit applies to the St. Lucie facility (site) and is common to both Units 1 and 2. c. No. The PSL IWF Permit requirements apply to the St. Lucie facility which is common to both Units 1 and 2. d. The PSL IWF Permit requirements apply to the St. Lucie facility and apply equally to both Units 1 and 2. e. As required by AO022TL, FPL developed a Biological Plan of Study (BPOS) to assess potential impacts to the offshore biological community in the vicinity of the St. Lucie Plant, as a result of the projected temperature increase associated with the EPUs. The BPOS contains a schedule that includes sampling and monitoring of the indigenous biological species present in the Atlantic Ocean in the vicinity of the St. Lucie Plant both before and after EPU operations. The biological monitoring program will be continued for 24 months after both units have implemented the EPU. Biological monitoring events are sampling events which are scheduled bi-monthly. The first pre-uprate baseline biological monitoring event was conducted in August 2011. The second pre-uprate baseline biological monitoring event was conducted in October-November 2011. f. Each biological monitoring (sampling) event includes trawling and gill netting at three locations within each of three study sites (sampling transects). Sea turtle surveys are also performed within each of the three sampling transects and beach seining is performed at three sites and three locations within each site. Data collected includes general environmental data; water quality data; numbers and sizes of fish and shell fish collected by gill net, trawl, and beach seine; number of fish eggs and larvae and commercially or recreationally important decapod crustacean larvae collected by plankton net; and numbers and sizes of sea turtles observed. g. The monitoring requirements contained in the PSL IWF will not cause any delays to the PSL EPU LAR.</u></p> <p>Conclusions:</p>

	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.13 (Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Was the PTN Gantry Crane upgrade completed as expected in December 2011? b. Were the costs different than those provided in FPL's response to DR-1.2? c. Please explain any differences in cost or schedule to complete the PTN Gantry Crane upgrade. (DR-1.2)</p> <p>Summary of Contents: a. Yes. The PTN turbine gantry crane was substantially completed, load tested, and placed in service in December 2011. b. The final costs of the PTN Gantry Crane will be determined when Bechtel completes negotiations with its subcontractor, Whiting Corporation. c. There was no schedule variance for the PTN Gantry Crane and the cost variance, if any, has yet to be determined.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) What is meant by substantially completed? 2) What are the negotiations between Bechtel and Whiting regarding ? 3) If the Crane was substantially completed is there work still to be completed? 4) What are the potential cost level changes for the completion of the PTN Gantry Crane?</p>
<p>Document #: DR-3.14 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Explain why FPL modified the outage duration for: a. PSL-1 from 110 days to 127 days b. PSL-2 from _____ days to _____ days. c. PTN-3 from 120 days to 160 days d. PTN-4 from _____ days to _____ days (DR-1.3)</p> <p>Summary of Contents: The duration for the second EPU outage at each unit was revised in June 2011 based on the specific scope of each outage, the lessons learned during the first EPU outage at each unit, and the lessons learned from EPU outages at other non-FPL plants. The revised EPU outage durations include appropriate contingency for discovery during outage implementation. The approved operating schedule is used by FPL for overall system planning and nuclear fuel planning. However, before each outage, FPL develops a detailed outage schedule that is optimized to safely complete each outage.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) what were the lessons learned at other non-FPL plants used by FPL in consideration of extending the duration of outages in June 2011? 2) explain what is meant by "appropriate contingency for discovery" in the response to DR3.14 3) if FPL does not complete the work schedule for any of the second outages, will it complete a third outage similar to the mid cycle outage planned for PSL1?</p>
<p>Document #: DR-3.15 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">CONFIDENTIAL</p>	<p>Document Title and Purpose of Review: a. Discuss why FPL added replacement of the PSL-2 #4 A & B Low Pressure Feedwater Heaters to the 2012 Unit 2 EPU outage scope. b. Discuss why the mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation is necessary. c. Will PSL1 be run at currently licensed levels until after the mid cycle outage? d. When will the unit be brought to full uprate power? e. Explain the cost/benefit between running PSL1 at the current licensed level until the next scheduled outage and the mid cycle outage to insert new fuel. (DR-1.3)</p> <p>Summary of Contents: a. FPL inspected the existing PSL-2 #4 A & B Low Pressure Feedwater Heaters during the Spring 2011 EPU outage and determined they are not adequate for EPU conditions. Feedwater Heater (FWH) inspections prior to uprate were required to validate the assumptions in the Shaw/Yuba Feedwater Heater Report dated 4/27/2009. <u>The Shaw/Yuba Feedwater Heater Report evaluated the feedwater heaters to determine their suitability for EPU conditions. The extended power uprate (EPU) at St. Lucie will result in increased feedwater heater flows and pressures. Known degradation mechanisms including fabrication defects,</u></p>

	<p><u>flow-accelerated corrosion, and erosion due to moisture laden extraction steam, make operation of the FWHe at EPU conditions unacceptable. Replacement of the Feedwater Heaters is required to ensure American Society of Mechanical Engineers (ASME) Section VIII, Boiler and Pressure Vessel code compliance. Heat Exchanger Institute (HEI) recommended margins, and long term reliable operation at EPU conditions without more frequent inspections.</u></p> <p>b. As noted in FPL's response to previous data request DR-1.3a, <u>it is likely that the NRC will not approve the PSL-1 EPU license amendment prior to completion of the ongoing PSL-1 EPU outage, thus FPL will not be licensed to increase reactor power immediately following the outage.</u> Therefore, FPL expects to perform a mid-cycle outage in the summer of 2012 after receiving NRC approval of the PSL-1 EPU license amendment. <u>During the mid-cycle outage, FPL will implement the set-point changes and scaling changes necessary to increase reactor power in accordance with the amended operating license.</u></p> <p>c. <u>If the NRC does not approve the PSL-1 EPU license amendment prior to completion of the ongoing PSL-1 EPU outage, FPL intends to operate PSL-1 at the current licensed reactor power level.</u> FPL expects that operating at the current licensed reactor power level after replacing the high pressure and low pressure turbine rotors will produce approximately the same MWe that were produced prior to replacing the turbine rotors. d. PSL-1 would then be brought to full uprate reactor power level after the NRC approves the PSL-1 EPU license amendment and FPL completes the planned mid-cycle outage to implement the necessary set-point changes and scaling changes.</p> <p>e. It is economically preferable to perform a mid-cycle outage and achieve the additional megawatts in 2012 than it is to postpone achieving the additional megawatts until the next scheduled refueling outage in 2013. Assuming a 10 day mid-cycle outage in June 2012, approximately 200,000 megawatt-hours would be lost during the mid-cycle outage and approximately 1.3 million megawatt-hours would be gained during the timeframe between the end of the mid-cycle outage and the beginning of the next scheduled refueling outage.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.16 (Disk 16)</p> <p>Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Did the addition of Bechtel Field Planners for PTN EPU improve the timeliness of work package planning as believed? b. Discuss the number of additional planners added and the project improvements experienced. c. Describe the improvements realized by adding work package planners. d. Provide the PTN project costs for adding planners to improve work package timeliness. (DR-1.3)</p> <p>Summary of Contents: a. Yes, the addition of Bechtel Field Engineers (planners) for PTN EPU improved the timeliness of work package planning. b. Bechtel added approximately 33 Field Engineers for civil, mechanical and electrical disciplines in October 2011 to assist in preparation, review, and submittal of PTN EPU work packages. c. Additional staffing helped to achieve the goal established in September 30, 2011 by creating a surge in work package production during October 2, 2011 through November 28, 2011. <u>However, engineering complexity and the increased quantity of work packages required has continued to challenge completion of the work packages needed for the EPU 3R26 outage.</u> Without the additional staffing, the work package schedule would be severely jeopardized. d. PTN project cost for adding additional Field Engineers (planners) was approximately [REDACTED] Field Engineer)</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) Compare costs of the Zachary, Shaw, and other contract engineers 2) Are the 33 additional Field</p>

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	<p>Engineers still working on PTN? 3) have those Bechtel Field Engineering resources been used for other portions of the project other than just PTN? 4) are the additional engineers qualified by FPL to ensure adequate training and qualifications are being provided by Bechtel? 5) explain what FPL has done to ensure <u>qualified engineers are used</u> for completing PTN and PSL outage engineering packages to meet outage schedules.</p>
<p>Document #: DR-3.17 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Please provide the root cause analysis for the December 17, 2011, Bechtel imposed PSL safety stand down caused when craft personnel commenced work on the wrong motor control center. b. Explain how the [REDACTED] of estimated cost was calculated and by whom. c. Explain who is responsible for paying those costs. d. Explain what options are available to resolve the commercial settlement. e. When does the company plan to pursue those options? f. When should the commercial negotiations be complete? g. Will the company submit any costs for this event to the NCRC for recovery? (DR-1.3)</p> <p>Summary of Contents: a. Attached is the root cause analysis for the December 17, 2011 Bechtel human performance event. b. The FPL EPU project controls group at PSL calculated the [REDACTED] estimated cost impact of the December 17, 2011 safety stand down based on a preliminary understanding of the scope of the stand down. This estimate assumed 100% of Bechtel craft, 50% of Bechtel staff, and 50% of FPL staff participated in a stand down from the 12/17/11 night shift through the 12/18/11 night shift (three full shifts). <u>Subsequently, the FPL EPU project controls group at PSL requested details of the stand down from Bechtel and it was determined that the original estimate was over-inclusive in terms of the number of workers subject to the stand down and the length of the stand down. In actuality, all Bechtel craft and staff attended a mandatory stand-down that lasted approximately 1 hr. A subset of this population (electrical craft, field engineers, and supervisors) were also required to receive mandatory Clearance refresher training and pass a Clearance training examination before returning to work. This refresher training and examination process was completed on 12/19/11. Based on actual labor costs captured by Bechtel, the cost of the stand down is now calculated to be [REDACTED]</u></p> <p>c. Under the terms of the contract between FPL and Bechtel, FPL is obligated to pay Bechtel for hours worked by Bechtel personnel on the EPU project, including hours spent in stand-down mode and in training classes. Therefore, <u>FPL is responsible for paying Bechtel for those costs.</u></p> <p>d. <u>There is no dispute between FPL and Bechtel regarding paying Bechtel for the hours worked associated with this safety stand down and retraining;</u> therefore, no "commercial settlement" is necessary.</p> <p>e. <u>There are no other options to pursue.</u></p> <p>f. <u>There are no commercial negotiations required.</u></p> <p>g. <u>The cost of the December 2011 safety stand down and retraining is a necessary and appropriate cost of the EPU project that will be reflected in FPL's actual 2011 costs upon which carrying charges are calculated and filed for NCRC recovery on March 1, 2012.</u> FPL's actions with respect to the hiring, training, instructing and supervision of the employees that caused the safety stand down in 2011 were prudent, but because humans are not error-proof, such events will occur from time to time. <u>Incurring some costs of this type for a project of the size and complexity of the EPU project is a necessary and expected cost of ensuring that employees and contractors conduct their activities with due attention to personnel safety and equipment protection.</u> Currently, Bechtel has worked over 500,000 man-hours at PSL without an OSHA recordable injury.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.18 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Explain any progress in the commercial settlement of the Bechtel November 2010 Turkey Point Unit 3 work stoppage. b. What options are left to resolve the commercial settlement? c. When does the company plan to complete pursuing the available options? (DR-1.3)</p> <p>Summary of Contents: a. As noted in FPL's response to Staff's internal controls data request 1.3e, the cost to repair the pipe damaged by Bechtel in November 2010 was estimated by FPL at [REDACTED] FPL withheld that amount from a Bechtel invoice. Bechtel</p>

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<p>REQUESTED CONFIDENTIAL BY NOI</p>	<p>indicated they would not dispute the withheld invoice payment. Therefore, FPL considers the commercial aspect of this issue resolved.</p> <p>b. FPL considers the commercial aspect of this issue resolved; therefore, options to resolve the commercial settlement are unnecessary.</p> <p>c. FPL considers the commercial aspect of this issue resolved; therefore, pursuing available options is unnecessary.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.19 (Disk 17) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Please explain the impact of the TEI Force Majeure on each of the uprate units schedule. b. Please explain any additional project costs for each uprate unit experienced due to the Force Majeure. c. Explain the problems with TEI's quality of work experienced by the project prior to the Force Majeure. d. Provide copies of any Recovery Plans for TEI improvement during 2011. (DR-1.6, COO Update 2011-06-06.pdf)</p> <p>Summary of Contents: a. <u>The TEI Force Majeure, due to a May 2011 tornado in Joplin, Missouri, had no impact on PSL or PTN EPU schedules. The only potential schedule impact was the replacement #5 feedwater heaters required for the fall 2011 PSL1 EPU outage. Subsequent to the TEI Force Majeure event, FPL revised the start date of the PSL 1-24 outage (for unrelated reasons), which provided additional float in the TEI fabrication schedule.</u> b. There were <u>no additional EPU project costs associated with the TEI force majeure event.</u> c. <u>TEI identified fabrication discrepancies associated with the PSL #5 Feedwater Heaters which included issues such as flange thickness dimensions, channel cover flatness, customer witness point missed, shell out of roundness, connection incorrect location, burrs on tube end, roller draw marks, and welds without procedure approval. These fabrication discrepancies were evaluated and resolutions were proposed by TEI. The proposed resolutions were reviewed and approved by Bechtel engineering and FPL Engineering.</u> d. <u>There were no PSL or PTN EPU recovery plans for TEI in 2011.</u></p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Please further explain the scope and purpose of the Six Sigma project performed at PSL after the spring 2011 SL2-19 outage. b. Please explain how the Six Sigma project was related to the Siemens scope. c. Provide the cost borne by Siemens for the Six Sigma project. d. Provide any e-mails, letters, or other documents evidencing the project scope and costs paid by Siemens. e. Were any costs incurred by the EPU project for the Six Sigma project? f. If the project incurred costs for the Six Sigma project please provide a breakdown of costs incurred. g. Provide an explanation of any of the costs associated with the Six Sigma project being submitted for recovery. (DR-1.9)</p> <p>Summary of Contents: a. The Six Sigma Team was established following the spring 2011 PSL-2 turbine generator alignment pin event. The purpose of the Six Sigma Team was to identify recommendations to improve performance of the Turbine-Generator implementation work during the upcoming EPU outages at St. Lucie and Turkey Point. b. The Six Sigma Team was comprised of FPL (non-EPU) and Siemens personnel and the scope was to identify ways to improve performance associated with the Siemens Turbine-Generator scope for the EPU outages. c. Siemens did not invoice FPL for any of the Siemens costs associated with the Six Sigma Team; therefore, FPL does not have specific details regarding Siemens costs.</p>

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d. Attached is a document describing the scope of the Six Sigma Team. Siemens did not provide emails, letters, or documents regarding Siemens costs associated with the Six Sigma Team because the costs were borne by Siemens and not billed to FPL.

e. There were 2 FPL employees who worked on the project. Neither employee charged time to the EPU project; however, one employee incurred \$184 in mileage reimbursement for travel to PSL.

f. See response to e.

g. See response to e.

Page 3 and 4 of a presentation was provided and has NextEra Energy Nuclear Fleet and Siemens logos at the top of the page.

Page 3 shows **Executive background information and motivation**

Project Issues & Scope

• Multiple issues involving the generator rewind and LP turbine retrofit scopes at St. Lucie have resulted in significant delays,

• The project scope includes any related activity from project planning through completion of any of the remaining EPU projects, regardless of whether Siemens, NextEra or other resource has responsibility.

• There will be no boundaries to identifying short and long term drivers and related actions.

Page 4 shows EPU Synergy Team

Charter is

Problem Statement:

Multiple issues involving the generator rewind and LP turbine retrofit scopes at St. Lucie have resulted in significant delays in project completion.

Some of the issues impacting the schedule are as follows:

• **Engineering/Design** – Errors or inefficiencies related to design.

• **Planning** – Inadequacies in the planning process affecting schedule elements.

• **Schedule** – Inaccuracies in schedule element estimation to complete a task, scheduling philosophy, development, tracking and report out.

• **Execution** – Failure to perform in accordance with the approved or planned process.

• **Product Quality** – Component quality issues affecting form, fit, or function, resulting in rework.

• **Communication** – issues between Siemens and the customer and vice-versa.

Project Goals:

• Identify systemic, cultural, and/or process issues that are contributing to delays or execution issues, regardless of responsibility.

• Present corrective actions to process owners to improve outage performance.

• Actions will be segregated between short and long term initiatives.

• Immediate lessons learned will be directed at all future EPU projects.

Business Benefits

1) Improved schedule estimation and compliance.

2) Better quality / reduced rework.

3) Increase customer confidence.

4) Communication and integration with EPU and all contractors.

EPU Synergy Team

<u>Role</u>	<u>Names</u>	<u>Organization</u>
Sponsors	Terry Jones	FPL Nuclear
	Steve Reuwer	FPL Nuclear
	Randy Zwirn	Siemens
	Rick Mould	Siemens
Core Team	Joeri Carty (Lead) (BB)	FPL Nuclear

	<p>Ricardo Moraes (MBB) Siemens Mark Thomasson (BB) Siemens Jorge Rodriguez (BB) FPL PGD Emilio Farina (MBB) FPL Nuclear Russell Harvey FPL Nuclearam's Project Charter?</p>
	<p>Conclusions:</p>
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	<p>Follow-up Required:</p>
<p>Document #: DR-3.21 (Disk 20) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Do FPL penalties assessed to contractors for lost badge, lost badge w/elevated access, etc. escalate for repeated incidents? b. Explain whether there is any particular reason the staff augmentation contractors were released for non performance issues at the same time? c. Discuss the reasons why the PSL EPU Site Director issued recovery plans to the PSL Site Vice President in July and September 2011. d. Were any additional Recovery Plans issued to the PSL Site Vice President in 2011 or 2012 to date? (If so, please provide) e. Discuss the reasons why the PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President in June and September 2011. f. Were any additional Recovery Plans issued to the PTN Site Vice President in 2011 or 2012 to date? (If so, please provide) g. Discuss when the "new" Bechtel Project Engineering Manager at PTN came aboard and any reasons for replacement of the prior Bechtel Engineering Manager. h. Discuss the reasons behind the FPL & Bechtel Engineering Optimization effort and establishing leads as issue managers. i. Provide all Recovery Plans submitted to FPL after April 2011, not previously provided in DR-1.13. (DR-1.13)</p> <p>Summary of Contents: a. <u>Contracts with suppliers of nuclear site services contain liquidated damages (LDs) which are assessed to suppliers whose personnel are directly responsible for violations of certain NRC regulations, site procedures, and safe work practices, including lost badges and vital door violations. These damages are assessed to the supplier for each occurrence at the rate specified in the contract with that supplier. The LD amount for a repeat incident is the same as the LD amount for the initial incident for a specific vendor.</u></p> <p>b. There was not any particular reason the staff augmentation contractors were released in the same month for non performance issues. The PTN LAR Scheduler was released due to human performance issues. The PTN Cost Analyst and Administrative Assistant were released due to work performance issues.</p> <p>c. FPL's Outage planning process is to have pre-determined milestones for different phases of preparation to develop an integrated schedule. <u>If any one of the milestones is not going to be met, then a recovery plan is required and is presented to the Site Vice President and others for approval.</u></p> <p>d. <u>No additional recovery plans were issued to the PSL Site Vice President in 2011 or to date in 2012.</u></p> <p>e. <u>The PTN Senior Project Manager issued a recovery plan to the PTN Site Vice President in September 2011 regarding challenges to Milestone 4c "Issue Design Changes to Installer" as required by site procedures. This recovery plan noted impact to several downstream milestones including milestone 14c "Work Package Preparation."</u></p> <p>f. No additional Recovery Plans were issued to the PTN Site Vice President in 2011 or to date in 2012.</p> <p>g. <u>The new Bechtel Project Engineering Manager at PTN joined the project in March 2011. He was brought in to focus on Bechtel engineering schedule adherence, engineering management, eliminating design barriers, and improving efficiencies.</u></p> <p>h. <u>FPL and Bechtel established the Engineering Optimization effort which included:</u></p> <ul style="list-style-type: none"> <input type="checkbox"/> Increasing organizational efficiency <input type="checkbox"/> Eliminating handoffs between organizations <input type="checkbox"/> Integrating the teams and, <input type="checkbox"/> Improving quality and schedule <p>i. No additional recovery plans for PSL or PTN EPU have been submitted to FPL since April 2011.</p>

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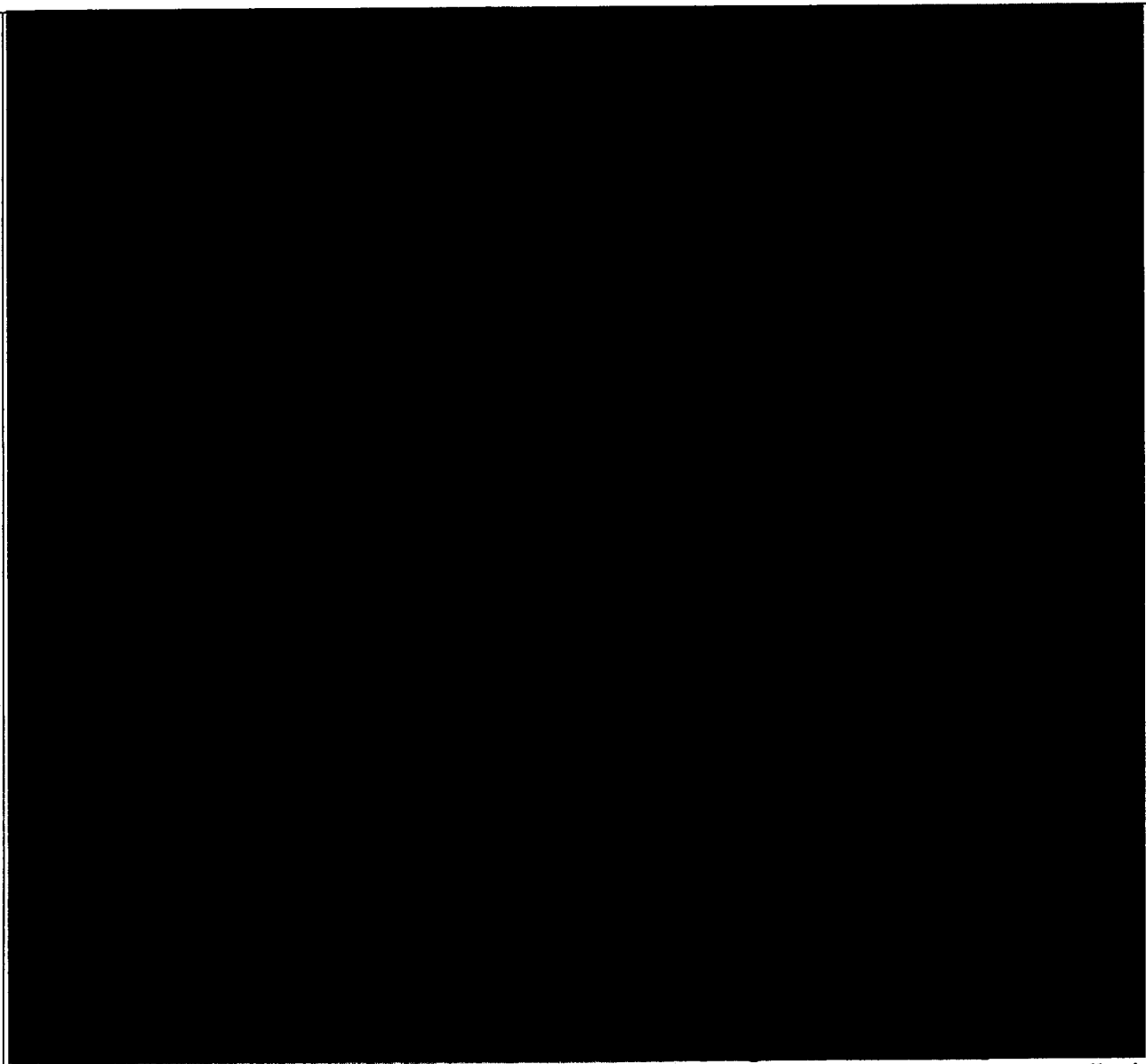
	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.22 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Explain why it was necessary for FPL to request Siemens to set up a cost reporting system for the future PSL and PTN time and materials outage scopes. b. Had FPL experienced problems with Siemens reporting correct charges in previous project scopes of work? c. Is this a regular FPL request of all T&M contractors, or was this request for specific reasons? (DR-1.14)</p> <p>Summary of Contents: a. [REDACTED]</p> <p>[REDACTED]</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-3.23 (Disk 16) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Provide a copy of the following, or provide access to view: a. The Extended Power Uprate (EPU) Review of 2010 Expenditures Audit was performed by Jefferson Wells. b. The [REDACTED] Vendor Audit performed by FPL Internal Auditing was completed in December 2011. c. PTN completed a self-audit of augmented staffing in November 2011. d. The Extended Power Uprate (EPU) Review of 2011 Expenditures Audit will be performed by Experis under FPL Internal Auditing's direction and supervision 2nd Qtr. e. The [REDACTED] Vendor Audit 3rd Qtr. f. Experis Audit of [REDACTED] contracts 2nd Qtr. g. [REDACTED] 1st Qtr. h. [REDACTED] 1st Qtr. i. Internal Audit [REDACTED] when completed (DR-1.15)</p> <p>Summary of Contents:</p> <p>a. A copy is available in FPL's Tallahassee office. b. A copy is available in FPL's Tallahassee office. c. A copy is available in FPL's Tallahassee office. d. A copy will be made available when the report is issued. e. A copy will be made available when the report is issued. f. A copy will be made available when the report is issued. g. A copy will be made available when the report is issued. h. A copy will be made available when the report is issued. i. A copy will be made available when the report is issued.</p> <p>On February 9, 2012 D. Richt and L. Fisher reviewed items a, b, c, and [REDACTED] and [REDACTED] the Tallahassee offices of FPL. The following summaries were completed:</p> <p>a.) <u>5/12/11 Review of 2010 EPU Expenditures conducted by Jefferson Wells</u> (now Experis) under FPL Internal Auditing; period reviewed was from 1/1/10 to 12/31/10; total dollars for the EPU project was [REDACTED] of which [REDACTED]</p> <p>[REDACTED]</p>

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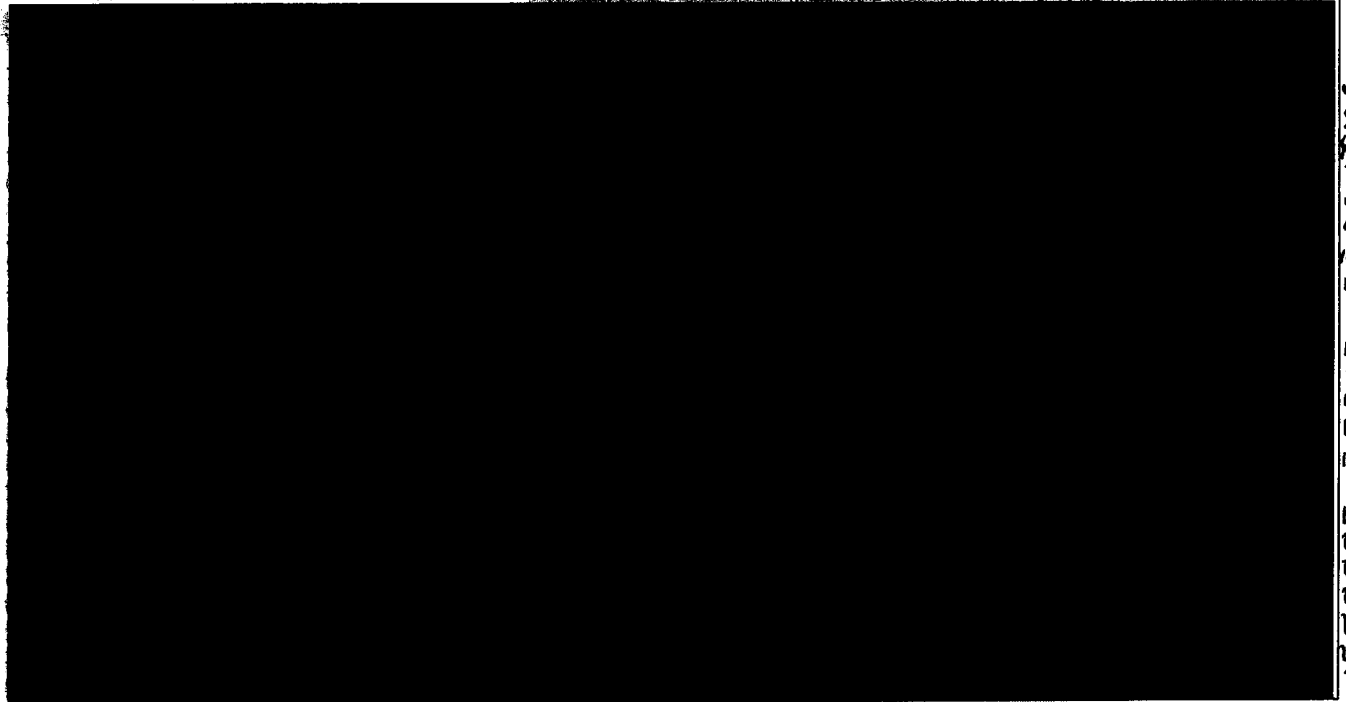
	 <p data-bbox="613 1339 1894 1370">c) 11/21/11 PTN EPU staff self-audit of augmented staffing time in November 2011- The audit compared contractor staff and</p>
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I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries EPU\3.3.3 DR 3- Document Control Log.doc

security gate data against actual time charged to the Guidant system (Evolution); Gate information was requested 9/7/11; the timeframe was selected based on conversion from the old Guidant (Staffenabler) contractor timekeeping system to the new SAP-compliant Evolution timekeeping system; Transition of the two systems occurred in the first week of July 2011. The time records reviewed were from the period 7/11-9/2/11(9 weeks). Auditors reviewed 65 of 158 (41%) contractors having spent less time inside the PA when compared with time entered for each in the Evolution timekeeping system; time worked for all 65 contractors has been reconciled by immediate supervisors; Evolution time is entered weekly from two access points to the PTN PA (Nuclear Entrance Bldg. and Main Truck Gate); the PA gate log data shows every time a contractor swipes their card to enter or exit; 65 contractors were labeled Red (time in was < time in Evolution) and each responsible supervisor was interviewed to document whether each record was correct or extenuating conditions applied; Data regarding the tasks performed was classified as NTB, Travel, Work Outside PA, Work from home, In-processing, Training, and Other; The two largest impacts, Travel and NTB, were removed from the data; over the 9 week period the maximum delta for one contractor was 84 hours due to Work Outside the PA; the next highest delta was from contractors authorized to work from home or In-processing; There were no findings where a contractor or supervisor lost accountability of the contractor staff or overcharging occurred. Review of Manual Labor Costs – a review of actual rates to permitted rates found that Bechtel's Account Manager said "craft workers do not have to exceed 40 hours per week to receive overtime compensation; a 40-hr. week could include a combination of straight time, overtime, and double time. **(determine if this is contractual, how it is figured, and when it occurs) (get explanation of results showing large deltas in Evolution versus amount of hours logged for PA both Green and Red – see notes) (determine who the staffers were that completed the study and discuss what led them to the study and results) (did the improper timekeeping result in overpayments to contractors?) (was there any impact on FPL payments for Guidant services?)(were any changes made to Guidant's contract or charges based on contractor hours worked?)(ask Tony)**



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Follow-up Required: 1) <u>5/12/11 Review of 2010 EPU Expenditures conducted by Jefferson Wells Invoices</u>		6
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[Redacted]	<u>Vendor Audit performed by FPL Internal Auditing was completed in December 2011 Review</u>	12
[Redacted]	<u>of Manual Labor Costs –</u>	13
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**Office of Auditing and Performance Analysis
Document Summary and Control Log**

<p>Company: Florida Power & Light Company Area: Nuclear Cost Recovery Clause Auditor(s): D. Rich and L. Fisher</p>	<p>Workload Control #: PA-11-11-005 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPLA3.0 Work Papers\3.3 Document Summaries EPU\3.3.4 DR-4 Document Control Log.doc</p>
<p>Document #: DR-4.1 (Disk 21) (Disk 50, 4.1b Mar) (Disk 64, 4.1b May) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p align="center">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts from January through December 2011. (T. Jones) b. Provide the most current version of the PSL and PTN EPU PROJECT TOTAL worksheet in 11"X17" format showing monthly vendor contract payment amounts ongoing for January through April 2012. (T. Jones)</p>
	<p>Summary of Contents: a. Attached are the PSL and PTN EPU Project Total worksheets in 11"x17" format showing actual monthly vendor contract payment amounts from January 2011 through December 2011.</p> <p>b. Monthly updates of the PSL and PTN EPU Project Total worksheets will be provided through April 2012. <u>(Disk 50) Update-March</u> - The January 2012 and February 2012 EPU Project Total worksheets in 11"x17" format are attached. <u>(Disk 64) Update-May</u> -Attached are the March 2012 EPU Project Total worksheets for PSL and PTN in 11" x 17" format showing monthly vendor contract payment amounts ongoing through March 2012.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required: 1) These sheets were used to select a sample of monthly invoices paid to contractors during the year 2011, to review whether documentation is provided to substantiate invoice review, approval, and payment according to project procedures. 2) any discrepancies were investigated further with EPU management and reviewed to determine whether correction and reconciliation was made.</p>
<p>Document #: DR-4.2 (Disk 22) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide the following information regarding the <u>PTN September 24, 2011 Bechtel imposed stand down of select employees</u>: a. The PTN Unit where the work stoppage occurred b. The total number of employees involved c. The dates the employees were suspended without pay d. The number of work stoppages and stand downs attributed to Bechtel employees during 2011 (DR-1.3)</p>
	<p>Summary of Contents: a. An <u>injury occurred in the scaffold yard on the southeast corner of the Central Storage Facility (CSF)</u>. Bechtel craft personnel working at PTN were stopped from performing further work. b. Approximately 240 personnel were involved in the work stoppage. c. <u>Bechtel personnel were suspended on 9/26/2011 after approx 4.5 hours of work and then for the dates 9/27/2011 thru 10/2/2011.</u> d. There were <u>four work stoppages and stand downs at Turkey Point attributed to Bechtel personnel and their subcontractors during 2011.</u></p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. ____ Description: No. ____ Description:</p> <p>Follow-up Required: 1) Which PTN unit was not provided? 2) Was additional training given? 3) if so, how many people were</p>

	trained? 4) What were the costs and who incurs those costs?																																																																
<p>Document #: DR-4.3 (Disk 22) (Disk 49) (Disk 61, 4.3 revised) (Disk 65, 4.3 May) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Provide a complete listing of <u>all work stoppages and stand downs</u> for all vendors, by Unit, during 2011 and ongoing through April 2012, indicating: a. The dates of the stand down or work stoppage, b. The number of employees involved in each event, c. The number of days for the stand down or stoppage, d. And any additional schedule delays or costs due to the stand downs or work stoppage. (DR-1.3)</p> <p>Summary of Contents: A stand down is a commonly used management tool at operating nuclear plants. Stand downs allow management to gather personnel together to review safety issues, human performance events, or other important information to ensure personnel work safely and remain a preventive mode. Stand downs typically range from minutes to a few hours. Work stoppages typically last more than a few hours and are much less common. At PSL and PTN, stand downs are not specifically tracked; however, below is a <u>listing of the notable stand downs and work stoppages that occurred in 2011</u>, including a) the date, b) the number of personnel involved, c) the duration, d) any schedule delays or cost impacts.</p> <p>2011 EPU Stand Downs and Work Stoppages</p> <table border="1"> <thead> <tr> <th>Contractor</th> <th>Date</th> <th>Unit</th> <th>Employees involved</th> <th>Duration</th> <th>Schedule Delay</th> <th>Cost Impact</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Whiting Services Inc</td> <td>8/13/11</td> <td>PTN 3</td> <td>2</td> <td>5 days</td> <td>None</td> <td>██████</td> <td>Lump Sum</td> </tr> <tr> <td>Whiting Services Inc.</td> <td>11/4/11</td> <td>PTN 3</td> <td>Crew</td> <td>1 hr</td> <td>None</td> <td>██████</td> <td>Lump Sum</td> </tr> <tr> <td>Bechtel</td> <td>6/30/11</td> <td>PTN 3</td> <td>One Crew</td> <td>1 hr</td> <td>None</td> <td>██████</td> <td></td> </tr> <tr> <td>Bechtel</td> <td>9/24/11</td> <td>PTN 3& 4</td> <td>Approx 240</td> <td>5 days</td> <td>None</td> <td>██████</td> <td>Crafts sent home w/o pay</td> </tr> <tr> <td>Siemens</td> <td>2/12/11</td> <td>PSL 2</td> <td>Unknown (note 1)</td> <td>~19 days (note 2)</td> <td>~19 days (note 2)</td> <td>██████ (note3)</td> <td>waited on repair start</td> </tr> <tr> <td>Bechtel</td> <td>10/26/11</td> <td>PSL 1&2</td> <td>70</td> <td>1 hr</td> <td>None</td> <td>██████</td> <td>Design Engr. AR 01700330</td> </tr> <tr> <td>Bechtel</td> <td>12/17/11</td> <td>PSL 1</td> <td>147</td> <td>1.5 days</td> <td>None</td> <td>██████</td> <td></td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> The number of Siemens generator winder personnel is unknown because that contract was lump sum. Most of the 19 day delay was to implement the generator repairs and retest the generator, thus the duration of the work stoppage was significantly less than 19 days. The cost of the Siemens generator winder personnel is unknown because that contract was lump sum, and FPL's \$3.5 million cost was primarily incurred while generator repairs were underway, not while the work was stopped. <p>(Disk 49) Supplemental update March: See responses to data requests 1.3f-Feb, 1.3f March, and 1.3f April. (Disk 61) 4.3 Revised – reflects items in red in above chart. (Disk 65) 4.3 May update - As noted in previous data request responses and as explained in the March 1, 2012 testimony of Terry Jones, a stand down or work stoppage is a commonly used management tool at nuclear power plants consistent with industry good practices. The costs associated with the EPU stand downs and work stoppages are legitimate EPU project costs necessary to ensure a safe, timely, quality implementation of the EPU project. Moreover, FPL's actions in the hiring, training, and oversight of its vendors are prudent. See FPL's updated responses to DR 1.3f for EPU work stoppages that occurred in April 2012.</p>	Contractor	Date	Unit	Employees involved	Duration	Schedule Delay	Cost Impact	Comments	Whiting Services Inc	8/13/11	PTN 3	2	5 days	None	██████	Lump Sum	Whiting Services Inc.	11/4/11	PTN 3	Crew	1 hr	None	██████	Lump Sum	Bechtel	6/30/11	PTN 3	One Crew	1 hr	None	██████		Bechtel	9/24/11	PTN 3& 4	Approx 240	5 days	None	██████	Crafts sent home w/o pay	Siemens	2/12/11	PSL 2	Unknown (note 1)	~19 days (note 2)	~19 days (note 2)	██████ (note3)	waited on repair start	Bechtel	10/26/11	PSL 1&2	70	1 hr	None	██████	Design Engr. AR 01700330	Bechtel	12/17/11	PSL 1	147	1.5 days	None	██████	
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Bechtel	12/17/11	PSL 1	147	1.5 days	None	██████																																																											

