

EXHIBIT B

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FPSC-COMMISSION CLERK

- 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 NRC for recovery? (DR-1.3)

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| | 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) | 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. |
| REQUESTED CONFIDENTIAL BY NOI | <p>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]-percent 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]-percent). Only one [REDACTED] of insufficient business purpose descriptions for activities – all were investigated and found to be legitimate. Remedial training was conducted. A total of [REDACTED] third party invoices were inspected, totaling approximately \$7.9M out of the total of approximately [REDACTED]-percent). [REDACTED] Jeff-Wells. On [REDACTED] employees were randomly chosen from the 85 [REDACTED]-percent). Total examined was approximately [REDACTED] [REDACTED] [REDACTED]</p> <p style="text-align: center;">- The New Nuclear REview - 2011 Expenditures -</p> <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</p> |

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| | <p>manager. The review examined approximately [redacted] percent 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 30 employees and approximately [redacted] out of a possible [redacted] percent). No exceptions noted. [redacted] A total of [redacted] invoices were inspected, totaling approximately [redacted] out of the total of approximately [redacted] percent). No exceptions noted. [redacted] were checked [redacted] percent). The total examined was approximately [redacted] to the project. This was [redacted] In reconciling amounts included in the FPSC filing to amounts subject to audit testing, [redacted] Overall, the audit characterized the controls in place for New Nuclear as [redacted]</p> | 1 2 3 4 5 6 7 |
| <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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| | <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 250 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 218 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 personnel 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> <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 mid-cycle EPU outage for PSL Unit 1 for final EPU project implementation is necessary (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 fall protection safety violation 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. (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?)</u> 12) Explain where FPL and Bechtel are going</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. Siemens has traditionally performed their scope of work as [redacted] not [redacted] and has [redacted] cost control and invoice processing. <u>Due to the large dollar value of the Siemens [redacted], it was deemed prudent to request that Siemens apply stringent time management and cost control tools.</u> b. No, FPL has not experienced problems with Siemens reporting correct charges in previous project scopes of work. c. This is a regular FPL request of large [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. Turkey Point and St. Lucie [redacted] 1st Qtr. h. St. Lucie [redacted] 1st Qtr. i. Internal Audit [redacted] when completed (DR-1.15)</p> <p>Summary of Contents: 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. <u>On February 9, 2012 D. Rich and L. Fisher reviewed items a, b, c, and [redacted] of [redacted] and [redacted] at the Tallahassee offices of FPL. The following summaries were completed:</u> 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] was reviewed; EPU Expense Reports, [redacted] and Payroll were reviewed for the period; Expense Report testing included [redacted] in which [redacted] of the largest [redacted] totaling [redacted] in charges, by [redacted] were made for [redacted] descriptions were identified,</p> |

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totaling [redacted] but were later found to be appropriately related and charged to EPU; [redacted] testing found [redacted] totaling [redacted] of charges from [redacted]. These were later found to be legitimate charges. Invoices were tested and in [redacted] charges totaling [redacted] were [redacted] (ask Tony Maceo). The EPU technical representative approves each new contractor and ensures the position and pay grade is appropriate. In Pavroll a population of [redacted] employees totaling [redacted] employees were tested randomly with no exceptions noted; tests of [redacted] found [redacted] employees sampled had [redacted] man hours or more [redacted] charged to training; [redacted] reported taking [redacted] of [redacted] EPL Internal Auditing noted that there should be [redacted] to the [redacted] and the rest of the individuals that [redacted] and should be contacted to [redacted]. Auditors also noted that the EPU project should [redacted].

FPSC True-up Filing - Based on testing conducted and management reconciliation Auditors believe the total WO costs charged to the FPSC 2010 filing is accurate, complete, and represents actual costs captured in FPL books and records for the EPU project.

Auditors contacted [redacted] identified and obtained applicable employees detailed description of training and total hours incurred; auditors suggested to management that [redacted] (ask Tony Maceo);

b.) (12/14/11) **Vendor Audit performed by FPL Internal Auditing was completed in December 2011** - Monthly, [redacted] submits three separate invoices for, technical services rendered to the EPU outages, modifications, and management services. The [redacted] is managed by [redacted] who submits monthly invoices to FPL that include a [redacted] and b) an [redacted].

The contract requires [redacted] to bill FPL at cost for purchases of [redacted]. Payment for labor costs, including craft labor and services performed by [redacted] personnel, are billed according to the [redacted] and stipulated unit rates. **No Deficiencies were Noted (NDN)** in the following areas reviewed:

[redacted] (explain what this is and how it was completed)

[redacted]

(determine if this is contractual, how it is figured, and when it occurs)

c) 11/21/11 **PTN EPU staff self-audit of augmented staffing time in November 2011**- The audit compared contractor staff and

