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ERRATA SHEET

IN RE: Docket 120001-EI  
PROCEEDING: Hearing  
DATE: Monday, November 5, 2012

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PAGE CORRECTION OR AMENDMENT

172A through 172G The 3/15/12 prefiled testimony of J. Carine Bullock was inadvertently excluded from transcript and is now filed as Pages 172A through 172G

11-7-12

Linda Boles

DATE LINDA BOLES, RPR, CRR  
Official FPSC Hearings Reporter  
(850) 413-6734

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1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **TESTIMONY OF J. CARINE BULLOCK**

4                   **DOCKET NO. 120001-EI**

5                   **MARCH 15, 2012**

6

7   **Q.    Please state your name and business address.**

8    A.    My name is J. Carine Bullock, and my business address is 700 Universe  
9            Boulevard, Juno Beach, Florida 33408.

10 **Q.    By whom are you currently employed and in what capacity?**

11 A.    I am employed by Florida Power & Light Company ("FPL") and I am the  
12           Vice President of Production Assurance and Business Services in the Power  
13           Generation Division of FPL, where I am responsible for providing production  
14           standardization and commercial management of FPL's fossil generating  
15           assets.

16 **Q.    What is the purpose of your testimony?**

17 A.    The purpose of my testimony is to report actual 2011 performance for  
18           Equivalent Availability Factor (EAF) and Average Net Operating Heat Rate  
19           (ANOHR) for the eleven (11) generating units used to determine the  
20           Generating Performance Incentive Factor (GPIF). I have compared the actual  
21           performance of each unit to the targets approved in Commission Order No.  
22           PSC-11-0094-FOF-EI issued February 1, 2011, for the period January through  
23           December 2011, and performed the reward/penalty calculations prescribed by

1 the GPIF Manual. My testimony presents the result of these calculations:  
2 \$19,759,708 of fuel savings to FPL's customers as a result of the availability  
3 and efficiency of FPL's GPIF generating units, and a GPIF reward of  
4 \$7,703,912.

5 **Q. Have you prepared, or caused to have prepared under your direction,**  
6 **supervision, or control any exhibits in this proceeding?**

7 A. Yes. Exhibit JCB-1 shows the reward/penalty calculations prescribed by the  
8 GPIF Manual. Page 1 of Exhibit JCB-1 is an index to the contents of the  
9 exhibit.

10 **Q. What is the GPIF reward/penalty amount calculated for the period**  
11 **January through December 2011?**

12 A. The GPIF reward is \$7,703,912.

13 **Q. Please explain how the GPIF reward amount is calculated.**

14 A. The steps involved in making this calculation are provided in Exhibit JCB-1.  
15 Page 2 provides the GPIF Reward/Penalty Table (Actual), which shows an  
16 overall GPIF performance point value of +1.92, corresponding to \$19,759,708  
17 in fuel savings and a GPIF reward of \$7,703,912. Page 3 provides the  
18 calculation of the maximum allowed incentive dollars. The calculation of the  
19 system actual GPIF performance points is shown on page 4. This page lists  
20 each GPIF unit, the unit's performance indicators (EAF and ANOHR), the  
21 weighting factors, and the associated GPIF points.

22

1 Page 5 is the actual EAF and adjustments summary. This page lists each of the  
2 eleven (11) GPIF units, the actual outage factors and the actual EAF, in  
3 columns 1 through 5. Column 6 is the adjustment for planned outage  
4 variation. Column 7 is the adjusted actual EAF, which is calculated on page 6.  
5 Column 8 is the target EAF. Column 9 contains the Generating Performance  
6 Incentive Points for availability as determined by interpolating from the tables  
7 shown on pages 8 through 18. These tables are based on the targets and target  
8 ranges submitted to, and approved by, the Commission.

9  
10 Continuing with Exhibit JCB-1, Page 7 shows the adjustments to ANOHR.  
11 For each of the eleven (11) units, it shows, in columns 2 through 4, the target  
12 heat rate formula, the actual Net Output Factor (NOF) and the actual ANOHR.  
13 Since heat rate varies with NOF, it is necessary to determine both the target  
14 and actual heat rates at the same NOF. This adjustment is to provide a  
15 common basis for comparison purposes and is shown numerically for each  
16 GPIF unit in columns 5 through 8. Column 9 contains the Generating  
17 Performance Incentive Points as determined by interpolating from the tables  
18 shown on pages 8 through 18. These tables are based on the targets and target  
19 ranges submitted to, and approved by, the Commission.