	<p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) is the Bechtel 6/3/11 event above different than the June 30, 2011 event in DR-1.3b2?</p>
<p>Document #: DR-4.4 (Disk 21) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Please provide evidence of the Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair b. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages of this outage. (DR-1.3)</p> <p>Summary of Contents: a. Attached is evidence of the Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair. b. There is no settlement agreement or discussions related to damages. Please see FPL's response to DR-3.18.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) determine whether other cost for training, etc. were considered 2) further discuss how FPL came up with the final costs associated with the work stoppage 2) discuss the DR-3.18 response.</p>
<p>Document #: DR-4.5 (Disk 22) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Discuss the <u>incident on October 12, 2011</u>, when a lead EPU project manager at the St. Lucie Nuclear Plant was <u>suspended without pay for five days</u> for harassing and intimidating behavior. b. Explain what caused the incident. c. Was the person being harassed and intimidated an employee or contractor? d. Has this manager exhibited this type of behavior in the past? e. Did this event cause any schedule delay or additional costs to the project? f. Was the employee's personnel file documented regarding the event? g. Is this employee still employed by FPL on the EPU project? (DR-1.4)</p> <p>Summary of Contents: a. See response 4.5b. b. Human Resources received a complaint alleging that Bechtel contractors were being harassed and subjected to a hostile work environment by an FPL employee. c. Bechtel Contractors. d. Yes e. No. f. Yes, this was documented in the employee's personnel file with a ROD (Report of Discipline) for a five day suspension and COE (Condition of Employment) which outlined the conditions which the employee would have to abide by to maintain his employment with the Company. g. No.</p> <p>Conclusions: 1) when did the</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.6 (Disk 21) Date Requested:</p>	<p>Document Title and Purpose of Review: a. Discuss the <u>incident on October 18, 2011</u>, when a senior EPU nuclear engineer at the Turkey Point Nuclear Plant was given a verbal warning for inappropriate behavior during a training session. b. Explain what caused the incident. c. What was the inappropriate behavior? d. Has this employee exhibited this type of behavior before? e. Did this event</p>

<p>Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>cause any schedule delay or additional costs to the project? f. Was the employee's personnel file documented regarding the event? g. Is this employee still employed by FPL on the EPU project? (DR-1.4)</p> <p>Summary of Contents:</p> <p>a. See response 4.6b. b. Employee displayed inappropriate behaviors during an on-site training class at PTN. c. The employee was not paying attention in the class, taking cell phone calls, and exhibiting behaviors indicating that he was not an active participant in a required training session. d. No. e. No. f. Yes, this was documented in the employee's personnel file with a ROD (Report of Discipline) as a verbal warning. g. Yes.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-4.7 (Disk 21) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: a. Please explain why the February and March Siemens Liquidated Damages are not paid as of July 8, 2011 (Bates 051433). b. Provide documentation of when and how the Siemens Liquidated Damages were paid, similar to the manner the Bechtel LD Event Log was completed. c. Provide company procedures document the proper handling and payment of Liquidated Damages used by the EPU project. d. Explain why the July 8, 2011 Bechtel LD Event Log shows event #9 a NRC Recordable firearm violation paid on 6/9/11 with a LD category of d, indicating a reportable Badging event. (Bates 051432). e. Provide updated information for event #17 showing whether a Fitness of Duty violation was paid, including support information showing payment. f. Provide the most current <u>Liquidated Damages Logs</u> for all contractors having recorded events in 2011 and 2012, in the same format as the Bechtel and Siemens logs. (DR-1.13)</p> <p>Summary of Contents: a. These LD's were put on hold while the negotiations between Siemens and FPL were completed for the Alignment pin issue. With that process now completed, these and any other LD's recognized during the current outage will be processed when the outage is complete in April 2012. b. See a above. c. <u>FPL does not have a specific procedure regarding processing liquidated damages; however, FPL does have general procedures regarding executing work in accordance with contracts between FPL and its vendors. FPL processes liquidated damages in accordance with the applicable contract. Action Requests (AR) are initiated for any NRC reportable or recordable event, personnel safe work practice, environmental or program violation, then it is issued to concerned responsible group for disposition. Once action is determined and finalized, the project notifies responsible contractor for Nuclear Site Liquidated Damages per contract and required corrective action. The payment assessed is generally deducted from progress payments or a request is specifically made for payment. Typically, any final LDs resulting become part of the close out process of the contract.</u> d. This was the description of the Condition Report as initially written. Upon completion of the security evaluation process, it was determined not to be an NRC violation and was classified as a reportable security event. e. This was determined not to be a fitness for duty violation. LD does not apply, but it stays on the log to identify potential issues and final resolution. f. <u>The current liquidated damages log for contractors having recorded events in 2011 through February 13, 2012 is provided below in the format of FPSC IC DR 1.13.</u></p> <p>Contractor Date AR/CR# Event Description LD</p> <p>AZZ 4/11/2011 1640179 Employee Lost Badge inside Protected Area. (PTN) [REDACTED]</p> <p>Siemens 4/17/2011 1642412 Employee Lost Badge inside Protected Area. (PTN) [REDACTED]</p>

Bechtel 8/12/2011 1677420 Employee Lost Badge inside Protected Area. (PTN) [REDACTED]
Whiting 8/17/2011 1678615 Employee Lost Badge inside Protected Area. (PTN) [REDACTED]
Bechtel 11/8/2011 1704602 Security Door left unsecured. (PTN) [REDACTED]
Bechtel 11/9/2011 1705206 Visitor Escort Responsibility not transferred (PTN) [REDACTED]
Siemens 12/14/2011 1715836 Unsecured vital door (PSL) [REDACTED]
Bechtel 01/03/11 1604910 Loss of Escort(PSL) [REDACTED]
Bechtel 01/03/11 1604973 Caution boundary removed(PSL) [REDACTED]
Bechtel 01/05/11 1605846 First Aid - fall in parking lot [REDACTED]
Bechtel 01/06/11 1606126 NRC Recordable fire arm violation(PSL) [REDACTED]
Bechtel 01/06/11 1606386 Worker left site without signing off clearance(PSL) [REDACTED]
Bechtel 01/20/11 1610968 Failed PAT / Loss of Escort(PSL) [REDACTED]
Bechtel 01/24/11 1611855 Failed PAT / Loss of Escort(PSL) [REDACTED]
Bechtel 01/31/11 1614616 Unauthorized Signature by Bechtel Employee(PSL) [REDACTED]
Siemens 02/04/11 1616485 Lost Badge w/ Elevated Access(PSL) [REDACTED]
Siemens 02/14/11 1619825 Siemens non-compliance w/ Chemical Control(PSL) [REDACTED]
Bechtel 02/15/11 1620406/1619964 Personnel Search, Repeat event(PSL) [REDACTED]
Siemens 02/24/2011 1623494 FME Event not reported per procedure(PSL) [REDACTED]
Bechtel 03/09/11 1627870 Procedure Violation(PSL) [REDACTED]
Siemens 03/28/11 1634548 Siemens Craft working w/o fall protection(PSL) [REDACTED]
Bechtel 06/06/11 1658085 Loss of visitor escort(PSL) [REDACTED]
Bechtel 06/21/11 N/A FFD Infraction(PSL) [REDACTED]
Bechtel 8/26/2011 1680983 Loss of Visitor escort (PSL) [REDACTED]
Bechtel 9/13/2011 1685954 Lost Security Badge (PSL) [REDACTED]
Siemens 10/28/2011 1701018 Lost Badge w/ Elevated Access (PSL) [REDACTED]
Siemens 10/28/2011 1701024 Employee Lost Badge on site (PSL) [REDACTED]
Bechtel 10/29/2011 1701792 Vital Door Left Unsecure (PSL) [REDACTED]
Siemens 12/1/2011 1711369 Lost Badge w/ Elevated Access (PSL) [REDACTED]
Siemens 12/14/2011 1715836 Unsecured vital door (PSL) [REDACTED]
Ames 12/11/2011 1714851 Lost Badge w/ Elevated Access (PSL) [REDACTED]
Bechtel 12/17/11 1717194 Clearance violation (PSL) [REDACTED]
Bechtel 12/20/11 1718012 Individual exceeded fatigue rule (PSL) [REDACTED]
Bechtel 1222/11 1718583 Performed Live/Dead/Live check improperly(PSL) [REDACTED]
Bechtel 12/23/11 1719014 Lost Security Badge(PSL) [REDACTED]
Bechtel 01/02/12 1720538 Lost Security Badge(PSL) [REDACTED]
Bechtel 01/06/12 1722055 Vital Door Left Unsecure(PSL) [REDACTED]
Siemens 01/08/12 1722268 Lost Badge w/ Elevated Access(PSL) [REDACTED]
Siemens 01/18/12 1725297 Visitor escort not in plain view (PSL) [REDACTED]
Bechtel 01/27/12 1726616 Vital Door Left Unsecure Door 156(PSL) [REDACTED]
Bechtel 02/13/12 1733788 Lost Security Badge(PSL) [REDACTED]
Total \$22,000 liquidated damages to date

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Conclusions:

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<p>Document #: DR-4.8 (Disk 21) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Follow-up Required: 1) ask for evidence of liquidated damages payments or billing reductions for those listed</p> <p>Document Title and Purpose of Review: a. Please provide evidence of the correcting entries (completed 5/2/11 and 5/16/11) to reclassify non-recoverable payroll and expense report charges for employees identified in EPU Review, 2010 Expenditures completed on May 12, 2011. b. What were the total dollars in the correcting entries? c. Explain why the adjustments for 6/14/11 and 7/27/11 additional training hours were needed. d. Provide evidence of the adjusting entries made for 6/14/11 and 7/27/11 additional training hours identified from 1/1/09 to 5/31/11. (Extended Power Uprate (EPU) Review, 2010 Expenditures was completed on May 12, 2011) (DR-1.19)</p> <p>Summary of Contents: a. The following correcting entries have been provided as evidence of the reclassification of non-recoverable payroll and expense report charges for employees identified in EPU Review, 2010 Expenditures completed on 5/12/11: <ol style="list-style-type: none"> 1. <u>201105 998 020 EPU PTN Expense Report Correction</u> 2. <u>201105 998 031 EPU PTN Payroll to Non-Recoverable O&M EPU Training</u> b. The total dollars in the correcting entries 201105 998 020 and 201105 998 031 were [redacted] and [redacted] respectively. c. The adjustments for the additional training hours were needed because the Code of Federal Regulations (CFR) #18 Part 101 stipulates that training hours may only be capitalized as a component of construction cost when it is necessary that employees be trained to operate or maintain plant facilities that are being constructed and such facilities are not conventional in nature, or are new to the company's operations. <u>The training hours identified by Internal Auditing and the additional training hours identified by Nuclear Business Operations did not meet the definition as stipulated in the CFR. The training hours should have been charged to current operating and maintenance expense because training costs such as corporate administrative and general training expenses are to be charged to base rates.</u> d. The following adjusting entries have been provided as evidence of the reclassification of additional training hours identified from 1/1/09 to 5/31/11: <ol style="list-style-type: none"> 1. <u>201106 998 082 EPU Training Hours Reclass</u> 2. <u>201107 SA 100252288 EPU Training Hours Reclass</u> </p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) determine whether the additional training hours and dollar amounts from 1/1/09 to 5/31/11 were provided in the response and if not, why not? 2) determine whether the amounts for 1/1/09 to 5/31/11 were recovered through the NCRC and if so when 3) determine whether those amounts in 2) will be true-up in the 2011 proceeding</p>
<p>Document #: DR-4.9 (Disk 26) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Explain the FPL settlement with Siemens for the February PSL2 outage due to <u>an alignment pin inside the generator stator which caused significant core iron damage during subsequent testing.</u> Provide the following information: a. Date of settlement agreement b. Copy of signed agreement c. Provide an explanation and breakdown of all expenses due to the generator stator work stoppage during the PSL2 outage d. Explain how FPL arrived at the original estimated expense in early 2011 and why that estimate was lowered to the current amount. e. Provide documented evidence of the expenses paid by FPL and Siemens in support of the agreement. f. Provide an explanation and breakdown of the: <ol style="list-style-type: none"> 1. Dollar amount of expenses FPL has paid to date. 2. Dollar amount of expenses Siemens has paid to date. 3. The Siemens contractual limited liability amount calculated by FPL, and the contractual sections documenting the limitations. </p>

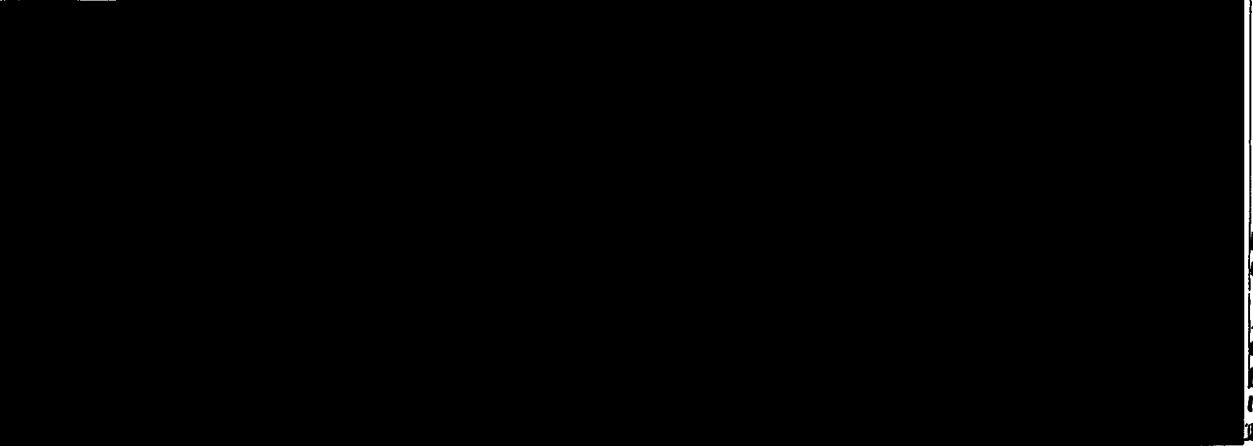
- 4. Expenses for which FPL has already received NCRC recovery
- 5. Expenses for which FPL will request recovery in this year's NCRC proceedings
- g. Provide all e-mails, letters, and other written communications related to the settlement agreement and discussions surrounding the approved damages and costs to the PSL2 outage.

Summary of Contents:

a. January 27, 2012 b. A copy of the signed settlement agreement is attached. c. See attached breakdown of the expenses incurred by FPL due to the generator stator core repair during the PSL2 outage. d. The [redacted] estimate in February 2011 was based on a preliminary understanding of the scope of the work and the potential outage delay, and included Siemens' cost to perform the generator stator core repairs. The [redacted] was included in the February 17, 2011 risk register, which was used in developing FPL's 2011 actual/estimated costs. As the repairs progressed, it became apparent that the duration and cost of the repairs would be less than originally estimated, and the risk register was updated accordingly. After it was determined that Siemens would absorb its cost to affect the repairs (i.e., not invoice FPL), the estimate was further reduced to reflect FPL's costs of approximately \$3.75 million. Eventually, the actual costs were calculated and FPL's cost for the repairs was reduced to the current \$3.5 million (see FPL's response to part c). e. See FPL's response to part c for evidence of FPL's cost to repair the PSL2 generator stator core because Siemens did not invoice FPL for the repair.

f. The following explanations are provided:

1. Dollar amount of expenses FPL has paid to date are included in the response to part c.
2. The costs Siemens incurred to repair the PSL-2 generator stator core included labor costs to replace the damaged stator core iron, material costs for the replacement stator core iron, equipment costs for the equipment necessary to affect the repairs, and management costs necessary to coordinate and direct the repair activities. Dollar amounts for these activities are not known to FPL, as Siemens did not invoice FPL for these costs.
3. The Contract for Turbine and Generator Upgrades for St. Lucie Nuclear Plant's Extended Power Uprate Project Between Florida Power & Light Company and Siemens Power Generation, Inc., dated September 22, 2003, and Purchase Order 116088 (together the "St. Lucie Turbine Generator Contract"), as amended, provides for the supply of HP and LP turbine rotors and the supply and installation/rewind of replacement generator coils.
The Purchaser Order divided the work into separate releases for (1) HP/LP supply; (2) generator equipment supply; and (3) generator rewind services. Release 003 was issued for the installation/rewind portion of the work with each Release line item representing the contractual value of the work for the respective unit and outage as follows:



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	<p>FPL is recovering carrying charges of \$372,243 in its Capacity Cost Recovery Clause over a 12 month period in 2012.</p> <p>5. FPL will be requesting to true up the \$372,243 in carrying charges on the \$15 million (\$12,614,807, jurisdictional, net of participants) currently being recovered in 2012 to reflect the carrying charges and base rate revenue requirements on the actual amount spent in 2011, excluding post in-service costs. [redacted] jurisdictional, net of participants) in its March 1, 2012 filing. The actual carrying charges on the [redacted] jurisdictional, net of participants) are [redacted] through May 8, 2011, the date the plant was placed into service. The base rate revenue requirements subsequent to in-service are [redacted] (inclusive of carrying charges on the unrecovered balance). The true-up of the carrying charges and base rate revenue requirements will result in an over recovery of [redacted] and will be included in the calculation of the 2013 Capacity Cost Recovery Clause Factor for 2013.</p> <p>g. FPL is searching for responsive documents and will supplement this response upon completion of its search.</p> <p>(Disk 26) Log of attorney-client privilege e-mails from 2/11 through 6/11; copies of 13 e-mails from January and February 2011, and responses identifying changes in cost estimate of stator core repair; a copy of January 2012 agreement between Siemens and FPL indemnifying each other from further liability is attached.</p> <p>(Disk 30) Supplemental Response for DR-4.9g – includes log of attorney-client privilege e-mails from memos from within FPL and between FPL and Siemens regarding the PSL2 expenses resulting from the core iron damage caused by the alignment pin accident in the rotor stator rewind at PSL2 in February 2011.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) review documents provided 2) determine whether the original contract provisions identify more liability than explained 3) compare this explanation to previous explanations (last year) 4) further discuss and identify costs involved and determine whether additional cost considerations were/should be considered 5) how does the [redacted] Siemens liability relate to last year's approx. [redacted] in liability 6) how did FPL treat the costs associated with delays in the implementation schedule caused by the Siemens work outage? 7) is FPL using the [redacted] figure to calculate the actual costs that carrying costs, etc. are being figured for? (if not what figure is being used?) 8) what is the unrecovered amount FPL identified for PSL2 and how was that calculated? 9) Why can't FPL get the charges Siemens incurred for the PSL2 outage and verify those costs through an internal audit if necessary?</p>	1 2 3 4 5
<p>Document #: DR-4.10 (Disk 25) (Disk 49) (Disk 65, 4.10d May) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: FPL has provided information that states approximately 81% of the engineering design work is complete based on earned hours (excluding unapproved Bechtel trends), yet approximately 64% of the total number of design packages are completed and approved. a. Explain why the earned hours for the engineering packages are approximately 17% higher than the approximate design packages completed. b. Explain the expected impacts on engineering design packages and earned hours when the unresolved Bechtel trends are considered. c. When are the unresolved Bechtel trends expected to be resolved, and what are the expected impacts to project cost and schedule? d. <u>Provide an updated chart of the engineering design package progress monthly through April 2012 (ongoing monthly), as provided on page 24 of FPL's 1/24/12 FPSC Staff Visit EPU Project Update.</u></p> <p>Summary of Contents: a. The earnable man-hour technique represents a quantitative progress measurement tool that <u>allows the team to earn progress as they advance the engineering design package through its life-cycle.</u> The quantity of design packages Completed is simply a count of what has been completed with no credit for the effort required to move the package through the design process.</p> <p>b. There are <u>no expected impacts on the design engineering packages when the unresolved trends are considered.</u> Per FPL's response to part d, currently approximately 72% of the engineering design packages have been completed and approved. The percentage of engineering design packages that have been completed and approved would not be affected if the unresolved Bechtel trends are considered (i.e., 159 of 220 would still be completed and approved). However, the <u>earnable man-hour percent complete</u></p>	

	<p>would decrease because more earnable man-hours would be available to earn based on the calculation of earned hours/earnable hours.</p> <p>c. <u>The cycle time to resolve a trend varies based on complexity; however, it typically takes several weeks for a trend to be resolved, approved or disapproved. Unresolved trend amounts are carried on the risk register and generally stay there until both parties can mutually agree on a path forward.</u> However, actual costs are based on actual hours worked. The impact to project schedules is evaluated when a trend is identified. No impact to the current schedule for achieving the additional megawatts is expected due to the unresolved trends.</p> <p>d. The updated Engineering Change Status slide as of February 15, 2012 is attached. The slide will be updated and provided monthly through April 2012.</p> <p>(Disk 49) 4.10d Supplemental update March: Attached is the updated chart of engineering design package progress as of March 31, 2012. 95% of the modifications are at 90% with 84% of modifications completed and approved.</p> <p>(Disk 65) 4.10d May update – chart with engineering design progress as of 4/30/12. Modifications are 96% complete at 90% and 89% final complete.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) will the engineering packages be completed on schedule or are there potential delays? 2) are there any potential costs and scope creep expected as a result of delayed engineering packages? Explain.</p>																				
<p>Document #: DR-4.11 (Disk 22) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide a chart showing: a. The initial estimated MWs produced by each PSL and PTN unit, b. The initially estimated increase in MW output (from Need hearing), c. The final estimated MW output as a result of the uprate of each unit, and d. The particular unit changes that provide the estimated additional increased MW for each unit.</p> <p>Summary of Contents: a-c. Below is a chart showing initial estimated MWs, initially estimated increase in MW output from the need hearing, and current estimated MW output. <u>Note that the Initial Estimate Net MWe Output Increase included PSL 2 participants' share, but the 2011 Estimated MWe Output Increase for PSL 2 does not include participants' share.</u></p> <table border="1" data-bbox="640 893 1921 1031"> <thead> <tr> <th><u>Unit</u></th> <th><u>Initial Net MWe Produced</u></th> <th><u>Initial Estimate Net MWe Output Increase</u></th> <th><u>2011 Estimated MWe Output Increase</u></th> </tr> </thead> <tbody> <tr> <td>PSL 1</td> <td>840</td> <td>103</td> <td>129</td> </tr> <tr> <td>PSL 2</td> <td>840</td> <td>103</td> <td>115</td> </tr> <tr> <td>PTN 3</td> <td>700</td> <td>104</td> <td>123</td> </tr> <tr> <td>PTN 4</td> <td>700</td> <td>104</td> <td>123</td> </tr> </tbody> </table> <p>d. <u>There are no particular unit changes that provide the estimated additional increased MW (as compared to the initial estimated increased MW) for each unit. Rather, the additional increased MW for each unit are due to refined heat balances performed by Siemens and refined electrical house load calculations.</u></p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required: 1) identify how much of the change in MW is attributed to a reduction in house load and how much is due to EPU additions.</p>	<u>Unit</u>	<u>Initial Net MWe Produced</u>	<u>Initial Estimate Net MWe Output Increase</u>	<u>2011 Estimated MWe Output Increase</u>	PSL 1	840	103	129	PSL 2	840	103	115	PTN 3	700	104	123	PTN 4	700	104	123
<u>Unit</u>	<u>Initial Net MWe Produced</u>	<u>Initial Estimate Net MWe Output Increase</u>	<u>2011 Estimated MWe Output Increase</u>																		
PSL 1	840	103	129																		
PSL 2	840	103	115																		
PTN 3	700	104	123																		
PTN 4	700	104	123																		
<p>Document #: DR-4.12 (Disk 23) Date Requested:</p>	<p>Document Title and Purpose of Review: a. Explain why the PSL EPU Site Director, the PSL EPU Construction Manager, and the PTN EPU Project Controls Manager, all left the company of their own volition in the same month (September 2011). b. Explain the performance issues that led FPL to release the PTN LAR Scheduler, Cost Analyst, and Administrative Assistant in November 2011.</p>																				

REQUESTED CONFIDENTIAL BY NOI	Date Received: Comments: (i.e., Confidential)
	Summary of Contents: a. The PSL EPU Site Director stated that he was [REDACTED] [REDACTED] The PSL EPU Construction Manager [REDACTED] [REDACTED] The PTN EPU Project Controls Manager [REDACTED]
	b. The PTN LAR Schedule [REDACTED] The cost analyst and the administrative assistant [REDACTED]
	Conclusions:
	Data Request(s) Generated: No. _____ Description: No. _____ Description:
Follow-up Required: 1) have the concerns related to [REDACTED] due to the EPU project been expressed by other management personnel leaving the project? 2) What was the schedule and cost impact of the loss of the key PM personnel in leaving the project? 3) has the project experienced other problems regarding [REDACTED] such as that experienced by the PTN LAR Scheduler?	

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**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
 Area: Nuclear Cost Recovery Clause
 Auditor(s): D. Rich and E. Fisher

Workload Control #: PA-11-11-005
 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS
 AUDITS\Nuclear Controls Review 2012\FPL3.0 Work Papers\3.5 Document Summaries
 EPU3.3.5 DR-2 Document Control Log.doc

Document #: DR-5.1
 (Disk 32)
 (Disk 33)
 (Disk 34, 5.1a-f (PSL))
 (Disk 38, PSL 5.1a,d,e)
 (Disk 40, 5.1b (PTN))
 (Disk 41, 5.1a-f (PTN))
 (Disk 41, 5.1b,c,f (PTN))
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

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BY NOI**

Document Title and Purpose of Review: Please provide copies of monthly paid invoices, and all supporting documentation (e.g. authorizations, letters of justification, evidence of disputed charges, resolutions of disputed charges, et al), for the following contractors and months in 2011:

(Disk 32) PTN EPU Project

- a. Westinghouse:
 - 1. March 2011
 - 2. May 2011
 - 3. August 2011
 - 4. October 2011
 - b. Bechtel:
 - 1. March 2011
 - 2. May 2011
 - 3. September 2011
 - 4. December 2011
 - c. Siemens Material:
 - 1. March 2011
 - 2. May 2011
 - 3. September 2011
 - 4. December 2011
 - d. Siemens Labor:
 - 1. February 2011
 - 2. June 2011
 - 3. October 2011
 - 4. December 2011
 - e. Long Lead Materials:
 - 1. March 2011
 - 2. April 2011
 - 3. August 2011
 - 4. November 2011
 - f. Implementation Support:
 - 1. March 2011
 - 2. May 2011
 - 3. September 2011
 - 4. December 2011
- (Disk 33) For PSL EPU Project:**
- a. Westinghouse:
 - 1. January 2011
 - 2. April 2011

	<p>3. August 2011 4. October 2011</p> <p>b. <u>Bechtel:</u></p> <p>1. March 2011 2. April 2011 3. July 2011 4. December 2011</p> <p>c. <u>Siemens Material:</u></p> <p>1. February 2011 2. May 2011 3. August 2011 4. October 2011</p> <p>d. <u>Siemens Labor:</u></p> <p>1. January 2011 2. April 2011 3. September 2011 4. December 2011</p> <p>e. <u>Long Lead Materials:</u></p> <p>1. February 2011 2. June 2011 3. September 2011 4. December 2011</p> <p>f. <u>Plant Craft Support:</u></p> <p>1. February 2011 2. April 2011 3. August 2011 4. December 2011</p>
	<p>Summary of Contents: a. FPL provided back-up data and invoices for the four largest contractors, long lead materials, and plant craft support for the Turkey Point and St. Lucie uprates during 2011; transactions for the largest invoiced amounts each quarter were reviewed for invoice payment amounts, payment approvals, invoice exceptions, push-back on questionable items, amounts withheld, and accompanying documentation. b. Invoices reviewed for St. Lucie represented \$153.3 million (46.2 percent) of the \$332.2 million invoiced for St. Lucie and \$145.5 million (41.4 percent) of the \$351.4 million invoiced for Turkey Point.</p>
	<p>Conclusions: For the invoices reviewed, the amounts from summary documents were reflected in source documents, proper payment approvals were identified, exceptions were documented, the company pushed back on questionable charges, questionable amounts were withheld for further research, and relevant documentation accompanied the invoices.</p>
	<p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p>
	<p>Follow-up Required:</p>

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company Area: Nuclear Cost Recovery Clause Auditor(s): D. Rich and L. Fisher		Workload Control #: PA-11-11-005 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.6 Document Summaries EPU\3.3.6 DR-2\Document Control Log.doc
Document #: DR-6.1 (Disk 43) Date Requested: Date Received: Comments: (i.e., Confidential) <p align="center">REQUESTED CONFIDENTIAL BY NOI</p>	Document Title and Purpose of Review: Please provide a copy of the FPSC Staff, Turkey Point visit presentation dated March 27, 2012.	
	Summary of Contents: 17 page presentation providing Turkey Point Project Overview, Overview of the Unit 3 Outage, discussion of Organization and Staff, Team Room, coordination with plant operations, and summary; the presentation was followed by brief discussions and questioning along with tour of plant during outage conditions.	
	Conclusions:	
	Data Request(s) Generated: No. _____ Description: No. _____ Description:	
	Follow-up Required:	
Document #: DR-6.2 (Disk 43) Date Requested: Date Received: Comments: (i.e., Confidential) <p align="center">REQUESTED CONFIDENTIAL BY NOI</p>	Document Title and Purpose of Review: Please provide a copy of the Extended Power Uprate Management update presentation dated March 28, 2012.	
	Summary of Contents: 42 page presentation providing Project Overview of the four overlapping project phases for the sixth of eight outages, discussion of Pre-outage Work, Regulatory status, Engineering packages, implementation scope, and anticipated challenges to the project schedule and costs due to regulatory, design evolution, and changing construction/implementation logistics. Additionally, discussions included an effort by EPU and FPL executive management to scrutinize and challenge "to go" costs to reduce increased project costs.	
	Conclusions:	
	Data Request(s) Generated: No. _____ Description: No. _____ Description:	
	Follow-up Required:	
Document #: DR-6.3 (Disk 44) Date Requested: Date Received: Comments: (i.e., Confidential)	Document Title and Purpose of Review: Please provide a copy of the Nuclear Business Operations Organizational Chart.	
	Summary of Contents: Nuclear Business Operations organizational structure was provided, and interviews were later conducted with NBO representatives to better understand their responsibilities for reporting accruals and project financial reports.	
	Conclusions:	
	Data Request(s) Generated: No. _____ Description: No. _____ Description:	
	Follow-up Required:	
Document #: DR-6.4 (Disk 43) Date Requested: Date Received:	Document Title and Purpose of Review: Please provide a description of the Cost Recovery Team Process and Cost Recovery Form.	
	Summary of Contents: A discussion of the regulatory cost recovery process that conducts separate and apart reviews was	

Division of Regulatory Compliance
Bureau of Performance Analysis

Comments: (i.e., Confidential)

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provided. A copy of the form used to document requests for separate and apart was also supplied.

Conclusions: FPL has a separate and apart review of all items questioned for treatment, with representatives from several different departments, providing input for making separate and apart decisions. Departments include representatives from the controller, plant accounting, legal, regulatory and nuclear business operations. Additional technical expertise is used when necessary to provide added insight to the decision making effort.

Data Request(s) Generated:

No. _____ Description:

No. _____ Description:

Follow-up Required:

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
Area: Nuclear Cost Recovery Clause
Auditor(s): D. Rich and L. Fisher

Workload Control #: PA-11-11-005
File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries EPU\3.3.2 DR-7 Document Control Log.doc

Document #: DR-7.1
(Disk 55, DR7.1a)
(Disk 57, a,b,c & d)
Date Requested:
Date Received:
Comments: (i.e., Confidential)

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BY NOI**

Document Title and Purpose of Review: a. Please provide all memos, letters, e-mails, reports, presentations, and summaries related to the Bechtel EAC and revised EAC presented to FPL, including the *Project Estimate to Complete, Update 3/27/12, St. Lucie Units 1 & 2, Project Estimate to Complete, Update 3/27/12, Turkey Point Units 3 & 4*. b. Provide all memos, letters, e-mails, reports, presentations, and summaries related to the EAC and revised EAC presented to FPL executive and corporate management or personnel, including the Board of Directors. c. Provide a summary of the FPL negotiated Bechtel concessions for the original EAC and the latest revised EAC by type (waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates) and total dollars. d. Provide a summary of any additional negotiated concessions from other contractors, to reduce the total cost of the EPU project, by type (same as in c) and total dollars.

Summary of Contents: a. Please see attached for PTN documents. Remaining responses will be provided as soon as possible.

OPC POD 4 Part 1 (21 pages)

Includes: Memos re: Three day weekend detailed PTN cost review with EVP & CNO to review Bechtel EAC proposal; Bechtel has taken [redacted] in reductions and is asked to make additional cuts based on executive level negotiations; Bechtel believes FPL estimate of another [redacted] is unrealistic; non-manual force reduction risks from Bechtel to meet [redacted] project cost; Bechtel may be able to reduce costs further to [redacted] accepting risks to project; prelim. Results from 2/25 review session on pages 7-8 of 21 takes EAC figure to [redacted] going forward figure for PSL completion is [redacted]; pgs. 10-21 is draft presentation dated 3/2/12 titled EPU Cost Analysis w/ primary drivers for increase detailed as Regulatory [redacted] Design Evolution [redacted] and Construction/Implementation/Logistics [redacted] totalling [redacted] in increases;

OPC POD 4 Part 2 (43 pages)

12/8/11 Memo re: Turkey Point Unresolved Trends that were discussed with Bechtel on Dec 1-2; changes are summarized and not included in EAC; estimated cost for changes was approx. [redacted] 3/27/12 memo to FPL EVP & CNO re: Discussions concluded on a number of issues affecting the [redacted] Nov-11 EAC. EAC updates; provides status on EACs for both PSL and PTN EPU projects; each report includes the results of discussions between Bechtel and NEE up through and including 3/26/12; on 2/24/12 communications regarding the EAC for St Lucie had changed to [redacted] due to a mix of scope increases and other changes including provisions for a contractual incentive fee Bechtel has agreed to wave, reducing the EAC to [redacted]. The deferral of craft wage rate actions extends to FPL's operations outside of the Bechtel contract scope at PSL and PTN, to include maintenance contractors and other subcontractors working within the current labor agreement, reducing FPL's exposure to craft wage escalation. In addition to escalation savings, Bechtel has waived future report card fees, presenting a substantial savings to FPL's EPU cost structure; Pages 11-14 provide an update to the 2/24/12 PSL1&2 EAC dated 3/27/12; The resulting [redacted] included [redacted] of incentive fee (on reimbursable costs from May 17th, 2010 through Acceptance) that Bechtel agreed to waive, resulting in a current revised EAC forecast of [redacted] for PSL; Through 3/19/12, a number of trends have accumulated that represent a variance, including two key items that are not included in the [redacted] EAC are: 1) additional cost for Bechtel support of the SL1- 24 outage beyond current work scope and 2) is new scope identified by NEE for Bechtel to perform DEH implementation in the upcoming SL2-20 outage; An update to the 2/24/12 PTN 3&4 EAC dated 3/27/12; shows a total of over [redacted] in cost reductions were identified along with action plans; the total EAC has been reduced to [redacted]. Several of these reductions have introduced additional risk to the project schedule and estimate – reduced craft staffing levels in the 2/27/12 proposal and the timing for revisions to FPL procedures governing firewatch and electrical terminations; On 2/27/12, the Bechtel and FPL project teams conducted a position by position review of the staffing plans for the project and reduced the to-go estimate by [redacted]. Following this step, a review of to go unit rates for craft work was completed, resulting in a [redacted] challenge [redacted] in craft driving an additional [redacted].

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non-manual); On 3/15, an agreement was reached to reduce the daily rate for living allowance costs for non-manual staff by [redacted] to [redacted] reducing the to-go cost by [redacted]. On 3/19/12, Bechtel successfully negotiated a deferral of wage changes with the building trades; the effect of this agreement spreads across the FPL fleet to other sites, contractors and subcontractors, sustaining a reduced cost structure into 2013; The cost reduction to FPL overall is [redacted] with [redacted] of these savings related to work-to-go at PTN; on 3/26/12 an agreement was reached to reduce Bechtel's hourly rate for engineering and field non-manual staff by [redacted] effective 4/1/12, resulting in an [redacted] reduction to the PTN EAC;

OPC POD 4 Part 3 (63 pages)

Is a copy of the January 24, 2012 presentation provided to FPSC audit staff EPU Project Update.