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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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| | <p>the the</p> <p>an IA review of the FPL IA recommended that the and (has practices?)</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. Description: No. Description:</p> <p>Follow-up Required: 1) 5/12/11 Review of 2010 EPU Expenditures conducted by Jefferson Wells Invoices were tested and in 3 instances charges totaling determine how the project was billed for work that was performed by individuals whose positions were not listed in approved compensation schedules. 2) -determine why testing of training hours (all employees charging i.e. 100% of their time) was used as standard; 3) determine whether all were identified and whether applicable employees detailed description of and were reconciled; 4) auditors suggested to management that the additional were all 5) Vendor Audit performed by FPL Internal Auditing was completed in December 2011 Review of Manual Labor Costs - a review of actual rates to permitted rates found that do (determine if this is how it is figured, and when it occurs) 6) (to be completed by October 7, 2011): Is this 7) What does FPL such a is and a How was this handled by FPL? What was completed about the Who were the other (ask about IA</p> | <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> |
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| <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>trained? 4) What were the costs and who incurs those costs?</p> <p>Document Title and Purpose of Review: Provide a complete listing of <u>all work stoppages and stand downs for all vendors</u>, 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>None</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>None</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>None (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: 1. The number of Siemens generator winder personnel is unknown because that contract was lump sum. 2. 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. 3. 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> <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 | None | Lump Sum | Whiting Services Inc. | 11/4/11 | PTN 3 | Crew | 1 hr | None | 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) | None (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 | | |
|--|--|------------|--------------------|-------------------|--------------------|--------------|--------------------------|-------------|----------|----------------------|---------|-------|---|--------|------|------|----------|-----------------------|---------|-------|------|------|------|------|----------|---------|---------|-------|----------|------|------|--|--|---------|---------|----------|------------|--------|------|--|--------------------------|---------|---------|-------|------------------|-------------------|-------------------|--------------|------------------------|---------|----------|---------|----|------|------|--|--------------------------|---------|----------|-------|-----|----------|------|--|--|
| Contractor | Date | Unit | Employees involved | Duration | Schedule Delay | Cost Impact | Comments | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Whiting Services Inc | 8/13/11 | PTN 3 | 2 | 5 days | None | None | Lump Sum | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Whiting Services Inc. | 11/4/11 | PTN 3 | Crew | 1 hr | None | 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) | None (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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

- 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. FPL has no evidence of Siemens' costs 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, 2008, 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:

Release 003, Line 003

Description: GENERATOR/EXCITER INTALATION SERVICES FOR PSL 2 (RFO 19)

Total Extended Price: [redacted]

The contractual sections that address Siemens' liability are as follows:

55.3 [redacted]

[redacted]

55.3.1 [redacted] Section 55.3 and in Section 55.4. [redacted]

[redacted]

55.3.1.1 [redacted]

[redacted]

[redacted]

subsection 55.3.1.1 [redacted]

4. included in FPL's May 17, 2011 NCRC Actual/Estimated filing in Docket No. 110009-EI, was a preliminary estimate of [redacted]

[redacted] (jurisdictional, net of participants) for the generator stator core repair. Based on these expenditures, [redacted]

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| | <p>level [redacted] and [redacted] They all have significantly less experience and are less specialized.</p> <p>c. No. FPL does not have a policy regarding staff augmentation partners providing referral incentives or other similar payments to staff augmentation contractors.</p> <p>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.</p> <p>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.</p> <p>f. Please see response to question e).</p> <p>g. On the [redacted] the [redacted] and [redacted] EPU [redacted] FPL EPU [redacted] that this [redacted] and [redacted] and [redacted] and [redacted] from EPU [redacted] EPU [redacted] the [redacted] that the [redacted] In the [redacted] and [redacted] in the [redacted]</p> <p>h. [redacted] and [redacted] The [redacted] that [redacted] that had [redacted] and [redacted] and [redacted] and [redacted] the [redacted] and [redacted] the [redacted] and [redacted]</p> <p>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.</p> <p>Conclusions:</p> <p>Data Request(s) Generated: No. _____ Description: No. _____ Description:</p> <p>Follow-up Required:</p> |
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**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)

**REQUESTED
CONFIDENTIAL
BY NOI**

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. Overall audit opinion is that controls over EPU projects are [REDACTED] No responses are necessary as [REDACTED] Experis examined [REDACTED] of the [REDACTED] project expenses through detailed testing; Employee Reimbursed Expenses – the top [REDACTED] largest expenses were reviewed by auditors representing [REDACTED] of [REDACTED] with [REDACTED] Invoice Sampling – of [REDACTED] invoices representing [REDACTED] of invoices showed [REDACTED] Payroll tested [REDACTED] representing [REDACTED] of [REDACTED] different employees; for [REDACTED] new hires in 2011 [REDACTED] of [REDACTED] total employees) the auditors [REDACTED] commensurate with time charged to the project; for transfers to the project ([REDACTED] of [REDACTED] auditors verified backfilling of employees prior position; auditors found [REDACTED] FPSC True-up Filing – auditors noted [REDACTED] and verified costs excluded from the population subject to audit were accurate and agreed with the client-prepared filing [REDACTED]

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Conclusions: Experis auditors found one exception in payroll that was previously identified by NBO and was adjusted during the audit.

Data Request(s) Generated:

No. _____ Description:
 No. _____ Description:

Follow-up Required: None

**Bureau of Performance Analysis
Interview Summary**

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| 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 have had [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. Based on the results of last year's EPU audit, there were [REDACTED] made by the company [REDACTED]. These journal entries were made to reflect [REDACTED] that were identified in the audit. However, the journal entries were not completed until later to ensure the entries properly reflected EPU project expenses for [REDACTED]. The journal entries [REDACTED] to the EPU. | |
| 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 Hiring Practices audit [REDACTED] by [REDACTED] whether there were [REDACTED] with the [REDACTED] through other [REDACTED] that they usually would be [REDACTED] a [REDACTED] of [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

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| 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 that the [REDACTED] the [REDACTED] and the [REDACTED] and the [REDACTED] FPSC Audit staff determined that the report was from the perspective of the complainant and not the investigator's report. The ECP investigation [REDACTED] the [REDACTED] the [REDACTED]. Therefore, the [REDACTED] and [REDACTED] in the [REDACTED]. The [REDACTED]. | |
| 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