20 **Q. Please explain the primary reason or reasons why FPL will receive a**  
21 **reward under the GPIF for the January through December 2011 period.**

22 **A.** The primary reasons that FPL will receive a reward for the period were that:  
23 (1) the adjusted actual EAF for St. Lucie Units 1 and 2, as well as Turkey

1 Point Unit 4 and Sanford Unit 4, were each better than target; and (2) the  
2 adjusted ANOHR for St. Lucie Units 1 and 2, as well as Turkey Point Unit 3,  
3 were each better than target.

4 **Q. Please summarize each nuclear unit's performance as it relates to the**  
5 **EAF of the units.**

6 A. St. Lucie Unit 1 operated at an adjusted actual EAF of 66.7%, compared to its  
7 target of 63.5%. This results in a +10.0 point reward, which corresponds to a  
8 GPIF reward of \$2,857,171.

9  
10 St. Lucie Unit 2 operated at an adjusted actual EAF of 68.8%, compared to its  
11 target of 66.8%. This results in a +5.71 point reward, which corresponds to a  
12 GPIF reward of \$1,902,369.

13  
14 Turkey Point Unit 3 operated at an adjusted actual EAF of 93.4% compared to  
15 its target of 93.2%. This results in a +0.67 point reward, which corresponds to  
16 a GPIF reward of \$229,056.

17  
18 Turkey Point Unit 4 operated at an adjusted actual EAF of 82.1% compared to  
19 its target of 78.5%. This results in a +10.0 point reward, which corresponds to  
20 a GPIF reward of \$3,050,060.

21  
22 In total, the combined nuclear units' EAF performance results in a net GPIF  
23 reward of \$8,038,656.

24

1 **Q. Please summarize each nuclear unit performance as it relates to the**  
2 **ANOHR of the units.**

3 A. St. Lucie Unit 1 operated with an adjusted actual ANOHR of 11,268 Btu/kWh  
4 compared to its target of 11,348 Btu/kWh. This results in a +7.14 point  
5 reward, which corresponds to a GPIF reward of \$507,941.

6  
7 St. Lucie Unit 2 operated with an adjusted actual ANOHR of 10,514 Btu/kWh  
8 compared to its target of 10,822 Btu/kWh. This results in a +10.0 point  
9 reward, which corresponds to a GPIF reward of \$779,594.

10  
11 Turkey Point Unit 3 operated with an adjusted actual ANOHR of 11,513  
12 Btu/kWh compared to its target of 11,608 Btu/kWh. This results in a +3.03  
13 point reward, which corresponds to a GPIF reward of \$429,982.

14  
15 Turkey Point Unit 4 operated with an adjusted actual ANOHR of 11,476  
16 Btu/kWh compared to its target of 11,495 Btu/kWh. This ANOHR is within  
17 the  $\pm 75$  Btu/kWh dead band around the projected target; therefore, there is no  
18 GPIF reward or penalty.

19  
20 In total, the combined nuclear units' heat rate performance results in a GPIF  
21 reward of \$1,717,517.

22

1 Q. **What is the total GPIF reward for FPL's nuclear units?**

2 A. \$9,756,173.

3 Q. **Please summarize the performance of FPL's fossil units.**

4 A. Regarding EAF performance, four (4) of the seven (7) fossil generating units  
5 (including most notably Sanford Unit 4) performed better than their  
6 availability targets resulting in a reward of \$3,216,025. Two (2) units  
7 performed worse than their availability targets resulting in a penalty of  
8 \$3,600,598 while the remaining unit performed at its target resulting in no  
9 reward or penalty. Thus, the combined fossil units' availability performance  
10 results in a net GPIF penalty of \$384,573.

11

12 Regarding ANOHR, one (1) out of the seven (7) fossil units operated with an  
13 ANOHR that was above the  $\pm 75$  Btu/kWh dead band resulting in a penalty of  
14 \$1,667,688 while the remaining six (6) fossil units operated with ANOHRs  
15 that were within the  $\pm 75$  Btu/kWh dead band resulting in no incentive reward  
16 or penalty. Thus, the combined fossil units' heat rate performance results in a  
17 net GPIF penalty of \$1,667,688.

18 Q. **What is the total GPIF penalty for FPL's fossil units?**

19 A. The net GPIF availability performance penalty of \$384,573 plus the net GPIF  
20 heat rate performance penalty of \$1,667,688 results in a total GPIF penalty for  
21 FPL's fossil units of \$2,052,261.

22

1 Q. To recap, what is the total GPIF result for the period January through  
2 December 2011?

3 A. The total GPIF result for the period January through December 2011 is  
4 \$19,759,708 of fuel savings to FPL's customers as a result of the availability  
5 and efficiency of FPL's GPIF generating units, and a GPIF reward of  
6 \$7,703,912.

7 Q. Does this conclude your testimony?

8 A. Yes.