OPC POD 4 Part 4 (425 pages)

Provides back-up support of EAC analysis, including spreadsheets, summaries, and Bechtel comments and recommendations; 9/29/11 informal meeting w/High Bridge notes that Direct Hires vs. Labor brokers - (avoid duplication of supervision)} Impact is approx \$85M Unit Rates} Subcontractors} (pages 423-425)

OPC POD 4 Part 5 (355 pages)

Includes: Bechtel Target Price Comments and Recommendations Field Non-Manual Staffing Plan Rev. 57 (pg.6-7); 11/14/11 Bechtel memo The FNM Staffing Plan issued Rev 57 is the final used for the estimate. No additional changes are planned (pg.9); 11/15/11 memo notes that we may need to start another list to identify cost not included in present ETC.; additional scope for craft labor in support of a soft dig associated with the Main Condenser Replacement mod package (pg. 12); PSCND noting [redacted] diff. in labor figures needs to be reviewed and resubmit (pgs. 13-14); DonFleetwood memo to EPU managers requesting them to identify ten highest dollar trends currently in dispute to prepare for BPC and NEE executives meeting on 12/9/11; Compare this top 10 list to the scope change criteria in your contract Target Price Criteria for a commensurate Target Price adjustment 1) "A regulatory change which results in significant impact to Supplier or" 2) "A purchase mandate which requires a significant change in the Supplier's engineering or field work..." (pgs 21-23); 11/18/11 memo from Don Fleetwood re: important deliverables for Bill Ball w/7 categories of activities and Oct. job hour analysis w/ associated target price dollars; represents FPL effort to review BPC target pricing at PTN associated w/scope increases; Oct analysis includes 4.76 million job hours and [redacted] in costs at PTN (pgs. 28-30); 11/17/11 memo re: Bechtel FNM Review Comments (pgs.37-40); Bechtel Total Cost Details for Turkey Point are shown on pages; Bechtel Current Forecast 10/31/11 Comparison to Target Price Estimate w/details (pgs. 95-96)

OPC POD 4 Part 6 (287 pgs) Target Pricing pgs. 101-125

OPC POD 4 Part 7 (403 pgs) Staffing plans pgs. 1-13

OPC POD 4 Part 8 (344 pgs) effort to achieve aggressive savings from Bechtel EAC 3/2012; PTN Target pricing development; Bechtel shift turnover productivity by Six Sigma Black Belt; FPL proposal to replace 15 Bechtel FNM personnel w/FPL contractor personnel; 3/6/12 Six Sigma Black Belt letter re: Wrench Time White Paper from 20120 re: Some research turned up the attached. It was a "wrench-time" study done by Progress Energy in 2009

OPC POD 4 Part 8 (87 pgs) Discusses High Bridge estimate information relative to Bechtel 11/15/11 EAC for PTN (pg. 44);

OPC POD 4 Part 9 (245 pgs) 3/21/12 letter re: Bechtel trends for PTN; comparison of current forecast with target pricing of 10/11; Jones 11/7/11re: revisions to EAC still pending; 11/4/11 Fleetwood target Price e-mail requesting meeting for discussion of trends w/Bechtel; 12/9/11 Jones Presentation to BPC/NEE Executive Review Mtg. re: Bechtel requested changes to Target Price;

OPC POD 4 Part 10 (163 pages)

Pages 1-10 includes privileged information re: negotiations w/Bechtel for reducing project costs; Pages 11-163 are draft copies of FPL's EPU Draft 2011 in Review presentation, and the presentation given to Audit Staff on March 28, 2012. In the draft presentations the following information was provided: Project Status:Page 11- of 163 pages is 1/3/12 presentation re: EPU 2011 in Review (Draft) with summary of: project is on target to complete in early 2013; E&C forecast has increased to 2,217M; higher MWe output to 490 from 450 estimated in 2011; Target Price option for Bechtel PTN being assessed; design and work order planning behind revised Recovery Plan for PTN3 outage in January 2012; two of three outages planned in 2011 are complete,

w/third at PSL1 beginning November 27, 2011; NRC reviews are taking longer due to NRC resource constraints; Filled EPU Site Director vacancies caused by retirement and voluntary separation; FPL plans to assign implementation owners at each site and an additional Engineering Manager at PTN; Costs: E&C increased in 2011 (to 2,217M) due to Bechtel design and planning evolution; implemented target price at St. Lucie for Bechtel scope work; received Bechtel Estimate At Completion (EAC) for PTN in November; EAC was approx. [redacted] and FPL doing due diligence; Increased Output: reasonable certainty that at least 490MWe will be gained from uprates; Additional MWe gained at PTN by revised Heat Balance performed, less house loads than previously expected, and Siemens Heat Balance figures are generally conservative; most increased MWe to be realized in 2012; Risk Register Summary shows Max. Exposure for PTN at [redacted] and weighted risk to be [redacted] w/ PSL Max. exposure at [redacted] and weighted risk at [redacted] MODS: 56% of all mods complete for PSL and PTN together, 78% based on earned hours; 45% of mods for remaining outages are complete to be issued; Outages: Major scope for PSL2 outage (1/31/11-5/7/11) w/approx. 31 MWe resulting;

DOCKET NO. 120009-EI FPL'S PRIVILEGE LOG IN RESPONSE TO FPSC INTERNAL CONTROLS AUDITORS' DATA REQUEST 7.1a shows log for March 9-10 2012 with 3 entries from legal to FPL staff.

(Disk 57) ICDR 7-1A.pdf -- (264 pgs.)

Pgs. 4-19 is draft of presentation given to FPSC staff on March 27, 2012; pgs. 20-61 is draft of EPU update for 2011; 3/11/12 memo from Jones to Fleetwood re: meeting w/Bechtel over EAC potential reductions to approx. [redacted] 3/6/12 memo from Jones to Fleetwood firm. Reilly of Bechtel re: additional concessions on top of what has already been discussed is totally unrealistic; pgs. 65-101 is an ESC presentation dated 4/16/12 showing EPU Uprates status; 5 of 8 outages completed (PSL1 is in start-up mode) and PTN 3 is in progress; - Turkey Point License Amendment is forecasted for April 2012 - St. Lucie Unit 1 License Amendment is targeted for June 2012; still working on scheduling the ACRS full committee in May - St. Lucie Unit 2 License Amendment is forecasted for August 2012; The total project preliminary forecast has increased to \$3.0B1 due to NRC regulatory, design evolution and the resultant construction effort • Received a revised Bechtel Estimate at Completion (EAC) for St. Lucie and Turkey Point in March 2012 • We continue to scrutinize and challenge the project 'to go' cost and have received significant concessions from Bechtel • Based on its review FPL has revised the Nonbinding Cost Estimate range to \$2.95B1 - \$3.15B1 • \$3.05B1 is being used as the cost forecast input for the annual feasibility analysis • The 2012 annual feasibility analyses will be completed by April 27, 2012; In all, the regulatory, design evolution and the resultant construction effort are the primary cost drivers; pgs 102-173 is presentation for FPSC staff of EPU update dated 1/24/12; Pgs. 174- 215 is March 28, 2012 management update of EPU progress for FPSC staff; Pgs. 216-218 include: NUCLEAR DIVISION FPL EPU EXECUTIVE SUMMARY FEBRUARY AND MARCH 2012 KEY PROJECT ISSUES showing red and yellow coloring indicating yellow (caution) as status for schedule and red (cost exceed non-binding estimate) for PSL and PTN; pgs. 219-220 are PSL 1&2 status and variance reports for 1/31/12 and 2/29/12, and for 2/29/12 and 3/31/12; cost category note: Trend changed to negative (-) due to: The Engineering and Construction forecast has increased due to NRC regulatory requirements and delays, design evolution and the resultant construction effort. * FPL is completing the due diligence and vetting process to assess and revise the Nonbinding Cost Estimate in support of the annual feasibility analysis and set the project completion goal.: Schedule for PSL shows Trend remains negative (-) due to: NRC LAR reviews taking longer than expected. The Unit 1 LAR is anticipated to be approved in June, requiring a mid cycle outage prior to increasing unit output. Unit 2 LAR approval is anticipated prior to or during the 2012 outage. Pre-outage work and recovery plan milestones for the Unit 2 Summer 2012 outage remain challenged. Pgs. 221-222 are NUCLEAR DIVISION FPL EPU EXECUTIVE SUMMARY DECEMBER 2011 KEY PROJECT ISSUES; Only PTN 3&4 was red on Capital Cost status: Negative trend was due to the potential impact of the recent estimate at completion [redacted] received from Bechtel in a response to a request for target price. FPL is performing due diligence on the estimate at completion to prepare for management review and vetting. The current forecast exceeds the high end of the Nonbinding Cost Estimate apportioned amount for Turkey Point with [redacted] of Undefined Scope funds available.; pgs.223-225 includes dashboard for PTN 3&4 for 11/30/11 and 12/31/11; pgs. 231-233 includes dashboard for PTN 3&4 for 1/31/12 and 2/29/12, and for 12/31/11 and 1/31/12; Job Complexity, Aexecution Plan, Resources, and Costs continue to be red; pgs 238-240 show dashboards for PTN 3&4 for 11/30/11 and 12/31/11 and for 12/31/11 and 1/31/12; pg. 245 is dashboard for PTN

	<p>3&4 2/29/12 and 3/31/12; pg. 246 is dashboard for PSL 1&2 for 12/31/11 and 1/31/12; Status changed to red due to potential cost increase from Bechtel exceeding the high end of the 2011 nonbinding estimate apportioned amount for St. Lucie. FPL is performing due diligence for cost reduction and improvements for the subsequent EPU outage. FPL is performing due diligence to assess and revise the Nonbinding Cost Estimate range in support of the annual feasibility analysis; pgs. 247-248 NUCLEAR DIVISION FPL EPU EXECUTIVE SUMMARY JANUARY 2012 KEY PROJECT ISSUES; pgs. 249-264 is EPU Cost Analysis presentation dated 3/2/12 prepared at the direction of legal counsel under attorney client privilege; Pg. 47 is ESC presentation of 12/9/11 69 pages long; pg. 155-156 Bechtel 2/26/12 memo re: changes being made to trim gap between and the current EAC; propose to lower current EAC amount to reduce current forecast by representing 4% incentive pool of percent fee on reimbursable costs between 5/17/10 through acceptance; NEE would increase the EAC by only the scope change items discussed this dissolves the current target structure as well as the Letter of Credit; pgs. 159- 162 is Bechtel report of the agreed to estimate to complete (EAC) for the St. Lucie EPU Project and supersedes the 2/24/12 submittal (titled Project Estimate to Complete Update).; The February 24, 2012 package included an evolution summary of the project forecast from September 30, 2011 to February 24, 2012 and depicted a change in forecast from. The changes that took place during this timeframe included increases & decreases to various line items which were detailed in a four page appendix to the 2/24/12 package.; pgs. 163-169 is Bechtel report of the agreed to estimate to complete (EAC) for the St. Lucie project; Bechtel has identified over in cost savings opportunities since the 2/24/12 meeting in Juno Beach, of which accrue directly to the PTN EAC, thereby reducing the estimate to. In achieving this reduction, Bechtel has made a considerable contribution through a reduced cost structure for the remainder of the project, including a deferral of craft wage actions that benefit FPL beyond the PTN EPU project. However, in setting several of these new cost targets, the risk profile has increased and extends beyond Bechtel execution to include action by FPL in the form of procedure modifications and adoption of certain scopes of work. Pgs. 171-178 is Feb. 9-10 2012 FPL/NEE EPU Projects meeting agenda and notes re: costs, risks, and opportunities; Pg. 179-191, is St. Lucie and Turkey Point Extended Power Uprate (EPU) BPC – NEE Executive Review Meeting presentation by Terry Jones Vice President, Nuclear Power Upgrades December 9, 2011;</p> <p>b. (Disk 57) EAC documents presented to FPL executive and corporate management (see also BOD presentation in 1.6a April); additional documents provided 5/2/12; pg. 4 is 3/6/12 memo from</p> <p>c. (Disk 57) Latest Bechtel/FPL EAC negotiations have resulted in the following concessions:</p> <ol style="list-style-type: none"> 1. Eliminate incentive fee. Reduce Daily Living Allowance. reduce field non-manual rates. Reduce project escalation. Reduce craft wage rate. <p>d. (Disk 57) FPL is currently negotiating concessions from other contractors to reduce the total cost of the EPU project, but no additional concessions have yet been finalized;</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.2 (Disk 56, 7.2a, 7.2d) (Disk 61, 7.2b) Date Requested:</p>	<p>Document Title and Purpose of Review: a. Provide a breakdown of 2011 EPU project increases, by Unit, by type of activity, and by total dollar increase, e.g. (2011) Unit 2, Modification Engineering - budget \$\$\$\$\$, increase \$\$\$\$, total \$\$\$\$\$. b. Provide a similar breakdown of 2012 EPU project increases, by Unit, by type of activity, and by total dollar increase, through April 2012, by May 15.</p>

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c. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the Bechtel EAC and revised EAC, and any vendor contract concessions received by FPL. d. Provide all memos, letters, e-mails, reports, presentations, and summaries to date, related to the vetting and revision of the non-binding cost estimate, to support the annual feasibility analysis to be filed in May 2012. e. Provide a copy of any presentations or other written communications given to the Board of Directors in March 2012 related to the preliminary update of the non-binding estimate. f. Explain when the FPL negotiated vendor concessions will become effective, and whether different effective dates apply for different vendors? g. Explain whether any vendor concessions are retroactive, and provide specific dates for any retroactive vendor concessions. h. Provide copies of all revised vendor contracts as a result of FPL negotiated concessions.

Summary of Contents: a. Attached is a breakdown of 2011 EPU project cost variances, by Unit, by type of activity, and by total dollar increase for St. Lucie and Turkey Point.

b. A similar breakdown of 2012 EPU project cost variances will be provided in May 2012 after April 2012 actual costs are determined.

(Disk 61) 7.2b Supplemental - Attached is a breakdown of January 2012 through April 2012 EPU project cost variances, by Unit, by type of activity, and by total dollar increase for St. Lucie and Turkey Point.

c. The March 16, 2012 presentation to the Board of Directors related to the Bechtel EAC was provided previously in response to DR-1.6a April.

d. Attached are copies of memos, letters, e-mails, reports, presentations, and summaries to date related to the Non-Binding Cost Estimate to support the feasibility analysis that FPL expects to file by May 1, 2012. Please see also the documents provided in response to Data Requests 7.1.a and 7.1.b

e. The March 16, 2012 presentation to the Board of Directors related to the development of the non-binding cost estimate was provided previously in response to DR-1.6a April.

f. The concessions that FPL negotiated with Bechtel in March 2012 became effective April 1, 2012. FPL has not yet reached agreement on concessions with any other vendors.

g. As noted above, the Bechtel concessions are effective April 1, 2012 and are not retroactive. No other vendor concessions have been finalized.

h. The amendments to the Bechtel contracts are being developed but have not yet been issued. The amendments will be provided after they have been signed by FPL and Bechtel.

Conclusions:

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Document #: DR-7.3
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Document Title and Purpose of Review: a. Describe how the PSL1 reactor start-up went after the latest PSL1 EPU outage completed on March 27, 2012.

b. Were there any outage related deficiencies experienced or identified after the Unit 1 start-up?

c. Has the unit turbine efficiency been tested and measured for MW output under operational load?

d. If the turbine production has not been measured under load, when is it scheduled to be measured for MW output?

e. What is the net increased MWe output after the EPU?

f. Is PSL1 currently running at the old licensed rate until the mid-cycle outage is completed, or is it running at the uprated output?

g. Is the PSL1 mid-cycle outage currently scheduled to begin mid-summer 2012? What work remains to be completed at that time?

h. What is the scheduled outage time in days, and estimated cost to complete the PSL1 mid-cycle outage?

i. When can FPL realize the full increased EPU output of PSL1?

Summary of Contents: a. The PSL1 EPU modifications were completed and reactor start-up commenced in late March 2012. FPL attempted to increase reactor power in preparation for power ascension and closing the breaker; however, equipment issues

associated with the reactor control rod system caused FPL to suspend start-up activities and move the Reactor to Mode 3. Later in March, FPL identified leaks on the new 1B Main Feed Pump casing vent, which led to repairs to both the 1B and 1A casing vent. On April 7, 2012, the internal condenser sparger failed while testing the steam dump to condenser modification. The sparger repairs were completed, the reactor start-up process is continuing, and FPL expects to close the breaker in the next several days.

b. PSL1 start-up has not yet been completed; therefore, FPL has not completed the identification of outage related deficiencies after the Unit 1 start-up.

c. No, the PSL1 turbine efficiency has not yet been tested and measured for MW output.

d. The PSL1 MW output will be measured after the unit reaches the original 100% power under the current operating license, which is planned for May 2012.

e. The net increase in PSL1 output after EPU is fully implemented during the mid-cycle outage is expected to be 129 MWe.

f. PSL1 is currently licensed by the NRC to operate at 2700 MWth which corresponds to approximately 846 MWe. PSL1 is currently in the process of starting-up following completion of the outage and will operate at current license power level of 2700 MWth until the NRC approves the PSL1 EPU License Amendment to operate at 3020 MWth, and FPL completes the mid-cycle outage.

g. The PSL-1 mid-cycle outage is tentatively scheduled for late July 2012. The scope of the mid-cycle outage has not yet been finalized but the primary scope is to change instrumentation set points and other minor modifications necessary for operation in the approved uprate conditions. The mid-cycle outage will also allow FPL to implement processes and procedures for operating the plant in the uprate condition.

h. The expected mid-cycle outage duration is several days and the preliminary mid-cycle outage cost impact is estimated to be approximately [REDACTED] in aggregate. i. FPL can realize the full increased EPU output from PSL1 after the NRC has approved the PSL1 EPU License Amendment and FPL completes the mid-cycle outage.

(Disk 65) 7.3 Supplemental - a. The PSL1 output breaker was closed on April 21, 2012. The unit is currently at 80% power and holding until secondary water chemistry specifications are satisfactory to increase power.

b. The PSL1 Steam Bypass Control Valve (SBCV) 8801 did not operate properly during power ascension. It was determined that controllers mounted directly on the valve actuator were vibrating too excessively. After the controllers were remotely mounted, away from the vibrations, the valve performed as required. SBCV 8802 is currently isolated and a Root Cause Analysis is still underway

c. No, the PSL1 turbine efficiency has not yet been tested and measured for MW output.

d. The PSL1 MW output will be measured after the unit reaches 100% power under the current operating license, which is planned for May 2012.

e. The net increase in PSL1 output after EPU is fully implemented is expected to be 129 MWe.

f. PSL1 is currently licensed by the NRC to operate at 2700 MWth (Thermal). PSL1 is currently in the process of starting-up following completion of the outage and will operate at the current license power level of 2700 MWth until the NRC approves the PSL1 EPU License Amendment and FPL completes the License Amendment Request (LAR) implementation ("mid-cycle") outage.

g. Yes, the outage is scheduled (tentatively for late July) in anticipation of NRC approval of the EPU LAR. The scope of work for the St. Lucie Unit 1 LAR implementation EPU outage is to physically change set points and rescale instrumentation from the current licensed operating levels to the uprated operating levels, and to update the plant design calculations and drawings for the uprated condition. The LAR implementation outage will also allow FPL to implement processes and procedures for operating the plant in the uprate condition.

h. Presently, the outage is scheduled to last approximately 6 to 10 days. The Unit 1 LAR implementation outage is scheduled to coincide with the buildup of EPU resources for the Unit 2 EPU outage. There will be little to no additional resources required to implement the Unit 1 LAR implementation outage. The additional cost of the LAR implementation outage will come primarily from incremental overtime, required by the station to maneuver the plant and to perform the set point / scaling changes. The additional cost for implementation is anticipated to be less than [REDACTED]. The total preliminary LAR implementation outage cost impact is estimated to be approximately [REDACTED] in aggregate (including the approximately [REDACTED] mentioned previously). (This

	<p>includes updating engineering design packages to permit unit restart following the PSL1-24 outage at the current licensed power level, engineering, scheduling and integrating preparations for implementation of the LAR implementation outage.) i. FPL can realize the full increased EPU output after the NRC has approved the PSL-1 EPU License Amendment and FPL completes the LAR implementation outage.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.4 (Disk 53) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Provide a Summary of the dollars represented by primary cost drivers identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012. b. Describe the outcome of the PTN 3R26 EPU re-evaluation challenge conducted the last of February and first of March 2012. c. Please describe the material delivery issues for both sites noted on page 14 of the FPSC EPU 2012 Management Update of March 28, 2012.</p> <p>Summary of Contents: a. The Board of Directors Presentation dated 3-16-2012 provided in response to DR-1.6a April includes a summary of the dollars represented by the primary cost drivers (Regulatory, Design Evolution, and Construction) identified on page 10 of the FPSC EPU 2012 Management Update of March 28, 2012. The presentation reflects the following preliminary costs: Regulatory \$108 million, Turkey Point Design Evolution: \$152 million, Turkey Point Construction Implementation: \$222 million. Note that both the March 28th presentation and the March 16th Board of Directors presentation reflect information known as of mid-March. b. Upon moving the start date of the PTN 3R26 outage to February 26, 2012, a re-evaluation challenge was conducted by FPL and Bechtel senior management. The following action items were initiated with the responsible site supervision to improve certainty of outage execution:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Dedicated Field Engineers for implementation Teams and organization <input type="checkbox"/> Review scope of EC packages to reconcile work packages <input type="checkbox"/> Perform additional outage work in pre-outage period <input type="checkbox"/> Develop In-processing plan with updated craft ramps <input type="checkbox"/> Flush and test plan for overall secondary side <input type="checkbox"/> Purge room wall material /constructability <input type="checkbox"/> Conduct additional schedule reviews with team(s) horizontal or vertical <input type="checkbox"/> Walkdowns by Team of experts to confirm constructability <input type="checkbox"/> Warehouse material priorities <p>c. The following material delivery issues were mitigated by the decision to delay the outages:</p> <ul style="list-style-type: none"> <input type="checkbox"/> PTN3 Moisture Separator Reheaters - originally scheduled for 01/19/2012. Actual delivery was 02/15/2012. <input type="checkbox"/> PTN3 Normal Containment Cooler - originally scheduled for 12/13/2011. Actual delivery was 02/29/2012. <input type="checkbox"/> PTN3 Feedwater Regulating Valve - originally scheduled for 10/19/2012. Actual delivery was 03/15/2012. <input type="checkbox"/> PTN3 Stop Logs for Condenser work – Delivered 2/21/12 <input type="checkbox"/> PTN3 Main Steam Flow Elements – One delivered 3/25/12 and two delivered 4/17/12. <input type="checkbox"/> PTN3 Palfinger Crane for containment support structure – Delivered 2/8/12. <input type="checkbox"/> PTN3 Main Steam Isolation Valve Assemblies – One each delivered 2/2/12, 2/11/12, and 2/23/12. <input type="checkbox"/> PSL2 materials that may be identified late in the construction planning process will have reduced impact since the PSL2 outage will be started later than previously planned. <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>

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<p>Document #: DR-7.5 (Disk 54) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Follow-up Required:</p> <p>Document Title and Purpose of Review: a. Please provide copies of the <u>PSL, PTN, Accrual Report</u> listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report. b. Please provide copies of the <u>PSL, PTN, Variance Report</u> listed in the March 1, 2012 Testimony of Terry O. Jones, Exhibit TOJ-4, for the period January 1, 2011 through April 2012. If FPL has already provided this report to staff in response to another DR please specify which response has the report.</p> <p>Summary of Contents: a. Attached are copies of the EPU Accrual Reports for January 2011 through March 2012. The April 2012 Accrual Report will not be completed until May 2012. Provides 20 pages of monthly accruals for PSL. Provides 39 pages of monthly accruals for PTN; some pages have notes regarding account code changes made to properly identify charges to proper work code; Project Control Supervisor and EPU Site Director signatures to evidence they have reviewed or made changes; note identifies invoice processed prior to accrual. b. Attached are copies of the EPU Variance Reports for January 2011 through March 2012. The April 2012 Variance Report will not be completed until May 2012.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.6 (Disk 53) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. On page 13 of the March 1, 2012 Testimony of Terry O. Jones (lines 20-21) the witness states that the "increased electrical output from St. Lucie Unit 2 of 31 MWe is already benefitting FPL's customers", company responses from DR-4.11 show an estimated 115 MWe output increase, and staff's report from July 2011 (page 25) notes that preliminary testing in June 2011 confirmed the increased power of approximately 34 MWe. Please clarify. b. Please provide a copy of Concentric's audit review of 2011 EPU management controls provided to FPL management, all recommendations, and management responses, as noted in the March 1, 2012 Testimony of Terry O. Jones (page.25). c. Please explain the "reclassification of the plant engineering for the procurement and installation of the main transformer at St. Lucie Unit 2" and how it increased transmission costs by \$6.3 million more than the 2011 forecast, as described in the March 1, 2012 Testimony of Terry O. Jones (pages 44-45). d. Please provide a summary of the 2011 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45). e. Please provide a summary of the estimated 2012 adverse impact costs of "the two natural disasters and subsequent NRC response" described in the March 1, 2012 Testimony of Terry O. Jones (page 45).</p> <p>Summary of Contents: a. When FPL installed the new low pressure turbine in the spring 2011, FPL estimated the PSL2 power output would increase by 34 MWe (29 MWe of which would be FPL's share). After the new low pressure turbine was placed in service, actual MWe increase was measured to be 36 MWe (31 MWe of which is FPL's share). After the NRC approves the PSL2 EPU LAR and FPL completes the fall 2012 PSL2 EPU outage, FPL expects to add another 99 MWe (84 MWe of would be FPL's share). Thus, the total PSL2 increase is estimated to be 135 MWe (115 MWe of which would be FPL's share). b. Concentric's audit review of 2011 EPU management controls was provided in their testimony filed in Docket No. 120009-EI on March 1, 2012. There is no report or documentation of recommendations other than Concentric's testimony. c. The St. Lucie Unit 2B main transformer total company in-service incremental cost was approximately [REDACTED] as of December 31, 2011. In May 2011, [REDACTED] was reclassified from an EPU incremental capital work order for St. Lucie Unit 2 cycle 19 to an EPU incremental capital work order for St. Lucie Unit 2B main transformer for Bechtel costs. The allocation was based on direct craft man-hours incurred by Bechtel for the replacement of the main transformer. A portion of these costs were included in the actual/estimate amount; however, the actual costs were approximately \$6.3M more than the actual/estimate amount. d. The earthquake and tsunami in Japan and the earthquake in Virginia in 2011 directly impacted the anticipated approval schedule for the FPL EPU License Amendment Requests (LARs). Specifically, key NRC reviewers assigned to review FPL's EPU LARs</p>

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were reassigned to special NRC response teams to address the natural disasters and their impact on the affected nuclear plants. This resulted in the review of FPL's EPU LARs by these reviewers being delayed, causing an overall delay in the anticipated approval schedule for the FPL EPU LARs. The PSL1 EPU LAR was submitted to the NRC in November 2010 with NRC approval expected in January 2012; however, NRC approval of the PSL1 EPU license amendment is now expected in June 2012. The PSL2 EPU LAR was submitted to the NRC in February 2011 with NRC approval expected in April 2012; however, NRC approval of the PSL2 EPU license amendment is now expected in August 2012. The PTN EPU LAR was submitted to the NRC in October 2010 with NRC approval expected in December 2011; however, NRC approval of the PTN EPU license amendment is now expected in April 2012. The NRC review delays contributed to the decision to delay the start of the St. Lucie Unit 1 outage from August 2011 to November 2011. The 2011 adverse impact costs included the cost of preparing and submitting expedited responses to NRC Requests for additional Information (RAIs) received later than anticipated and extended EPU staffing durations due to the delayed NRC review and the delayed start of the PSL1 outage.

e. The NRC review delays described in part d contributed to the decision to delay the start of the PSL1 outage from August 2011 to November 2011, the decision to delay the start of the PTN3 outage from January 2012 to February 2012, and the decision to delay the start of the PSL2 outage from July 2012 to August 2012. Additionally, these delays forced FPL to expend considerably more FPL and contractor resources to engineer and plan for a mid-cycle implementation for St. Lucie Unit 1 and to modify the EPU project schedule to accommodate the downstream impact on the other Florida Units. To be able to execute a mid-cycle implementation for St. Lucie Unit 1, numerous modification packages, procedures, work packages, training, and installation steps require revision. The mid-cycle implementation planned for St. Lucie Unit 1 in effect adds an additional step to the implementation process and this work adds costs to the project. In addition, the benefit of the additional EPU electric output of St. Lucie Unit 1 will be delayed until later in 2012, after the mid-cycle implementation. The 2012 cost impacts include the expedited responses to NRC RAIs received later than anticipated, the extended staffing durations due to the delayed NRC reviews and the delayed start of the PSL1, PTN3, and PSL2 outages, and the resources required to plan and implement the PSL1 mid-cycle outage. As summarized in the March 16, 2012 Board of Directors presentation provided in response to DR-1.6a April, **FPL estimates the total 2011-2012 costs associated with the NRC delays to be approximately [REDACTED]**

Conclusions:

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Document Title and Purpose of Review: Related to the DR-4.2 company response re: the PTN September 24, 2011 Bechtel imposed stand down of select employees: 1) Which PTN unit was involved? 2) Would work normally have been conducted on weekends as well as week days? 3) Were the entire 240 employees suspended without pay for the entire time 9/27/11 thru 10/2/11? 4) How many employees were suspended for the entire time? 5) Was additional training given to all employees? 6) If not, how many people were trained? 7) What CRs, ARs, or other reports were issued to document the work stoppage? 8) Did this work stoppage occur in an outage condition? 9) What were the costs for this work stoppage and who incurs those costs?

Summary of Contents: 1) This incident occurred in the common area of Turkey Point Units 3 and 4.
2) Yes. The incident occurred on Saturday September 24, 2011 and the employee suspensions commenced on Monday September 26, 2011 and continued through Sunday October 2, 2011. Schedule critical EPU work is often performed on weekdays and weekends.
3) Yes. All craft personnel except foremen and general foremen were suspended without pay, excluding payment for show-up time as required by the Bargaining Trade Union Agreement.
4) A total of 239 employees were suspended.
5) The additional training was given to all Bechtel craft employees.
6) Not Applicable.

	<p>7) Action Request No. 1689649 was issued to document the incident and the subsequent training activities.</p> <p>8) The work stoppage occurred while Turkey Point Units 3 & 4 were both operating (i.e., not in an outage condition).</p> <p>9) The estimated cost for the work stoppage is approximately [REDACTED] which includes wages for foremen and general foremen, and show-up time for other craft personnel. These wages were paid by Bechtel, invoiced to FPL in accordance with the contract between Bechtel and FPL, and included in FPL's true-up of 2011 EPU costs filed under the Nuclear Cost Recovery Clause in March 2012.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.8 (Disk 56) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Related to the DR-4.3 company response re: a listing of <u>all work stoppages and stand downs for all vendors</u>, by Unit, during 2011 and ongoing through April 2012: 1) Identify any FPL costs incurred prior to repair work on the generator? Explain and provide estimated costs. 2) Provide a breakdown of costs being requested for recovery through the NCRC in 2011, and any planned for 2012 recovery. 3) Explain whether the June 30, 2011 safety stand down of a Bechtel crew in the Turbine Building mentioned in DR-1.3b2, as the result of a fall protection safety violation, is the same event listed in DR-4.3 as June 3, 2011?</p> <p>Summary of Contents: 1) FPL interprets this request to be limited to the St. Lucie Unit 2 work stoppage caused by the Siemens error. As identified in Note 2 of FPL's response to DR-4.3, most of the 19 day February 12, 2011 PSL2 work stoppage was to implement the repairs and subsequent testing of the PSL2 generator. The actual duration in which work was stopped was less than 24 hours. Upon discovery of the alignment pin, Siemens work specific to the generator rewind was suspended, all other Siemens work not associated with the generator rewind continued. The work stoppage was only for a short period until FPL gave Siemens permission to de-stack the damaged core plates. There were no additional FPL costs incurred prior to the repair work on the generator other than normal FPL EPU oversight costs required to implement the EPU project.</p> <p>2) As noted in response to DR-4.3, a stand down is a commonly used management tool at nuclear power plants consistent with industry good practices. The costs associated with the EPU stand downs and work stoppages identified in response to DR-4.3 are legitimate EPU project costs necessary to ensure a safe, timely, quality implementation of the EPU project. The stand down and work stoppage costs being requested for recovery through the NCRC in 2011 include the carrying charges on (i) the [REDACTED] cost incurred in October 2011 for Bechtel PSL Design Engineers; (ii) the [REDACTED] cost incurred in December 2011 the PSL Motor Control Center incident; and (iii) the [REDACTED] cost incurred in September 2011 for Bechtel PTN craft (see DR-7.7 for detailed discussion of the September 2011 Bechtel craft incident). These carrying charges were recovered in 2011 subject to the initial true-up associated the Schedule AE filed in May 2011 and the final true up associated with the Schedule T filed in March 2012. Although additional work stoppages are not specifically planned for 2012, any additional EPU stoppages that occur in 2012 will be included in the carrying charges recovered in 2012 subject to the requisite true-ups.</p> <p>3) The June 30, 2011 incident described in DR-1.3b2 and the June 3, 2011 incident described in DR-4.3 are the same incident. The response to DR-4.3 includes a typographical error. June 30, 2011 is the correct date of this incident.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.9 (Disk 56) (Disk 61, 7.9 revised)</p>	<p>Document Title and Purpose of Review: Related to the DR-4.4 company response re: - <u>Bechtel costs to repair the pipe for the November 2010 Turkey Point Unit 3 work stoppage</u> and the [REDACTED] being withheld from the Bechtel invoice to pay for the repair: 1) Were other costs for re-training, etc. considered in the final adjustment amount? 2) Explain how FPL came up with the final costs</p>

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associated with the work stoppage and why they are different from those estimated last year. 3) What were the total costs of the 15 days work stoppage and human performance training for craftsmen and supervisors? 4) Who paid the costs for the 15 day work stoppage and human performance training? 5) FPL's response to DR-3.18 states that FPL considers the commercial aspect of this issue resolved with the withholding of costs to repair the pipe [REDACTED] but will the company ask recovery for any costs related to this event in 2011? 6) Did FPL request recovery for any amounts related to this work stoppage event during 2010? If so, please provide the amount requested for recovery in 2010.

Summary of Contents: 1) The costs for retraining, etc. were not included in the [REDACTED] withheld from the Bechtel invoice to pay for the repair.

2) FPL estimated the cost of the pipe repair based on man-hours estimated by FPL and labor rates in accordance with the contract between FPL and Bechtel. Please see FPL's response to part 3) for an explanation of the work stoppage cost estimates.

3) FPL initially estimated the total cost of the November 2010 work stoppage and human performance training at [REDACTED] Bechtel subsequently estimated that the Bechtel costs associated with the November 2010 work stoppage were [REDACTED] FPL did not subsequently determine the actual cost of the November 2010 work stoppage and human performance training because it was determined that those costs are fully reimbursable to Bechtel under the terms of the contract between FPL and Bechtel. (Ref. DR-1.3 and 5.3 in Docket 110009-EI)

4) Bechtel paid their employees and subcontractor directly, FPL paid the costs invoiced by Bechtel in accordance with the terms of the contract between FPL and Bechtel, and FPL requested recovery of the carrying charges on all costs paid to Bechtel in 2010 in accordance with the Nuclear Cost Recovery Clause.

5) All the costs associated with the November 2010 work stoppage were incurred in 2010. There were no costs associated with the November 2010 work stoppage incurred in 2011. In general, the carrying charges for costs incurred in 2010 are recovered in 2010 based on the Schedule P filed in May 2009. An initial true-up of 2010 costs was included in the Schedule AE filed in May 2010 which impacted the carrying charges recovered in 2011. A final true-up of 2010 costs was included in the Schedule T filed in March 2011 which impacted the carrying charges recovered in 2012.

6) Yes, as noted in item 5 above, FPL requested recovery of carrying charges for EPU costs incurred in 2010. As noted in response to item 3 above, FPL has not determined the actual cost of the November 2010 work stoppage and human performance training since those costs were fully reimbursable to Bechtel under the terms of the contract between FPL and Bechtel. FPL estimates the actual cost of the November 2010 work stoppage was greater than [REDACTED] and less than [REDACTED] Only the 2010 carrying charges on the actual cost, as trued up in 2011, would have been recovered through the Nuclear Cost Recovery Clause.

Conclusions:

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Document Title and Purpose of Review: Related to the DR-3.13 company response re: The PTN Gantry Crane. 1) What is meant by the Gantry Crane being substantially completed? 2) What work remains to be completed? 3) Does the remaining work to be completed create any safety concerns over the Gantry Cranes performance and capability? 4) Explain what the negotiations between Bechtel and Whiting Services is regarding. 5) Have the cost impacts to the EPU project been identified yet? If not, by what date are the negotiations to be completed?

Summary of Contents: 1) The gantry crane being substantially completed means all required work was completed on the gantry crane including load testing and placing the crane in service. The Integrated Turn-Over Package (ITOP) was partially complete in accordance with FPL's procedures, pending incorporation of the final Vendor Manual. 2) No gantry crane implementation work was remaining to be completed after December 2011. 3) The remaining work (final Vendor Manual) did not create any safety concerns over the gantry crane's performance or capability. 4) The negotiations between Bechtel and Whiting Services were regarding the final subcontract amount for the Whiting Turbine Gantry Crane work including scope changes. These negotiations resulted in the

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	<p>final subcontract amount of [REDACTED] Yes, the Turbine Gantry Crane cost impacts to the EPU project have been identified. The total cost of the PTN turbine gantry crane upgrade is [REDACTED]</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.11 (Disk 54) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review: Provide a copy of FPL's summary of Nuclear Cost Recovery Team decisions, and recoverable Expense Justification Forms, for 2011 and 2012 to date.</p> <p>Summary of Contents: Attached are summaries of the Nuclear Cost Recovery Team decisions in 2011 and 2012, and Recoverable Cost Justification Forms for 2011 and 2012 to date. PSL had 14 decisions made regarding separate and apart during 2010 and 2011; largest PSL individual decision was \$16.2 million; PTN had 13 decisions regarding separate and apart in 2010 and 2011; largest individual was \$6.3 million.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.12 (Disk 56) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Related to the DR-5 Invoice Sample information, please provide the following for PSL invoices:</p> <p>1) For PSL Westinghouse</p> <ol style="list-style-type: none"> a. Bates 021921 provide copy of accrual information for Jan. 11 b. Bates 022136 provide copy of accrual information for Feb 11, Mar 11, and Apr 11 c. Bates 022172 provide copy of reversal information for May 11, Jun 11, and Jul 11, and accrual information for Jul. 11 and Aug 11. d. Bates 022244 provide copy of reversal information for Aug 11 and Sep 11, and accrual information for Sep 11 and Oct 11; discuss the variance and why it occurred. <p>2) For PSL Siemens Material</p> <ol style="list-style-type: none"> a. Bates 034088 provide copy of accrual information for both taxes for milestones accrued in Jul 11/pd in Aug 11 <p>3) For PSL Siemens Labor</p> <ol style="list-style-type: none"> a. Bates 034137 provide copy of accrual information, Gen, LP Turbine, FPL Payroll, and Other Charges (Guidant employees, other expenses). b. Bates 034335 provide copy of accrual information for Gen. LP Turbine, and Other Charges (Guidant employees, other expenses); explain reasons for difference in invoice vs. total amount; explain why no difference in Ronnie's Turbine Service invoice vs. total amount. c. Bates 034580 provide copy of accruals and Other Charges documentation. d. Bates 034691 provide copy of accruals and Other Charges documentation. <p>4) For PSL Long Lead</p> <ol style="list-style-type: none"> a. Bates 034705 provide copy of accrual and adjustment (Spare FW Pump Machining) documentation; explain why contract cancelled for [REDACTED] was changed to [REDACTED] b. Bates 034760 provide copy of accruals and reclasses (transformer and DEH Computer); explain \$90 difference between amounts at bottom of page re: Flowserve.

	<p>c. Bates 034854 provide copy of accruals and reclasses (Flowserve and ABB); explain accrual error and provide documentation.</p> <p>5) For PSL Plant Craft Support</p> <p>a. Bates 034920 provide copy of accruals, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.</p> <p>b. Bates 035191 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.</p> <p>c. Bates 035457 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, FPL Payroll, and Other Charges.</p> <p>d. bates 035458 provide copy of accruals, corrections & adjustments, Warehouse Material Issues>Returns, Salvage Credits, FPL Payroll, and Other Charges.</p> <p>6) For PSL Bechtel</p> <p>a. Bates 022277 provide copy of accruals and reclasses [REDACTED] Per Target Price Amendment, Feed water Inspection Reclass to O&M).</p> <p>b. Bates 024603 provide copy of accruals and reclasses documentation (true-ups, reversal of [REDACTED] feed water inspection reclass to O&M)</p> <p>c. Bates 027373 provide copy of accruals and reclasses documentation</p> <p>d. Bates 029325 provide copy of accruals and reclasses documentation</p> <p>Summary of Contents:</p> <p>PSL documentation of accruals, reclasses, corrections and adjustments for invoice sample. 1) Attached are copies of the requested PSL Westinghouse accruals.</p> <p>2) Attached are copies of the requested PSL Siemens Material accruals.</p> <p>3) PSL Siemens Labor</p> <p>a. Attached are copies of the Bates 034137 accruals and a listing of detailed transactions.</p> <p>b. Attached are copies of the Bates 034335 accruals and a listing of detailed transactions. DayZimmerman NPS, portions of the total EPU invoices were charged to other 'categories' such as Plant Craft Support and Project Management. A portion of Ronnie's Turbine Services, invoice 4463-3K, was charged to normal base rate Turbine activities, based on a proration of the work scope. The full invoice 4463-3L was charged to the 'Generator Repair' cost account.</p> <p>c. Attached are copies of Bates 034580 accruals and a listing of detailed transactions. d. Attached are copies of Bates 034691 accruals and a listing of detailed transactions.</p> <p>4) Attached are copies of the requested accruals for PSL Long Lead Materials.</p> <p>5) Attached are listings of detailed transactions requested for PSL Plant Craft Support.</p> <p>6) Attached are the accrual and reclassification documents requested for PSL Bechtel.</p> <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-7.13 (Disk 58) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Related to the DR-5 Invoice Sample information, please provide the following for PTN invoices:</p> <p>1) For PTN Westinghouse</p> <p>a. Bates 038626 provide copy of accruals documentation</p> <p>b. Bates 038627 provide copy of accruals and reversal documentation; explain why [REDACTED] was added to original invoice of [REDACTED]; explain accrual for [REDACTED] and reversal for [REDACTED]</p> <p>c. Bates 038631 provide copy of accruals documentation (Westinghouse, Payroll, Credit allocation (2), reversal)</p> <p>d. Bates 038675 provide copy of accruals and reversal documentation</p>

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- 2) For PTN Siemens Material
 - a. Bates 051274 provide copy of accruals documentation
 - b. Bates 051318 provide copy of accruals documentation
 - c. Bates 051325 provide copy of accruals and reversals documentation
 - d. Bates 051374 provide copy of sales tax correction and inventory M&S; Provide authorization approval level for Scott Forman (inv. # 9605229).
- 3) For PTN Siemens Labor
 - a. Bates 038774 provide copy of accruals documentation (Accrual Siemens Labor [REDACTED])
- 4) For PTN Long Lead Material
 - a. Bates 038793 provide copy of accruals and reversal documentation
 - b. Bates 038808 provide copy of accruals and reversal documentation
 - c. Bates 038901 provide copy of accruals and reversal documentation (Material, Guidant Group, Payroll, etc.)
 - d. Bates 038939 provide copy of accruals and reversal documentation
- 5) For PTN Implementation Support
 - a. Bates 051409 provide copy of accruals, other accruals, other expenditures documentation.
 - b. Bates 051838 provide copy of accruals and other expenditures documentation.
 - c. Bates 052190 provide copy of accruals and other expenditures documentation; explain difference in amount paid [REDACTED] and total amount [REDACTED] on invoice 0022324; explain difference in amount paid [REDACTED] and amount invoiced [REDACTED] on invoice 39695363.
 - d. Bates 052243 provide copy of accruals and other expenditures documentation
- 6) For PTN Bechtel
 - a. Bates 038967 provide copy of accruals and reversal documentation
 - b. Bates 040738 provide copy of accruals, reversals, and true-up documentation
 - c. Bates 042088 provide copy of Material, accruals, short pay, and true-up documentation
 - d. Bates 048093 provide copy of accruals and reversals documentation (Bechtel Prepay, aux. xfine transfer, PR, Freight, Labor, et al).

Summary of Contents: PTN documentation of accruals, reclasses, corrections and adjustments for invoice sample.

1. Attached are copies of the requested Westinghouse documents:
 - a. Bates 038626 – Copies of the March 2011 accrual documentation.
 - b. Bates 038627 – Copies of the May 2011 accrual and reversal documentation. [REDACTED] is the net effect of the reversal for - [REDACTED] and accrual for [REDACTED]. A [REDACTED] accrual was made in April 2011 for Westinghouse work at PTN. That accrual was reversed in May 2011 [REDACTED] and a new [REDACTED] accrual was made for Westinghouse work at PTN.
 - c. Bates 038631 – Copies of August 2011 accruals and a detailed listing of transactions.
 - d. Bates 038675 – Copies of October 2011 accruals and reversal documentation.
2. Attached are copies of the requested Siemens Material documents:
 - a. Bates 051274 – Copy of the March 2011 accrual.
 - b. Bates 051318 – Copy of the May 2011 accrual.
 - c. Bates 051325 – Copies of the September 2011 accruals and reversals.
 - d. Bates 051374 – Copies of the December 2011 sales tax correction, inventory M&S, and NAMs approval route list of Siemens invoice number 96052293. Scott Forman is the FPL project manager for the PTN turbine work and his signature on the subject invoice indicates his confirmation that the invoiced work was completed by Siemens; however, Mr. Foreman is not authorized to approve payment of the invoice. The invoice payment was approved as shown on the attached NAMs approval route list which shows approvals by RJL0BZM (Rafael Lugo), DMK03DW (David Kruegel), ANK0CTE (Alan Katz), and TOJ0KAN (Terry Jones).
3. Attached is a copy of the requested December 2011 Siemens Labor accrual documentation.

	<p>4. Attached are copies of the requested Long Lead Material documentation:</p> <ul style="list-style-type: none"> a. Bates 038793 – Copy of the March 2011 accruals. b. Bates 038808 – Copy of the April 2011 Invensys & TEI accruals, along with the Long Lead and Pump reversals. c. Bates 038901 – Copies of the August 2011 accruals and reversals documentation, along with the listing of detailed transactions. d. Bates 038939 – Copies of the November 2011 accrual and reversal documentation. <p>5. Attached are copies of the requested PTN Implementation Support documents:</p> <ul style="list-style-type: none"> a. Bates 051409 – Copies of March 2011 accruals, and other expenditures documentation. b. Bates 051838 – Copies of May 2011 accruals and other expenditures documentation. c. Bates 052190 – Copies of September 2011 accruals, other expenditures documentation, and related tax information. The difference between the amount shown on SEI invoice 0022324 [REDACTED] and the amount shown on the FPL summary [REDACTED] is due to Sales and Use Taxes (see attached tax information). The difference between the amount shown on AT&T invoice 39695363 [REDACTED] and the amount shown on the FPL summary [REDACTED] is due to the 6% Florida Sales Tax that FPL self assessed per the attached SAP tax documentation. d. Bates 052243 – Copies of December 2011 accruals and other expenditures documentation. <p>6. Attached are copies of the requested PTN Bechtel documents:</p> <ul style="list-style-type: none"> a. Bates 038967 – Copies of March 2011 accruals and reversal documentation. b. Bates 040738 – Copies of May 2011 accruals, reversals, and true-up documentation. c. Bates 042088 – Copies of September 2011 Material, accruals, short-pay, and true-up documentation. d. Bates 048093 – Copies of December 2011 accruals, reversals, and detailed information. <p>Conclusions:</p> <p>Data Request(s) Generated:</p> <p>No. _____ Description:</p> <p>No. _____ Description:</p> <p>Follow-up Required:</p>	1 2 3
<p>Document #: DR-7.14 (Disk 54) Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Document Title and Purpose of Review:</p> <ul style="list-style-type: none"> a. Provide a comparison of 2011 rates charged for [REDACTED] candidates and other Guidant partners identified in the PSL Contractor Hiring Practices Investigation, for the same job positions. b. Identify any differences in dollars and percent of total for each vendor and job position. c. Is payment for recruiting augmentation staff talent by FPL employees and contractors a violation of any FPL rules? d. Is this practice acceptable to FPL? e. What prevents other employees and contractors from being paid for recruiting augmentation staff? f. What controls, if any, have been implemented to prevent recruiting from employees on behalf of vendors for pay? g. Was this practice similar to the one previously identified in EPU by the [REDACTED] audit? h. Has Guidant been complicit in preventing this type of activity? i. Explain what role Guidant plays and what actions it takes to prevent these recruiting payment arrangements. <p>Summary of Contents: a. Please see attached. The comparison shows an average delta of [REDACTED] per hour for the ten positions shown in the chart; Number of hours per position billed and over the 30 positions approved by Mr. Piazza are not shown. Comparison may be incomplete and require follow-up at a later date to determine full impacts of differences in pay for similar positions.</p> <ul style="list-style-type: none"> b. Most of the average differences shown in the right hand column range from approximately 2% [REDACTED] to approximately 6% [REDACTED] with the only exception being the [REDACTED] at approximately 30%. All three [REDACTED] nuclear engineering consultants have 20 years or more experience in highly specialized turbine tear down and rebuild work, which is what they were hired to perform at FPL. The rates paid to these contractors are within the acceptable range for the position. The 3 contractors that the [REDACTED] employees were compared to are nuclear training consultants, entry 	4 5 6 7 8 9 10

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level [redacted] and [redacted] They all have significantly less experience and are less specialized.

c. No. FPL does not have a policy regarding staff augmentation partners providing referral incentives or other similar payments to staff augmentation contractors.

d. The practice of payment for recruiting augmentation staff talent is acceptable for staff augmentation partners and contractors. Such a practice is not acceptable for FPL employees.

e. The Company's Code of Business Conduct and Ethics (the Code) requires disclosure of a recruiting or referral fee from an outside firm, and such activity could be a violation of the Code as a conflict of interest. Depending on the nature and severity of the violation, consequences for conflicts of interest can and have included disciplinary action up to termination of employment. The Company has, at certain times, instituted referral programs in an attempt to attract high caliber candidates for specific, targeted positions. In these cases, the employee receiving the referral fee is not involved in candidate selection or evaluation. As for contractors, FPL cannot control compensation arrangements between contractors and their employers. Such fees would not be directly passed through to FPL and the Company has processes in place to ensure contractor rates are reasonable and consistent with other contractors performing similar work. For example, Guidant is responsible for reviewing rates of the personnel selected against other similar positions. Mark-ups and overheads are also reviewed by Guidant personnel for reasonableness.

f. Please see response to question e).

[redacted]

h.

[redacted]

i. See the response to "h" above. FPL wants and encourages suppliers to submit their best candidates for FPL's EPU positions. Recruiting payments promote the attainment of this objective, are acceptable in certain circumstances, and can result in the identification of potential candidates that would not have been known otherwise. Recruiting payment arrangements made by Guidant's staffing partners with their staff are often unknown to FPL and Guidant and are considered acceptable provided that such staffing partner personnel are not responsible for deciding which contract personnel to hire and their associated billing rates and the FPL personnel making such decisions are not significantly influenced by such staffing partner personnel and are not receiving additional compensation or benefits as a result of such decisions.

Conclusions:

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**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
 Area: Nuclear Cost Recovery Clause
 Auditor(s): D. Rich and L. Fisher

Workload Control #: PA-11-11-005
 File Name: I:\Performance Analysis Section\00 PERFORMANCE ANALYSIS
 AUDITS\Nuclear Controls Review 2012\FPL\3.0 Work Papers\3.3 Document Summaries
 EPU\3.3.8 DR-8 Document Control Log.doc

Document #: DR-8.1
 (Disk 65)
 (Disk 66, 8.1b, 8.1e, 8.1j and 8.1y
 Supplemental 2)
 (Disk 68, 8.1 Supplemental 3)
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

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(Procedures in response to DR-8.1 b, e, j
 and y are considered confidential.
 8.1 Supplemental Request 3 is also
 considered confidential)

Document Title and Purpose of Review: Please answer the following questions related to the February 2011 PSL-2 stator core work stoppage incident: a. Did Siemens worksite tool accountability control protocol(s) or procedure(s) exist in February 2011? b. Please provide the Siemens tool worksite tool accountability control protocol(s) or procedure(s) as they existed on February 1, 2011. c. Had FPL reviewed the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 2011? d. Did FPL inspect and approve the Siemens stator core worksite tool accountability control protocol(s) or procedure(s) prior to the February 2011 stator core alignment pin incident? e. Please describe the FPL review methodology and scope used for the tool accountability review for the Siemens stator core worksite tool accountability control protocol(s) or procedure(s). f. Who completed the worksite tool accountability review for FPL? g. Did FPL note any discrepancies to the Siemens worksite tool accountability control protocol(s) or procedure(s)? Please describe any discrepancies noted by FPL. h. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) prior to February 1, 2011? i. Did FPL suggest any changes to the Siemens worksite tool accountability control protocol(s) or procedure(s) following the work stoppage incident involving the alignment pin left inside the stator? j. Please provide the Siemens worksite tool accountability control protocol(s) or procedure(s) currently in effect for EPU. k. What was the date that the current worksite tool accountability control protocol(s) were implemented? l. In its root cause investigation of the stator core alignment pin incident, did FPL find any fault with its own supervisory oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)? m. Please describe FPL's responsibilities for oversight of the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)? n. In the year preceding the stator core incident, how many times did FPL inspect and certify as adequate the Siemens stator core worksite tool accountability control protocol(s) or procedure(s)? o. Under the stator core worksite tool accountability control protocol(s) and/or procedure(s) that existed prior to the stator core alignment pin incident, how was accountability procedures determined for a new tool coming into the inventory? p. Was the methodology for determining worksite tool accountability control protocol(s) or procedure(s) the same for a new single piece tool and one with multiple components? q. At the time of the Siemens stator core alignment pin incident, by job and position title, who was responsible for determining the suitable and adequate tool accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory? r. At the time of the Siemens stator core alignment pin incident, by job and position title, who approved the determination of what was suitable and adequate accountability control protocol(s) or procedure(s) necessary to provide adequate oversight of a tool new to the inventory? s. As compared to a single-piece new tool coming into the inventory, at the time when the new alignment pin set was introduced, was the method to determine suitable and adequate tool accountability different or more exacting for a multi-piece tool set than a single-piece? t. Does FPL recognize that tool accountability is an integral, critical safeguard for a complex worksite? u. Please describe the changes to tool accountability that Siemens has been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident. v. Please describe the changes to tool accountability that have been put into place or caused to be put in place (as a result of) since the February 2011 Siemens stator core alignment pin incident by: - FPL - Siemens w. Please describe the EPU-wide changes to tool accountability that have been put into place (as a result of) since the February 2011 Siemens stator core alignment pin incident. x. When were those changes put into place (month and year)? y. Provide copies of the updated procedures for tool accountability that have been put into place (as a result of) since the February 2011 stator core alignment pin incident. z. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what actions FPL took as the owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s). aa. Prior to the February 2011 Siemens stator core alignment pin incident, please describe what measures FPL had in place as owner with vendor oversight responsibilities to insure that Siemens had adequate accountability control protocol(s) or procedure(s). bb. When was FPL

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first made aware of the new alignment pin tool set used by Siemens? cc. Did FPL supervisory personnel have any discussions with Siemens tool accountability personnel about how to structure and implement adequate tool accountability for the multi-piece alignment pin tool set?

DR-8.1 Supplemental Request: Per interview with Terry Jones on 5/23/12, please provide the policies and procedures that govern human performance events and any quick hit assessment reports on Siemens work from the start of the PSL-2 outage through the end of May 2011.

Summary of Contents:

8.1a Yes, Siemens had an existing tool accountability control and foreign material exclusion procedure in February 2011 which applied to all circumstances wherein Siemens determined that detailed formal tool accountability and foreign material exclusion should be followed. As a standard industry practice following demolition work, Siemens performs a close-out inspection equivalent to FPL's foreign material exclusion procedure which is a customary practice in accordance with Siemens formal foreign material exclusion and tool accountability procedures. As indicated in the Root Cause Investigation, Siemens work had not yet reached the stage where they would have established the generator as a formal foreign material exclusion zone. The basis of this practice is the machine is open and accessible for 100% inspection and any objects found can be easily retrieved.

8.1b This is Siemens proprietary information and FPL has requested a copy of the procedure as it existed on February 1, 2011, and

8.1b Siemens Document No. M05 FSP-089, rev 18, dated 3/1/10, Generator/Exciter Site Isolation and Control, and the PSL 2-19 Outage FME Plan and Brief, rev 3, dated 8/9/10 was provided on 6/5/12.

(Disk 66) 8.1b Supplemental 2 - Attached is Siemens Document No. M05 FSP-089, rev 18, dated 3/1/10, Generator/Exciter Site Isolation and Control, and the PSL 2-19 Outage FME Plan and Brief, rev 3, dated 8/9/10.

8.1c Yes, FPL reviewed the Siemens procedure prior to February 1, 2011, and determined that it was appropriate. FPL had reasonable assurance as to the adequacy of Siemens's procedure based upon its similarity to FPL's station foreign material exclusion (FME) control procedure, which itself had been carefully developed by FPL. Siemens's procedure used for the PSL-2 work was Siemens's standard procedure used across its entire turbine generator maintenance and service business line and has been successfully implemented on other projects. Additionally, Siemens's procedure had previously been successfully implemented at nuclear plant work sites within the nuclear fleet.

8.1d Yes. In addition, FPL conducts routine inspections and spot checks during Siemens work to verify they are following approved processes and procedures as well as good housekeeping practices.

8.1e FPL's review methodology and scope used for the tool accountability review for the Siemens procedure was governed by FPL's Nuclear Fleet NA-AA-201 procedure, which governs the review and acceptance of EPC vendor work procedures such as those of Siemens. FPL performed the necessary reviews and approvals of Siemens FME procedures as well as hundreds of other Siemens work procedures. **8.1e Attached is FPL Fleet Process No. NA-AA-201, rev 7, dated 2/16/12, EPC Contractor Quality Assurance ws provided on 6/5/12.**

(Disk 66) 8.1e Supplemental 2 - Attached is FPL Fleet Process No. NA-AA-201, rev 7, dated 2/16/12, EPC Contractor Quality Assurance.

8.1f In accordance with Nuclear Fleet NA-AA-201 procedure, FPL's Plant General Manager or designee (in this case, the EPU Site Project Director) reviewed and approved Siemens procedures prior to their use at PSL.

8.1g FPL did not prior to February 1, 2011 note any discrepancies with respect to the Siemens procedure. However, FPL did provide comments associated with Siemens FME implementation plan which is specific to each outage and further specific work conditions and as conditions change the FME implementation plan is revised.

8.1h Please see the response to subpart g above.

8.1i Yes, FPL contributed to recommendations to improve Siemens's procedure in the course of the root cause investigation conducted after the February 2011 PSL 2-stator core work stoppage incident.

8.1j This is Siemens proprietary information and FPL has requested a copy of the requested document from Siemens, and will provide it to Staff upon receipt. **8.1j Attached is Siemens Document No. M05 FSP-089, rev 21, dated 1/6/12, Generator/Exciter Site Isolation and Control.**

(Disk 66) 8.1j Supplemental 2 - Attached is Siemens Document No. M05 FSP-089, rev 21, dated 1/6/12, Generator/Exciter Site Isolation and Control.

8.1k Siemens issued an internal communication bulletin immediately to share lessons learned across their business line about the event; revised their individual site FME plans by September 2011 and followed with a revision to their global procedure.

8.1l The root cause investigation determined that FPL had appropriately reviewed Siemens's worksite tool accountability control procedure, and did not determine any fault or error by FPL with its supervisory oversight of the referenced Siemens procedure.

8.1m As the licensed operator of the PSL facility, FPL is responsible and accountable for conducting an appropriate review and approval process for its vendor's procedures. In addition, FPL conducts routine inspections and spot checks during Siemens work to verify they are following approved process and procedures as well as good housekeeping practices. Furthermore, QA also provides routine inspections and if deviations from approved processes are identified an Action Request (AR) is generated and actions are taken to resolve discrepancies.

8.1n FPL reviewed Siemens's procedure and determined that it was satisfactory. Following the review of Siemens process, FPL performed numerous inspections (but does not track each inspection). This is a routine practice that occurs several times per shift over the course of the outage.

8.1o Siemens has informed FPL that at the time of the PSL-2 stator core work stoppage incident, Siemens's work had not proceeded to the point where its foreign material exclusion procedure was applicable.

8.1p Once Siemens's procedure becomes applicable it is applied to all tools whether it is a new single piece tool or one with multiple components.

8.1q The generator stator core project was "turn key" work subject to Siemens's management and control. As such, Siemens determined the procedures specifically applicable to each stage of work and managed the oversight of the implementation of such procedures. The Siemens Site Project Manager has responsibility.

8.1r Please see response to subpart q above.

8.1s No difference; multi-piece tool sets are accounted for by individual parts. For example, a socket wrench with an attached socket would be accounted for as two individual pieces of a multi-piece tool.

8.1t Yes

8.1u Please see the response to subpart v below.

8.1v Siemens has incorporated a change into their turbine generator field services process procedures to implement FME control at an earlier point in the work process prior to core iron replacement (see root cause evaluation). Additionally, FPL will now perform a generator inspection prior to Loop Testing during SL1-24. This has been identified as a critical step. FPL also inserted an additional witness point into the Siemens work package for generator core inspection. FPL also reviewed all remaining Siemens work and added witness points to critical activities.

8.1w This item was discussed during the EPU Plan of the Day Meetings and Pre-Job Briefings. Other Siemens critical tasks were identified and FPL witness points were added to ensure compliance with procedures. FPL enhanced the FPL tool accountability procedure used on other NextEra Energy EPU projects to ensure lessons learned from this event were captured to implement FME control earlier in the work process.

8.1x Additional FPL Witness Points were added to Siemens work packages February 2011. The FPL procedure was revised April 2011.

8.1y The revised FPL FME procedure is attached. The revised Siemens FME procedure has been requested and will provide to Staff upon receipt. **8.1y Attached is the PSL 1-24 Outage FME Plan for Siemens Turbine Generator Work Scope, rev 4. See DR-8.1j for the revised Siemens procedure.**

(Disk 66) 8.1y Supplemental 2 - Attached is the PSL 1-24 Outage FME Plan for Siemens Turbine Generator Work Scope, rev 4.

See DR-8.1j for the revised Siemens procedure.

8.1z Please see the responses to subparts b, c, and d above. FPL reviewed, commented on, and approved Siemens procedure, and provided oversight of Siemens work activities and work control documents.

8.1aa Please see the response to subpart z above.

	<p>8.1bb FPL became aware of the new alignment pin when the pin was discovered to be left in the core iron. 8.1cc Not prior to the incident. FPL became aware alignment pins had been used when the pin was discovered.</p> <p>(Disk 65) DR-8.1 Supplemental Request 2 - See attached; EPPI-140 Roles and Responsibilities, Rev. 10 (11 pgs.) EPPI- 190 Human Performance, Rev. 00 (6 pgs.) NextEra PI-AA-100-1005, Rev. 5, Guideline for Root Cause Analysis (83 pgs.) NextEra PI-AA-100-10005-10000, Rev. 2, Root Cause Evaluation-Job Familiarization Guide (4 pgs.) NextEra PI-AA-100-1007, Rev. 5, Apparent Cause Evaluation (51 pgs.) FPL Nuclear Fleet PI-AA-101-1001,Rev. 4, FPL Quick Hit Assessments (13 pgs.) NextEra PI-AA-103, Rev. 1, Human Performance Program (27 pgs.) NextEra PI-AA-103-1001, Rev. 3, Human Performance Program Monitoring (25 pgs.) NextEra PI-AA-204, Rev. 17, Condition Identification and Screening Process (79 pgs.) NextEra PI-AA-205, Rev. 16, Condition Evaluation and Corrective Action (48 pgs.)</p> <p>(Disk 68) DR-8.1 Supplemental Request 3 – Included in disk is the EPU quick hit self assessment performed for the PSL 2-19 outage in 2011.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-8.2 (Disk 63) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: Please provide the following information regarding the LAR schedule: a. Provide the date (day/month/year) the PTN AST LAR was submitted, and the date of NRC acceptance for review. b. Provide the date (day/month/year) the PTN SFPC LAR was submitted, and the date of NRC acceptance for review.</p> <p>Summary of Contents: a. The PTN Alternate Source Term (AST) LAR was submitted to the NRC on June 25, 2009 and accepted for review by the NRC on September 25, 2009. b. The PTN Spent Fuel Criticality (SFC) LAR was submitted to the NRC on August 5, 2010 and accepted for review by the NRC on August 27, 2010.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p>
<p>Document #: DR-8.3 (Disk 62) Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Document Title and Purpose of Review: a. Please explain the EPU resolution of the [redacted] estimated to be a result of the Bechtel 11/1/10 work stoppage due to a Bechtel worker cutting into a pipe while grinding. b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.</p> <p>Summary of Contents: a. FPL initially estimated the cost of the November 1, 2010 Bechtel human performance stand down as [redacted]. Subsequently, FPL determined the actual cost of the November 1, 2010 Bechtel human performance stand down was [redacted] for Bechtel personnel and [redacted] for Bechtel subcontractor). Please see FPL's responses to Data Request 7.9 and 7.9 Revised. The resolution of the [redacted] actual cost of the November 1, 2010 Bechtel human performance stand down is that Bechtel invoiced FPL for the [redacted] actual cost and FPL paid Bechtel for the [redacted] actual costs. As described in FPL's</p>

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response to 7.9 and 7.9 Revised, this is in accordance with the terms of the contract between FPL and Bechtel.
 b. The 2011 carrying cost for the [REDACTED] expended in November 2010 is [REDACTED]. The 2012 carrying cost and base rate revenue requirement for the [REDACTED] expended in November 2010 is [REDACTED]. As noted in previous data request responses and as explained in the March 1, 2012 testimony of Terry Jones, a stand down or work stoppage is a commonly used management tool at nuclear power plants consistent with industry good practices. The costs associated with the EPU stand downs and work stoppages are legitimate EPU project costs necessary to ensure a safe, timely, quality implementation of the EPU project.
 (Disk 62) adds Moreover, FPL's actions in the hiring, training, and oversight of its vendors are prudent.

Conclusions:

Data Request(s) Generated:

No. _____ Description:
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Follow-up Required:

Document #: DR-8.4
 (Disk 62)
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Please provide a breakdown of the dollar amount of estimated additional cost for the 6/30/11 Bechtel work stoppage at PTN3 in the Turbine Building. b. Explain what FPL means by "no significant impact" to estimated costs. c. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

Summary of Contents: a. The 6/30/11 Bechtel stand down at PTN involved one crew (approximately 8 workers) for approximately one hour at an approximate average pay rate of [REDACTED]. Therefore, the total cost of the stand down was approximately [REDACTED].
 b. In response to DR-1.3, FPL indicated "there was no significant project cost impact" associated with the 6/30/11 Bechtel stand down at PTN based on the relatively small number of workers involved in the stand down (8 workers) and the relatively short duration of the stand down (1 hour).

c. The 2011 carrying cost for the [REDACTED] expended in June 2011 is [REDACTED]. The 2012 carrying cost and base rate revenue requirement for the [REDACTED] expended in June 2011 is [REDACTED]. As noted in previous data request responses and as explained in the March 1, 2012 testimony of Terry Jones, a stand down or work stoppage is a commonly used management tool at nuclear power plants consistent with industry good practices. The costs associated with the EPU stand downs and work stoppages are legitimate EPU project costs necessary to ensure a safe, timely, quality implementation of the EPU project.

(Disk 62) adds Moreover, FPL's actions in the hiring, training, and oversight of its vendors are prudent.

Conclusions:

Data Request(s) Generated:

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Follow-up Required:

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Document #: DR-8.5
 (Disk 62)
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Document Title and Purpose of Review: a. Provide a breakdown of the [REDACTED] estimated additional cost associated with the 12/17/11 Bechtel work stoppage for electrical craft working on the wrong motor control at PSL b. Explain what portion of the costs of this event will be submitted for cost recovery during 2011 and 2012.

Summary of Contents: a. As explained in FPL's responses to Data Requests 1.3 Revised, 3.17, 4.3, 4.3 Revised, and 7.8, the cost associated with the 12/17/11 Bechtel work stoppage is \$164,940. The original estimate of [REDACTED] was over-inclusive, as described in detail in response to Data Request 3.17. The following is a breakdown of the original, over-inclusive cost estimate and the actual cost of the 12/17/11 Bechtel safety stand down at PSL:

Cost Category	Original Estimate	Actual Cost
Bechtel Craft	[REDACTED]	[REDACTED]
Bechtel Field Non-Manual	[REDACTED]	[REDACTED]
FPL Personnel	[REDACTED]	[REDACTED]
TOTAL	[REDACTED]	[REDACTED]

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Division of Regulatory Compliance
 Bureau of Performance Analysis

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	<p>b. The 2011 carrying cost for the ██████ expended in December 2011 is ██████. The 2012 carrying cost and base rate revenue requirement for the ██████ expended in December 2011 is ██████. As noted in previous data request responses and as explained in the March 1, 2012 testimony of Terry Jones, a stand down or work stoppage is a commonly used management tool at nuclear power plants consistent with industry good practices. The costs associated with the EPU stand downs and work stoppages are legitimate EPU project costs necessary to ensure a safe, timely, quality implementation of the EPU project. (Disk 62) added Moreover, FPL's actions in the hiring, training, and oversight of its vendors were prudent.</p>
	<p>Conclusions:</p>
	<p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p>
	<p>Follow-up Required:</p>

**Office of Auditing and Performance Analysis
Document Summary and Control Log**

Company: Florida Power & Light Company
 Area: Review of Project Management Internal Controls
 Auditor(s): Fisher/Rich

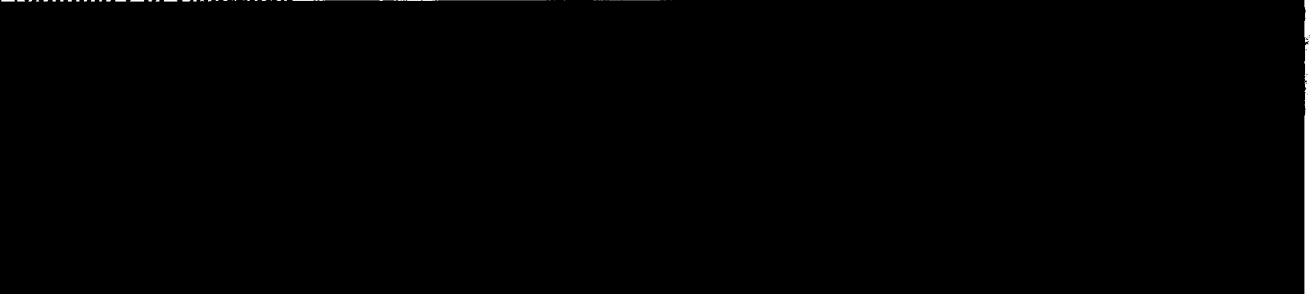
Workload Control #: PA-11-11-005
 File Name: DR-1 Document Summary and Control Log.DOC

Document #: **DR-1.15**
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

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Document Title and Purpose of Review: Review of the Experis EPU Review of 2011 Expenditures; this audit is the annual review of EPU project transactions completed by Experis for and under FPL Internal Audit supervision; the report was issued on May 17, 2012;

Summary of Contents:



1-2-11-11-005
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Conclusions:

Data Request(s) Generated:

No. _____ Description:
 No. _____ Description:

Follow-up Required: None

8. Interview Schedule

Tuesday, January 24th

8:30pm - noon, at Juno Beach

(EPU) Update Management Update Jones, Reuwer, Fleetwood, Abbott

Overall update brief, to include but not limited to:

- General project overview and current status
- Organizational changes
- Management changes / succession planning
- Outages completed
- Remaining outages and schedules
- Mod package preparation
- Outage schedule changes
- Project cost estimate (by unit & total)
- Interfacing / Coordinating w/Plant Opns
- Project Cost Changes / Impacts (by unit & total)
- Settlement of work stoppage costs / liabilities
- Risk identification & remediation
- NRC - licensing, schedule, & RAI's
- State licensing & licensing schedule
- Local permitting & permitting schedule
- Vendor relations & contracts
- Vendor pushback & recovery plans
- Impact(s) from Fukushima
- Follow-up questions to DR-1 responses

1pm - 4pm at Juno Beach

PTN 6&7 Project Update

Scroggs, Maher, Jacques, Gidos)

Overall update brief, to include but not limited to:

- General project overview and current status
- Organizational changes
- Succession planning
- Project status
- Project schedule - update by unit
- Cost estimate (total and by unit)
- Cost estimate changes (total and by unit)
- On-site fill rock / excavation update
- Infrastructure improvement update
- NRC - licensing & schedule
- RAI (update of info in DR-1.17 response)
- Federal, state, local licensing & permitting
- DOE loan program - the way forward
- ENP land swap
- EP& C or EPC planning / decision making
- Cooling water / transmission corridor
- Risk sharing / joint ownership
- Impact(s) from Fukushima
- Contracts May 2011 to present over \$100K
- CO's to original contracts over \$100K
- CO's that make sub-\$100K contracts \$100K+
- Vendor selection processes
- The way forward - FPL plan / outlook
- Follow-up questions from DR-1 responses

Wednesday, January 25th

PSL Outage Plant Tour

8am - completion

Katz, Beisler Cordes-Cohen

Plant / project update brief, to include but not limited to:

- Plant overview and current status
- Ongoing / future outages - plans & implementation
- Tour outage work and prep sites

Monday, March 26th
- Travel -
Tuesday, March 27th
AM – Drive Juno Beach to Turkey Point Meet FPL Reps @ 12:30PM, In-processing 1:00PM – 5:00PM, Turkey Point Plant Tour
Wednesday, March 28th
8:00AM - 9:00AM, Juno Beach NBO Update Metz, Casteneda, Beisler, Newson, Cohen Overall update brief, to include but not limited to: <ul style="list-style-type: none"> ▪ General NBO overview, mission ▪ Organization ▪ EPU-related responsibilities ▪ EPU variance reporting ▪ EPU accrual reporting ▪ Reports – content, audience, frequency ▪ Separate and Apart Analysis
9:30AM – 11:30AM, Juno Beach (EPU) Uprate Management Update Jones, Fleetwood, Beisler, Abbott, Newson, Cohen Overall update brief, to include but not limited to: <ul style="list-style-type: none"> ▪ General project overview and current status ▪ Organizational changes ▪ Management changes / succession planning ▪ Outages completed ▪ Remaining outages and schedules ▪ Mod package preparation ▪ Outage schedule changes ▪ Project cost estimate (by unit & total) ▪ Interfacing / Coordinating w/Plant Opns ▪ Project Cost Changes / Impacts (by unit & total) ▪ Settlement of work stoppage costs / liabilities ▪ Risk identification & remediation ▪ NRC – licensing, schedule, & RAI's ▪ State licensing & licensing schedule ▪ Local permitting & permitting schedule ▪ Vendor relations & contracts ▪ Vendor pushback & recovery plans ▪ Impact(s) from Fukushima ▪ Previous DR response follow-up ▪ March NCRC Testimony
1:00PM – 2:00PM, Juno Beach Internal Audit Update Maceo, Campos, Cohen <ul style="list-style-type: none"> ▪ General program overview ▪ Policies practices, procedures, and process ▪ Organization / organizational changes ▪ Completed Audits 2011, PTN 6&7 and EPU ▪ Completed Audits 2012, PTN 6&7 and EPU ▪ Planned Audits 2012, PTN 6&7 and EPU
2:00PM – 2:30PM (?, TBD), Juno Beach ECP Upate Lowens, Vorhees, Cohen Overall update brief, to include but not limited to: <ul style="list-style-type: none"> ▪ General program overview ▪ Policies practices, procedures, and process ▪ Open cases, PTN 6&7 and EPU ▪ Cases Jan – Dec 2011, PTN 6&7 and EPU ▪ Cases Jan – Present 2012, PTN 6&7 and EPU ▪ Organizational changes

2:30PM – 4:30PM, Juno Beach

PTN 6&7 Project Update

Scroggs, Maher, Cohen

Overall update brief, to include but not limited to:

- General project overview
- Project status
- Schedule
- Cost estimate (total and by unit)
- Cost estimate changes (total and by unit)
- Infrastructure improvement update
- NRC – licensing & schedule
- RAI (update # answered, # outstanding, # overdue)
- Federal, state, local licensing & permitting
- DOE loan program – update
- ENP land swap update
- Transmission corridor update
- Risk sharing / joint ownership
- Long lead forging agreement update
- Impact(s) from Fukushima
- Contracts \$250K and above
- CO's to contracts, over \$100K
- Vendor selection
- The way forward – FPL plan / outlook
- Follow-up questions from previous DR responses
- March NCRC testimony

Thursday, March 29th

9:00AM – 10:00AM (if needed), Juno Beach

EPU Project Controls Update

Fleetwood, Beisler, Newson, Cohen

Overall update brief, to include but not limited to:

- General overview
- Key control events & changes, 2011
- Key control events & changes, 2012

10:00AM – Completion

Invoice Review

Friday, March 30th

8:00AM – 9:00AM, Juno Beach

Quality Assurance Update

Weis, Maher, Beisler, Newson, Cohen

Overall update brief, to include but not limited to:

- General program overview
- Key QA events 2011
- Key QA Events, Jan – Present, 2012
- Planned QA Events, Present – Dec 2012
- Vendor Quality Challenges
- Policies practices, procedures, and process

9:00AM – 10:00AM, Juno Beach

EPU Contracts / Invoices

Waronicki, Beisler, Newson, Cohen

Overall update brief, to include but not limited to:

- General overview
- Policies practices, procedures, and process
- Contract administration and tracking
- Organization changes in 2011 and in 2012 to present
- T-Schedule contracts in 2011
- Contracts in 2012
- Change orders in 2012 greater than \$100K
- Pushback
- Contractor audits initiated
- Invoicing

- Return to Tallahassee -

Tuesday, January 24th

8:30pm - noon, at Juno Beach (EPU) Update Management Update Jones, Reuwer, Fleetwood, Abbott

Overall update brief, to include but not limited to:

- General project overview and current status
- Organizational changes
- Management changes / succession planning
- Outages completed
- Remaining outages and schedules
- Mod package preparation
- Outage schedule changes
- Project cost estimate (by unit & total)
- Interfacing / Coordinating w/Plant Opns
- Project Cost Changes / Impacts (by unit & total)
- Settlement of work stoppage costs / liabilities
- Risk identification & remediation
- NRC - licensing, schedule, & RAI's
- State licensing & licensing schedule
- Local permitting & permitting schedule
- Vendor relations & contracts
- Vendor pushback & recovery plans
- Impact(s) from Fukushima
- Follow-up questions to DR-1 responses

1pm - 4pm at Juno Beach PTN 6&7 Project Update

Scroggs, Maher, Jacques, Gidos

Overall update brief, to include but not limited to:

- General project overview and current status
- Organizational changes
- Succession planning
- Project status
- Project schedule - update by unit
- Cost estimate (total and by unit)
- Cost estimate changes (total and by unit)
- On-site fill rock / excavation update
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- NRC - licensing & schedule
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- DOE loan program - the way forward
- ENP land swap
- EP& C or EPC planning / decision making
- Cooling water / transmission corridor
- Risk sharing / joint ownership
- Impact(s) from Fukushima
- Contracts May 2011 to present over \$100K
- CO's to original contracts over \$100K
- CO's that make sub-\$100K contracts \$100K+
- Vendor selection processes
- The way forward - FPL plan / outlook
- Follow-up questions from DR-1 responses

Wednesday, January 25th

PSL Outage Plant Tour 8am - completion

Katz, Beisler Cordes-Cohen

Plant / project update brief, to include but not limited to:

- Plant overview and current status
- Ongoing / future outages - plans & implementation
- Tour outage work and prep sites

9. Interview Summaries

Bureau of Performance Analysis Interview Summary

Florida Power & Light Company 2012 Nuclear Controls Review Auditors: Rich, Fisher	Interview Number: PTN6&7, IVS-1 File Name:
Name: Steve Scroggs, Bill Maher, Nelda Jacques, Christie Gidos	Date of Interview: 1/24/12 Location: Juno Beach Headquarters Telephone Number:

(1) Purpose of Interview: To provide an update of the PTN 6&7 project status and discuss project key events

(2) Interview Summary:

a. Steve Scroggs stated that the year 2011 was a productive one for the project, that it carried on the past pattern (of COLA prep) but much like prior years in that the **EPC or EC decision was not made**. Scroggs stated that as we gain more certainty we will make the decision as to when the EC or EPC option would be ready to move forward. He further stated that the land use and zoning decisions would lead the company closer to the decision of when to build. The timeline of 2011 holds true in 2012. The budget estimate remains the same. FPL remains committed to building PTN 6&7 "at the earliest practical time" (Scroggs). Continued negotiation of the long lead forgings agreement is underway (it expires 3/15/12). Another extension is expected. Asked why a longer extension would not be better, Scroggs explained that a 1-yr extension allows most people to forget about it for 11 months – shorter extensions keep it on the radar. FPL still has \$10.8M at risk, holding the forging slot. Should they decline to exercise the slot; the company will lose all or some of that money.

b. FPL has progressed on the Transmission corridor issues, receiving a determination of completeness in December 2010. Other parties (Pine crest, Coral Gables, Miami, et al) have provided alternative corridors for consideration. FPL conducted a "fatal flaw" review of alternative corridors and believes each alternative corridor has critical flaws, that the best route continues to be that proposed by FPL (see DR-1 responses for FPL comparison / contrast of these alternative corridors). FPL continues to defend that route and explain its benefits. However, the process must continue until all alternatives have been considered and rendered either sufficient or insufficient by the FDEP. DEP recommends the FPL plan as the most complete. MDC was overruled by the DEP, saying that the FPL proposal was complete and sufficient. FPL's plan basically goes up US-1, under the Miami River, thru Miami, to the Miami substation....using existing rights of way as much as possible. North to south the route would be Miami – MDC – Coral Gables – South Miami – Pinecrest – Palmetto Bay. The alternate recommended route will get one shot at the DEP consideration for approval. If the alternative is not approved it is removed from further consideration. FPL has located its preferred route in existing ROW as much as possible. The potential hot potato is North along US1 to the Miami substation. Heading West and South from Turkey point FPL already has existing ROW. The DEP report will focus strictly on the alternative routes and FPL's planned route and make a final decision.

c. A copy of the "Miami-Dade County Agency Report and Proposed Conditions for FPL Proposed Transmission Lines for Turkey Point Nuclear Units 6 & 7" was provided. It is dated January 17, 2012. (The State of Florida Division of Administrative Hearings re FPL Turkey Point 6 & 7 Power Plant Siting App. PA03-45A3 / DOAH Case No 09-03575-EPP/ DEP OGC Case No. 09-3107)

d. The new Miami-Dade County staff is pushing FPL to apply for rezoning of the transmission corridor, but FPL has defended the corridor stating that Florida law exempts transmission from zoning. FPL is having continued discussions with MDC regarding a 2007 zoning decision the county wants to modify. In effect, this would start from the beginning and FPL does not agree there needs to be any modification to the 2007 zoning. FPL made a motion before the court in December 2011 that FPL's current land use determination covers all the existing property. April 23rd there will be a hearing on the issue. FPL cites disarray on the part of MDC because of turnover within staff and elected officials. FL Fish & Wildlife was supportive of FPL corridors. Municipalities not supportive. FPL conducts weekly meetings with MDC staff.

e. FPL states that it desires to work out disagreements within and among the parties involved. "It is in no ones best interest to come before the administrative law judge to allow him/her to make the decision(s)." – Scroggs

f. The MDC agreement to provide wastewater to the PTN plant for units 6&7 may face some further negotiating with the new staff. MCD wants to provide the wastewater, but may add further concessions and considerations to the agreement. FPL states that it will continue to work with the county to provide a reasonable and equitable solution for the water needs of Units 6&7. MDC's position is that the lines need to be rerouted or be placed underground.

g. A land exchange in the Everglades National Park has been approved by Congress, and the exchange has been agreed upon. The Park has begun an EIS (started 2Q11) and had a public meeting in July 2011 to discuss issues with the public. The Park has made additional requests to FPL, and those are being processed by FPL. The draft EIS is expected to be published by May 2012, with a close-out and final EIS by the end of 2012. FPL expects the land exchange to take place NLT May 2013, stating that it is important

that the land exchange occur because the ACOE will review the water project in 2013, and there is also about a 4-year lead time to procure, engineer and build the transmission facilities. FPL has gotten Senator Nelson (D-FL) to correspond to the Secretary of the Interior expressing his "...interest that the legislation of 2008 be acted upon."

h. For the plant side of the SCA the completeness assessment was received in the Fall of 2011. The deadline for the completion of agency reports re the plant portion of the SCA is March 23, 2012.

i. The impact of Fukushima impacting new plants is that it will require new units to make specified modifications after the new units are completed; the NRC is looking at the events separately rather than concurrently. This will allow any modifications to be made later and should not delay new construction.

j. In 2011 the NRC conducted an audit that was discussed earlier. FPL answered NRC QA questions and the outstanding issue has been completed and resolved.

k. In responding to RAIs regarding FPL's COLA, FPL noted that the NRC had nobody reviewing the environmental part of the COLA from June to November 2011 and brought it to the NRC's attention. The NRC was experiencing some delay due to staffing demands and lack of continuing resolution from Congress. FPL noted that the ACOE 16-month review period would push the issue date of the COLA as well. FPL believes that during the ACOE review it may be able to make up the time delay caused by the lack of NRC staff review. RAI updates are contained on the latest FPL responses (via CD) received late last week – not reviewed yet.

l. FPL issued a change to the UIC well siting. The company commenced the drilling program last year and had drilled to approximately 3200' in a different location on the site. FPL dredged up approximately 200 dump truck loads of material and found a different type of material than what was expected. The company informed the FDEP of the conditions and asked to proceed with tests to determine whether they had reached the boulder zone. By mid-February 2012, FPL should have the tests completed and the next step will be determined.

m. FPL expects the RCOLA will be approved in either February or March 2012.

(3) Conclusion:

(4) Date Request(s) Generated:

No. _____

No. _____

No. _____

(5) Follow-up Required:

1. Follow-up on the MDC meetings w/ FPL.
2. Follow-up on the status of the transmission route approval before May.
3. Follow-up on the results of the February bolder zone testing, and next step.
4. Follow-up on April 23rd Land Use Hearing.

Project Manager

Bureau of Performance Analysis Interview Summary

Florida Power & Light Company 2012 Nuclear Controls Review Auditors: Rich, Fisher	Interview Number: PTN6&7, IVS-2 File Name:
Name: Steve Scroggs, Bill Maher	Date of Interview: 03/28/12 Location: Juno Beach Headquarters Telephone Number:

(1) Purpose of Interview: To provide an update of the PTN 6&7 project status and discuss project key events

(2) Interview Summary: PTN 6&7 Director (Scroggs) provided a PowerPoint update presentation "New Nuclear Update" (see DR-2, disk #42)

Presentation updated events, timelines, and progress in the following areas:

- General Project Overview in 2011 and to date in 2012
- Pursuit of Nuclear Regulatory Commission COLA
- Army Corps of Engineers Permit
- Florida state Site Certification
- Land Use Determination
- Underground Injection Control (UIC) Exploratory Well
- Commercial Items (long lead forgings, contracts over \$250K, change orders over \$100K, vendor selection)
- March NCRC testimony review
- May NCRC testimony preview
- Other New Nuclear-related processes (DOE loan guarantee program, infrastructure improvement, joint ownership et al)
- Follow-up questions from staff of previously submitted DR responses

Current NRC schedule planned on Safety RAI's completed by 03/12. However, the following will require additional modeling/time:

- Seismic/tsunami-related RAI's
- Fukushima task force RAI's (flooding, seismic, spent fuel pool issues, emergency planning and equipment staging)
- Some Environmental RAI's will be addressed within this additional time

Schedule will (likely) require some revision, but the extent is undetermined at this time.

Spending on the project has trailed expectations – partly due to savings and partly from deferred work/activities. February 2012 was below budget by approximately \$900,000.

NRC has revised the dates for COLA review (October 2011), adding 16 months to the critical path. FPL enlisted Shaw to help in the review of the CODs. FPL (and Shaw) believes the COD's of 2022 and 2023 are still achievable despite these revisions.

Other schedule milestone projections:

- Land Use Determination – June 2012
- SCA hearings - March 2013
- Siting Board – July 2013
- ACOE Permit issued – Feb 2014 (four months after final Environmental Impact Statement-EIS)
- No infrastructure work (or any other dirt-turning) before Feb 2014

NRC process – potential public meeting on Alternative Sites for mid-April. Scroggs believes this is "iffy". RCOLA has been approved per expected timeline of early-2012.

ACOE – FPL met with the Jacksonville Executive team 03/26/12. ACOE Wetlands Permit is critical path along with Site Certification in order to begin site preparation. This permit covers multiple project areas – plant site (island), pipelines, and roadways (essentially anywhere FPL build would transit a current or historical wetland area), transmission line corridors, and access roads. Chosen site must be LEPDA (Least Environmentally Damaging Practicable Alternative). FPL responded to an RAI on the selection process re the western transmission corridor (120-pg document demonstrating the FPL process for deriving their preferred corridor and evaluating it against alternative corridors using the same criteria).

Site Certification – The SCA process continues to move forward. Agency reports on plant and non-transmission aspects of the project are due 04/12 thru 08/12. Focus areas: wetland mitigation, T&E species mitigation, radial collector wells impacts and monitoring plan. Agency is currently reviewing transmission reports that were received up through January 2012 and addressing

conditions of certification. Municipalities generally favor underground (buried) cable. The cost is approximately \$18M per mile. FPL is not opposed to burying cable, but the question is who pays for it. They acknowledge that cabling itself and the cost associated with burying it is a practical and emotional one. Ultimately, FPL believes it is a question of fairness – i.e. should a Daytona Beach resident customer be required to pay to bury cable in Miami-Dade County? Re the land exchange, the draft EIS is expected later in 2012 (September is the best current estimate). But, given that it is an election year, Scroggs would not be at all surprised if it did not occur until post-election. FPL is still targeting completion of the exchange by 2013. Other issues - alternate corridor proposals from interested parties / municipalities are in (03/15/12) and being reviewed. Plant agency report drafts were due 03/23/12. DOT, Dept of Economic Opportunity, Fish & Wildlife were generally positive. SW Water Mgmt District and Miami-Dade County were exempted (MDC wanted to get through the Land Use Determination process first). Land Use Determination is scheduled for July 15, 2012.

Land Use Determination – MDC has indicated two features need additional approvals – the reclaimed water treatment facility and the radial collector wells zoning. These may be resolved administratively, by stipulation, or via BOCC resolution. MDC is saying that pipelines, substations, extraction of water from Biscayne aquifer, the location of the reclaimed water treatment facility, and the radial collector wells all need “unusual use” permitting. A plan for resolution of these items is required to make the July 15 Land Use Determination target. FPL expects a resolution.

State Trustees - FPL joining trustees to resolve easement issues. Doesn't need to be done until before the SCA hearings. FPL favors requesting / getting easements and then refining them to “as built” post-completion. Issues involved include:

- The transmission cable under the Miami River
- Radial collector wells that extend into state of Florida lands

UIC Exploratory Well - construction of the exploratory test well began in May 2011 but ended up behind schedule due to geologic issues. The exploratory well is now complete, drilled to about 3250' (250' short of proposed target depth). A solid confinement layer has been identified. A satisfactory leak/pressure test took place in March 2012. Next steps –

- Installation of dual zone monitoring wells is underway (900' shallowest, 1500' deepest)
- Conversion of the test well to a full injection well will begin to confirm it viable in late 2012
- Ten (10) more wells to construct
- Construction permit valid for 5 years – may require FDEP schedule accommodation for completion of all 11 wells

DOE Loan Guarantee – FPL believes there is \$8B to \$9B left in the pool, with no additional monies in the latest federal budget and the President not requesting any in this year's State of the Union address. Whether FPL opts to take part in the loan program depends on several factors – availability of funds when FPL reaches a point of need, subsidy cost(s), rate, and conditions. There is no open solicitation at this time so the point is moot. FPL will take part if (a) it is a good deal for the company and its customers, (b) it makes financial and organizational sense to do so, and (c) requirements of the subsidy are not “over burdensome”.

Joint Ownership – Interested parties remain the same; all continue to express interest in joint ownership. FPL is prepared for the annual meeting in May 2012 but states that joint ownership discussions are not yet timely and the company still believes that FPL customers will have need of all (100-percent) of the potential power in PTN 6&7.

Long Lead Forging - Current extension terminates June 1, 2012. Terms and conditions of the agreement remain unchanged during this current extension. A fuller resolution is expected in (late) 2012.

Bechtel Warranty Claim – FPL and Bechtel agreed to a roughly [redacted] split of the disputed amount, about [redacted] each. (see DR-5.1, re Bechtel, Invoice #1012089P, dated 12/22/10 paid 01/11. Bechtel billed [redacted] Authorizations were correct and proper supporting documentation present. FPL reduced payment [redacted] for previously paid groundwater model and geolab software support, pending outcome of the claim. Net payment of [redacted] was made to Bechtel).

Vendor Selection – BVZ is no longer a joint entity. Golder and ECT are new preferred providers (PDS)

FPL maintains that it is continuously reaching out to agency and stakeholders to resolve issues.

Key Events in 2012 and 2013

NRC Process –

- Completion of the Safety & Environmental RAI's – Fall 2012
- Draft Environmental Impact Statement – Spring 2013

ACOE Process –

- Completion of ACOE RAI's – Fall 2012 (see LEDPA comment above)

1
2
3
4

Site Certification –

- Land Use Determination and hearing – Fall 2012 (**currently scheduled for July 2012 – Scroggs believes it will shift**)
- Siting Board hearing on land use – (late) Fall 2012
- SCA Hearing – Summer 2013
- Siting Board hearing on SCA – Fall 2013
- FDEP Project Analysis Report – Winter 2013

FPL maintains that it is continuously reaching out to agency and stakeholders to resolve issues.

Other key statements / thoughts / developments according to Mr. Scroggs and Mr. Maher:

- 2011 and to date in 2012 has been a productive period, that FPL (New Nuclear) has continued COLA prep.
- **EPC or EC decision has not been made**
- Major items on the timeline remain unchanged
- There has been a 16-mo shift in the NRC schedule.
- End-dates for PTN 6&7 remain the same
- Project budget estimate remains the same.
- FPL remains committed to building PTN 6&7 “at the earliest practical time”.

(3) Conclusion:

(4) Date Request(s) Generated:

No. _____

No. _____

No. _____

(5) Follow-up Required:

Project Manager

Bureau of Performance Analysis Interview Summary

Florida Power & Light Company 2012 Nuclear Controls Review Auditors: Rich, Fisher, Vinson	Interview Number: PTN6&7 File Name:
Name: Steve Scroggs teleconference re: NRC letter to be issued today	Date of Interview: 5/11/12 Location: Teleconference Telephone Number:
(1) Purpose of Interview: To provide an update of an NRC letter to be issued re: delay of two sections of the COLA	
(2) Interview Summary: <ol style="list-style-type: none"> a. Steve Scroggs informed us that the NRC would be issuing a letter to Mano Nazar today regarding a "hold" being placed on certain sections of the COLA; there could be some delay in the timeline of the COLA, but FPL is unsure the full impact on timeline at this point; FPL will be considering the impact to the project in the coming weeks; but things are still in the early stages to know what the impact might be; b. Two areas of the Safety Review will be required to be re-worked and re-submitted to the NRC geotechnical and site selection; three sections w/in the seismic and geotechnical review were being questioned by the NRC; Scroggs stated that the geotechnical issues in question can be reviewed by only a very small community due to their unique and complex nature; not many people are uniquely qualified to address these seismic and geotechnical issues; c. The NRC is concerned about the water needs of the plant and what alternatives were examined in the site review to support the Turkey Point Site; The NRC questions why FPL did not review sources of water beyond 10 miles and believes FPL should do a more thorough review of a larger area; Scroggs stated that the NRC has questioned why FPL did not choose the Lake Okeechobee area over Turkey Point; Scroggs believes part of the difficulty with geotechnical issues may stem from the NRC staff not understanding water policy and conditions in Florida; Scroggs noted that FPL has taken two different NRC staff teams to the different sites considered for the new units, as a means of better understanding the FPL decision for the Turkey Point site; d. Scroggs noted that there is a pending warranty claim against the subcontractor that performed the analysis in these sections of the COLA; He stated that Bechtel subcontracted the work to be completed for the COLA and any re-work should not be at the expense of FPL customers; e. Due to the information provided in the COLA by the subcontractor, the NRC staff is less confident in what information they have and will ask FPL to re-submit the information for these portions of the COLA; f. The current action surprises FPL because there was open dialog established between FPL and the NRC staff, regarding additional information necessary for the COLA; this action came without warning or discussion and is somewhat surprising; the alternative site issue is most surprising; Scroggs mentioned that recently there has been less dialogue coming from the NRC; g. Scroggs mentioned that actions are already under way to review the deficiencies and whether the quality of the product provided by Bechtel met FPL specifications; FPL will be completing auditing and corrective actions this summer and is working on reviewing FPL and Bechtel QA efforts for potential corrective actions; FPL QA is reviewing Bechtel QA actions, and FPL is requiring Bechtel QA to audit their subcontractor that performed the work in these sections of the COLA; FPL is also reviewing other COLA work performed by the Bechtel subcontractor as well; h. Scroggs stated that they have noticed that with the added requirements for Fukushima being issued, there has been a continued raising of the bar by the NRC. i. FPL has requested public meetings regarding these issues and believes further discussion with additional experts will help inform the NRC staff and resolve these issues in a timely manner; j. FPL is considering whether to provide supplemental testimony to inform the commission of the recent developments since there is not more than the letter to discuss at this point; FPL is considering the potential schedule and cost impacts to the Turkey Point 6&7 project. 	
(3) Conclusion:	
(4) Date Request(s) Generated: No.	
(5) Follow-up Required: <ul style="list-style-type: none"> ▪ Place this event into the 2012 audit report as a place keeper for next year. ▪ Follow-up topic during the 2013 audit; determine what FPL did in response to the NRC letter and results of the QA audit. ▪ Determine estimated schedule delay for resubmitting sections of the FSAR ▪ Determine estimated cost of resubmission ▪ Determine if there is any impact to the overall project schedule; if so, determine extent and mitigation activities/actions ▪ Determine what actions were taken by FPL regarding the subcontractor warranty claim, and any commercial resolution. 	

**Bureau of Performance Analysis
Interview Summary**

Company FPL Area: NCRC Turkey Pt 6&7 – COLA Auditor(s): Rich/Fisher/Vinson	
Name: Steve Scroggs, VP	Date of Interview: 5/11/12 Location: PSC Tallah teleconference Telephone Number: NA

(1) Purpose of Interview: On 5/10/12 FPL asked for a quick call to discuss a recent NRC COLA related development.

(2) Interview Summary:
Steve Scroggs described a forthcoming NRC letter that will result in a slowdown of two areas of FPL's COLA review. He said review of the other unrelated COLA sections should still progress.

The areas delayed are Seismic Analysis and Site Selection. The Seismic Analysis issue revolves around NRC dissatisfaction with FPL's process and/or conclusions in RAI responses..

Steve admitted that some RAI concerns had been raised internally by FPL and that it had considered making warranty claims against Bechtel on this since Bechtel hired the subcontractor who prepared the RAIs in question.

Steve indicated the path for FPL was to review its process and see whether it was sufficient, then determine to what extent the issue revolves around differences in expert opinions (NRC's vs FPLs).

The Site Selection issues revolve around FPL's process 1)why it waived the land area requirement for St Lucie site which was deficient in space, but considered viable since it was an existing site. 2)why interior sites were ruled out (Steve indicated water source) 3) why a wider area of reclaimed water -40 mi radius- was not used in source considerations that impacted site selection. Steve indicated that NRC lack of understanding unique FI water management issues could be at the heart hear.

Response by FPL to the Seismic issue will be internal review of its QA by QA. The timing of completion could be mid-summer.

Response/next action on Site Selection issue will be technical discussions with NRC via teleconferences open to public. The could result in NRC requiring new RAI answers and a rewrite of some COLA sections

Overall impact on project completion, cost are unknown,

(3) Conclusions:

QA issues may exist (with FPL, Bechtel, its subcontractor on RAIs) that negatively impact cost and schedule and therefore may be ripe for disallowance depending on the circumstances and information that will have to be gathered in next year's cycle.

NRC internal issues may be making it more difficult for FPL to deal with and understand NRC's requirements. Tones and approaches of both organizations may be in conflict.

Fukushima impacts may be a factor.

(4) Data Request(s) Generated:

No. _____

No. _____

No. _____

(5) Follow-up Required:

- Add some factual account of this activity to the draft report for Docket 120009. Some DR items may be generated based upon the NRC letter and our review of other documents in the near future.
- Determine whether we have all relevant RAI responses and obtain those we do not have.
- Possibly collect information on FPL's warranty actions vs. Bechtel/subcontractor.

Project Manager

Bureau of Performance Analysis Interview Summary

Florida Power & Light Company 2011 Nuclear Controls Review Auditors: Rich, Fisher	Interview Number: IVS-1 File Name:
Name: Terry Jones (VP Nuclear Power Uprates), Steve Reuwer (Implementation Owner South-PTN), Steve Robitzski (Implementation Owner North-PSL), Liz Abbott (Director of Licensing), Tiffany Cohen (FPL Regulatory) Johnnie Coleman (FPL Licensing) Bruce Beisler (NCR Interface Manager) Clyde Newson (Cost Recovery Specialist)	Date of Interview: 1/24/12 Location: Juno Beach Headquarters Telephone Number:

(1) Purpose of Interview: To provide an update of changes in the PSL and PTN Uprate projects for the period May-December 2011 and to-date for 2012.

(2) Interview Summary (FISHER):

a. FPL provided a 63 page presentation (FPSC Staff Visit Extended Power Uprate (EPU) Project Update to aid in providing an update of the uprate progress since April 2011. Page 5 shows the final outage, PTN Unit 4, is estimated to complete in April 2013. FPL stated that the project is progressing through the four overlapping phases toward completion in 2nd qtr. 2013. The project was scheduled to be implemented over two outages for each of the four units. The project cost forecast has increased and is above the non-binding estimate as of December 31, 2011. Bechtel provided an estimate to complete in November 2011 to FPL. FPL is vetting the Bechtel estimate to determine expected final costs for the project. The project remains on track to complete in early 2013. FPL expects to produce 490 MWe instead of the 450 MWe filed last year, NRC reviews of LARs are taking longer than expected, and PTN 3&4 outages have been moved one month to improve certainty of execution and LAR approval (pg.12).

b. Steve Robitzski was introduced as the Implementation Owner North (PSL). He was in a similar role at the Point Beach EPU and rotated into the position to help place greater oversight on the PSL project. This allows Steve Reuwer, Implementation Owner South, to concentrate his efforts on the Turkey Point uprate. Both Implementation Owners report to the VP Nuclear Power Uprates and are responsible for coordinating with the EPU Site Directors to eliminate project roadblocks impacting schedule and costs, and oversee the EPU and site plant organization interfaces. The EPU Site Director reports to the Implementation Owner and is responsible for coordinating the contractor efforts to complete the EPU project work schedule. Other changes in the EPU organization during the remainder of 2011 included the retirement of the PSL Site Director, and the separation of the PTN EPU Project Controls Manager. The new PSL EPU Site Director (Jamie Piazza) came from the Point Beach project and has both operations and EPU experience in the nuclear industry. The 2012 key organizational changes include: an assigned implementation owner at each site, the assignment of an additional Engineering Manager to Turkey Point, and plans to eliminate the Licensing Director and Licensing Manager positions after NRC LAR approvals (pg. 13). As the LAR work is completed the staffing for licensing will be re-assigned.

c. The Turkey Point Fall 2011 outage (11/27-1/30) was completed as planned. Another couple weeks will be spent wrapping up and that outage will be finished. In February, work orders were behind on PTN. Scheduling for the NRC caused a shift in PTN schedule. A new industry issue influenced the PTN EPU LAR associated with Thermal Conductivity Degradation (TCD) with the fuel vendor analysis that must be addressed before the PTN LAR is approved (pg. 16). Westinghouse made changes to the model, which went to the ACRS subcommittee for review in December. FPL will meet with the subcommittee in February, and find out the results of the ACRS review in March. FPL went into 24/7 mode to complete the analysis in 6 weeks. If the modification is not accepted FPL can't start up PTN. FPL had to move PTN outage schedule 1 month as well as PSL.

d. FPL included additional outage days for the outages to allow for discoveries during construction. PSL-1 was increased from 110 days to 127 days, PSL-2 was increased from █ days to █ days, PTN-3 was increased from 120 days to 160 days and PTN-4 was increased from █ days to █ days.

e. FPL will need to complete a mid-cycle outage (6-10 days) for Unit 1, to begin the fuel mix change prescribed in the LAR (will complete over 3 outage cycles). Two thirds of the new fuel and old fuel will be run together, and the remaining old fuel will be removed after three outages. FPL will complete some testing during the mid-cycle outage as well. The scope of work is much greater at PTN than PSL.

f. The PSL-2, HP turbine is to be installed to go with the LP turbine, installed during the first outage, and should see improved output and balanced performance.

g. FPL likely will not use target pricing at PTN like they used at PSL. FPL battled Bechtel regarding scope trending and target price changes requested. FPL believed Bechtel was requesting target price changes that are not changes of scope, but are part of the originally contracted work. They continue to discuss those trends, and will likely use T&M with a mutually agreed upon report card methodology to incent performance. Criteria could include percentages for safety, cost, schedule, engineering packages, outage performance, work quality, etc.

h. FPL expects that the non-binding cost estimate will increase upward in the 2012 filing. FPL also expects to receive additional MWe of power when the uprates are completed, which will be included in the feasibility analysis (pg. 27 of presentation).

i. To improve the schedule of engineering modifications, FPL has subcontracted some Bechtel work to Zachary, Sargent & Lundy, and others. According to FPL, design is more mature and the needs of packages have caused the ramp up to ensure engineering is completed. On PSL, FPL used WellTec as a third-party oversight of work and freed Bechtel to do other work. FPL has used other contractors to supplement Bechtel work timeliness. PCI was used as implementation owner at PTN to provide oversight of Bechtel work. This experience provided FPL with another option to use PCI in the Unit 4 outage if needed. Another firm was used at PTN for some oversight work, but did not work out as well as PCI.

j. The Siemens Alliance contracts were discussed briefly. These contracts are different than the turbine equipment long lead contract items because they are modified. The Alliance contracts are to complete the installation of the turbine equipment under the fleet alliance pricing agreement

k. FPL conducts regular scheduled meetings at a fleet level with vendor executives to resolve project performance roadblocks. These allow FPL execs to discuss with vendor execs the needs of the project and how the vendors can improve performance. FPL and Bechtel Sr. Director have monthly in Fredericksburg while site managers are conferenced. FPL EPU and the EPU VP go through performance and discuss the obstructions to performance. These are Key Supplier Meetings, which replaced Vendor Integration Meetings.

l. Delays in the Bechtel designs are being managed through: a) directing Bechtel to subcontract some of the design scope, b) completing WO planning for packages not expected to change c) prioritizing design and planning work to minimizing impact on the outage, d) reducing Bechtel work packages based on lessons learned, including eliminating mobilization and demobilization packages, e) daily issue meetings to review status and schedules and facilitate communication, and f) senior executive oversight meetings regularly held to address issues (pg. 25).

m. St. Lucie Implementation Status (pg. 27) shows that the first set of outages for St. Lucie Units 1&2 are completed; replacement of the LP turbines at PSL2 resulted in a net increase in capacity of 31 MWe. The second outage for PSL1 is in progress; an additional mid-cycle outage this summer will be necessary to complete the Unit 1 EPU after NRC approval of the EPU LAR; the completion of the mid-cycle outage is expected to yield an increase in capacity of 129MWe (net owner share minus house loads). The PSL1 outage started November 27, 2011, and is expected to complete by March 8, 2012. It is the largest of the two PSL outages to complete. The final PSL2 outage is scheduled for [redacted] and should be completed by November with an expected increase in capacity of 84 MWe; WO package development for SL2 has just begun and is expected to complete by May 2012; FPL is developing a plan to reduce Bechtel work packages based on lessons learned, including eliminating mobilization and demobilization packages.

n. Turkey Point Implementation Status (pg. 28) shows that the first set of outages for Units 3&4 are complete; the final outage for PTN3 is scheduled to begin February 26, 2012 and complete by August with an expected increase in capacity of 123 MWe; pre-outage work is in progress; WO package development for PTN3 is in progress and not yet complete WO package prep has been prioritized and packages for first four weeks of outage have been prepared. The final outage for PTN4 is scheduled to start [redacted] and complete by March 2013 with an expected increase in capacity of 123 MWe.

o. FPL has employed several strategies (pg. 35) to help manage vendors during the outage implementation: FPL says that it has leveraged third party construction firms to improve Bechtel's plan, deployed an independent firm to assess Bechtel's productivity, and has passed some construction work to other vendors to reduce the risks associated with schedule and cost. FPL says that it completed a Six Sigma evaluation and implemented improvement initiatives with Siemens, and incorporated lessons learned from affiliate outages.

p. During the St. Lucie non-outage periods (pg. 36) the EPU project will include a staff of approximately 650 above the normal site staff. During outage periods the EPU project staff will increase to approximately 1800. During Turkey Point non-outage periods the EPU project staff will be approximately 1,000 above the normal site staff. During outage periods the EPU project staff will increase to approximately 2,500. FPL estimates over 16 million man hours will be dedicated to the EPU project; PTN is expected to take about 9.7 million man hours (61%), while PSL is expected to take approximately 6.3 million man hours (39%).

q. The current Engineering and Construction forecast (no AFUDC and Transmission) exceeds the non-binding cost estimate range by approximately \$10 million (pg. 40). FPL is studying the range in which the non-binding estimate will increase to complete the remaining implementation of the outages. The two largest contributors to the increase in forecast at St. Lucie were, Siemens cost of implementation in the SL2-19, SL2-20, and SL1-24 outages increased [redacted] and owner engineering, project management and start-up increases of [redacted] (pg. 43); Additional cost for the NRC draft interim safety guidance on Spent Fuel Criticality Analysis [redacted] and FPL staffing for construction, spare parts, administration staff, project managers and turbine group, were approximately [redacted] at Turkey Point (pgs. 44-46); Potential Future Schedule Cost Impacts of greater than [redacted] are expected to exceed the current non-binding estimate (pg. 52).

r. FPL states that Transmission upgrades are on schedule and the balance of substation improvements at PSL are scheduled to complete in 1st Qtr. 2012, during the PSL1 outage; the uprate of the spare Generator Step Up (GSU) transformer is scheduled for the end of the Unit 2 2012 outage. At PTN the majority of substation improvements are scheduled to complete by the end of the Unit 3 Spring 2012 outage. The balance of improvements for PTN4 are expected to be completed during the Fall 2012 outage (pg. 48).

s. FPL stated that it has settled its claim with Siemens for the PSL Unit 2 generator stator core repair. The summary of resolution is that Siemens agreed to pay for all of its repair costs (approx. [redacted]). FPL is responsible for only related costs consistent with the limits on Siemens liability under contract (approx. [redacted]). The total cost to the project was less than the weighted risk estimated in 2011 (estimate [redacted] actual only [redacted]; favorable difference will be reflected in the true-up of 2011 EPU costs (pg. 49).

Interview Summary (RICH):

- Meeting with the FPSC team was Terry Jones, Steve Reuwer, Liz Abbott, Bruce Beisler, Clyde Newson, Tiffany Cohen, and Johnnie Coleman. Don Fleetwood was absent – jury duty.
- Meeting was from 0830 until 1200 hours, January 24, 2012.
- Overall update brief, to include but not limited to:
 - ⊙ General project overview and current status
 - ⊙ Organizational changes
 - ⊙ Management changes / succession planning
 - ⊙ Outages completed
 - ⊙ Remaining outages and schedules
 - ⊙ Mod package preparation
 - ⊙ Outage schedule changes
 - ⊙ Project cost estimate (by unit & total)
 - ⊙ Interfacing / Coordinating w/Plant Opns
 - ⊙ Project Cost Changes / Impacts (by unit & total)
 - ⊙ Settlement of work stoppage costs / liabilities
 - ⊙ Risk identification & remediation
 - ⊙ NRC – licensing, schedule, & RAI's
 - ⊙ State licensing & licensing schedule
 - ⊙ Local permitting & permitting schedule
 - ⊙ Vendor relations & contracts
 - ⊙ Vendor pushback & recovery plans
 - ⊙ Impact(s) from Fukushima
 - ⊙ Follow-up questions to DR-1 responses
- FPL presented a 63-page briefing – “FPSC Staff Visit Extended Power Uprate (EPU) Project Update”, January 24, 2012. the document contains a disclaimer at the bottom of each page – “Proprietary & Confidential Business Information. Information is based on Preliminary Engineering.” DR-2 was provided for this takeaway. (Do date no Notice of Intent has been filed for this document.)
- Briefing is divided into project overview (Terry Jones), schedules (Steve Reuwer), regulatory (Liz Abbott), engineering (Reuwer), implementation (Reuwer), cost (Fleetwood absent; Jones), other (Reuwer), challenges (Jones), and appendix.
- The project is four phases – engineering analysis, Long lead procurement, engineering design mods, and an implementation phase consisting of two major parts (planning/scheduling and execution). Long lead procurement is ending. Engineering design modifications phase will be the biggest scope generator. During the planning and scheduling part of the implementation phase, designs will be converted to implementation plans, a construction feasibility review is undertaken, and the precise schedule of events is determined.
- PSL-1 second outage is in progress. It will net a 129MWt (FPL share) increase in power. A mid-cycle implementation outage will be needed to complete the EPU after approval of the LAR. Looking at May-June 2012, but it is more a placeholder than a firm date.
- (pg 5) work packages are behind but there is a plan to catch up. Scope is much larger than PSL. Pre-outage work for PTN-3 is ongoing.
- All remaining outages have been pushed back from earlier project start dates:
 - ⊙ PTN-3 final outage was moved back 20 days. Start is now 02/26/12. Previous start date was 02/06/12
 - ⊙ PSL-2 final outage is schedule to begin [REDACTED]. Previous start date was [REDACTED]
 - ⊙ PTN-4 final outage is scheduled to begin [REDACTED]. Previous start date was [REDACTED]
- Project cost forecast has increased. It is above the nonbinding cost estimate, as of 12/31/11.
- Engineering and Construction forecast has increased to \$2.23B – now above the nonbinding cost estimate range of \$2.065B to \$2.221B Jones expects March testimony to reflect a *minimum* of a \$250M increase in the cost estimate. He believes it might be on the order of 15-percent (\$250M) to as much as 20-percent. Jones indicated it will go up and would be on the order of “...several hundred million...” They are working the numbers; not prepared to put a definitive figure on it at this time. He was definite that it will be going up, however, and \$250M seems to be a floor rather than a ceiling. He reaffirmed the lessons learned from the 2009 lookback and affirmed that FPL intends to be more forthcoming when estimates look to be increasing.
- Implemented a target price for PSL for the Bechtel scope of work. Received Bechtel's estimate at completely (EAC) for PTN in November. Currently vetting it. Decision forthcoming. Target price option for PTN is being discussed. The goal is to set up a target price to firm up the cost prior to the May filing so that it is the most accurate and long lasting forecast.
- 2012 Feasibility Analyses will be completely by 05/01/12.
- Primary drivers of price increases -
 - ⊙ Scope growth
 - a. Design evolution

- b. Addition of 31 engineers
- c. Engineering Change (EC) design completion times – design is taking longer than expected
- **Implementation**
 - d. Planning and Scheduling -- Additional / revised mods added to complexity / time required to complete
 - e. Execution – Constructability and work area congestion effect productivity
 - f. More mods and implementation complexity require more direct/indirect labor to support outage duration
- FPL believes the company is doing due diligence on the Bechtel EAC. Trying to drive Bechtel to a task-to-position Field Non-Manuar (FNM) staffing analysis. FPL claims first answer to Bechtel is always “No”, then “Show us....show us....show us” why you (Bechtel) believe something should cost “X”.
- FPL has also engaged other suppliers to provide alternative proposals (Jones cites this as very important, a key strategy to continually evaluate and spur the effectiveness and efficiency of Bechtel). FPL brought in WellTech to look at the feedwater heater. Ended up saving 10 days. Also brought in PCI, the implementation arm of Westinghouse. Another brought it was Williams – who proved to be no better/cheaper than Bechtel, and with lots of disclaimers. FPL did not use Williams.
- The Bechtel EAC is **not** included in the current (as of 12.31.11) increased Engineering and Construction forecast (\$2.23B) found on page 8 of the briefing. The EAC would in addition to that number. The forecast will be revised at the conclusion of the FPL management review and vetting. The revised forecast will be used to update the Nonbinding Cost Estimate and it will be used in the 2012 Feasibility analysis. Jones stated that even with the increases, the project is expected to remain solidly cost effective (pg 10). More cost but there is more megawatts being generated.
- Project Summaries (as of 01/6/12):

Design Engineering

- PSL-1: Essentially complete (Jones said “essentially” because “engineering is never really done”)
- PSL 2: 23 mods remain to complete; most design packs are same or similar to PSL-1
- PTN-3: Nearing completion
- PTN-4: 37 mods remain to complete; most design packs are the same or similar to PTN-3

Work Order Planning Progress

- PSL-1: Essential complete (see Jones’ quote above)
- PSL-2: Work Order planning has just begun
- PTN-3: Behind schedule milestone due to late engineering. Approved WO’s support first 4 weeks of outage.
- PTN-4: Scheduled to complete in 2012
- Project summary (cont) – Higher gain in MW output (490MWe) than assumed in the 2011 feasibility study (450MWe).
- NRC LAR reviews are taking longer than expected – driven by NRC resource constraints
- Turkey Point EPU approval expected during the PTN-3 outage
- PSL approvals anticipated during 2Q12.
- FPL states that it moved the PTN-3 and PSL-2 outages approximately a month each to improve certainty of execution and LAR approval in support of the outages. (pg 12)
- **ORGANIZATION CHANGES** – Filled EPU Site Director vacancies at PTN and PSL (Mike DeLowery and Alan Fata started 2011 at PSL and PTN respectively – DeLowery left FPL – Fata to PSL; Katz takes over PTN – Fata retires – Piazza takes over at PSL). Assigned an Implementation Owner for North (Steve Robitzksi) and South (Steve Reuwer). Assigned an additional Engineering Manager to PTN (Mike Moran). Plan to eliminate the Licensing Director and Licensing Manager positions upon receipt of the NRC approvals (Abbot, Beisler) – pg 13
- **SCHEDULE** (pg 15)
 - Completed:
 - PSL-1: 4/5/10 to 6/14/10
 - PTN-3: 9/27/10 to 11/5/10
 - PSL-2: 1/3/11 to 5/8/11
 - PTN-4: 3/21/11 to 5/16/11
 - Ongoing or Scheduled:
 - PSL-1: 11/27/11 to 4/1/12
 - PSL-1 Midcycle: May-Jun placeholder
 - PTN-3: 2/26/12 to 8/4/12 (original schedule dates were 1/30/11 to 7/8/12)
 - PSL-2: [REDACTED] (original schedule dates were 7/9/12 to 10/29/12)
 - PTN-4: [REDACTED]
- FPL believe schedule changes provide add’l time to finish WO planning and pre-outage activities, minimizing outage impact
- Will improve likelihood that NRC will have LAR approved in time to support the implementation outages
- Adequate fuel is on hand at FPL to support continue ops until the outages (cost savings)
- NRC recently identified a generic industry issue associated with Thermal Conductivity Degradation (TCD); analysis must be

addressed prior to approval of the PTN LAR.

	PSL-1	PSL-2	PTN-3	PTN-4
Previously Approved Operating Schedule	110 days		120 days	
Approved Operating Schedule – June 2011	127 days		160 days	
Current Schedule	102 days	TBD	126 days	TBD

Note – the 126 days under PTN-3 was identified as “still under development” – it might change.

REGULATORY

- NRC is challenged to complete LAR review and approvals on schedule
- PSL-1 LAR approval is currently expected in May 2012; further delay viewed as possible
- PSL-2 LAR approval is forecasted as July 2012; further delay viewed as possible
- Further delays might mean impact to the EPU on the order of “6 to 8 weeks” (Abbott)
- FPL meets with NRC regularly requesting NRC to complete reviews without further delays (FPL meeting with NRC again this week, Jan 30 – Feb 3)
- PTN Alternate Source Term (AST), a prerequisite for EPU LAR approval, was approved by the NRC on 6/23/11
- PTN Spent Fuel Criticality license amendment, a prerequisite for EPU LAR approval, was approved by the NRC on 10/31/11
- PTN LAR approval is currently forecast for April 2012 (during the PTN-3 outage)
- Follow-up review of open item resolutions, including applicability of a generic industry issue related to Thermal Conductivity Degradation -- full Advisory Committee on Reactor Safeguards (ACRS) Committee met on 1/19/12; target dates for follow-up meetings are 2/23/12 for the subcommittee and 3/8/12 for the full committee.
- Bottom line? – “We’re in good shape.....maybe by the May filing we’ll have a LAR to announce...” (Abbott)

ENGINEERING

- Approximately 81-percent of the engineering design work is complete based on earned hours. (1,250,568 hours forecast, 1,015,802 used so far). These figures do not include unapproved Bechtel trends.
- Engineering design essentially complete for PSL-1 and PTN-3; working 2012 design packages for PSL-2 and PTN-4
- Approximately 64-percent of the total design packages are completely and approved:

As of 1/4/12	Identified	Initiated	90-percent	Final
St. Lucie	102	100	85	74
Turkey Point	120	120	86	69
Total	222	220	171	143
Percent		99-percent	77-percent	64-percent

- FPL directed Bechtel to subcontract some of the design scope work, to minimize impact and risk of not finishing the design work on time.
- Prioritized design and planning work to minimize outage impact
- Developing a plan to reduce Bechtel work packages based on lessons learned (e.g. eliminating mob/de-mob packages)
- Holding daily Issue Meetings to review status and schedules, addressing difficulties, facilitating communication/intent
- FPL expects that with heightened (senior) management attention/focus, Bechtel will improve / mitigate the impacts.
- EPU project was scheduled to be implemented over two outages for each of the four units.
- First outages for PSL-1 and PSL-2 complete. Net increase of 31 MWe (owner net share, after house load is subtracted)
- PSL-1 second outage in progress. Additional mid-cycle will be required after LAR – no work, just raising operating settings. Completion of mid-cycle is expected to yield an increase of 129MWe (owner net)
- Final PSL-2 outage to begin [redacted] complete by 11/12. Expected uprate of 84 MWe (owner net)
- WP package development for PSL-2 just underway; expected to be completed in May 2012.
- First outages for PTN-3 and PTN-4 completed.
- Final outage for PTN-3 is scheduled to begin 2/26/12 and complete in August 2012. Net increase expected of 123 MWe.
- WO development not yet complete. Remainder have been prioritized for completely. Enough currently on hand for the first 30 days of the outage. FPL expects to have all completed by the time the outage begins.
- Final outage for PTN-4 is scheduled to begin [redacted] and complete in [redacted] Net increase expected of 123 MWe.

- For major scope of work for all units, see pages 29 through 34 of the briefing packet.

MANAGEMENT STRATEGIES

- (Bechtel) Leveraged third party firms to coerce improved performance
- (Bechtel) Independent firms used to assess productivity / performance
- (Bechtel) Evaluating giving construction work to other vendors to reduce schedule/cost risks
- (Siemens) Completed join Six Sigma evaluation(Siemens)
- (Siemens) Implementing improvement initiatives
- (Siemens) Incorporating lessons learned from affiliate outages

COST

- Fleetwood absent – presented by Jones/Reuwer
- Most of the increased capacity from EPU will be realized in EPU
- Costs to rise
- Current Engineering and Construction forecast exceeds the nonbinding cost estimate range of \$2.065B to \$2.22B – this was as of 12/31/11
- Current 2012 Annual Budget forecasts expenditures of \$871.6M – Jones expects this to change (\$250M was the low end of this “guesstimation”. Speculates it may be more than that. He would not provide a specific number but said it would be “several hundred million dollars” more.)

TRANSMISSION (Reuwer)

- PSL - On schedule; all transmission line improvement completed
- PSL - Majority of substation work complete; balance to be completed in 1Q12, during PSL-1 outage
- PTN – On schedule
- PTN – Majority of substation improvements to be completed by the end of spring 2012 PTN-3 outage
- PTN – balance of improvements to be completed during the fall 2012 PTN-4 outage

SIEMENS OUTAGE – ALIGN PIN (Reuwer)

- Siemens will pay for all repair costs – approximately [REDACTED]
- No contractor time charged to FPL
- FPL is responsible for its related costs, consistent with Siemens liability – approximately \$3.7M
- FPL states that the limits to vendor liability for damages of this sort are industry standard
- Total cost is less than the weighted risk FPL assigned to the incident in 2011. That was [REDACTED]
- Actual impact to the project is \$3.75M (FPL’s cost)
- FPL plans to reflect the “favorable difference” in the true-up of 2011 EPU costs.

CHALLENGES (Jones)

- Bechtel costs going up [REDACTED] est – minimum – guess)
- Potential for Siemens cost at PTN to rise. No clarity on that yet
- Engineering and Work Package development taking longer than expected
- Bechtel productivity lower than expected
- LAR approval times taking longer than expected
- Potential for additional mods and/or analyses due to LAR review by NRC

Additional potential costs arising from discovery during design and implementation (scope creep)

(3) Conclusions:

1. FPL modified the length of its outages in mid 2011 and is progressing as planned with the outages.
2. The non-binding estimate for the project is expected to be increased in 2012 by \$250 M or more.
3. FPL has increased staffing considerably to accommodate the outages.
4. FPL has used other contractors to relieve Bechtel work scope and help improve engineering package quality and performance to the schedule.
5. FPL completed a settlement of the Siemens PSL2 work stoppage in February 2011; the estimate of [REDACTED] was high and actual costs were paid by Siemens and Bechtel in the amount of [REDACTED] and \$3.75 million respectively.
6. FPL will likely use a report card approach to the Bechtel contract at PTN, rather than target pricing.
7. Siemens cost of implementation in the SL2-19, SL2-20, and SL1-24 outages increased [REDACTED] and owner engineering, project management and start-up increases of [REDACTED]

(4) Date Request(s) Generated:

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(5) Follow-up Required:

1. Check further into the retirement of the PSL EPU Site Director and the PTN EPU Project Controls Manager.
2. Follow-up on the Fall 2011 outage "wrapping up" and what work may have been deleted or required more outage time.
3. Request employee records for those retiring and being released from EPU during 2011.
4. Provide copies of the report card format used to measure Bechtel performance at PTN and PSL.
5. Review Zachary, S&L, WellTec and PCI contracts to understand work scopes, schedule impacts, and dollars.
6. Review the Siemens Alliance contracts to determine whether they duplicate any prior contracts.
7. Ask whether the increased capacity expected from the new turbines has any impact on cooling water discharge, or any LAR related modifications not already submitted.
8. Ask for a further breakdown of increases in the Siemens and FPL staff costs at PSL and review them for potential irregularities.

Project Manager

Bureau of Performance Analysis Interview Summary

<p>Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich</p>	<p>Interview Number: IVS-2 File Name: 3.5.2 EPU IVS-2.doc</p>
<p>Name: PTN EPU Management Steve Reuwer, Implementation Owner –South; Alan Katz, EPU Site Director; Bruce Biesler Project Manager Nuclear Division Projects; Tiffany Cohen; Manager of Nuclear Cost Recovery Regulatory Affairs</p>	<p>Date of Interview: March 27, 2012 Location: Turkey Point Plant Telephone Number:</p>
<p>(1) Purpose of Interview: To discuss the progress with the PTN Unit 3 Spring outage (3R26), and the preparation for the PTN Unit 4 outage scheduled to start in November 2012. The first set of outages for Units 3&4 were completed in 2011 and the third and largest</p>	
<p>(2) Interview Summary:</p> <p>a. Alan Katz and Steve Reuwer provided a presentation of 17 pages to use as an update and discussion guide for the meeting (<i>FPSC Staff Visit Turkey Point Extended Power Uprate [EPU] – attached</i>) The EPU project is currently executing the third outage at Turkey Point. The first set of outages for PTN was completed in 2011. The current 3R26 outage for Unit 3 started February 26, 2012 and is scheduled to complete by August 4, 2012. The Unit 3 outage is considered the largest and most challenging of all the FPL EPU outages. The PTN Unit 4 outage is scheduled to begin [REDACTED] and complete by March 2013. FPL expects for both units to provide an increase of capacity of 123MWe each (pg. 3). Significant material will be installed or replaced during the PTN 3&4 outages. The current operating schedule for the outage is 160 days, with a stretch goal of completing the outage in 144 days. Unit 3 is in cold shutdown and the fuel is off loaded. Demolition of major secondary components is in progress and turbine generator work is progressing as scheduled.</p> <p>b. The major scope of the 3R26 outage includes Nuclear Safety Margin requirements, Steam Path replacements, Condensate and Feedwater replacements and modifications, Heater Drain upgrades Other Balance of Plant items, Auxiliary Support Systems, and electrical modifications and upgrades to the generator, iso-phase bus, and PTN switchyard (pgs. 6-10).</p> <p>c. The project team is made up of <u>five integrated major organizations</u> including: <u>Bechtel the EPC contractor</u>, responsible for engineering design modifications, material procurement other than long-lead equipment, work planning and scheduling, and construction and testing modifications. <u>Siemens</u> has responsibility for the turbine generator engineering design, manufacturing and delivery of the components, planning of the turbine work schedules, and installation and testing for the turbine generator modifications. <u>Shaw</u> has responsibility for Umbrella Modifications and other designs, as well as planning, scheduling, and implementation of umbrella modifications. Shaw also provides asbestos and sheet metal construction support to the project, and support maintenance to the plant. <u>Ames & Williams</u> provides valve and supplemental maintenance service, and lead abatement and coating services. <u>FPL</u> provides oversight and integration of the project, LAR development and submittal, procurement of long lead and safety related materials, engineering package development and owners review, site laydown and crane coordination, and system start-up testing (pgs. 11-12).</p> <p>d. As of March 21, 2012 the Turkey Point Project Staff totalled 3,071 people with Bechtel staffing of 2,262 in engineering, procurement, and construction. Siemens employs 265 people for turbine generator activities, Shaw has 302 people working in construction support, while Ames has 23 and Williams has 22. FPL has 150 project oversight personnel and 47 for station support, for a total work force of 197 employees in oversight and support on the PTN 3R26 outage (pg. 13).</p> <p>e. FPL has organized a Team Room to monitor, manage, and coordinate the project work. The Team Room operates 24/7 and includes an FPL Outage Manager, Bechtel Shift Outage Managers, FPL Construction Manager, and Schedulers for FPL and Bechtel. These positions make up the Command and Control of Outage Operations and provide issue management and problem resolution of work issues. The Team Room also completes 24-48 hour look aheads of problematic areas and issues as challenge reviews to resolve potential delays before they happen (pg. 14).</p> <p>f. EPU has a NRC Licensed Senior Reactor Operator (SRO) as part of its Leadership Team responsible for interface and coordination of EPU modifications with Plant Operations. Operations Coordination includes: review and approval of design packages, proper use of over 1,900 station procedure revisions, approximately 100 new procedures resulting from EPU, 150 start-up and testing procedures for testing, and coordinating clearance for project activities while the station is in operation and work is being completed (pg. 15)</p> <p>g. Design Engineering is nearing completion as the project moves into final execution. The Engineering phase is essentially complete, as the Unit 4 engineering work is the same as that already completed for Unit 3. Unit 4 final execution will be a replication of Unit 3. In March of 2011 only 32% of the engineering design was at 90% as compared to the current 98% at 90% supporting the detailed construction planning. Project uncertainty is mostly limited to discovery during demolition and replacement of major components (pg. 16).</p>	

h. Staff was escorted throughout the site to review preparation sites such as the Team Room, equipment staging areas, and fabrication and setup areas. Work Areas reviewed included the Turbine Plant Cooling Water Heat Exchangers, Condensers, EHC Skid, Steam Generator Pump Room and Condensate Pumps. On the Turbine Deck the Moisture Separators Number 5&6 Feedwater Heaters, Turbine Generator, and multiple cranes were observed (pg. 17).

(3) Conclusions:

1. The current 3R26 outage for Unit 3 started February 26, 2012 and is scheduled to complete by August 4, 2012.
2. The PTN Unit 4 outage is scheduled to begin [REDACTED] and complete by March 2013.
3. FPL expects for both units to provide an increase of capacity of 123MWe each.
4. The current operating schedule for the outage is 160 days, with a stretch goal of completing the outage in 144 days.
5. The Engineering phase is essentially complete, as the Unit 4 engineering work is the same as that already completed for Unit 3. Unit 4 final execution will be a replication of Unit 3. In March of 2011 only 32% of the engineering design was at 90% as compared to the current 98% at 90% supporting the detailed construction planning. Project uncertainty is mostly limited to discovery during demolition and replacement of major components.

(4) Date Request(s) Generated:

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(5) Follow-up Required:

1. Request Monthly report updates on the status of the 3R26 outage.

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-3 File Name: 3.5.3 EPU IVS-3.doc
Name: Pam Metz (NBO Mgr.), Stephanie Castaneda (NBO Supervisor), Bruce Beisler, Clyde Newson, Tiffany Cohen	Date of Interview: March 28, 2012 Location: Juno Beach Offices Telephone Number:
<p>(1) Purpose of Interview: Discuss the responsibilities and duties of NBO as it relates to supporting the EPU project, Variance and Accrual reporting, NBO reporting to management, separate and apart responsibilities, responsibilities related to observing and reporting inappropriate management actions and Sarbanes Oxley responsibility.</p>	
<p>(2) Interview Summary:</p> <p>a. The NBO Manager Fleet Accounting/Regulatory Compliance (Metz) reports to the VP Finance, Nuclear Fleet (Goldstein), who reports to the Executive VP Nuclear Division & CNO (Nazar); The VP Nuclear Power Uprate also reports to the VP Nuclear Division & CNO (Nazar).</p> <p>b. The NBO Fleet Business Operations has responsibilities for Budget administration, results reporting (rolled up for fleet), Weekly checkbooks and forecast process and O&M accruals; The NBO Manager Fleet Planning is responsible for Budgeting and multi-year financial plans, Key metric target setting and reporting, long term planning, and improvement projects for the FPL fleet.</p> <p>c. Under the NBO Manager Fleet Accounting /Regulatory Compliance is the EPU Specialist, an Analyst, Sr. Analyst, and a Specialist, to assist in completing NBO responsibilities including: 1) Processes and procedures, 2) SOX compliance, 3) Balance Sheet reporting & accruals and FERC account reporting, 4) Regulatory interface-Rate Case, Clauses, Decommissioning Funds, and 5) Spent Fuel Claim. The EPU Specialist is responsible for the day-to-day coordination and monthly reporting of EPU accruals, budget variances, scope changes, invoicing, and budget results. Analysts ensure that EPU provides sufficient support to substantiate accruals submitted by the project. Any problematic accruals are sent back to the EPU project for further substantiation and information. According to the interviewees, usually by the time the accruals reach the NBO Analyst they are in pretty good condition.</p> <p>d. In the June-July 2011 time frame the company migrated from its old accounting system to SAP. SAP accounting software has all the components of a traditional accounting and financial reporting system, including financial accounts, general and subsidiary ledgers, financial statement modules, and budget sections. NBO completed test of sample entries to ensure proper recording of detail information in the new system. Some small improvements were made by the company to correct the system. SAP allows NBO the ability to look at FERC accounts and is more user-friendly. SAP also provides simple reporting and uploading capabilities.</p> <p>e. NBO provides Governance and oversight for the entire FPL fleet. NBO handles affiliated transactions, separations, and deal with management reporting at the fleet level. NBO has involvement it rolling up budget variances, accruals, and other project related financial information at the project level. This data is rolled up into fleet wide management reports and provided to the company and NEE executive management for use. The NBO Manager Fleet Accounting /Regulatory Compliance receives and reviews a pdf of monthly journal entries for approval before they are submitted for entry. Reports for the EPU project include the Variance report, Accruals report, and compilation for NFRs, reconciliation of O&M, and Weekly Checkbook items that do not flow through (exceptions).</p> <p>f. NBO provides EPU with monthly current budget variances for the EPU project to review and update with appropriate changes. This information is a push from NBO to the EPU project monthly. This process helps NBO monitor scope changes greater than \$250,000, and capital vs. expense transactions for the project. Before the monthly close, NBO analysts will review all invoices to ensure they are paid, have proper coding, meet separate and apart criteria, and meet capital and O&M guidelines. Variance reports to EPU are specific to the project as opposed to the roll-up given to FPL and NEE executive management for the fleet.</p> <p>g. NBO provides expertise regarding separate and apart transactions decision making and resides on the Nuclear Cost Recovery Team, to determine allowable costs to be charged to the Nuclear Cost Recovery Clause. This team makes decisions regarding capital, O&M, and separate and apart transactions. Representatives from Regulatory, Legal, Regulatory Accounting, NBO and the Project Team are included in the decision-making regarding separate and apart transactions. A template to assist decision-making has been utilized by the Team to ensure proper consideration and documentation of decisions. When necessary, specific technical guidance is solicited by the Team. FPL has a summary of the historic decisions made regarding capital, O&M, and separate and apart decisions documented in a separate database.</p> <p>h. As needed NBO will provide additional training and guidance to the EPU project, to ensure transactions are being properly accounted for and recorded.</p>	

(3) Conclusions:

(4) Date Request(s) Generated:

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(5) Follow-up Required:

1. Request a copy of the Nuclear Cost Recovery Team decisions made during 2011 and 2012 to date.

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-4 File Name: EPU IVS-4.doc
Name: EPU Management Terry Jones, VP Nuclear Power Uprates; Liz Abbott; Steve Reuwer, Implementation Owner – South; Bruce Biesler; and Tiffany Cohen from Regulatory Affairs and Nuclear Cost Recovery Regulatory Affairs	Date of Interview: March 28, 2012 Location: Juno Beach Corporate Offices Telephone Number:
(1) Purpose of Interview: To discuss the progress of the Uprate Project, the current 2012 outages, the scheduled PTN Unit 4 outage and the increased costs range of the EPU project.	
<p>(2) Interview Summary:</p> <p>a. A 42 page presentation was provided by the EPU Project Management Team and Vice President. (<i>FPSC Staff Visit Extended Power Uprate [EPU] 2012 Management Update, March 28, 2012</i> – attached) Mr. Jones began with an overview of the four phases the project is progressing through. He provided an overview schedule for the current and planned outages remaining for the uprate project (pgs. 4&5) Engineering analyses needed for the LARs are completed. Long Lead material has been ordered and is scheduled to be delivered to support the implementation outages. Engineering Design Modification is behind the established milestone schedule, but compensatory measures are in place (pg.6). The first set of EPU outages for all four units were completed in 2011. The second outage for St. Lucie Unit 1 is nearing completion with start-up in progress. A mid-cycle outage for Unit 1 is necessary to complete the EPU after the NRC approval of the LAR for Unit 1. The final outage for PTN 3 is currently in progress. The final outage for PSL Unit 2 is planned to start on [REDACTED]. The final PTN Unit 4 outage is planned to start [REDACTED] (pg. 7).</p> <p>b. The project remains on target to complete by early 2013. FPL is expecting higher MW output than initially estimated, and higher than that projected last year. FPL estimates that a total of 490 MW of power will be delivered as a result of completing the uprates, instead of the 450 MW projected last year. The majority of the increased MW is estimated by FPL to be delivered in 2012. FPL continues to work with the NRC to ensure the timing of the LAR approvals and their support of the outages. The execution of PSL2 and PTN 4 outages will be very similar to outages already completed, which reduces uncertainty of execution and cost (pg. 8).</p> <p>c. The project cost forecast has increased and is above the 2011 nonbinding estimate. The Engineering and Construction Forecast has increased due to NRC regulatory design evolution and the resultant construction effort. FPL received the original Bechtel EAC for PTN 3&4 on November 2011, in response to a request for target pricing. FPL has been evaluating and challenging the Bechtel to go cost and has realized significant concessions from the EPC contractor. On March 26, 2012 Bechtel submitted a revised EAC to FPL. FPL executives reviewed the revised submittal the night that it was received. FPL is completing the due diligence and vetting process to assess a revision of the non-binding cost estimate to support the annual feasibility analysis. Its preliminary update of 3.0 billion was provided to the Board of Directors on March 16, 2012, and the vetting of the estimate continues. The annual feasibility analyses will be completed by May 1, 2012 (pg. 9) Primary cost drivers are: 1) NRC Regulatory licensing costs due to additional design engineering, NRC fees, and additional cost for implementation resulting from NRC requirements 2) Design evolution and scope growth driven by engineering discovery related to multiple modifications and 3) Construction/Implementation/Logistics to support construction implementation (pg. 10). In May 2011, approximately 28% of the EPU engineering had been completed when FPL gave its non-binding estimate range for the project. Coincident to the Bechtel EAC in November 2011, the number of engineering modifications 90% completed was 156 as compared to 81 at the time of the May 2011 filing. As of March 2012, 206 of the 220 modifications are 90% complete. Engineering and Construction walk downs based on final designs reveal a more extensive effort is required in logistics, interference removal, structural modification, and the attendant construction organization to support the work. The NRC was significantly impacted by the Fukushima and Virginia earthquake events in the LAR approval process. This required additional work to revise the EPU outage schedule to accommodate a mid-cycle uprate. Regulatory delay, design evolution, and the resulting construction effort are the primary cost drivers (Pgs. 11-12).</p> <p>d. To compensate for NRC delays and improve the certainty of outage execution, the remaining outage dates for PTN and PSL were extended to include additional time for work completion. Pre-outage work allowed the original baseline planning to complete for PTN3, and an additional 271 thousand hours of pre-outage work that would have otherwise been necessary during the PTN 3R26 outage (a total of 1.02 million hours of work was performed in the PTN 3R26 pre-outage period). At the end of February and the first of March 2012, EPU went through a re-evaluation challenge of the PTN 3R26 outage activities. Pre-outage work for PSL1 emerging issues and outage execution has been completed, as well as engineering for the PSL2 outage. The additional time also allowed FPL to resolve material delivery issues at both sites (pg.14).</p> <p>e. FPL is continuing to work with the NRC to complete the reviews for the EPU LARs. The NRC has been challenged to complete EPU LAR reviews on schedule due to resource constraints. PSL Unit 1 EPU LAR is forecast to be complete June 2012. PSL Unit 2 EPU LAR is forecast to be complete by August 2012. The PTN COLR license amendment was received February 23, 2012. The NRC (Advisory Committee on Reactor Safeguards) ACRS recommended approval of the EPU LAR for PTN in March 2012, and the</p>	

EPU license amendment is forecast for April 2012. FPL continues to meet with the NRC to request completion of the reviews without further delay (pg. 16).

f. Engineering design is essentially complete for PSL1 and PTN3 outages. FPL plans to finish remaining PSL2 and PTN4 engineering within the next few months. Approximately 84% of the design packages are completed and approved for the remaining outages, and 94% of the design packages are at 90% complete in support of the detailed construction planning (pg. 20).

g. **PSL Implementation Status** – The first set of outages for both units is completed. Replacement of the low pressure turbines at PSL2 resulted in a net increase of 31 MWe. The second outage for PSL1 (PSL1-24) is essentially complete (4/1/12). The unit start-up is in progress, as of March 27, 2012. An additional mid-cycle outage is expected to increase capacity by 129 MWe (net increase?). If the mid-cycle is not necessary due to the LAR approval the work could be implemented on the back end of the PSL2 outage. The final PSL2 outage is scheduled to start [REDACTED] and complete in November. An additional 84 MWe increase of capacity is expected from the outage. Approximately 82% of the PSL2 engineering design is at 90% completion in support of the detailed construction planning. The work order package development for PSL2 is in progress and expected to be complete by July 2012 (pg. 22). The PSL1-24 outage was the largest of the St. Lucie EPU outages. The major scope of the outage included: Nuclear Safety Margin modifications and upgrades, Turbine Generator replacements and upgrades, replacement of the Main Steam actuators, reheaters, valves and controls, Condensate and Feed water replacements, and an upgrade of the Station Main Transformer (pgs. 24-25).

h. The final outage for PTN3 is in progress and scheduled to complete in August 2012 with an expected increase in capacity of 123 MWe. The final outage for PTN4 is scheduled to start [REDACTED] and complete in March 2013 with a capacity increase of 123 MWe. Approximately 95% of the Unit 4 modifications are at 90% completion (pg. 30). The current PTN 3R26 outage is the largest and most challenging EPU outage. It started on February 26, 2012 and is scheduled to complete by August 4, 2012. Major Work Scope is listed on pages 32-35 of the presentation. Nearly 20 million man-hours will be used to complete the EPU project (pg. 37)

i. FPL is managing future schedule and cost impacts by completing the engineering and detailed construction plans for the outages. Most project uncertainty remains around demolition and replacement of major components. Since November, FPL Project Management has scrutinized and challenged the Bechtel estimate to go costs for completing the EPU project. FPL has negotiated concessions from the EPC contractor that include waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates. FPL hopes to include these concessions into a revised EPC contract in the near future (Pg. 41). The project is on schedule to complete implementation in early 2013 with a higher gain in MW output than discussed last year (490 MWe vs. 450 MWe). The majority of the increase is expected to be realized in 2012. The implementation of the St. Lucie Unit 2 and Turkey Point 4 outages will be very similar, which should reduce the uncertainty of execution costs (pg. 42).

(3) Conclusions:

1. Outages are on schedule with the increased times established in early 2011.
2. The EPU project is on schedule to complete in early 2013.
3. The EPU LARs have been submitted to the NRC and are currently under review for final approval.
4. PSL1 may require a mid-cycle outage to complete the uprate if the PSL1 EPU LAR is not approved prior to completing the final outage.
5. Approximately 82% of the PSL2 engineering design is at 90% completion in support of the detailed construction planning. The work order package development for PSL2 is in progress and expected to be complete by July 2012
6. The final outage for PTN3 is in progress and scheduled to complete in August 2012 with an expected increase in capacity of 123 MWe.
7. The final outage for PTN4 is scheduled to start [REDACTED] and complete in March 2013 with a capacity increase of 123 MWe.
8. Approximately 95% of the Unit 4 modifications are at 90% completion.
9. Nearly 20 million man-hours will be used to complete the EPU project.
10. Since November, FPL Project Management has scrutinized and challenged Bechtel's estimate of to-go costs for completing the EPU project.
11. FPL has negotiated concessions from the EPC contractor that include waiver of incentive fees, daily living allowances, reduced field non-manual rates, reduced escalation, reduced cost for subcontractors and reduced craft wage rates.
12. The project is on schedule to complete implementation in early 2013 with a higher gain in MW output than discussed last year (490 MWe vs. 450 MWe)

(4) Date Request(s) Generated:

- No. _____
- No. _____
- No. _____

(5) Follow-up Required:

1. Determine whether the PSL1 outage was completed or extended for some unknown reason; find out what the new output from the EPU was in net MWe generation; when is the mid-cycle scheduled to begin.
2. Request copies of Bechtel's original and revised EACs and communications of the potential increase to executive management and the BOD.
3. Request a summary of concessions negotiated from Bechtel and other vendors to reduce estimated project costs in the EAC and revised EAC.
4. Request copies of Bechtel and other vendor contract changes as a result of the negotiated concessions, and the total amount of all concessions.
5. Identify the total budget increases in the 2011 EPU project and the categories in which those costs were incurred.
6. Determine when the FPL negotiated vendor concessions will become effective, and whether any concessions are retroactive; if any are retroactive identify those dates.
7. Request copies of all modified contracts resulting from the FPL negotiated concessions.

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-5 File Name: EPU IVS-5.doc
Name: Tony Maceo (IA Manager), Jennifer (IA Manager), Tiffany Cohen	Date of Interview: March 28, 2012 Location: Juno Beach Offices Telephone Number:
(1) Purpose of Interview: Discuss any changes to IA responsibilities toward the EPU project, discuss any policy, procedure and process changes, organizational changes, annual Jefferson Wells (Experis) audit of EPU and PTN 6&7 projects, additional audits completed during 2011 and audits pending or planned for completion in 2012.	
(2) Interview Summary:	
a. Discussed whether there were any changes to the IA responsibilities for the EPU project during 2011. There were no changes to IA responsibilities for EPU. However, there was a change in the IA Director position. IA has contracted with Experis (Jefferson Wells) to conduct the annual EPU and PTN76&7 reviews of transactions for the projects. These audits review the same areas as they have in the past (payroll, invoices, and expenses) and [REDACTED]. Mr. Maceo explained that Experis is not considered an outside auditor, but is instead a consultant, and does not have to meet Sarbanes-Oxley scrutiny for external audit relationships. This excludes them from consideration for replacement every five years under Sarbanes-Oxley.	
b. [REDACTED]	
c. In 2011, additional IA audits and investigations have been planned, requested, and completed. A list of the audits conducted and a scheduled for completion is provided in the company's response to DR-1.15. This year IA included an EPU audit [REDACTED] Vendor Audit) as part of the IA scheduled audits plan. The EPU project completed a self-audit of PTN augmented staffing in November 2011.	
d. The Annual EPU review, currently being conducted by Experis, is expected to be complete in May 2012 and will be made available in the Tallahassee offices.	
e. In July 2011 the EPU project implemented SAP accounting and reporting software, along with an FPL fleet wide accounting system change.	
f. Staff found that in the [REDACTED]	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required: 1. Request a summary comparison of rates for Black Diamond and other Guidant partners for the same positions recruited for PSL EPU.	

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Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-6 File Name: 3.5.6 EPU IVS-6.doc
Name: Jim Voorhees (ECP Manager) and Tiffany Cordes	Date of Interview: March 28, 2012 Location: Juno Beach Offices Telephone Number:
(1) Purpose of Interview: Discuss an ECP investigation conducted by Mr. Voorhees direct report, related to the PTN 6&7 project. Further to discuss whether the investigation indicated there was a prevalent hostile workplace environment at the PTN 6&7 project, or at the EPU project.	
(2) Interview Summary: a. Mr. Voorhees explained his responsibilities and provided a brief overview of the ECP organizational structure and the reporting structure to him as ECP Manager. b. He explained ECP takes any issues that come to them through the door, over the phone hotline, under the door, or in writing through a Red Letter referral. ECP handles any employee and contractor complaints regarding Safety, Quality, workplace environment, etc. c. ECP attempts to keep each Complainant's identity confidential if possible. However, there are some identified, at times, even with the precautions taken. d. The investigation reviewed by FPSC Audit staff appeared to indicate [REDACTED] <div style="background-color: black; width: 100%; height: 40px; margin-top: 5px;"></div>	
e. FPSC staff also asked about whether there had been investigations regarding workplace hostility in the EPU project. While Mr. Voorhees stated there had been some complaints and investigations completed for EPU during 2011, he characterized them as minor and not indicative of a prevalent hostile workplace environment at the EPU project.	
(3) Conclusions: a. The report was investigated and allegations were found to be unfounded; the condition identified was misunderstood by the complainant. b. There was no indication of workplace hostility as reported to EPC.	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required:	

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Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-7 File Name: 3.5.7 EPU IVS-7.doc
Name: Rick Weis, QA Manager, New Nuclear Projects, Bill Maher, Sr. Director-Licensing New Nuclear Projects, Bruce Beisler Project Manager Nuclear Division Projects, Tiffany Cohen, Manager of Nuclear Cost Recovery Regulatory Affairs	Date of Interview: March 30, 2012 Location: Juno Beach Offices Telephone Number:
<p>(1) Purpose of Interview: To discuss any changes to QA/QC organizational reporting, policies and procedures, and duties and responsibilities. Further to discuss key QA events during 2011 and 2012, and key vendor quality issues during 2011 and 2012 to date.</p>	
<p>(2) Interview Summary:</p> <p>a. There were no new developments with regard to QA organizational structure, other than Mr. Weis is now a QA Manager rather than a QA Supervisor. He still reports to the same person as last year (Director Nuclear Assurance). There is the same number of employees as last year. He has seven people reporting to him, two are full time FPL Blue Badges; An FPL ex-employee was hired as a contractor to focus on the EPU Project and Bechtel QA/QC;</p> <p>b. QA does not attend EPU meetings unless QA is interested in a specific scope of work (safety related mostly); Generally the Juno Beach meetings focus on things outside his responsibilities. QA gathers information throughout the project to focus on issues re: quality of work; QA talks with different Project Managers to keep informed of the project schedule;</p> <p>c. Vendor oversight activity is tailing off on the EPU project and by June 2012 QA will be through vendor oversight, since the projects will have most of the safety-related work completed and vendor equipment has been received by the project.</p> <p>d. QA is now involved with an outside project (fleet wide) looking at problematic pumps and motors. They have focused on how to improve the performance of pumps and motors throughout the fleet.</p> <p>e. QA puts focus upon the approval process for changes to implementing mods. For example, at PSL QA is seeing a number of changes occurring and problems related to those changes; QA found that the pumps provided by Flowserve did not meet specifications; other things were found in the walk downs that showed differences in engineering; Bechtel is responsible for most of EPU QA, but FPL QA can take over for Bechtel if they need to; FPL QA has taken over from Bechtel QC in some pump areas; the manufacturers have not read and understood the specifications; for example Continental Machine was hired to come in and drill new holes and improve the jib block to complete work that was not manufactured in accordance with the specifications; this modification is done at additional cost to the project because a manufacturer did not build to the design specifications; holes on the discharge, feet for the unit and loose wiring were spotted on site by QA and caused work to wait for on-site corrections;</p> <p>f. Specific instances of QA related vendor issues during 2011 include <u>Feed Water Drain Pumps</u> - specifications for the base plate holes were drilled wrong at the factory; Continental Machine had to re-do the base plate, causing delays in the schedule; Moisture Separator Reheaters have come close to being corrected; the Supplier Quality Group has spent a lot of time on TEi (problems with residue in tubing); but TEi does have an ISO 1000 compliant QA program that meets NRC requirements; yet additional improvements have been made to QA at TEi; Safety-related Main Steam Isolation Valves have had poor wiring that has come loose inside; QA began to look at wire crimps and discovered they have been done with pliers rather than crimping tools; all lugs were cut off and new ones were installed at PSL; the schedule was impossible because so many items of re-work were required; QA has been good about resolving these issues.</p> <p>g. PTN 6&7 works well and QA is like the Maytag Repairman (never needed); He requires at least one monthly surveillance and 1 audit per year by QA personnel assigned to the project;</p> <p>h. Discussing Bechtel's corrective actions program difficulties, Mr. Weis noted that QA had issued one finding that was corrected; he said Bechtel has been improving tremendously on providing corrective action documentation to FPL; Siemens does not cooperate well in providing corrective action information due to its concerns with proprietary information and do not want that type of information in the Corrective Action Program. Siemens found that corrective action information provided to another utility was used against them to reduce contracted work contracted to Siemens, and since then have become very sensitive to providing corrective action information to utilities for their databases.</p>	
<p>(3) Conclusions:</p> <p>a. QA has worked to resolve vendor quality problems during 2011 having to do with Feed water Drain Pumps, Moisture Separator Reheaters and Main Steam Isolation Valves.</p> <p>b. Corrective action program information from Bechtel has been corrected and Bechtel has worked with FPL QA to resolve the issue.</p>	
<p>(4) Date Request(s) Generated:</p> <p>No. _____</p> <p>No. _____</p> <p>No. _____</p>	

(5) Follow-up Required:

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): L. Fisher, D. Rich	Interview Number: IVS-8 File Name: 3.5.8 EPU IVS-8.doc
Name: Mark Waronick, Manager, Nuclear Sourcing Bruce Beisler, Project Manager Nuclear Division Projects, Tiffany Cohen, Manager of Nuclear Cost Recovery Regulatory Affairs	Date of Interview: March 30, 2012 Location: Juno Beach Offices Telephone Number:
(1) Purpose of Interview: To discuss any changes in the procurement and contract processes, organization, and responsibilities during 2011 or planned for 2012; Further, to discuss specific contracts, scope changes, amounts, contract revisions, and contract reporting for the EPU project during 2011 through April 2012.	
(2) Interview Summary: a. The major changes to the Sourcing Group happened above Mark's level; Deborah Caplan was promoted to COO, and Bill Yeager became the VP Integrated Supply Services (was VP Engineering and Construction); mark said that he will be getting some additional support (material analysts) for closing out spare parts, as the outages close; b. Before the outage, the Spare part engineers, station maintenance and procurement sourcing discuss and secure levels of spare parts needed during the outage. Afterward the same people review what parts remain, and are needed for the plant to maintain the newly installed equipment; any spare parts are returned or placed into stock; Some specialty items will require a re-stocking fee (30%-35%) to return them back to the vendor; c. There have been no changes in his duties or responsibilities during 2011, and knows of no new changes coming in 2012. d. Mark noted that outside EPU, Nuclear Supply Chain is across all business units. Blanket Orders are used for fleet wide contracts, and those are not included in the list of contracts greater than \$250,000 provided in response to DR-1.10a. e. Several questions related to the T7a Schedule were discussed and have been put into DR-7 as follow-up for a written response; f. Gantry Crane work at PSL and PTN should be complete; However, there are some ongoing negotiations between Bechtel and Whiting Services that have to be resolved before the Gantry Crane contract can be completed and closed; g. In annual EPU refresher training SSJ criteria are included so people are aware of the criteria to be included in SSJs. h. No changes have been made to Contract Administration & Tracking processes during 2011; i. Contractor Evaluations are completed by the site Project Team as a means of contractor performance evaluation.	
(3) Conclusions:	
(4) Date Request(s) Generated: No. _____ No. _____ No. _____	
(5) Follow-up Required: 1. Include questions regarding specific contracts in DR-7 to get written response.	

Project Manager

Bureau of Performance Analysis Interview Summary

Company: Florida Power & Light Company Area: Project Management Internal Controls Auditor(s): Rich, Fisher, Vinson	Interview Number: EPU IVS-9 File Name: 3.5.9 EPU IVS-9
Name: Terry Jones, Vice President Uprates; also on call Tiffany Cordes and Clyde Newson	Date of Interview: 5/23/12 Location: Teleconference Telephone Number:
(1) Purpose of Interview: To further discuss when standowns and work stoppages are called, criteria for establishing whether a condition report (CR), Action Report (AR), or root cause report is used; further, to discuss FPL's responsibilities of oversight for the Siemens PSL-2, work stoppage, root cause analysis, and rotor stator repair.	
(2) Interview Summary: <ol style="list-style-type: none"> 1. Mr. Jones began discussing vendor human performance requirements and how contractual requirements are used to ensure contractors perform the work scope according to the conditions of the contract; when there is a deviation we have a process to determine the next step; the contract stipulates specific work scope, conditions, terms, and limits of liability; He noted that everybody working at the site receives initial training on expectations for work and performance requirements on the site as a base of understanding expectations; 2. Mr. Jones talked about the standard procedures related to issuing a Condition Report (CR), Action Report (AR), and three different types of cause reporting including: Common Cause, Apparent Cause, and Root Cause; he noted when a potential danger is identified on the site anyone can issue a CR; An AR is issued when it appears there is a trend in the type of problem identified; in the event of numerous similar CRs a condition evaluation determines the cause and addresses what to do to resolve the condition; Part of the evaluation process is conducted through the cause report, depending on the complexity and severity of the condition or event; a tiered process determines when to use a different cause by asking why wouldn't it be a situation for the more detailed cause investigation; if it does not meet the higher criteria a lower level cause report would be completed; These are all part of the FPL Human Performance Program and Corrective Action Program to identify and correct conditions before they become a danger to the plant or to workers at the plant. The level of condition procedure PI-AA-204 relates to part 10 CFR, Part 50, Appendix B as having the requirements for ensuring the Quality Assurance organization holds vendors accountable for safety-related work in their own QA programs. Mr. Jones stated that the FPL Human Performance Program and Corrective Action Programs are in full compliance with the requirements of these programs and that it is FPL's responsibility to insure that the vendors contracted by FPL are also fully compliant. 3. 10 CFR, Part 50, App B states in part that <ul style="list-style-type: none"> ▪ (Introduction) <i>"This appendix established quality assurance requirements for the design, manufacture, construction, and operation of those structures, systems, and components.....apply to all activities affecting the safety-related functions of those structures, systems, and components."</i> ▪ (Introduction) <i>"...quality assurance comprises all those planned and systematic actions necessary to provide adequate confidence that a structure, system, or component will perform satisfactorily in service."</i> ▪ (Part I, Organization) <i>"The applicant shall be responsible for the establishment and execution of the quality assurance program. The applicant may delegate to others, such as contractors, agents, or consultants, the work of establishing and executing the quality assurance program, or any part thereof, but shall retain responsibility..."</i> ▪ (Part VIII. Identification and Control of Materials, Parts, and Components) <i>"Measures shall be established for the identification and control of materials, parts, and components..."</i> and <i>"...These identification and control measures shall be designed to prevent the use of incorrect or defective material, parts, or components."</i> 4. According to Mr. Jones, the CR gets written and goes to an initial screening team; the condition is reviewed and an initial recommendation of significance is assigned (1,2, or 3, and common cause, apparent cause, or root cause); Station Management determines the condition assignment; the Siemens event was classified as a root cause analysis by the plant; these assignments are conditional based on the complexity of the event and the potential danger to the plant; Decision making questions follow: if this is not a level 1 why not, if this is not a level 2 why not, etc.; (significance Level 1 is the highest) 5. Mr. Jones noted that the NRC rules require that a root cause team with one leader is to be established for such events; that leader must be certified in Root Cause Analysis (RCA). Management Review Committee (MRC) reviews the charter for the root cause team, it's membership composition, and either approves or makes changes. It is not unusual that the vendor provides most of the personnel for an RCA team. They are closest to the incident/event/knowledge of what prompted the RCA. Typically the team puts together a timeline of events, identifies the procedures applicable, type of tools or equipment, whether there were organizational issues, and based on the condition what to do immediately; Siemens had to bring back a plan after the root cause to be reviewed by the MRC; immediate actions were around tool accountability and how Siemens lost accountability; would determine whether the set of tools was logged in and comply with Siemens procedures; the FME log would identify whether the tools were signed out and in and complied 	









with Siemens procedure (however, the root cause analysis said there was no FME control established); Jones explained that there are different zones and level of FME; Siemens procedures did not require an FME zone (however, Siemens workers interviewed by RCA team stated that an FME would have prevented the event);

6. Mr. Jones noted that "Everything that happens at the worksite is FPL's responsibility."

7. This was a direct contractual arrangement between FPL and Siemens. Bechtel was not in the picture; Siemens was not a subcontractor for Bechtel on this scope of work. Siemens is the industry expert, using proprietary tools and techniques. It was not a question of using an intermediary (Bechtel) ~ FPL hired Siemens direct for this bit of work.

  
EPPI-140 R10 EPPI-190 R0 PI-AA-100-1005-
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8. As a result of our discussions, and for staff review, FPL to provide

       
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005 root cause.pdf 005 Apparent Cau 003_2 Human Per Human Performcn Condition ID.pdf Evaluation and Co F02_002 Apparent F01_002 HU Work

9. Confirmed that the outage was extended 22 days per Jones testimony; In a Feb. 13, 2011 memo to the PSL Site Director Mr. Jones stated "Can not accept". "No valid reason for use of this tool given that new iron was being stacked on the through bolts". Mr. Jones recalled that he was challenging whether the tool was necessary, but said that the tool makes stacking more efficient.

(3) Conclusions:

(4) Date Request(s) Generated:

No. _____
No. _____
No. _____

(5) Follow-up Required:

Project Manager

10. Analysis / Sampling

Non-binding Estimate Change

Category	2007 Need Estimate	2011 Range High	2012 Range High	%
Construction	\$1,446,304,000	\$2,265,084,311		56.6%
AFUDC & Carrying Charges	\$351,696,000	\$213,946,659		-39.2%
Total	\$1,798,000,000	\$2,479,030,970		37.9%

Turkey Point 3&4 Contract Dollars 2011

Westinghouse	Areva	Shaw	Bechtel	Siemens Material	Siemens Labor	Long Lead	Implementation Support	Total	Total Less O&M
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[REDACTED]									1
[REDACTED]									2

St. Lucie 1&2 Contract Dollars

Westinghouse	Areva	Shaw	Bechtel	Siemens Material	Siemens Labor	Long Lead	Plt. Craft Support	Total	Total Less O&M
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[REDACTED]									3
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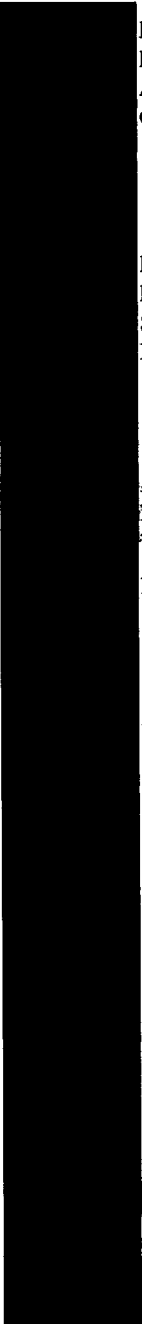
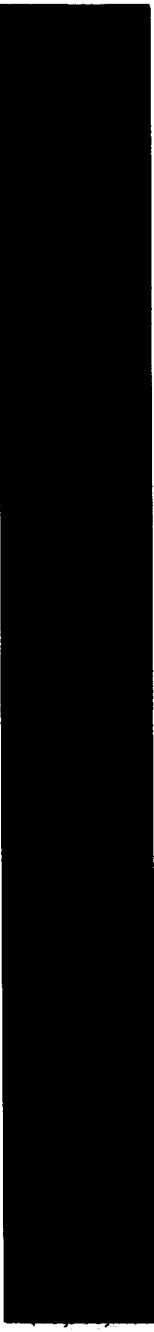
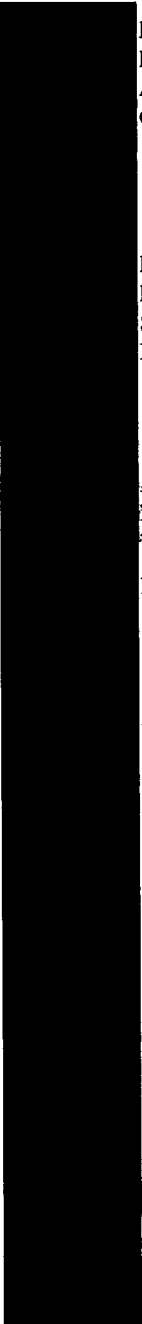
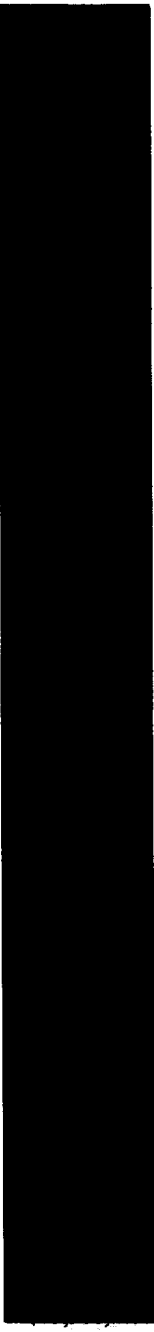
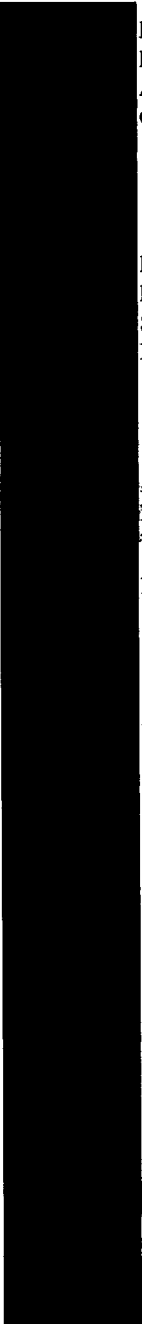
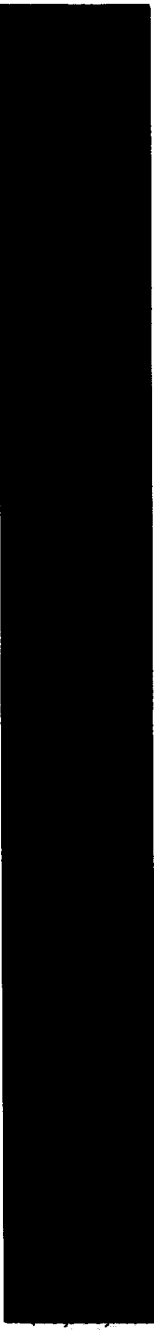
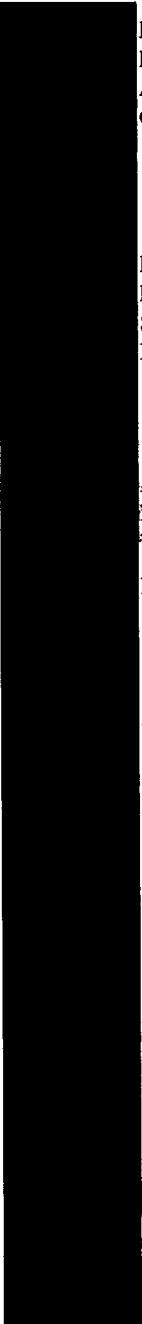
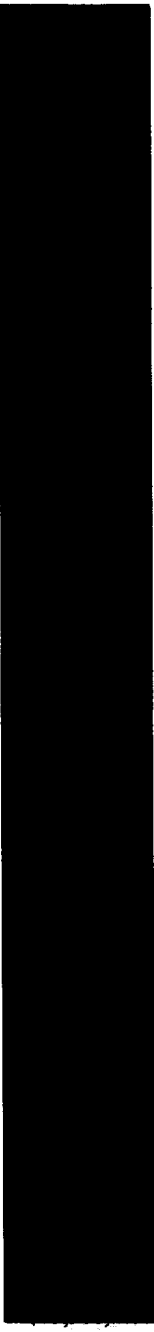
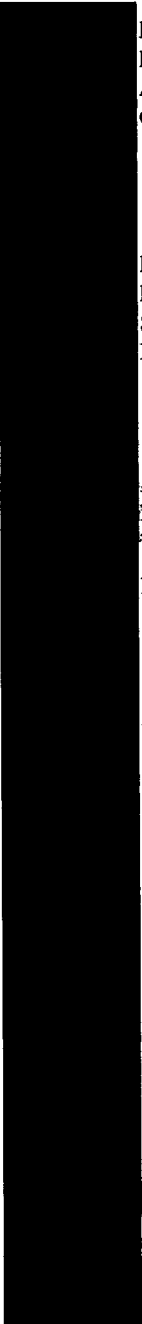
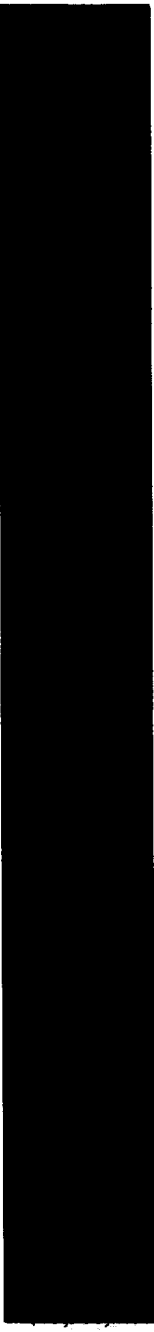
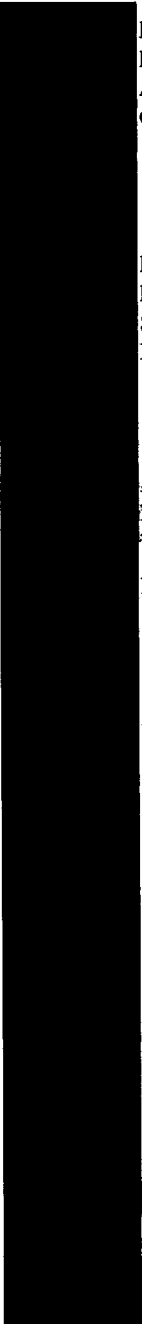
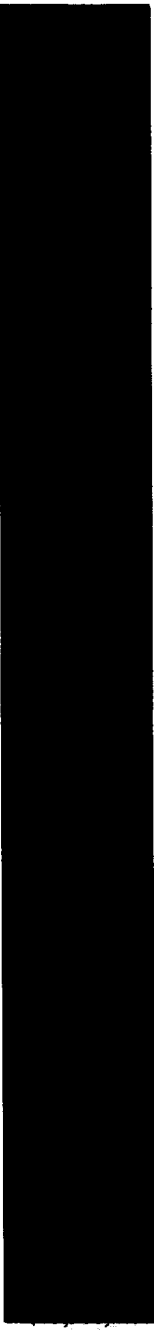
FPL License Amendment Request Schedule

Unit/LAR	Date Submitted	Accepted by NRC	NRC Review Progress	Estimated Approval	Prior Estimated Date
PSL-1 EPU LAR	11/22/10	3/9/11	ongoing review	2Q 2012	1Q 2012
PSL-2 EPU LAR	2/25/11	6/23/11	ongoing review	2Q 2012	2Q 2012
PTN- Core Operating Limits Report (COLR) LAR	2/2/11	3/29/11	ongoing review	1Q 2012	
PTN AST LAR	6/ /09			2Q 2011	2Q 2011
PTN SFC LAR	8//10	3//11		3Q 2011	3Q 2011
PTN-3&4 EPU LAR	10/21/10	3//11	ongoing review	2Q 2012	1Q 2012

EXHIBIT

Source: Document Request DR-1.2

Sampling from 2011 EPU Invoices

Contractor	Month	Invoice Amount PSL	Month	Invoice Amount PTN		
Westinghouse	Jan		Mar			
	Apr		May			
	Aug		Aug			
	Oct		Oct			
	Total Sampled					
Total 2011 Invoices						
% of total						
Bechtel	Mar				Mar	
	Apr				May	
	Jul				Sep	
	Dec	Dec				
	Total Sampled					
Total 2011						
% of total						
Siemens Mat.	Feb			Mar		
	May			May		
	Aug			Sep		
	Oct		Dec			
	Total					
Total 2011						
% of total						
Siemens Lab.	Jan			Feb		
	Apr			Jun		
	Sep			Oct		
	Dec	Dec				
	Total					
Total 2011						
% of total						
Long Lead Mat.	Feb			Mar		
	Jun			Apr		
	Sep			Aug		
	Dec		Nov			
	Total					
Total 2011						
% of total						
Implement. Sup.	Feb			Mar		
	Apr			May		
	Aug			Sep		
	Dec	Dec				
	Total					

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Total 2011
% of total



Grand total Sample
Total 2011
% of total invoiced

\$332,202,888

\$351,393,342

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DR-1.10

New 2011 Contracts in Excess of \$250,000

Contract No.	Orig. Date	Orig. Amt.	Amt. Expend. as of 9/30/11	Est. Total Final Amt.	Contractor
1	2300139	11/21/11			Siemens Energy Inc.
2	2295186	8/2/11			Holtec International
3	2293950	6/24/11			Siemens
4	2297055	9/16/11			Thermal Engineering
5	2290614	5/2/11			Flowserve Corp.
6	2297556	9/27/11			Siemens Energy Inc.
7	2285720	1/4/11			Enercon Services
8	2290465	3/31/11			Siemens
9	2296556	9/2/11			Sulzer Pumps
10	2299624	11/16/11			Ames Group
11	2300487	11/28/11			Weldtech Services
12	2291203	4/21/11			Enertech
13	2298406	10/12/11			Master Lee Energy Services
14	2295071	8/1/11			Stone & Webster
15	2298266	10/12/11			Franmar Corporation
16	2295953	8/24/11			Marmon Wire & Cable
17	2296797	9/9/11			Coastal Bus & Charter Lines
18	2290842	4/8/11			Siemens
19	2294221	7/11/11			Flowserve Corp.
20	2294855	7/21/11			Zachary Nuclear Engineering
21	2292773	5/26/11			AAF McQuay
22	2295422	8/10/11			Siemens Energy Inc.
23	2294247	7/6/11			Ecological Associates
24	2287242	1/27/11			Engineering Planning & Management
25	2299618	11/4/11			Radation Safety & Control
26	2293653	6/29/11			Thermal Engineering
27	2297624	10/27/11			Siemens Energy Inc.
28	2287971	2/15/11			Foster Wheeler North America
29	2296330	9/9/11			Flowserve Corp.
30	2291815	4/28/11			BRV Construction
31	2294494	7/13/11			Enercon Services
32	2298894	10/24/11			Day & Zimmerman NPS Inc.
33	2264476	5/11/11			Batsch Industries
34	2299350	11/1/11			Enercon Services
35	2294341	7/11/11			Alion
36	2296519	9/6/11			Techcom International
37	2286521	1/18/11			Stone & Webster
38	2290463	3/31/11			Siemens
39	2296049	8/25/11			Cameron Tech.
40	2299631	11/8/11			Tri-Tool
41	2298635	10/14/11			Sargent & Lundy Inc.
42	2290208	3/25/11			FeedForward Inc.
43	2299101	10/27/11			Berkel & Company
44	2287468	2/10/11			FeedForward Inc.
45	2294671	8/19/11			NWT Corporation
46	2296623	9/6/11			Tricen Technologies

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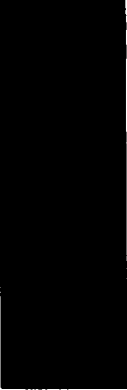

47 LOA 11/7/11 T&M T&M Siemens Energy Inc.

Total



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New Contract Breakdown and
New Contract Totals 2011

Method Selected				Type Contracts
		Single		
Single	1	2300139	11/21/11	
Single	2	2295186	8/2/11	
Single	3	2293950	6/24/11	
Single	4	2297055	9/16/11	
Replaces 130649	6	2297556	9/27/11	
Single	10	2299624	11/16/11	
Competitive	11	2300487	11/28/11	
OEM	14	2295071	8/1/11	
OEM	20	2294855	7/21/11	
Single	33	2264476	5/11/11	
Single	40	2299631	11/8/11	
Competitive	41	2298635	10/14/11	
Competitive	43	2299101	10/27/11	
Single	47	LOA	11/7/11	
Competitive			T&M	
OEM	Total 14			
Competitive		Replacements		
OEM	5	2290614	5/2/11	
Competitive	35	2294341	7/11/11	
Single	39	2296049	8/25/11	
OEM				Replaces 130649
OEM	Total 3			Replaces 129895
Competitive		Competitive		Replaces 116796
Competitive	7	2285720	1/4/11	
Competitive	12	2291203	4/21/11	
Competitive	13	2298406	10/12/11	
OEM	15	2298266	10/12/11	
Competitive	17	2296797	9/9/11	
Competitive	19	2294221	7/11/11	
Competitive	23	2294247	7/6/11	
Competitive	24	2287242	1/27/11	
Competitive	25	2299618	11/4/11	
Single	26	2293653	6/29/11	
Competitive	28	2287971	2/15/11	
Replaces 129895	29	2296330	9/9/11	
Competitive	30	2291815	4/28/11	
PDS	31	2294494	7/13/11	
OEM	32	2298894	10/24/11	
Replaces 116796	34	2299350	11/1/11	
Single	36	2296519	9/6/11	
Single	42	2290208	3/25/11	
Competitive	44	2287468	2/10/11	
Single	45	2294671	8/19/11	
Competitive	46	2296623	9/6/11	
Competitive				
Competitive	Total 21			

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Single

	OEM	
8	2290465	3/31/11
9	2296556	9/2/11
16	2295953	8/24/11
18	2290842	4/8/11
21	2292773	5/26/11
22	2295422	8/10/11
27	2297624	10/27/11
38	2290463	3/31/11
Total	8	
	PDS	
37	2286521	1/18/11
Total	1	



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March T-7A Contracts

No.	Contract No.	Orig. Date	Existing contracts 2007-2010			Contractor	Method Selected
			Orig. Amt.	Amt. Expend. 2011	Est. Total Final Amt.		
1	121869	4/29/09				McQuay	C
2	120769	3/26/09				Calvert	C
3	124436	7/17/09				Calvert	C
4	121985	4/24/09				Flowserve	C
5	123137	5/28/09				Flowserve	C
6	125454	8/28/09				FLowserve	C
7	122154	4/27/09				Siemens	C
8	119078	12/9/08				Westinghouse	O
9	119653	11/24/08				Westinghouse	O
10	121947	4/24/09				Westinghouse	O
11	119670	2/18/09				Proto-Power	S
12	115297	8/27/08				Areva	S
13	115338	8/27/08				Areva	S
14	117809	12/2/08				Bechtel	C
15	116088	9/29/08				Siemens	S
16	117820	12/2/08				Bechtel	C
17	116090	9/29/08				Siemens	S
18	118328	12/19/08				TEI	C
19	118206	12/17/08				TEI	C
20	118205	12/17/08				TEI	C
21	118241	12/19/08				TEI	C
22	112221	4/22/08				SS&W	S
23	112177	4/22/08				SS&W	S
24	117272	11/13/08				American	S
25	118224	12/17/08				TEI	C
26	115465	9/3/08				Proto-Power	S
27	118278	12/19/08				TEI	C
28	105720	9/12/07				Areva	S
29	116107	9/29/08				Cameron	S
30	114114	7/3/08				R. Sipos	S
31	113030	5/20/08				Seabrook	S
32	115391	8/29/08				NAI	S
33	112987	5/19/08				NAI	S
34	4500521317	9/8/09				Areva	S
35	126248	10/8/09				ABB	S
36	126453	11/5/09				Joseph Oat	C
37	127777	12/8/09				High Bridge	S
38	127881	12/22/09				Absolute	S
39	123762	6/25/09				Key Controls	O
40	118988	1/22/09				Holtec	S
41	118563	1/14/09				Holtec	C
42	118627	7/28/09				Western Svc.	C
43	118844	1/15/09				Western Svc.	C
44	4500467077	11/10/08				Siemens	C
45	130579	5/1/10				Fisher	C

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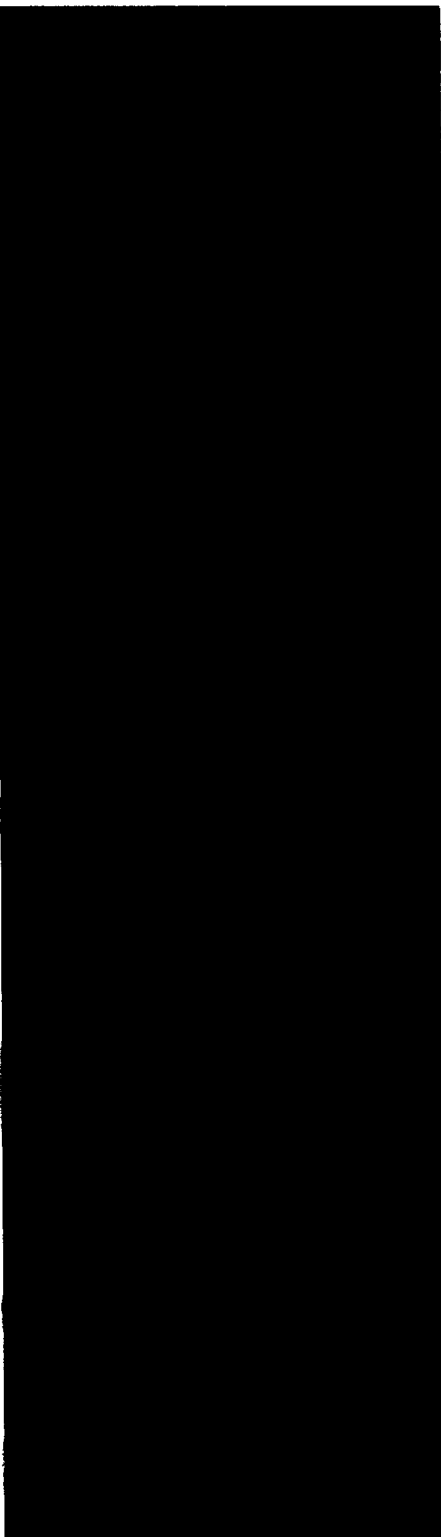
46	130160	3/29/10		Flowserve	C
47	130612	4/22/10		Flowserve	C
48	130649	4/22/10		Flowserve	C
49	126227	10/13/09		Invensys	O
50	129689	3/17/10		Invensys	C
51	130272	4/8/10		Siemens	C
52	131356	5/21/10		Brand Energy	C
53	131599	5/27/10		All Star	C
54	4500586420	6/16/10		Energy Erectors	C
55	131533	6/10/10		Areva	O
56	131907	6/11/10		Areva	O
57	131585	6/15/10		SS&W	PDS
58	131393	6/10/10		Fisher	C
59	131742	6/16/10		Westinghouse	PDS
60	132077	6/17/10		Siemens Energy	S
61	132078	6/17/10		Siemens Energy	S
62	132235	6/24/10		Enercon	S
63	131987	6/25/10		S&L	S
64	131940	6/30/10		Westinghouse	C
65	132283	6/28/10		SS&W	PDS
66	2259675	7/23/10		Joseph Oat	C
67	2259669	8/2/10		TAW	C
68	2259997	8/4/10		SPX	R
69	2259768	8/6/10		Westinghouse	O
70	2260155	8/16/10		Siemens Energy	S
71	2260113	9/23/10		Westinghouse	O
72	2261536	9/16/10		Washington Group	C
73	2261750	9/21/10		Modular Space	C
74	2261747	9/23/10		Westinghouse	PDS
75	2262094	9/28/10		Structural Integrity	C
76	2262201	9/30/10		Fisher	R
77	2262367	10/4/10		Techcom	C
78	2262515	10/6/10		Fisher	R
79	2263036	10/19/10		Flowserve	R
80	2264240	11/17/10		Siemens Energy	S
81	2263052	11/11/10		Invensys	S
82	2263549	11/10/10		Areva NP, Inc.	C
83	2263930	11/11/10		Brand Energy	R
84	2264842	11/30/10		Ronnies Turbine	S
85	2264841	11/30/10		Batsch Industries	S
86	2264377	11/30/10		Techcom	C
87	2264914	12/7/10		Westinghouse	O
88	2263861	11/4/10		Graybar Electric	C
89	2285418	12/16/10		Siemens Energy	O
90	4500589986	7/6/10		Kennedy Constr.	C
91	2285720	1/4/11		Enercon	C
92	2291203	4/21/11		Enertech	C
93	2287242	1/27/11		EP&M	C
94	2287468	2/10/11		Feedforward Inc.	C
95	2290208	3/25/11		Feedforward Inc.	C
96	2287971	2/15/11		Foster Wheeler	C
97	2290465	3/31/11		Siemens	O

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98 2290463 3/31/11
 99 2290842 4/8/11
 100 2286521 1/18/11
 101 2264476 5/11/11
 102 2291815 4/28/11
 103 2290614 5/2/11
 104 2292773 5/26/11
 105 2293950 6/24/11
 106 2293653 6/29/11
 107 2294247 7/6/11
 108 2294341 7/11/11
 109 2294494 7/13/11
 110 2294221 7/11/11
 111 2294855 7/21/11
 112 2295186 8/2/11
 113 2295422 8/10/11
 114 2295071 8/1/11
 115 2296049 8/25/11
 116 2294671 8/19/11
 117 2296556 9/2/11
 118 2296519 9/6/11
 119 2296623 9/6/11
 120 2296797 9/9/11
 121 2296330 9/9/11
 122 2298266 10/12/11
 123 2298406 10/12/11
 124 2298635 10/14/11
 125 2297556 9/27/11
 126 2299101 10/27/11
 127 2298894 10/24/11
 128 2299350 11/1/11
 129 2299618 11/4/11
 130 2297624 10/27/11
 131 2291631 11/8/11
 132 2295953 8/24/11
 133 2297055 9/16/11
 134 2300139 11/21/11
 135 2299624 11/16/11
 136 2300487 11/28/11
 137 2299618 11/4/11
 138 2299350 11/1/11
 139 2299631 11/6/11
 140 NF-10-358 11/2/10
 141 2301813 12/28/11
 142 2301867 12/28/11
 143 2301038 12/14/11
 144 2261800 9/28/10
 145 130340 4/2/10
 146 2301737 12/21/11
 147 2301736 12/21/11
 148 2301871 12/28/11
 149 2301858 12/28/11



Siemens O
 Siemens O
 Stone & Webster PDS
 Batsch Industries S
 BRV Constr. C
 Flowserve R
 McQuay O
 Siemens S
 Thermal Engr. C
 Ecological Assoc. C
 Alion S
 Enercon C
 Flowserve C
 Zachary Nuclear S
 Holtec S
 Siemens Energy O
 Stone & Webster S
 Cameron Tech. R
 NWT Corp. C
 Sutzer Pumps O
 Techcom C
 Tricen Tech. C
 Coastal Bus C
 Flowserve C
 Franmar C
 Master Lee Energy C
 S&L S
 Siemens Energy S
 Berkel & Co. S
 Day & Zimmerman C
 Enercon C
 Radiation Safety C
 Siemens Energy O
 Tri-Tool Inc. S
 Marmon Wire O
 Thermal Engr. S
 Siemens Energy S
 Ames Group LLC S
 Weld Tech Svcs. S
 Radiation Safety C
 Enercon C
 Tri-Tool Inc. S
 Westinghouse O
 Enercon C
 Enercon S
 Graftel Inc. C
 L3 Commun. O
 MPR Associates C
 PSI Energy Svcs. S
 Weld Tech Svcs. S
 Zachary Nuclear S
 S&L S

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150 2000053226 11/21/11 [REDACTED] Ric-Man Constr. C
 151 [REDACTED]
 152 [REDACTED]

Total \$1,131,086,852 \$551,094,172 \$1,560,512,909

contract	closed	contracts closed in 2011				
		amount	expended	final amount		
7	122154	6/15/11	[REDACTED]	[REDACTED]	Siemens Energy	C
14	105353	12/1/11	[REDACTED]	[REDACTED]	SS&W	S
30	116796	12/22/11	[REDACTED]	[REDACTED]	Cameron	S
33	115036	1/6/11	[REDACTED]	[REDACTED]	B&W	S
34	112228	6/11/11	[REDACTED]	[REDACTED]	Westinghouse	S
57	131391	4/19/11	[REDACTED]	[REDACTED]	BRV	C
60	131928	2/28/11	[REDACTED]	[REDACTED]	Siemens Energy	S
86	2264196	4/20/11	[REDACTED]	[REDACTED]	Siemens Energy	O
90	2264548	3/28/11	[REDACTED]	[REDACTED]	Graybar Electric	C

Total \$11,570,402 \$3,905,018 \$13,592,397
 \$1,574,105,306

134	2300139	11/21/11	[REDACTED]	[REDACTED]	Siemens Energy	S
112	2295186	8/2/11	[REDACTED]	[REDACTED]	Holtec	S
105	2293950	6/24/11	[REDACTED]	[REDACTED]	Siemens	S
142	2301867	12/28/11	[REDACTED]	[REDACTED]	Enercon	S
103	2290614	5/2/11	[REDACTED]	[REDACTED]	Flowsolve	R
133	2297055	9/16/11	[REDACTED]	[REDACTED]	Thermal Engr.	S
148	2301871	12/28/11	[REDACTED]	[REDACTED]	Zachary Nuclear	S
125	2297556	9/27/11	[REDACTED]	[REDACTED]	Siemens Energy	S
146	2301737	12/21/11	[REDACTED]	[REDACTED]	PSI Energy Svcs.	S
147	2301736	12/21/11	[REDACTED]	[REDACTED]	Weld Tech Svcs.	S
149	2301858	12/28/11	[REDACTED]	[REDACTED]	S&L	S
91	2285720	1/4/11	[REDACTED]	[REDACTED]	Enercon	C
97	2290465	3/31/11	[REDACTED]	[REDACTED]	Siemens	O
117	2296556	9/2/11	[REDACTED]	[REDACTED]	Sutzer Pumps	O
135	2299624	11/16/11	[REDACTED]	[REDACTED]	Ames Group LLC	S
140	NF-10-358	11/2/10	[REDACTED]	[REDACTED]	Westinghouse	O
136	2300487	11/28/11	[REDACTED]	[REDACTED]	Weld Tech Svcs.	S
144	2261800	9/28/10	[REDACTED]	[REDACTED]	L3 Commun.	O
132	2295953	8/24/11	[REDACTED]	[REDACTED]	Marmon Wire	O
92	2291203	4/21/11	[REDACTED]	[REDACTED]	Enertech	C
123	2298406	10/12/11	[REDACTED]	[REDACTED]	Master Lee Energy	C

\$82,671,467

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>\$20M



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>\$20M



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\$1,291,745,928

82.5%

May P-7A Contracts for 2011

Projected Final

91	2285720	1/4/11		Enercon	C
92	2291203	4/21/11		Enertech	C
93	2287242	1/27/11		EP&M	C
94	2287468	2/10/11		Feedforward Inc.	C
95	2290208	3/25/11		Feedforward Inc.	C
96	2287971	2/15/11		Foster Wheeler	C
97	2290465	3/31/11		Siemens	O
98	2290463	3/31/11		Siemens	O
99	2290842	4/8/11		Siemens	O
100	2286521	1/18/11		Stone & Webster	PDS
101	2264476	5/11/11		Batsch Industries	S
102	2291815	4/28/11		BRV Constr.	C
103	2290614	5/2/11		Flowserve	R
104	2292773	5/26/11		AAF McQuay	O
105	2293950	6/24/11		Siemens	S
106	2293653	6/29/11		Thermal Engr.	C
107	2294247	7/6/11		Ecological Assoc.	C
108	2294341	7/11/11		Alion	S
109	2294494	7/13/11		Enercon	C
110	2294221	7/11/11		Flowserve	C
111	2294855	7/21/11		Zachary Nuclear	S
112	2295186	8/2/11		Holtec	S
113	2295422	8/10/11		Siemens Energy	O
114	2295071	8/1/11		Stone & Webster	S
115	2296049	8/25/11		Cameron Tech.	R
116	2294671	8/19/11		NWT Corp.	C
117	2296556	9/2/11		Sutzer Pumps	O
118	2296519	9/6/11		Techcom	C
119	2296623	9/6/11		Tricen Tech.	C
120	2296797	9/9/11		Coastal Bus	C
121	2296330	9/9/11		Flowserve	C
122	2298266	10/12/11		Franmar	C
123	2298406	10/12/11		Master Lee Energy	C
124	2298635	10/14/11		S&L	S
125	2297556	9/27/11		Siemens Energy	S
126	2299101	10/27/11		Berkel & Co.	S
127	2298894	10/24/11		Day & Zimmerman	C
128	2299350	11/1/11		Enercon	C
129	2299618	11/4/11		Radiation Safety	C
130	2297624	10/27/11		Siemens Energy	O
131	2299631	11/8/11		Tri-Tool Inc.	S
132	2295953	8/24/11		Marmon Wire	O
133	2297055	9/16/11		Thermal Engr.	S
134	2300139	11/21/11		Siemens Energy	S
135	2299624	11/16/11		Ames Group LLC	S
136	2300487	11/28/11		Weld Tech Svcs.	S
138	2301867	12/28/11		Enercon	S
139	2301038	12/14/11		Graftel Inc.	C
142	2301737	12/21/11		PSI Energy Svcs.	S

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143	2301736	12/21/11	[REDACTED]	Weld Tech Svcs.	S
144	2301871	12/28/11	[REDACTED]	Zachary Nuclear	S
145	2301858	12/28/11	[REDACTED]	S&L	S
146	2000053226	11/21/11	[REDACTED]	Ric-Man Constr.	C
148	2298833	10/19/2011	[REDACTED]	Chiefland Develop.	C
151	2295577	8/15/2011	[REDACTED]	Numerical App. Inc.	R
158	2293923	6/22/2011	[REDACTED]	Zachary Nuclear Engr.	C

\$98,358,193 \$100,304,603 \$101,884,010

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\$81,772,846

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99	2285720	1/4/11		Enercon	C	
100	2291203	4/21/11		Enertech	C	
101	2287242	1/27/11		EP&M	C	
102	2287468	2/10/11		Feedforward Inc.	C	
103	2290208	3/25/11		Feedforward Inc.	C	
104	2287971	2/15/11		Foster Wheeler	C	
105	2290465	3/31/11		Siemens	O	
106	2290463	3/31/11		Siemens	O	
107	2290842	4/8/11		Siemens	O	
108	2286521	1/18/11		Stone & Webster	PDS	
109	2264476	5/11/11		Batsch Industries	S	
110	2291815	4/28/11		BRV Constr.	C	
111	2290614	5/2/11		Flowserve	R	
112	2292773	5/26/11		AAF McQuay	O	
113	2293950	6/24/11		Siemens	S	
114	2293653	6/29/11		Thermal Engr.	C	
115	2294247	7/6/11		Ecological Assoc.	C	
116	2294341	7/11/11		Alion	S	
117	2294494	7/13/11		Enercon	C	
118	2294221	7/11/11		Flowserve	C	
119	2294855	7/21/11		Zachary Nuclear	S	
120	2295186	8/2/11		Holtec	S	
121	2295422	8/10/11		Siemens Energy	O	#
122	2295071	8/1/11		Stone & Webster	S	
123	2296049	8/25/11		Cameron Tech.	R	#
124	2294671	8/19/11		NWT Corp.	C	
125	2296556	9/2/11		Sutzer Pumps	O	
126	2296519	9/6/11		Techcom	C	
127	2296623	9/6/11		Tricen Tech.	C	
128	2296797	9/9/11		Coastal Bus	C	
129	2296330	9/9/11		Flowserve	C	
130	2298266	10/12/11		Franmar	C	
131	2298406	10/12/11		Master Lee Energy	C	
132	2298635	10/14/11		S&L	S	
133	2297556	9/27/11		Siemens Energy	S	
134	2299101	10/27/11		Berkel & Co.	S	
135	2298894	10/24/11		Day & Zimmerman	C	
136	2299350	11/1/11		Enercon	C	
137	2299618	11/4/11		Radiation Safety	C	
138	2297624	10/27/11		Siemens Energy	O	
139	2299631	11/8/11		Tri-Tool Inc.	S	
140	2295953	8/24/11		Marmon Wire	O	
141	2297055	9/16/11		Thermal Engr.	S	
142	2300139	11/21/11		Siemens Energy	S	
143	2299624	11/16/11		Ames Group LLC	S	#
144	2300487	11/28/11		Weld Tech Svcs.	S	
145	2299618	11/4/11		Radiation Safety	S	
146	2299350	11/1/11		Enercon	C	
147	2299631	11/8/11		Tri-Tool Inc.	S	

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149	2301813	12/28/11	[REDACTED]	Enercon	C
150	2301867	12/28/11	[REDACTED]	Enercon	S
151	2301038	12/14/11	[REDACTED]	Graftel Inc.	C
154	2301737	12/21/11	[REDACTED]	PSI Energy Svcs.	S
155	2301736	12/21/11	[REDACTED]	Weld Tech Svcs.	S
156	2301871	12/28/11	[REDACTED]	Zachary Nuclear	S
157	2301858	12/28/11	[REDACTED]	S&L	S
158	2000053226	11/21/11	[REDACTED]	Ric-Man Constr.	C

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\$100,575,640

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NRC Estimated LAR Completion Dates for Pending Uprates

Unit	Date LAR Submitted	NRC Projected Completion Date As of 5/6/11	NRC Projected Completion Date As of 12/27/11	NRC Projected Completion Date As of 2/24/12
Turkey Point 3	10/21/10	Fall 2011	1 st Quarter 2012	1 st Quarter 2012
Turkey Point 4	10/21/10	Fall 2011	1 st Quarter 2012	1 st Quarter 2012
St. Lucie 1	11/22/10	TBD	1 st Quarter 2012	2 nd Quarter 2012
St. Lucie 2	2/25/11	TBD	2 nd Quarter 2012	2 nd Quarter 2012

EXHIBIT

Source: NRC Pending Applications for Power Uprates

11. Findings

**FFBureau of Performance Analysis
Finding Summary**

Company: Florida Power & Light
Area: Project Management Internal Controls
Auditor(s): D. Rich, L. Fisher

Item No: FS-1
File Name: 3.7.1 – PSL2 Work Stoppage.doc
WLC#:

(1) Issue (Is there a point of discussion, debate or dispute?)

The St. Lucie Unit 2 outage was extended due to a Siemens caused work stoppage for the turbine rotor stator rewind.

(2) Condition (What is happening?)

A work stoppage delayed completion of the outage (approximately 3 weeks) and moved the start of two other 2011 outages backward. Additionally, the estimated 20 MW benefit to be received by more efficient turbine operation was also delayed until Unit 2 could be brought back on-line. Due to the delay, FPL may have also incurred additional costs to replace Unit 2 baseline generation lost during the stoppage and subsequent delay.

UUUDETAILS:

Begun in January 2011, this first of two planned uprate outages for St. Lucie Unit 2 had progressed about a month when work was halted. It was determined that Siemens workers had inadvertently left a component of a multi-piece tool, a metal alignment pin, inside the refurbished rotor stator. When energized for initial recertification testing, the stator was severely damaged. An immediate work stoppage was called. FPL personnel witnessed the preparation for the test and were present when the damage occurred.

The damage to the stator core extended the PSL-2 outage, increasing project costs. Repairs required replacement of damaged core iron. Without sufficient replacement on hand, FPL sought core iron from other electrical utilities and through expedited manufacture. Following repair, the rotor stator was successfully tested and PSL-2 on line by May 7, 2011. The stoppage lasted about 22 days. This stoppage and subsequent extension contributed to a delayed start for two other planned EPU outages. Replacement fuel costs may have also been incurred.

Initial repair estimates were as much as [REDACTED] but FPL eventually lowered that to approximately [REDACTED] and FPL put the vendor's limit of liability (LOL) at approximately [REDACTED]

Siemens eventually paid more than their LOL, approximately [REDACTED]

FPL originally estimated its portion of the cost for the stator repair at \$3.75M but later reduced it to approximately \$3.5M -- the result of approximately [REDACTED] in direct costs and [REDACTED] in indirect costs. (see EPU DR-4.9g)

In January 2012, FPL and Siemens settled, signing a commercial resolution. Under its terms, FPL makes no claim against Siemens for FPL costs to further support the repair or for any liquidated damages from these repairs. The agreement holds each party harmless from claims of any additional relief or indemnification.

A joint FPL - Siemens root cause analysis (RCA) was performed. The RCA cites three primary findings related to the stator core damage:

Root Cause 1: An effective inspection was not performed by the vendor to ensure alignment pins were removed from the axial vent passages prior to electrical testing.

Root Cause 2: Ineffective tool control by the vendor in the work area resulted in alignment pins being unaccounted for.

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Root Cause 3: Alignment pins were not designed for fail-safe installation; they could be lost in the ventilation passages, did not have good color contrast with the core environment and were made of material that had severe ramifications if left in the generator.¹

(3) Standard/Criteria (How is it supposed to work?)

Siemens workers and worksite supervision should have had a pin protocol (tool accountability) to account for all alignment pins in the multi-piece alignment pin set.

No 100% accountability checkpoint test was conducted prior to the testing which damaged the equipment. .

(4) Cause (What has happened or could happen due to variance between 2 & 3?)

Siemens workers did not remove the alignment pin that caused the damage. Supervision (Siemens and FPL) did not identify that the pin remained in the stator core.

Commission audit staff believes that this work stoppage and its associated cost and schedule impacts were a direct result of a series of control failures and missing controls. Staff believes these control failures primarily exist in three critical areas:

Ineffective Tool Accountability:

Department of Energy publication DOE-STD-1069-94 states that "Policies governing the control of tools and equipment should be clearly established. Policies and procedures should emphasize personnel accountability and traceability. These policies should address all aspects of tool control including inventory, issue, tracking, use, and return."²

FPL acknowledges its responsibility and accountability in conducting an appropriate review and approval process for its vendors procedures. The FPL Plant General Manager or designee (in this case, the EPU Site Director) reviewed and approved Siemens procedures and determined them to be adequate.³

However, Siemens did not have adequate tool accountability for this multi-piece tool set although the tool had been in the Siemens inventory for approximately 18 months and used at other nuclear sites. The Siemens tool room at the St. Lucie worksite signed the pin set out as a single item. No procedure existed to account for the individual pieces of this specific multi-piece tool at either sign-out or sign-in.

Though the vendor was working on behalf of FPL, the owner is ultimately responsible. FPL reviewed the tool accountability procedures prior and determined them appropriate. An accountability control should have been implemented by Siemens but FPL project oversight and subsequent, periodic FPL quality assurance inspections also failed to detect this deficiency. Accountability of individual components of the multi-piece tool set would have prevented the alignment pin from being left behind unnoticed, avoided significant damage to the stator, precluded project delays, and eliminated additional costs. Either through a lack of adequate supervision or an inadequate application of existing controls over its vendor, FPL allowed this situation to exist.

About tool accountability, the RCA stated:

- "Ineffective tool control by the vendor in the work area resulted in alignment pins being unaccounted for."⁴
- "The risk of losing alignment pins was not recognized by vendor personnel even though several alignment pins had to be retrieved from the vent passages with a magnet or vacuum during the stacking process."⁵

¹ Staff DR-2.2, Root Cause Evaluation St. Lucie Nuclear Station, pg 3.

² Section 3.4.1.4, DOE-STD-1069-94, Guideline To Good Practices For Maintenance Tool And Equipment Control At DOE Nuclear Facilities, June 1994, pg 7.

³ FPL response to DR-8.1f, DR-8.1m, DR-8.1n.

⁴ Staff DR-2.2, Root Cause Evaluation St. Lucie Nuclear Station, Root Cause (RC2), pg 3.

⁵ Ibid., Contributing Cause (CC2), pg 3.

- “A ‘Poke-Yoke’ type box for alignment pin storage would have easily shown if an alignment pin was missing, but was not used.”⁶
- “...no clearly defined process for accounting for the location of the pins.”⁷

Lack of Oversight

An evaluation of the tool set by either party, owner or vendor, could have enhanced accountability and (ultimately) the safety of worksite personnel and equipment if a protocol had been implemented. Such an evaluation leads to development of accountability methods, worker training requirements, and proper subsequent use/care/accountability of a tool or, in this case, a tool set that was being accounted for as a single item. The first time a new, multi-piece tool set is used on a particular project, thorough evaluation of the tool (or set) and its use(s) or potential problems lead to adoption of appropriate safeguards. This was not done for the alignment pin set.

The risk and potential consequences of failing to evaluate a multi-piece tool were known and knowable. Consideration of risk(s) associated with this new multi-item tool set was not demonstrated by either party. Accountability measures able to provide ongoing and universally understood user and supervisory controls were also known and knowable. Similar controls exist in Siemens, in FPL, and throughout the nuclear industry. In its initial inspection and approval of Siemens accountability procedures, FPL either did not perceive or appreciate the potential consequences of an accountability control failure for this particular tool. Subsequent FPL oversight inspections and quality assurance spot checks did not identify a potential risk.

Both parties are highly experienced in the zero-defect environment of nuclear power generation, construction and uprates. Both understand the importance and necessity of appropriate, robust, and comprehensive controls. Their absence in this case heightened risk and the probability that one or more parts of the multi-piece tool set could be misplaced and accountability lost.

Among other things concerning lack of proper oversight, the RCA noted:

- “An effective inspection was not performed by the vendor to ensure alignment pins were removed from the axial vent passages prior to the electrical testing.”⁸
- “The risk of losing alignment pins was not recognized by vendor personnel even though several alignment pins had to be retrieved from the vent passages with a magnet or vacuum during the stacking process.”⁹
- “...pins were lost in the bore holes....they were left for the next shift to retrieve. A verbal turnover was not provided. He indicated this was standard procedure.”¹⁰
- “Stator iron holes not inspected for foreign material.”¹¹
- “Foreign material isolation and control was not required...”¹²
- “Failure to recognize significance of hazard associated with foreign material.”¹³

Inadequate Training

Adequate training is required for the proper storage, care, accountability, use, and supervision of new tools introduced to the inventory. Department of Energy guidelines for nuclear facilities states that among other responsibilities the maintenance supervisor must train personnel on applicable tool control process....¹⁴

⁶ Ibid., RC-2 Supporting Information, No. 2, pg 15.

⁷ Ibid., RC-2 Supporting Information, No. 3, pg 15.

⁸ Ibid., Root Cause (RC1), pg 3.

⁹ Ibid., Contributing Cause (CC2), pg 3.

¹⁰ Ibid., Attachment 3, Hazard Barrier –Target Analysis, pg 37.

¹¹ Ibid., Attachment 2, Apollo Analysis, pg 36.

¹² Ibid., RC-2 Discussion, pg 14.

¹³ Ibid., Attachment 3, Hazard Barrier –Target Analysis, pg 39.

¹⁴ Section 3.3.2, DOE-STD-1069-94, Guideline To Good Practices For Maintenance Tool And Equipment Control At DOE Nuclear Facilities, June 1994, pg 5

¹⁵ Staff DR-2.2, Root Cause Evaluation St. Lucie Nuclear Station, Contributing Cause (CC1), pg 3.

¹⁶ Ibid., Contributing Cause (CC1), pg 3

¹⁷ Ibid., Attachment 3, Hazard Barrier –Target Analysis, pg 41.

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The RCA says that workers / supervisors at the PSL-2 worksite were unfamiliar with the proper use of the pins, learned to use them without formal training, and developed usage techniques from their own experience or those shared by coworkers.

Workers or supervisors reported receiving no formal training or accountability instruction. The RCA points out that this resulted in pins being used more widely than intended and for uses other than intended. Wider use increased risk of accountability loss and mishap.

About inadequate training, RCA report said:

- "Siemens front line workers and supervisors were unfamiliar with the intended purpose and use of the alignment pins."¹⁵
- "...the pins were used more widely than necessary...which increased the opportunity to leave them unaccounted for."¹⁶
- "No training was provided on use of the alignment pin."¹⁷

(5) Effect (What has happened or could happen due to variance between 2&3?)

The stator core was severely damaged by the alignment pin arcing during the electrical testing of the rotor stator. The outage was extended 22 days (Jones' 2012 testimony). Additional fuel costs may have been incurred. Repairs of (approx) [REDACTED] were required, and the vendor's limit of liability did not cover them fully. Siemens paid approximately \$5.3M. A residual of approximately \$3.5 will either be paid by FPL or the consumers via the NCRC.

(6) Recommendation (What action steps will correct this problem?)

Staff believes that the amount not recaptured from the responsible vendor by contractual remedies, approximately \$3.5M, be disallowed if submitted for recovery under the provisions of the NCRC.

Bureau of Performance Analysis Finding Summary

Company: Florida Power & Light
Area: Project Management Internal Controls
Auditor(s): L. Fisher, D. Rich

Item No: IS-2
File Name:
WLC#:

(1) Issue (Is there a point of discussion, debate or dispute?)

FPL resolved the commercial aspects of a Bechtel work stoppage at Turkey Point Unit 3 in November 2010.

(2) Condition (What is happening?)

On November 1, 2010, FPL required Bechtel to halt all uprate work, curtailing plant walk downs being performed at the Turkey Point Unit 3 site. FPL ordered the stoppage after a Bechtel electrician accidentally cut into the turbine plant cooling water piping while grinding. FPL required Bechtel to immediately develop a human performance improvement action plan which included retraining of personnel. Upon completion of the corrective actions Bechtel was allowed to resume work on November 15, 2010.

According to FPL site personnel, the project incurred a two-week delay in demobilization activities after the Turkey Point Unit 3 initial outage. The stand down also delayed the start of Turkey Point Unit 4 pre-outage construction activities.

FPL determined the actual costs for the work stoppage to be [REDACTED]. This amount included [REDACTED] for Bechtel personnel expense and [REDACTED] for Bechtel subcontractor expense. FPL explained that these costs were for training and re-emphasis to the Bechtel work force. According to FPL, Bechtel invoiced the company and was paid the [REDACTED] in accordance with the terms of the contract.

Although FPL paid [REDACTED] for the training and re-emphasis to Bechtel and its subcontract workers, FPL separately recovered the [REDACTED] repair cost for the damaged turbine cooling water pipe by withholding that amount from a Bechtel invoice. Bechtel did not dispute the withheld payment and FPL considers the commercial resolution complete.

FPSC staff has not contested the costs of this work stoppage event because Bechtel and FPL had existing work procedures in place prior to the event that provided specific instruction regarding proper grinding technique. Staff believes this event was due to human error and performance, not the failure of management to provide methods, procedures, and controls.

(3) Standard/Criteria (How is it supposed to work?)

The costs for the work stoppage would be incurred by the contractor in a lump sum contract. However, FPL has reviewed the T&M contractual provisions of the Bechtel EPC contract and determined that such costs are recoverable by Bechtel. According to the contract, Bechtel is liable for repair of the TCWP and the associated costs.

(4) Cause (What has happened or could happen due to variance between 2 & 3?)

A worker did not follow correct work protocol for using a grinder causing FPL to call a work stoppage for Bechtel workers at the site and suspend all craft work for 14 days.

(5) Effect (What has happened or could happen due to variance between 2&3?)

Bechtel and FPL maintain they have resolved the commercial aspect of this work stoppage event.

(6) Recommendation (What action steps will correct this problem?)

FPSC staff has not contested the costs of this work stoppage event because Bechtel and FPL had existing work procedures in place prior to the event that provided specific instruction regarding proper grinding technique. Staff believes this event was due to human error and performance, not the failure of management to provide methods, procedures, and controls. The EPC contract provides for Bechtel workers to be paid for time worked and spent in training. The refresher training as a result of this stoppage was a cost correctly attributed to the project.

Bureau of Performance Analysis Finding Summary

Company: Florida Power & Light
Area: Project Management Internal Controls
Auditor(s): L. Fisher, D. Rich

Item No: IS-2
File Name:
WLC#:

(1) Issue (Is there a point of discussion, debate or dispute?)

A Bechtel Work Stoppage Human Performance Event at PTN in November 2010 delayed the project and created additional costs.

(2) Condition (What is happening?)

FPL required a Bechtel human performance stand down (work stoppage) on November 1, 2010, and curtailed site walk downs on November 2, 2010 due to a reported human performance event. Bechtel was directed to institute a detailed human performance improvement action plan that included training on gaps in human performance understanding for craft and staff, developing more thorough field observation criteria and mock-up training. Upon completion of the immediate actions, Bechtel was allowed to resume work in the field. The project incurred a two week delay in demobilization activities after the PTN Unit 3R25 outage and this also impacted the start of the PTN Unit 4 R26 pre-outage construction activities and field walk downs. The Human Performance training will continue for new employees. FPL noted in a document response (DR-3.7a) that the commercial aspect of this incident is not yet resolved, and that when it is resolved FPL will provide the results. FPL has no specific schedule for resolving the commercial aspects of the Bechtel work stoppage event (DR-8.3b). FPL has communicated to Bechtel that it should bear the costs of the work stoppage event. Bechtel does not believe it should incur the costs based on the cost reimbursable contractual provisions, but instead that FPL should reimburse Bechtel for all costs for the work stoppage (DR-8.3c, e, and f).

(3) Standard/Criteria (How is it supposed to work?)

The costs for the work stoppage would be the responsibility of the contractor causing the damage. However, the contract provisions for the work contracted from Bechtel by FPL serves as an important determinant.

(4) Cause (What has happened or could happen due to variance between 2 & 3?)

A worker did not follow correct work protocol for using a grinder causing FPL to call for a work stoppage for Bechtel workers at the site and suspend all craft work for 14 days (DR-3.7a-c).

(5) Effect (What has happened or could happen due to variance between 2&3?)

Bechtel maintains FPL and Bechtel have resolved the commercial aspect of the work stoppage and FPL should pay for the re-training costs associated with the stand down.

(6) Recommendation (What action steps will correct this problem?)

FPL should resolve the commercial aspect of the shutdown in accordance with contractual requirements.

Bureau of Performance Analysis Finding Summary

Company: Florida Power & Light
Area: Project Management Internal Controls
Auditor(s): L. Fisher, D. Rich

Item No: IS-2
File Name:
WLC#:

(1) Issue (Is there a point of discussion, debate or dispute?)

FPL resolved the commercial aspects of a Bechtel work stoppage at Turkey Point Unit 3 in November 2010.

(2) Condition (What is happening?)

On November 1, 2010, FPL required Bechtel to halt all uprate work, curtailing plant walk downs being performed at the Turkey Point Unit 3 site. FPL ordered the stoppage after a Bechtel electrician accidentally cut into the turbine plant cooling water piping while grinding. FPL required Bechtel to immediately develop a human performance improvement action plan which included retraining of personnel. Upon completion of the corrective actions Bechtel was allowed to resume work on November 15, 2010.

According to FPL site personnel, the project incurred a two-week delay in demobilization activities after the Turkey Point Unit 3 initial outage. The stand down also delayed the start of Turkey Point Unit 4 pre-outage construction activities.

FPL determined the actual costs for the work stoppage to be [REDACTED]. This amount included [REDACTED] for Bechtel personnel expense and [REDACTED] for Bechtel subcontractor expense. FPL explained that these costs were for training and re-emphasis to the Bechtel work force. According to FPL, Bechtel invoiced the company and was paid the [REDACTED] in accordance with the terms of the contract.

Although FPL paid [REDACTED] for the training and re-emphasis to Bechtel and its subcontract workers, FPL separately recovered the [REDACTED] repair cost for the damaged turbine cooling water pipe by withholding that amount from a Bechtel invoice. Bechtel did not dispute the withheld payment and FPL considers the commercial resolution complete.

FPSC staff has not contested the costs of this work stoppage event because Bechtel and FPL had existing work procedures in place prior to the event that provided specific instruction regarding proper grinding technique. Staff believes this event was due to human error and performance, not the failure of management to provide methods, procedures, and controls.

(3) Standard/Criteria (How is it supposed to work?)

The costs for the work stoppage would be incurred by the contractor in a lump sum contract. However, FPL has reviewed the T&M contractual provisions of the Bechtel EPC contract and determined that such costs are recoverable by Bechtel. According to the contract, Bechtel is liable for repair of the TCWP and the associated costs.

(4) Cause (What has happened or could happen due to variance between 2 & 3?)

A worker did not follow correct work protocol for using a grinder causing FPL to call a work stoppage for Bechtel workers at the site and suspend all craft work for 14 days.

(5) Effect (What has happened or could happen due to variance between 2&3?)

Bechtel and FPL maintain they have resolved the commercial aspect of this work stoppage event.

(6) Recommendation (What action steps will correct this problem?)

FPSC staff has not contested the costs of this work stoppage event because Bechtel and FPL had existing work procedures in place prior to the event that provided specific instruction regarding proper grinding technique. Staff believes this event was due to human error and performance, not the failure of management to provide methods, procedures, and controls. The EPC contract provides for Bechtel workers to be paid for time worked and spent in training. The refresher training as a result of this stoppage was a cost correctly attributed to the project.

EXHIBIT C

Exhibit C
Florida Power and Light Company
Staff Audit Workpapers for the Review of Florida Power and Light Company's Project
Management Internal Controls for Nuclear Plant Uprate and Construction Projects
Docket No. 120009-EI

Document	Description	Page Number(s)	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093 (3) Subsection	Affiant
Staff Audit Work Papers	Review of Florida Power and Light Company's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects	1-94,96,-97, 99-100, 102-105, 107-140, 144,148, 152, 154-155, 159, 164-166, 170, 173-175, 178, 181-182, 185-191, 195, 199, 202, 205-237 , 243-247, 250-252, 262,264-270, 272-276, 278, 293-295, 298-299, 301-304, 306, 313-315, 317-322, 326-328, 333, 341, 343-346, 351, 363-366, 371-379, 381-384, 391, 394-395, 398, 401-407, 409, 422-423, 425, 430-433, 435-436, 439-441, 443	N			

	DR 4 EPU	95, 98, 101	Y	Line 1	(d), (e)	Bruce Beisler
	DR 3 EPU	106	Y	Lines 1-2 Line 3	(e) (d), (e)	Bruce Beisler
	DR 7 EPU	141, 145, 149	Y	Lines 1-2	(e)	Bruce Beisler
		142, 146, 150	Y	Lines 1-6	(d), (e)	Bruce Beisler
		143, 147, 151	Y	Lines 1-2	(d), (e)	Bruce Beisler
	DR 3 EPU	153	Y	Lines 1-2 Line 3	(e) (d), (e)	Bruce Beisler
	DR 7 EPU	156,160	Y	Lines 1-2	(e)	Bruce Beisler
		157, 161	Y	Lines 1-6	(d), (e)	Bruce Beisler
		158, 162	Y	Lines 1-2	(d), (e)	Bruce Beisler
	DR 4 EPU	163	Y	Line 1	(d), (e)	Bruce Beisler
	DR 7 EPU	167	Y	Lines 1-2	(e)	Bruce Beisler
		168	Y	Lines 1-6	(d), (e)	Bruce Beisler
		169	Y	Lines 1-2	(d), (e)	Bruce Beisler
	DR 8 EPU	171-172	Y	Line 1	(d), (e)	Bruce Beisler
	DR 8 EPU	176-177	Y	Line 1	(d), (e)	Bruce Beisler
	DR 8 EPU-SUPP	179-180	Y	Line 1	(d), (e)	Bruce Beisler
	DR 1 EPU-1.15 SUPP 2	183-184	Y	Line 1	(d), (e)	Bruce Beisler
	DR 7 EPU	192, 196	Y	Lines 1-2	(e)	Bruce Beisler
		193, 197	Y	Lines 1-6	(d), (e)	Bruce Beisler
		194, 198	Y	Lines 1-2	(d), (e)	Bruce Beisler

	DR 8 EPU	200-201, 203-204	Y	Line 1	(d), (e)	Bruce Beisler
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 1.1 - 1.63 PTN 6&7	238	Y	Lines 1-4	(d), (e)	Steven D. Scroggs
		239	Y	Lines 1-3	(d), (e)	Steven D. Scroggs
		240	Y	Columns A-B	(d), (e)	Steven D. Scroggs
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 1.56 PTN 6&7	241	Y	Lines 1-9	(b)	Antonio Maceo
		242	Y	Lines 1-8	(b)	Antonio Maceo
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 3.1-3.11 PTN 6&7	248	Y	Line 1	(d), (e)	Steven D. Scroggs
		249	Y	Lines 1-14	(e)	David Lowens
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 4.1-4.8 PTN 6&7	253	Y	Lines 1-3	(e)	Steven D. Scroggs
		254	Y	Lines 1-2	(e)	Steven D. Scroggs
			Y	Lines 3-4	(d), (e)	Steven D. Scroggs
		255	Y	Line 1	(d), (e)	Steven D. Scroggs
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 5.2-5.5 PTN 6&7	256-257	Y	Lines 1-9	(d), (e)	Steven D. Scroggs
		258	Y	Lines 1-12	(d), (e)	Steven D. Scroggs
		259	Y	Lines 1-6	(d), (e)	Steven D. Scroggs
		260	Y	Lines 1-13	(d), (e)	Steven D. Scroggs
		261	Y	Column A, Lines 1-7	(d), (e)	Steven D. Scroggs
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 7.1-7.11 PTN 6&7	263	Y	Lines 1-3	(d), (e)	Steven D. Scroggs
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 1.11-1.19	271	Y	Lines 1-6	(e)	Bruce Beisler
		277	Y	Line 1	(d), (e)	Bruce

	EPU	279	Y	Lines 1-3	(e)	Beisler Bruce Beisler
		280	Y	Lines 1-4	(d), (e)	Bruce Beisler
		281	Y	Lines 1-5, 8	(d), (e)	Bruce Beisler
			Y	Lines 6-7	(e)	Bruce Beisler
		290-291	Y	Column A	(e)	Bruce Beisler
		292	Y	Column A	(e)	Bruce Beisler
		296	Y	Lines 1-4	(e)	Bruce Beisler
		297	Y	Lines 1-4	(e)	Bruce Beisler
		300	Y	Line 1	(e)	Bruce Beisler
		305	Y	Column A	(d), (e)	Bruce Beisler
		307	Y	Lines 1-16	(b)	Antonio Maceo
		308	Y	Lines 1-7	(b)	Antonio Maceo
		309	Y	Lines 1-2	(e)	Bruce Beisler
		310	Y	Lines 1-14	(b)	Antonio Maceo
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 2.1-2.3 EPU	311	Y	Line 1 Line 2 Lines 3-5	(d), (e) (e) (d), (e)	Bruce Beisler
		312	Y	Lines 1-2 Lines 3-4	(d), (e) (e)	Bruce Beisler
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 3.1-3.23 EPU	316, 324, 330	Y	Line 1	(d), (e)	Bruce Beisler
		323	Y	Line 1	(e)	Bruce

		325	Y	Lines 1-4	(d), (e)	Beisler Bruce Beisler
		329	Y	Lines 1-4	(e)	Bruce Beisler
			Y	Lines 5-14	(b)	Antonio Maceo
		330	Y	Section 1	(b)	Antonio Maceo
		331	Y	Lines 1-25	(b)	Antonio Maceo
		332	Y	Lines 1-22	(b)	Antonio Maceo
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 4.1-4.12 EPU	334	Y	Column A	(e)	Bruce Beisler
		335	Y	Lines 1-2	(d), (e)	Bruce Beisler
		336	Y	Lines 1-2	(d), (e)	Bruce Beisler
		337	Y	Lines 1-39	(e)	Bruce Beisler
		338	Y	Line 1	(d), (e)	Bruce Beisler
		339	Y	Lines 1-2 Lines 3-19	(e) (d), (e)	Bruce Beisler
		340	Y	Lines 1-7	(e)	Bruce Beisler
		342	Y	Lines 1-8	(e)	Bruce Beisler
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 7.1-7.14 EPU	347	Y	Lines 1-17	(d), (e)	Bruce Beisler
		348	Y	Lines 1-6	(d), (e)	Bruce Beisler
		349	Y	Lines 1-6	(e)	Bruce Beisler

		350	Y	Lines 1-13	(e)	Bruce Beisler
		352	Y	Lines 1-3	(e)	Bruce Beisler
		354	Y	Lines 1-2	(e)	Bruce Beisler
		355	Y	Line 1	(e)	Bruce Beisler
		356-357	Y	Lines 1-5	(e)	Bruce Beisler
		358	Y	Lines 1-3	(d), (e)	Bruce Beisler
		359	Y	Lines 1-4	(d), (e)	Bruce Beisler
		360	Y	Lines 1-6	(d), (e)	Bruce Beisler
		361	Y	Lines 1-10	(d), (e)	Bruce Beisler
		362	Y	Lines 1-15	(b)	Antonio Maceo
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 8.1-8.5 EPU	367	Y	Lines 1-5	(d), (e)	Bruce Beisler
		368	Y	Lines 1-11	(d), (e)	Bruce Beisler
		369	Y	Lines 1-2	(d), (e)	Bruce Beisler
	DOCUMENT SUMMARIES AND CONTROL LOGS DRs 1.15 EPU	370	Y	Lines 1-12	(b)	Antonio Maceo
	IVS-2-PTN 6&7 Status	380	Y	Lines 1-4	(d), (e)	Steven D. Scroggs
	IVS-1	385	Y	Lines 1-2	(e)	Bruce Beisler
		386	Y	Lines 1-9	(e)	Bruce Beisler
		387	Y	Lines 1-2	(e)	Bruce Beisler

		388	Y	Lines 1-2	(e)	Bruce Beisler
		389	Y	Lines 1-4	(e)	Bruce Beisler
		390	Y	Lines 1-7	(e)	Bruce Beisler
	IVS-2	392-393	Y	Line 1	(e)	Bruce Beisler
	IVS-4	396	Y	Line 1	(e)	Bruce Beisler
		397	Y	Lines 1-3	(e)	Bruce Beisler
	IVS-5	399	Y	Lines 1-9	(b)	Antonio Maceo
	IVS-6	400	Y	Lines 1-6	(e)	David Lowens
	PTN 6&7 3&4 CONTRACT DOLLARS 2011	408	Y	Lines 1-4	(d), (e)	Bruce Beisler
	EPU INVOICE SAMPLING	410-411	Y	Columns A-B	(d), (e)	Bruce Beisler
	EPU CONTRACTS IN EXCESS OF \$250K	412	Y	Columns A-C	(d), (e)	Bruce Beisler
		413		Columns A-B	(d), (e)	Bruce Beisler
	EPU-NEW CONTRACTS BREAKDOWN 2011	414-415	Y	Column A	(d), (e)	Bruce Beisler
	EPU-MARCH T-7 CONTRACTS 2011	416-419, 421	Y	Columns A-C	(d), (e)	Bruce Beisler
		420	Y	Columns A-E	(d), (e)	Bruce Beisler
		424	Y	Column A	(d), (e)	Bruce Beisler
	EPU-MAY P-7 CONTRACTS 2011	426, 428, 429	Y	Columns A-C	(d), (e)	Bruce Beisler
		427	Y	Columns A-D	(d), (e)	Bruce Beisler
	FS-1-SIEMENS WORK STOPPAGE	434	Y	Lines 1-4	(d), (e)	Bruce Beisler

		437	Y	Line 1	(d), (e)	Bruce Beisler
	FS-2-BECHTEL WORK STOPPAGE	438	Y	Lines 1-5	(d), (e)	Bruce Beisler
	FS-2-BECHTEL WORK STOPPAGE	442	Y	Lines 1-5	(d), (e)	Bruce Beisler

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost)
Recovery Clause)

DOCKET NO. 120009-EI

STATE OF FLORIDA)
PALM BEACH COUNTY)

AFFIDAVIT OF DAVE LOWENS

BEFORE ME, the undersigned authority, personally appeared Dave Lowens who, being first duly sworn, deposes and says:

1. My name is Dave Lowens. I am currently employed by Florida Power & Light Company ("FPL") as Director, Nuclear Assurance. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification of information contained in Staff's work papers for the review of FPL's project management internal controls, for which I am listed as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including information related to competitive interests. Specifically, this information relates to FPL's Employee Concerns Program. FPL maintains the confidentiality of this type of information to encourage the full and frank disclosure of employee concerns, which assists with the timely resolution of such issues within FPL and helps reduce costs. The release of this type of information would be harmful to FPL and its customers because it may affect the effectiveness of the Employee Concerns Program itself. Additionally, the documents I reviewed contains employee information unrelated to compensation, duties, qualifications, or responsibilities. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

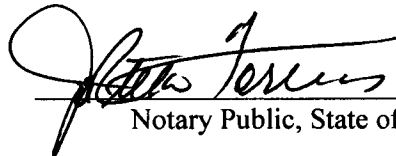
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



Dave Lowens

SWORN TO AND SUBSCRIBED before me this 16th day of October 2012, by Dave Lowens, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost)
Recovery Clause)

DOCKET NO. 120009-EI

STATE OF FLORIDA)
)
PALM BEACH COUNTY)

AFFIDAVIT OF BRUCE BEISLER

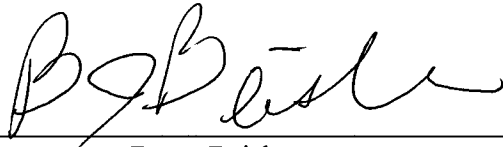
BEFORE ME, the undersigned authority, personally appeared Bruce Beisler who, being first duly sworn deposes and says:

1. My name is Bruce Beisler. I am currently employed by Florida Power & Light Company ("FPL") as Project Manager, Nuclear. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification of information contained in Staff's work papers for the review of FPL's project management internal controls, for which I am listed as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including contractual data and competitively sensitive data. Disclosure of this information would violate FPL's contracts with its vendors, work to the detriment of FPL's competitive interests, impair the competitive interests of its vendors and/or impair FPL's efforts to enter into contracts on commercially favorable terms. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

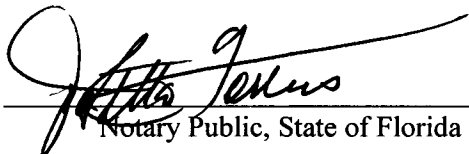
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



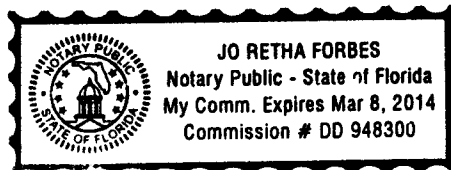
Bruce Beisler

SWORN TO AND SUBSCRIBED before me this 16th day of October 2012, by Bruce Beisler, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost)
Recovery Clause)

DOCKET NO. 120009-EI

STATE OF FLORIDA)
)
PALM BEACH COUNTY)

AFFIDAVIT OF STEVEN D. SCROGGS

BEFORE ME, the undersigned authority, personally appeared Steven D. Scroggs who, being first duly sworn, deposes and says:

1. My name is Steven D. Scroggs. I am currently employed by Florida Power & Light Company ("FPL") as Senior Director, Project Development. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification of information contained in Staff's work papers for the review of FPL's project management internal controls, for which I am listed as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including contractual data and competitively sensitive data. Disclosure of this information would violate FPL's contracts with its vendors, work to the detriment of FPL's competitive interests, impair the competitive interests of its vendors and/or impair FPL's efforts to enter into contracts on commercially favorable terms. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.

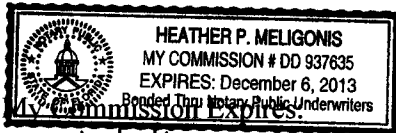
Steven D. Scroggs

Steven D. Scroggs

SWORN TO AND SUBSCRIBED before me this 12th day of October 2012, by Steven D. Scroggs, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.

Heather P. Meligonis

Notary Public, State of Florida



12/6/13

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Power Plant Cost)
Recovery Clause)

DOCKET NO. 120009-EI

STATE OF FLORIDA)
MIAMI-DADE COUNTY)

AFFIDAVIT OF ANTONIO MACEO

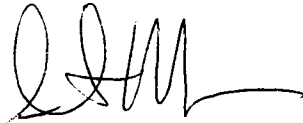
BEFORE ME, the undersigned authority, personally appeared Antonio Maceo who, being first duly sworn, deposes and says:

1. My name is Antonio Maceo. I am currently employed by Florida Power & Light Company ("FPL") as Manager of Auditing. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification concerning information contained in Staff's work papers for the review of FPL's project management internal controls, for which I am identified on Exhibit C as the affiant. The documents or materials that I have reviewed contain information related to reports of internal auditors. Full and frank disclosure of information to the Internal Auditing department is essential for the department to fulfill its role, and the confidential status of internal auditing process, findings, and reports supports such disclosure. The release of information related to reports of internal auditors would be harmful to FPL and its customers because it may affect the effectiveness of the Internal Auditing Department itself. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



Antonio Maceo

SWORN TO AND SUBSCRIBED before me this 12th day of October 2012, by Antonio Maceo who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:

