BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 130009-EI
FLORIDA POWER & LIGHT COMPANY

MARCH 1, 2013

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

TESTIMONY & EXHIBITS OF:

WINNIE POWERS

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FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF WINNIE POWERS

DOCKET NO. 130009-EI

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Q. Please state your name and business address.

A. My name is Winnie Powers. My business address is 700 Universe Boulevard, Juno Beach, FL 33408.

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

A. I am employed by Florida Power & Light Company (FPL or the Company) as the New Nuclear Accounting Project Manager.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for the accounting related to the new nuclear projects, which include Turkey Point 6 & 7 (TP 6 & 7 or New Nuclear) and the Extended Power Uprate Project at Turkey Point and St. Lucie Nuclear Plants (EPU or Uprate Project). I ensure that the costs expended and projected for these projects are accurately reflected in the Nuclear Cost Recovery Filing Requirements (NFR) Schedules. In addition, I am responsible for ensuring that the Company's assets associated with these projects are appropriately recorded and reflected in FPL's financial statements.

Q. Please describe your educational background and professional experience.

A. I graduated from the University of Florida in 1976 with a Bachelor of Science Degree in Business Administration, majoring in Accounting. After college, I was employed as an accountant by RCA Corporation in New York. In 1983, I was hired by

Southeastern Public Service Company in Miami and attained the position of manager of corporate accounting. In 1985, I joined FPL and have held a variety of positions in the regulatory and accounting areas during my 28 years with the Company. I obtained my Masters of Accounting from Florida International University in 1994. I am a Certified Public Accountant (CPA) licensed in the State of Florida, and I am a member of the American Institute of CPAs.

Q. Are you sponsoring or co-sponsoring any Exhibits in this case?

A. Yes, I am sponsoring the following Exhibits for the TP 6 & 7 and EPU projects:

- Exhibit WP-1, Final True-Up of 2012 Revenue Requirements, details the components of the 2012 TP 6 & 7 and EPU revenue requirements reflected in the True-Up (T-Schedules) by project, by year and by category of costs being recovered (e.g. for Site Selection and Pre-construction costs, carrying costs on unrecovered balances and on the deferred tax asset/liability, and for the Uprate Project, carrying costs on construction costs and on the deferred tax asset/liability, recoverable operation and maintenance (O&M) costs including interest, and base rate revenue requirements including interest for the year plant is placed into service).
- Exhibit WP-2, Turkey Point 6 & 7 2012 Site Selection and Pre-construction Costs and Uprate Project 2012 Construction Costs, details the total company costs and jurisdictional costs by project and by cost category.
- Exhibit WP-3, 2012 Base Rate Revenue Requirements, details the 2012 actual revenue requirements for the Uprate Project plant modifications placed into service during 2012. FPL Witness Jones describes the plant being placed into service.

- Exhibit WP–4, 2012 Incremental Labor Guidelines, flowcharts the process used by the business unit accounting teams to determine incremental payroll costs chargeable to the TP 6 & 7 and EPU projects for 2012.

Additionally, I sponsor or co-sponsor some of the NFRs included in exhibits sponsored by FPL Witnesses Scroggs and Jones as described below:

- Exhibit SDS-1, T-Schedules, 2012 Turkey Point 6 & 7 Site Selection and Pre-construction Costs, consists of the 2012 TP 6 & 7 Site Selection Schedules T-1 and T-3A and the 2012 TP 6 & 7 Pre-construction Schedules T-1 through T-7B. Page 2 of SDS-1 contains a table of contents which lists the T-Schedules sponsored and co-sponsored by FPL Witness Scroggs and by me, respectively.
- Exhibit TOJ-1, T-Schedules, 2012 EPU Construction Costs, consists of the 2012 Uprate Project T-Schedules T-1 through T-7B. Page 2 of TOJ-1 contains a table of contents which lists the T-Schedules sponsored and co-sponsored by FPL Witness Jones and by me, respectively.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the true-up calculation of the 2012 revenue requirements of ($1,718,507). This is a result of the difference between $234,370,947 in actual 2012 revenue requirements that FPL is requesting the Commission approve as prudent in this filing compared to the Actual/Estimated revenue requirements for 2012 of $236,089,453 (approved by the Commission in Docket No. 120009-EI, Order No. PSC 12-0650-FOF-EI). The overrecovery of $1,718,507 will reduce the Capacity Cost Recovery Clause (CCRC) charge to be paid by customers in 2014. The revenue

requirements are summarized in my Exhibit WP-1 and shown in the NFR T-Schedules for 2012 TP 6 & 7 Site Selection and Pre-construction costs and 2012 Uprate Project costs. I provide an overview of the components of the revenue requirements included in FPL's filing and demonstrate that the filing complies with the Florida Public Service Commission (FPSC or Commission) Rule No. 25-6.0423, Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery (Nuclear Cost Recovery or NCR) Rule. I also explain how carrying costs are provided for under the Nuclear Cost Recovery Rule, describe the base rate revenue requirements included for recovery in the NFR Schedules, and discuss the accounting controls FPL relies upon to ensure only appropriate costs are charged to the TP 6 & 7 and EPU projects.

Q. Please summarize your testimony.

A. FPL is requesting the Commission approve as prudent its 2012 costs and the resulting overrecovery of revenue requirements of $1,718,507 which will reduce the CCRC charge to customers in 2013. As shown in my Exhibit WP-1, these revenue requirements are comprised of the difference between $234,370,947 actual costs versus $236,089,453 Actual/Estimated costs. My testimony includes the exhibits and NFRs needed to support the true-up of the 2012 actual costs.

FPL is complying with the NCR Rule and the robust and comprehensive corporate and overlapping business unit controls for incurring and validating costs and recording transactions associated with FPL's TP 6 & 7 and EPU projects. I describe these controls and outline the documentation, assessment and auditing process for these

overlapping control activities. Throughout my testimony, I refer to exhibits and NFR Schedules that provide the details of the true-up of the 2012 revenue requirements.

NUCLEAR COST RECOVERY RULE

Q. Please describe the Commission's Nuclear Cost Recovery Rule and the NFR Schedules.

A. On March 20, 2007, in Order No. PSC-07-0240-FOF-EI, the FPSC adopted the Nuclear Cost Recovery Rule to implement Section 366.93, Florida Statutes (the Statute), which was enacted by the Florida Legislature in 2006.

The NFR Schedules provide an overview of nuclear power plant projects and a roadmap to the detailed project costs. The NFR Schedules consist of True-Up (T), Actual/Estimated (AE), Projected (P), and True-Up to Original (TOR) Schedules. The T-Schedules filed each March provide the final true-up for the prior year.

The Nuclear Cost Recovery Rule applies to FPL's TP 6 & 7 and EPU projects. In compliance with the NCR Rule, FPL is recovering the costs and carrying costs for the TP 6 & 7 Project on an annual basis as the work is being performed for the licensing and permitting activites described by FPL Witness Scroggs. Since the Uprate Project is in the construction phase, FPL is recovering only the carrying charges on the construction balance together with recoverable O&M and the base rate revenue requirements for the year plant is placed into service.

FPL does not recover its capital investment in the EPU project until systems or components are placed into service, and even then, such base rate recovery does not reimburse FPL immediately. Rather, the substantial sums FPL is expending during construction to purchase equipment, pay vendors, etc., will be recovered over the lives of the uprated units or lives of the systems placed into service.

Q. Please describe the process by which FPL recovers the Uprate Project plant in-service subsequent to the year it is placed into service.

A. In accordance with Nuclear Cost Recovery Rule No. 25-6.0423 (7), costs to be recovered subsequent to the year plant is placed into service are requested in a petition for Commission approval of the base rate increase related to the plant.

Q. Please describe the NFR Schedules you are filing in this Docket.

A. FPL is filing its 2012 final T-Schedules in this docket to provide an overview of the financial aspects of our nuclear plant projects, outline the categories of costs and provide the calculation of detailed project revenue requirements. We are including for the TP 6 & 7 Project Site Selection and Pre-construction NFRs, and for the Uprate Project Construction NFRs.

TURKEY POINT 6 & 7 2012 TRUE-UP

Site Selection

Q. Is FPL filing any NFRs related to TP 6 & 7 Site Selection costs?

A. Yes. FPL is filing the NFR Schedules T-1 and T-3A described in FPL Witness Scroggs's testimony for TP 6 & 7 Site Selection costs.

Q. What are FPL's 2012 actual TP 6 & 7 Site Selection expenditures compared to the previous Actual/Estimated costs?

A. FPL's TP 6 & 7 Site Selection expenditures ceased with the filing of its need petition on October 16, 2007. All recoveries of site selection costs and resulting true-ups have been reflected in prior nuclear cost recovery filings. Accordingly, the true-up of costs and resulting revenue requirements each equal zero.

Q. What are FPL's 2012 TP 6 & 7 Site Selection actual carrying charges compared to the previous Actual/Estimated carrying charges and any resulting over/underrecovery of costs?

A. The calculation of FPL's 2012 actual TP 6 & 7 Site Selection carrying charges on the deferred tax asset are $180,883 as shown in Exhibit SDS-1, Schedule T- 3A. FPL's previous Actual/Estimated carrying costs on the deferred tax asset were $180,883. The deferred tax asset is created by the recovery of Site Selection costs and the payment of income taxes before a deduction for the costs is allowed for income tax purposes. Since FPL no longer incurs Site Selection costs other than the return on the deferred tax asset, there is no true-up of 2012 costs needed.

Pre-construction

Q. Is FPL filing any NFRs related to 2012 TP 6 & 7 Project Pre-construction costs?

A. Yes. FPL is filing the NFR Schedules T-1 through T-7B as described in FPL Witness Scroggs's testimony for the final true-up of TP 6 & 7 Pre-construction costs.

Q. What revenue requirement amount is FPL requesting to reflect the final true-up of its 2012 TP 6 & 7 Pre-construction costs?

A. FPL is requesting to include in its 2014 CCRC charge an overrecovery of $5,602,800 in revenue requirements, which represents an overrecovery of Pre-construction costs of $5,245,763, and an overrecovery of carrying charges of $357,038 as shown on Exhibit WP-1 and in the calculations in Exhibit SDS-1, Schedule T-2 and T-3A. The overrecovery of $5,602,800 will reduce the CCRC charge paid by customers when the CCRC is reset for 2014.

Q. What are FPL's 2012 actual TP 6 & 7 Pre-construction expenditures compared to 2012 Actual/Estimated costs and any resulting over/under recoveries of costs?

A. FPL's actual TP 6 & 7 Pre-construction expenditures for the period January through December 2012 are $29,565,631, ($29,034,114 on a jurisdictional basis) as presented in FPL Witness Scroggs's testimony and provided on SDS-1, Schedule T-6. FPL's Actual/Estimated 2012 Pre-construction expenditures were $34,907,426 ($34,279,877 on a jurisdictional basis). The result is an overrecovery of Pre-construction revenue requirements of $5,245,763.

Q. What are FPL's 2012 actual TP 6 & 7 Pre-construction carrying charges compared to 2012 Actual/Estimated carrying charges and any resulting over/under recoveries of costs?

A. FPL's 2012 actual TP 6 & 7 Pre-construction carrying charges are $2,739,962. FPL's previous Actual/Estimated carrying charges were $3,097,000, resulting in an

overrecovery of revenue requirements of $357,038. The calculations of the carrying charges can be found in Exhibit SDS-1, Schedules T-2 and T-3A.

UPRATE 2012 TRUE-UP

Q. Is FPL filing any NFRs related to its 2012 Uprate Project costs?

A. Yes, FPL is filing the NFR Schedules T-1 through T-7B as described in FPL Witness Jones's testimony for the final true-up of 2012 Uprate Project costs as shown in Exhibit TOJ-1.

Q. What revenue requirement amount is FPL requesting to reflect the final true-up of its 2012 Uprate Project costs?

A. FPL is requesting to include an underrecovery of $3,884,294 in revenue requirements, which represents an underrecovery of carrying costs of $5,701,842, an overrecovery of O&M and interest costs of $7,332,596, and an underrecovery of base rate revenue requirements and carrying costs of $5,515,047, as shown on Exhibit WP-1.

Q. What are FPL's 2012 actual Uprate Project expenditures compared to 2012 Actual/Estimated expenditures?

A. FPL's actual Uprate Project generation and transmission expenditures for the calculation of carrying costs, for the period January through December 2012 are $1,346,527,380, total company as shown on my exhibit WP-2 and in NFR Schedule T-6. As presented in FPL Witness Jones's testimony and shown on Exhibit TOJ-1, Schedule T-6, the portion of this total for which the St. Lucie Unit 2 participants are responsible is deducted and then the retail jurisdictional factor is

applied to the remainder. This results in jurisdictional, net of participants Uprate Project generation and transmission expenditures of $1,298,309,799.

For the calculation of actual carrying charges further adjustments are made to present the expenditures on a cash basis (i.e., excluding accruals and pension and welfare benefit credits) and results in the expenditures shown on Exhibit TOJ-1, T-3 for the calculation of carrying charges of $1,194,776,378. These adjustments are necessary in order to comply with the Commission's practice regarding Allowance for Funds Used During Construction (AFUDC) accruals.

Q. Where within the filing are FPL's Uprate Project 2012 actual carrying charges included?

A. The Uprate Project actual carrying charges on construction expenditures and on the deferred tax liability of $110,611,569 are shown in my Exhibit WP-1 and detailed in the NFRs in Exhibit TOJ-1, Schedules T-3 and T-3A, respectively. FPL's previous Actual/Estimated 2012 Uprate Project carrying charges were $104,909,726. As a result of the final true-up of 2012 carrying charges in this March 1, 2012 filing, there is an underrecovery of $5,701,842 in 2012.

Q. What are FPL's Uprate Project 2012 actual recoverable O&M costs?

A. FPL's Uprate Project 2012 actual recoverable O&M costs including interest are $7,520,744 ($7,214,153 jurisdictional, net of participants), the calculation of which can be found in Exhibit TOJ-1, Schedule T-4. FPL's previous Actual/Estimated 2012 Uprate Project recoverable O&M including interest was $15,000,523 ($14,546,749 jurisdictional, net of participants). As shown in Schedule T-4,

over/under recoveries of recoverable O&M accrue interest at the AA Financial 30-day rate posted on the Federal Reserve website. As a result of the actual final true-up of 2012 Uprate Project recoverable O&M including interest, there is an overrecovery of $7,332,596 jurisdictional, net of participants in 2012.

Q. Please describe the calculation of base rate revenue requirements.

A. As described in Order No. PSC-08-0749-FOF-EI in Docket No. 080009-EI, FPL "shall be allowed to recover through the NCRC associated revenue requirements for a phase or portion of a system placed into commercial service during a projected recovery period. The revenue requirement shall be removed from the Nuclear Cost Recovery Clause (NCRC) at the end of the period. Any difference in recoverable costs due to timing (projected versus actual placement in service) shall be reconciled through the true-up provision". Until the plant is placed into service, FPL will continue to recover the carrying charges on the construction costs.

In accordance with FPL accounting policies, effective in the month each transfer to plant in-service is made, FPL transfers the related costs from Construction Work in Progress (CWIP) to plant in-service. For plant placed into service less than $10 million, carrying charges are calculated for half a month and base rate revenue requirements are calculated for half a month. For plant placed into service greater than $10 million, the calculation of carrying charges and base rate revenue requirements are to the day the plant is placed into service. For intangible plant, which is amortized over the life of the asset, carrying charges are calculated for half a month and amortization expense for half a month regardless of the dollar amount of

the plant being placed into service. The License Amendment Requests (LARs) are an example of Uprate Project intangible plant placed into service. Subsequent to the month the plant is placed into service, carrying charges cease and the 2012 base rate revenue requirements related to the plant being placed into service is included for recovery through the NCRC. Included in the base rate revenue requirement is any non-incremental labor related to the Uprate Project. FPL's 2012 actual transfers to plant in service, including non-incremental labor, are shown in Exhibit WP-3, with details in Exhibit TOJ-1, Appendix B.

Q. Where within the filing are FPL's actual base rate revenue requirements for plant being placed into service in 2012 for the Uprate Project included?

A. Uprate Project actual base rate revenue requirements for plant being placed into service in 2012 of $85,107,276, or $84,590,266 including carrying charges of ($517,010), are shown in Exhibit WP-1. FPL's previous Actual/Estimated 2012 base rate revenue requirements were $79,552,085, or $79,075,219 net of carrying charges of ($476,866). As a result of the true-up of actual 2012 Uprate Project base rate revenue requirements, including carrying charges, there is an underrecovery of $5,515,047 as shown on my Exhibit WP-1. The plant being placed into service, the calculation of the base rate revenue requirements and the carrying charge is shown in Exhibit TOJ-1, Appendix B. The carrying charges on the over/underrecoveries of the base rate revenue requirements compared to prior Actual/Estimated are shown in TOJ-1, Appendix C.

Q. What is the total of FPL's 2012 actual transfers to plant in-service for the Uprate Project in 2012?

A. In 2012, FPL's actual transfers to plant in service total $2,002,403,888 ($1,913,267,000 jurisdictional, net of participants), as shown on TOJ-1, Appendix B. The 2012 Actual/Estimated transfers to plant in service were $1,058,854,365 ($1,017,306,408 jurisdictional, net of participants) Appendix B provided the details of the plant placed into service. A description of the plant placed into service in 2012 is found in FPL Witness Jones's testimony.

Q. What caused the difference between the 2012 base rate revenue requirements in the AE-Schedules and the base rate revenue requirements in the T-Schedules for the EPU modifications placed into service?

A. The 2012 AE-Schedules reflect FPL's estimate that EPU modifications of $1,058,854,365 ($1,017,306,408 jurisdictional, net of participants) would be placed into service in 2012. The actual plant placed into service during 2012 was $2,002,403,888 ($1,913,267,000 jurisdictional, net of participants), which is reflected in my Exhibit WP-3. The plant placed into service in 2012 and the actual in-service dates are also shown in TOJ-1, Appendix B. FPL Witness Jones addresses the actual plant placed into service in 2012 in his testimony.

In the AE-Schedules, FPL used its then most current rate of return which was based on the December 2011 Surveillance Report. The rate of return in our 2012 T-Schedules is the rate of return based on the most current 2012 monthly surveillance reports at the time the Uprate modifications are placed into service. This is in accordance with the requirements of the Nuclear Cost Recovery Rule No. 25-6.0423 Section 7(d).

Q. What accounting and regulatory treatment is provided for costs that would have been incurred regardless of the Uprate Project?

A. Costs that would have been incurred regardless of the Uprate Project are not included in FPL's NCRC calculations. Such expenditures that are not "separate and apart" Uprate Project expenditures will be accounted for under the normal process for O&M and capital expenditures. Capital expenditures will accrue AFUDC while in CWIP until the system or component is placed into service. Only costs incurred for activities necessary for the Uprate Project are charged to the Uprate Project work orders/internal orders and included as recoverable O&M or as construction costs included in the calculation of carrying charges in the NFR Schedules. This method ensures that FPL only receives recovery of the appropriate recoverable O&M or carrying charge return under the Nuclear Cost Recovery Rule and expenses or accrues the appropriate O&M or AFUDC return on costs that are not "separate and apart." FPL employs a rigorous, engineering-based process to segregate costs that are "separate and apart" from those that would have normally been incurred, so that only the appropriate costs are reflected in the NCRC request. This process is discussed in more detail in FPL Witness Jones's March 1, 2013 testimony.

ACCOUNTING CONTROLS

Q. Please describe the accounting controls FPL relied upon to ensure proper cost recording and reporting for these projects in 2012.

A. FPL relied on its comprehensive corporate and overlapping business unit controls for recording and reporting transactions associated with any of its capital projects including the Uprate Project and TP 6 & 7. These comprehensive and overlapping controls included:

- FPL's Accounting Policies and Procedures;
- Financial systems and related controls including FPL's general ledger (SAP) and construction asset tracking system (PowerPlant);
- FPL's annual budgeting and planning process;
- Reporting and monitoring of plan costs to actual costs incurred; and
- Business Unit specific controls and processes.

The project controls are discussed in the March 1, 2013 testimony of FPL Witnesses Scroggs and Jones.

Q. Were there any changes to existing accounting controls or additional accounting controls implemented and relied upon for these projects and the related reporting in 2012?

A. No.

Q. Were these controls documented, assessed and audited and/or tested?

A. Yes. The FPL corporate accounting policies and procedures were documented and published on the Company's internal website, Employee Web. In addition, accounting management provided formal representation as to the continued compliance with those policies and procedures each year. Sarbanes-Oxley processes were identified, documented, tested and maintained, including specific processes for planning and executing capital work orders, as well as acquiring and developing fixed assets.

Certain key financial processes were tested during the Company's annual test cycle. The Company's external auditor, Deloitte & Touche, LLP, as a part of its annual audit, which includes assessing the Company's internal controls over financial reporting and testing of general computer controls, expressed an opinion as to the effectiveness of those controls.

Q. Describe the responsibilities and accounting controls of the New Nuclear Accounting Project Group in 2012.

A. The primary responsibility of the New Nuclear Accounting Project Group was to provide financial accounting guidance for the recovery of costs under the Nuclear Cost Recovery Rule. Additional responsibilities included the preparation and maintenance of the NFR Schedules, (i.e., T, AE, P, and TOR-Schedules) and on a monthly basis, ensuring the costs included in the NFR Schedules are recorded to the financial records of the Company and reconciled to the NFRs. The Nuclear Cost Recovery projects utilized unique internal orders to capture costs directly related to these projects. After ensuring accurate costs were recorded, adjustments were made to reflect participants' credits, jurisdictionalize the costs, and include other adjustments required in the NFR Schedules. Monthly journal entries were prepared to reflect the effects of the recovery of these costs and monthly reconciliations of the NFR accounts were performed. The resulting NFR Schedules are included in our Nuclear Cost Recovery filings and described in testimony.

The New Nuclear Accounting Project Group worked closely with the Nuclear Business Unit, Engineering, Construction & Corporate Services Division (ECCS), and

the Transmission Business Unit to address issues surrounding the costs related to the projects. This involved researching, providing direction and resolving project accounting issues that arose.

TURKEY POINT 6 & 7 SPECIFIC ACCOUNTING CONTROLS

Q. Describe the role of the ECCS Division related to the TP 6 & 7 Project.

A. The ECCS Division had a Project Controls Group that reported through the Vice President of ECCS and provided structural leadership, governance and oversight for the project. On a monthly basis, the group completed a thorough review of all costs ensuring accuracy of the charges posted to the project. Additionally, Project Controls prepared monthly variance reports, identifying variances against budgeted information. Team members and project management met monthly to review and understand existing budget variances against the projected forecast. The Project Controls group included a Manager of Cost and Performance with Accounting and Real Estate degrees, who had been with the ECCS organization since 2011. His previous experience includes over seven years with Deloitte & Touche specializing in energy industry auditing. A Director of Construction with 29 years experience at FPL and nine years with the Engineering and Construction department oversaw the Project Control group. Staff with business, finance and accounting degrees and nuclear and construction experience supported the Project Controls leadership team.

Q. Describe the Engineering, Construction & Corporate Services Division accounting controls which ensured costs were appropriately incurred for the TP 6 & 7 Project.

A. When FPL filed its Need Determination in October 2007, costs related to the project recorded in a deferred debit account were transferred to CWIP. A separate work order was set up for Site Selection costs and Pre-construction costs. As stated in the Rule, a site is deemed to be selected upon the filing of a petition for a determination of need; therefore, all costs expended prior to the Need Filing were categorized as Site Selection costs. All Site Selection expenditures have been determined prudent by this Commission in Order No. PSC-08-0749-FOF-EI and all recoveries (other than carrying costs on the deferred tax asset) with resulting true-ups have been reflected in previous filings. Pre-construction costs are costs expended after a site has been selected, captured in a unique work order/internal order, and are included in the Pre-construction T-Schedules for actual costs incurred in each year.

Q. Describe the ECCS Division accounting controls which ensured costs were appropriately charged to the TP 6 & 7 Project.

A. When a potential goods or services expenditure greater than $10,000 was identified, project personnel routed the relevant information detailing the need, justification, estimated cost and documentation for the request to the Project Controls Group for review. Upon verification of the documentation and availability of budgeted resources, the Project Controls Group electronically advised the requestor of the appropriate internal order and cost element for charging. The requester then created a "shopping cart" in the Integrated Supply Chain (ISC) module of SAP, attaching the

aforementioned documentation including the electronic notification from the Project Controls Group. This information was sent electronically through the shopping cart system to the ISC agent of the functional area who verifies the appropriate documentation is attached to the shopping cart. Upon verification, a Purchase Order (PO) was initiated by the ISC agent and forwarded with the attachments to the applicable Director for review to ensure the expenditure was appropriate and relevant to the project. If the Director is in agreement with the expenditure, he electronically approved the PO and a notification was sent to the issuing ISC agent. The ISC agent will then electronically issued to the vendor a PO available for charging, copying the original requestor, the Project Controls Group and the approving Director. After the goods were received or services were rendered, an invoice was received either by the functional area or by Project Controls, it was reviewed, and if determined to be appropriate, approved based on FPL Approval Authorization amounts. Approved invoices were then forwarded to the Invoice Processor and upon verification of the approvals and account coding the invoice was entered into the SAP system for processing and payment to the vendor.

Currently, Bechtel Power Corporation is the vendor with the greatest single proportion of costs and is handling the Combined Operating License Application (COLA) and supporting the site certification application. The invoices from this and other vendors which can be quite voluminous may be received electronically by the Project Controls Group. They were loaded into a Share Point database and routed to the appropriate business unit contacts to assess, review and approve where appropriate. After the

invoice was reviewed by the functional area, the Project Controls Analyst ensured all parties had signed off on their appropriate section of the invoice checklist approval form prior to payment. The invoices were also reviewed for compliance with the purchase order and/or contract and differences with vendors were resolved. The remaining invoices related to charges incurred by groups such as Transmission and Environmental Services.

Q. Describe the review and reporting performed by the ECCS Project Controls organization related to the TP 6 & 7 Project.

A. The Project Controls organization was responsible for preparing, analyzing and clearly and concisely explaining variances against planned budgets for current month, year-to-date and year end. Project Controls held monthly meetings with team members and project management to review and understand existing budget variances and any projected variances. Project Controls provided the resulting expenditures to Accounting for inclusion in the NFR Schedules.

UPRATE PROJECT SPECIFIC ACCOUNTING CONTROLS

Nuclear Business Unit Accounting Controls

Q. Describe the oversight role of the Nuclear Business Operations (NBO) Group related to the Uprate Project in 2012.

A. The NBO Group was independent of the EPU Project Team and provided oversight of the costs charged to the Uprate Project. The NBO Group was primarily responsible for the work order/internal order maintenance function, reviewing payroll to ensure

only appropriate payroll was charged to the Uprate Project, determining appropriate accounting for costs, raising potential issues to the Property Accounting Group when necessary, providing accounting guidance and training to the Uprate Project team, assisting with internal and external audit-related matters, reviewing project projections and producing monthly variance reports.

Q. Describe the accounting controls which ensured costs were appropriately incurred and tracked for the Uprate Project in 2012.

A. The NBO Group accounted for the activities necessary to perform the Uprate Project at the four nuclear units, Turkey Point Units 3 and 4 and St. Lucie Units 1 and 2. Costs associated with the work performed on components defined as a property retirement unit was transferred from CWIP to plant in service at the end of each outage or when they became used and useful. In order to facilitate this process, a separate work breakdown structure was set up for each unit along with capital work orders/internal orders to capture costs related to each EPU outage. Additional work orders/internal orders were set up, as necessary, to capture costs associated with plant placed into service at a different time than the outages.

Q. Describe the accounting controls which ensured costs were appropriately charged to the Uprate Project.

A. Invoices were routed to the St. Lucie or Turkey Point site project controls analyst, as appropriate. The analyst checked the invoices for accuracy and for agreement to the PO terms and conditions. Once the invoice had been appropriately verified, the analyst recorded invoice information on an Invoice Tracking Log. The Invoice Approval/Route List was then routed for verification of receipt of goods/services and

all required approvals. Before payment could be made on any invoice greater than $1 million, the approval of the Vice President, Nuclear Power Uprate was required. Before payment could be made on any invoice greater than $5 million, the approval of the Executive Vice President & Chief Nuclear Officer was required. Once all necessary approvals had been obtained, the project controls analyst processed the invoice for payment in NAMS (Nuclear Asset Management System) against the respective purchase order. Extended Power Uprate Project Instruction Number EPPI-230, *Project Invoice*, detailed the flow of the invoice through the approval, receipt and payment process at the sites and established responsibilities at each stage of the process.

Q. Describe the review performed by the EPU Project Controls Team and the NBO Group related to the Uprate Project.

A. Throughout the month, general ledger detail transactions were monitored by the EPU Project Controls Team and NBO to ensure that costs charged to the Uprate Project were appropriate and were accurately classified as capital or O&M. Site cost engineers performed reviews to ensure invoices were accurately coded to the appropriate activity/scope work order/internal order. NBO reviewed internal labor costs to ensure that only appropriate payroll was charged to the Uprate Project. In addition, all steps in this process were subject to internal and external audits and reviews.

The Project engineers and NBO worked together closely to make sure the costs were appropriate and were accurately classified as capital or O&M. Construction Leads

performed reviews to ensure invoices were accurately coded to the appropriate activity/scope work order/internal order.

Q. Describe the reporting performed by the EPU Project Controls Team and the NBO Group related to the Uprate Project.

A. The Uprate Project Controls Director, along with the Uprate Project Controls Team at each site, recorded schedule changes, project delays, and project costs. The Uprate Project Controls Director, along with the Uprate Project Controls Team, supported risk management and contract administration.

The NBO Group drafted monthly variance reports that compare actual expenditures incurred to the originally estimated budget and reported year end forecast estimates. The draft reports were sent to the St. Lucie and Turkey Point Uprate Project Controls Team responsible for providing variance explanations and forecast updates to NBO. The reports were reviewed by the Uprate Project control supervisors and management prior to the submission to NBO. NBO reviewed the variance explanations and forecast numbers for reasonableness and accuracy prior to compilation and inclusion in the Nuclear Business Unit corporate monthly variance report submitted to the Corporate Budget Group. NBO was also responsible for reviewing numbers reported to the FPL Executive Steering Committee to ensure consistency with corporate variance reports and for providing the Accounting Department with project amounts for inclusion in the NFR Schedules.

Transmission Business Unit Accounting Controls

Q. Describe the role of the Transmission Business Unit related to the Uprate Project.

A. The Transmission Business Unit incurred expenditures related to the Uprate Project in order to perform substation and transmission line engineering, procurement, and construction on specific work orders/internal orders assigned to projects which resulted from transmission interconnection and integration studies performed by FPL Transmission Planning. These studies were based on incorporating the additional megawatts to be generated by the uprated nuclear units at St. Lucie 1 & 2 and Turkey Point 3 & 4 into the FPL transmission system. The Transmission Business Unit cost and performance team ensured costs were appropriately incurred and charged to the Uprate Project. The Transmission Business Unit reviewed payroll to ensure only appropriate payroll was charged to the Uprate Project, determined appropriate accounting for costs, raised potential issues to the Property Accounting Group when necessary, provided accounting guidance and training to the Uprate Project team, assisted with internal and external audit-related matters, reviewed project projections, and produced monthly variance reports. Transmission related work for the Uprate Project was also accounted for by work order/internal order based on the scope of work and was placed into service when the respective work was used and useful.

Q. Describe the Transmission Business Unit accounting controls which ensured costs were appropriately incurred and tracked for the Uprate Project.

A. The Transmission Business Unit identified the transmission activities necessary to support the increased electrical output of the Uprate Project at the four nuclear units,

St. Lucie Units 1 & 2 and Turkey Point Units 3 & 4. Costs associated with the work performed for each outage were transferred from CWIP to plant in service by Property Accounting as appropriate. In order to facilitate this process and identify activities, two separate work breakdown structures were set up with appropriate sub activities and multiple internal orders. Purchase Orders (PO) were handled by ISC via the Shopping Cart Process. A Shopping Cart PO request was routed from the originator to all approvers required based on the dollar amount of the PO. The PO Requisitioning group determined the required approvals based on the business unit's PO approval limits, and routed the request as required. Once all required approvals were secured, the PO was created based on the information in the Shopping Cart request.

Q. Describe the Transmission Business Unit accounting controls which ensured costs were appropriately charged to the Uprate Project.

A. Invoices were routed to the Transmission Project Control Administrator (Administrator). The Administrator checked the invoices for accuracy and for agreement to the PO terms and conditions. Once the invoice was appropriately verified, the Administrator recorded invoice information on the Cost Control Tracking sheet and routed the invoice for all required approvals. Invoices found to contain any inaccuracies were returned to the requestor for revisions. Any invoice greater than $1 million required the approval of the Business Unit Vice President. Any invoice greater than $5 million required the approval of the FPL President & Chief Executive Officer before payment was made. Once all necessary approvals were obtained, the Administrator processed the invoice for payment in SAP against the respective PO.

Q. Describe the additional reviews performed by the Transmission Business Unit related to the Uprate Project.

A. The Cost & Performance Analyst updated the Turkey Point and St Lucie Uprate Project Cost reports on a monthly basis for actual costs incurred. The Turkey Point and St Lucie Uprate Project Cost reports were then reviewed by the assigned Project Managers and Administrators who worked closely together to ensure that all costs were appropriately charged to the Uprate Project and were accurately classified as either Capital or O&M. Construction Leaders also performed reviews to ensure all invoices were accurately assigned and coded to the appropriate work order/internal order for the Uprate Project as well. Any discrepancies identified as a result of these reviews were resolved at this time. The assigned Project Manager then updated the individual work order/internal order forecasts, if warranted.

Q. Describe the reporting performed by the Transmission Business Unit related to the Uprate Project.

A. The Transmission Cost & Performance group drafted monthly variance reports that compare actual expenditures incurred to the originally estimated budget and reported year end forecast estimates. These Corporate monthly variance reports were reviewed by the assigned Project Manager for reasonableness and accuracy and the final was then submitted to the Corporate Budget Group.

ADDITIONAL NEW NUCLEAR AND UPRATE PROJECT ACCOUNTING OVERSIGHT

Q. Were there any additional controls relied upon for these projects and the related reporting in 2012?

A. Yes. The Company had previously issued specific guidelines for charging costs to the project internal orders. These guidelines emphasize the need for particular care in charging only incremental labor to the project internal orders included for nuclear cost recovery and ensure consistent application of the Company's capitalization policy. These guidelines describe the process for the exclusion of non-incremental labor from current NCRC recovery while providing full capitalization of all appropriate labor costs through the implementation of separate project capital internal orders that will be included in future non-NCRC base rate recoveries. Exhibit WP-4 provides a flowchart depicting this process for 2012.

Q. Did the guidelines for charging costs to the project work orders/internal orders change from 2011 to 2012?

A. No. The guidelines in effect in 2011 applied to 2012. As a result of FPL's 2009 rate case (Docket No. 080677-EI), the Company reset the basis upon which incremental employee labor is established in determining which employees are clause recoverable. Starting in 2010, personnel previously determined non-incremental became incremental and eligible to record labor to NCRC work orders/internal orders. Any employee dedicated to the project and charging 100% of his time to the NCRC during 2010 is considered incremental for the entire year 2010. Any employee that charged a

percentage of his time to capital in the NCRC in 2010 will be designated incremental for that percentage of his costs. This remains the basis for determining incremental payroll in 2012.

Q. What is the purpose of the continuous internal audits conducted by FPL on the TP 6 & 7 and EPU projects?

A. The Company continues to undergo specific project related internal audits. The objective of these audits is to test the propriety of expenses charged to the NCRC to ensure they are recoverable project expenses and to ensure compliance with the Commission's Rule. Any potential process improvements identified during the audits are communicated to management to further enhance internal controls. FPL will continue to ensure these projects are audited on an ongoing basis. The audits of the 2012 costs and controls related to the TP 6 & 7 and the EPU projects are currently underway and will be complete prior to the start of the hearing in this docket. These audits will continue to provide assurance that the internal controls surrounding transactions and processes are well established, maintained and communicated to employees, and provide additional assurance that the financial and operating information generated within the Company is accurate and reliable.

Q. Please comment on the overall level of control and oversight of the NCRC process.

A. The ongoing cycles of cost collection, aggregation, analysis and review which lead to the NFR filings provide for a level of detailed review that is unprecedented. For example, in the preparation of the NFR Schedules, transactional expenditures are projected by activity and an immediate review of projection to actual, in many cases at

the transactional level, is conducted. The nature of the data collection and aggregation process, along with the calculation of carrying charges and construction period interest, provides an increased level of detailed review. The requirements of the Rule have, by design, significantly increased the review and transparency of the costs themselves.

Q. Does this conclude your testimony?

A. Yes

Florida Power & Light Company
Final True-Up of 2012 Revenue Requirements
(Jurisdictional, net of participants)
Exhibit WP-1

Line No.		(a) March 1, 2013 True-up filing (Docket No. 130009-EI)			(b) April 27, 2012 Actual/Estimated Filing (Docket No. 120009-EI)			(c) March 1, 2013 True-up filing (Docket No. 130009-EI)		
		(A) 2012 P's	(B) 2012 T's	(C)	(D) 2012 P's	(E) 2012 AE's	(F)	(G) 2012 AE's	(H) 2012 T's	(I)
		2012 Projections Collected in 2012 Docket No. 110009-EI	2012 Actual Costs Docket No. 130009-EI	(Over)/ Under Recovery	2012 Projections Collected in 2012 Docket No. 110009-EI	2012 Errata Actual/Estimated Costs Collected in 2013 Docket No. 120009-EI	(Over)/ Under Recovery	2012 Errata Actual/Estimated Costs Collected in 2013 Docket No. 120009-EI	2012 Actual Costs Docket No. 130009-EI	(Over)/ Under Recovery
1										
2	**TP 6 & 7**									
3	Site Selection Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0
4	Carrying Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0
5	Carrying Costs on DTA/(DTL)	$180,883	$180,883	$0	$180,883	$180,883	$0	$180,883	$180,883	$0
6	Total Carrying Costs	$180,883	$180,883	$0	$180,883	$180,883	$0	$180,883	$180,883	$0
7	Total Site Selection	$180,883	$180,883	$0	$180,883	$180,883	$0	$180,883	$180,883	$0
8										
9	Pre-construction Costs	$31,022,080	$29,034,114	($1,987,966)	$31,022,080	$34,279,877	$3,257,796	$34,279,877	$29,034,114	($5,245,763)
10	Carrying Costs	($660,835)	($2,666,490)	($2,005,655)	($660,835)	($2,423,506)	($1,762,671)	($2,423,506)	($2,666,490)	($242,983)
11	Carrying Costs on DTA/(DTL)	$6,281,133	$5,406,452	($874,681)	$6,281,133	$5,520,506	($760,627)	$5,520,506	$5,406,452	($114,054)
12	Total Carrying Costs	$5,620,298	$2,739,962	($2,880,336)	$5,620,298	$3,097,000	($2,523,298)	$3,097,000	$2,739,962	($357,038)
13	Total Pre-construction	$36,642,378	$31,774,076	($4,868,302)	$36,642,378	$37,376,876	$734,498	$37,376,876	$31,774,076	($5,602,800)
14	**Total TP 6 & 7**	**$36,823,261**	**$31,954,959**	**($4,868,302)**	**$36,823,261**	**$37,557,759**	**$734,498**	**$37,557,759**	**$31,954,959**	**($5,602,800)**
15	**Uprate Project**									
16	Carrying Costs	$68,448,455	$112,000,508	$43,552,053	$68,448,455	$106,065,448	$37,616,993	$106,065,448	$112,000,508	$5,935,060
17	Carrying Costs on DTA/(DTL)	($1,184,002)	($1,388,939)	($204,937)	($1,184,002)	($1,155,721)	$28,281	($1,155,721)	($1,388,939)	($233,218)
18	Total Carrying Costs	$67,264,453	$110,611,569	$43,347,116	$67,264,453	$104,909,726	$37,645,274	$104,909,726	$110,611,569	$5,701,842
19										
21	Total Recoverable O&M and Interest	$5,461,197	$7,214,153	$1,752,956	$5,461,197	14,546,749	$9,085,552	$14,546,749	$7,214,153	($7,332,596)
22	Base Rate Revenue Requirements	$80,190,773	$85,107,276	$4,916,503	$80,190,773	$79,552,085	($638,688)	$79,552,085	$85,107,276	$5,555,191
23	Carrying Costs (Over)/Under Recovery (d)	$0	($517,010)	($517,010)	$0	($476,866)	($476,866)	($476,866)	($517,010)	($40,144)
24	Total Base Revenue Requirements and Carrying Costs	$80,190,773	$84,590,266	$4,399,493	$80,190,773	$79,075,219	($1,115,554)	$79,075,219	$84,590,266	$5,515,047
25	**Total Uprate Project**	**$152,916,422**	**$202,415,988**	**$49,499,565**	**$152,916,422**	**$198,531,694**	**$45,615,272**	**$198,531,694**	**$202,415,988**	**$3,884,294**
26										
27	**Total TP 6 & 7 and Uprate Project**	**$189,739,683**	**$234,370,947**	**$44,631,263**	**$189,739,683**	**$236,089,453**	**$46,349,770**	**$236,089,453**	**$234,370,947**	**($1,718,507)**
28										

29 Totals may not add due to rounding

30 **Notes:**

31 (a) The March 1, 2013 True- up filing compares 2012 Actual costs to the 2012 Projections (Order No. PSC-11-0547-FOF-EI) in order to calculate carrying charges.

32 (b) The June 11th, 2012 Actual/Estimated Errata Filing submitted in 2012 compares the 2012 Actual/Estimated Costs to the 2012 Projections.

33 (c) The March 1, 2013 True-up filing ultimately compares the 2012 Actual Costs to the 2012 Actual/Estimated Costs resulting in a final true-up amount.

34 (d) Carrying Costs reflect the return on any over/under base rate revenue requirements recovered through the Nuclear Cost Recovery Clause.

Florida Power & Light Company
Turkey Point 6 & 7
2012 Site Selection & Pre-Construction Costs
Exhibit WP-2

Line No.		2012
1	**Turkey Point 6 & 7**	
2	**Site Selection:**	
3	Project Staffing	$0
4	Engineering	$0
5	Environmental Services	$0
6	Legal Services	$0
7	Total Site Selection Costs (a)	$0
8	Jurisdictional Factor (b)	0.98202247
9	Total Jurisdictional Site Selection Costs	$0
10		
11	**Pre-Construction:**	
12	**Generation:**	
13	Licensing	$22,569,524
14	Permitting	$1,004,333
15	Engineering and Design	$5,991,774
16	Long lead procurement advance payments	$0
17	Power Block Engineering and Procurement	$0
18	Total Generation Costs	$29,565,631
19	Jurisdictional Factor (b)	0.98202247
20	Total Jurisdictional Generation Costs	$29,034,114
21	**Transmission:**	
22	Line Engineering	$0
23	Substation Engineering	$0
24	Clearing	$0
25	Other	$0
26	Total Transmission Costs	$0
27	Jurisdictional Factor (b)	0.98051733
28	Total Jurisdictional Transmission Costs	$0
29		
30	**Total Company Turkey Point 6 & 7 Costs (Line 7 + Line 18 + Line 26)**	$29,565,631
31		
32	**Total Jurisdictional Turkey Point 6 & 7 Costs (Line 9 + Line 20 + Line 28)**	$29,034,114
33		
34	Totals may not add due to rounding.	
35		
36	**Notes:**	
37	(a) Site Selection costs have been fully recovered.	
38	(b) Jurisdictional separation factor as reflected in the 2012 FPSC Earnings Surveillance Report.	

Florida Power & Light Company
Uprate Project
2012 Construction Costs
Exhibit WP-2

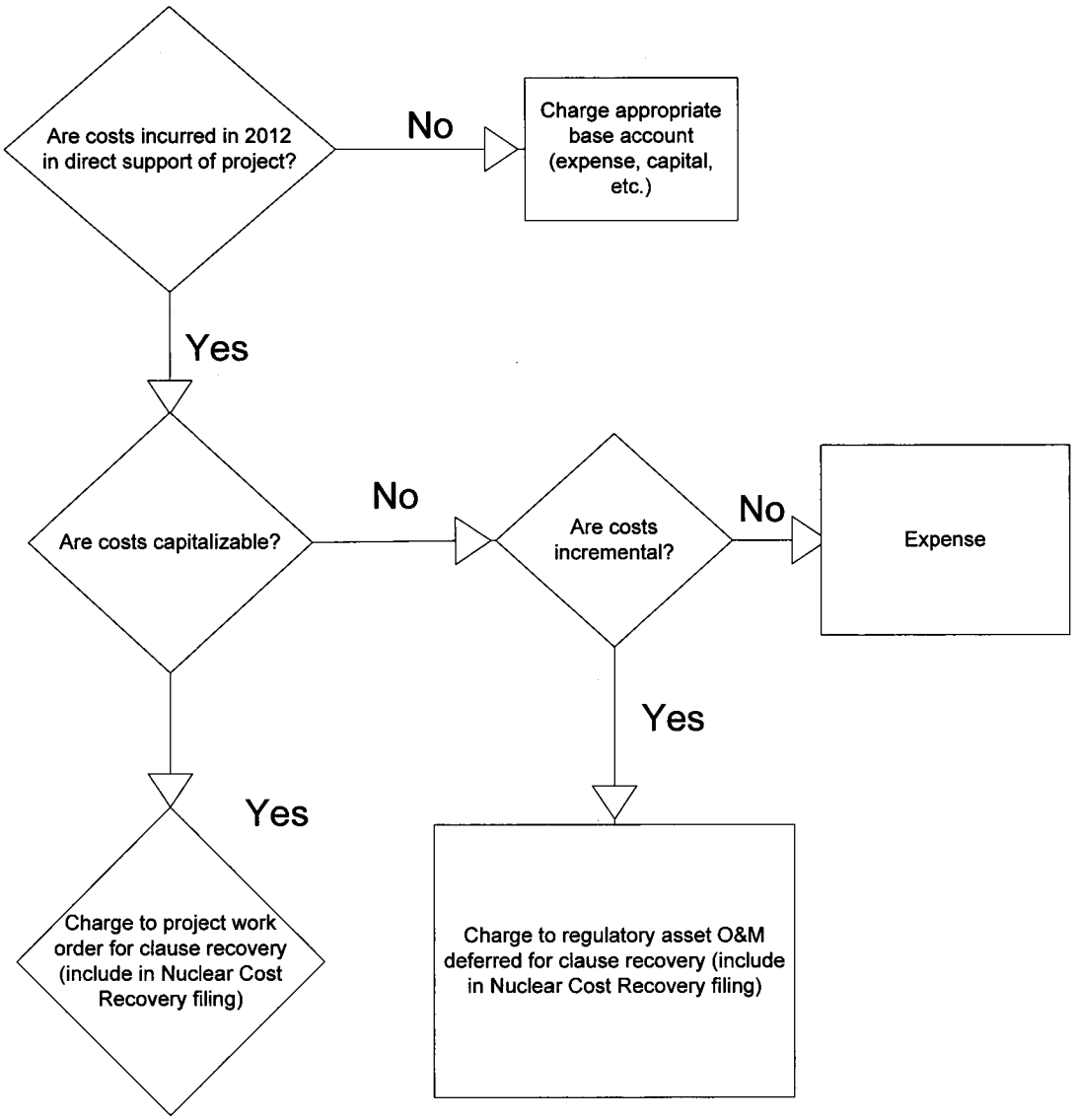
Line No.		2012 Construction Costs
1	**Uprate**	
2	**Generation per Schedule T-6 (c):**	
3	License Application	$46,020,557
4	Engineering & Design	$27,908,562
5	Permitting	$0
6	Project Management	$53,271,741
7	Clearing, Grading and Excavation	$0
8	On-Site Construction Facilities	$0
9	Power Block Engineering, Procurement, etc.	$1,191,508,450
10	Non-Power Block Engineering, Procurement, etc.	$1,509,819
11	Total Generation costs	$1,320,219,130
12	Participants Credits St. Lucie (PSL) Unit 2	
13	OUC (b)	($9,614,893)
14	FMPA (b)	($13,904,033)
15	Total Participants Credits PSL Unit 2	($23,518,926)
16	Total FPL Generation Costs	$1,296,700,203
17	Jurisdictional Factor (a)	0.98202247
18	Total FPL Jurisdictional Generation Costs	$1,273,388,737
19		
20	**Total Generation Construction Capital Costs Including Post In-service Costs per TOJ-12**	$1,391,412,421
21	Participants Credits St. Lucie (PSL) Unit 2	($25,680,634)
22	Total EPU Construction Capital Costs Net of Participants	$1,365,731,787
23	Jurisdictional Factor (a)	0.98202247
24	Total Jurisdictional EPU Construction Capital Costs Net of Participants	$1,341,179,303
25		
26	**Transmission GSU per Schedule T-6 (c):**	
27	Plant Engineering	$11,342,563
28	Line Engineering	$23,573
29	Substation Engineering	$8,094,706
30	Line Construction	$0
31	Substation Construction	$0
32	Total Transmission GSU Costs	$19,460,842
33	Participants Credits St. Lucie (PSL) Unit 2	
34	OUC (b)	($147,104)
35	FMPA (b)	($212,726)
36	Total Participants Credits PSL Unit 2	($359,831)
37	Total FPL Transmission GSU Costs	$19,101,012
38	Jurisdictional Factor (a)	0.98051733
39	Total Jurisdictional Transmission Costs	$18,728,873
40		
41	**Total GSU Capital Costs Including Post In-service Costs per TOJ-12**	$22,796,433
42	Participants Credits St. Lucie (PSL) Unit 2	($770,589)
43	Total EPU Transmission GSU Capital Costs Net of Participants	$22,025,844
44	Jurisdictional Factor (a)	0.98051733
45	Total Jurisdictional EPU Transmission GSU Capital Costs Per TOJ-12	$21,596,721
46		
47		
48	**Transmission Other per Schedule T-6 (c):**	
49	Plant Engineering	$0
50	Line Engineering	$0
51	Substation Engineering	$1,266,602
52	Line Construction	$0
53	Substation Construction	$5,580,806
54	Total Transmission Other Costs	$6,847,408
55	Participants Credits St. Lucie (PSL) Unit 2	
56	OUC (b)	$0
57	FMPA (b)	$0
58	Total Participants Credits PSL Unit 2	$0
59	Total FPL Transmission Other Costs	$6,847,408
60	Jurisdictional Factor (a)	0.90431145
61	Total Jurisdictional Transmission Costs	$6,192,190
62		
63	**Total Transmission Capital Costs Including Post In-service Costs per TOJ-12**	$6,918,575
64	Jurisdictional Factor (a)	0.90431145
65	Total Jurisdictional EPU Transmission Capital Costs	$6,256,547
66		
67		
68	**Total Company Uprate Construction Costs Per TOJ-12 Including Post In Service Costs (Line 20 + 41 + 63)**	**$1,421,127,429**
69	**- Jurisdictionalized Net of Participants (Line 24 + 45+ 65)**	**$1,369,032,571**
70		
71	**Total Company Uprate Construction Costs Per TOJ-1 T-6 (Line 11 + 32 + 54)**	**$1,346,527,380**
72	**- Jurisdictionalized Net of Participants (Line 18 + 39 + 61)**	**$1,298,309,799**
73		
74		
75	Totals may not add due to rounding.	
76		
77	**Notes:**	
78	(a) Jurisdictional separation factor as reflected in the 2012 FPSC Earnings Surveillance Report.	
79	(b) Participant ownership rates of 6.08951% for Orlando Utilities Commission (OUC) & 8.806% for Florida Municipal Power Agency (FMPA).	
80	(c) TOJ-1 T-6 excludes post in service costs.	

Uprate Project
2012 Base Rate Revenue Requirements
Exhibit WP-3

	2012				2012 Base Rate Revenue Requirements												2012
Detail	In-Service Date	Total Company Incremental Plant In-Service	Total Company Incremental & Non-Incremental Plant In-Service	Plant In-Service - Includes Non-Incremental Costs (Jurisdictional, Net of Participants)	January	February	March	April	May	June	July	August	September	October	November	December	Total
Nuclear - Turkey Point Distribution Heavy Haul Path	201201	$9,412	$9,412	$9,243	$51	$101	$101	$101	$101	$100	$100	$100	$100	$100	$99	$99	$1,153
January Total		**$9,412**	**$9,412**	**$9,243**	**$51**	**$101**	**$101**	**$101**	**$101**	**$100**	**$100**	**$100**	**$100**	**$100**	**$99**	**$99**	**$1,153**
Transmission-St. Lucie Generator Bay Upgrade	201203	$2,903,715	$2,903,715	$2,625,863			$13,083	$26,144	$26,100	$26,055	$26,011	$25,967	$25,922	$25,878	$25,833	$25,789	$246,782
Transmission-St. Lucie Midway Substation Line Bay Upgrade	201203	$1,413,636	$1,413,636	$1,278,387			$6,369	$12,727	$12,706	$12,684	$12,662	$12,641	$12,619	$12,598	$12,576	$12,554	$120,136
March Total		**$4,317,351**	**$4,317,351**	**$3,904,230**			**$19,452**	**$38,871**	**$38,805**	**$38,739**	**$38,673**	**$38,607**	**$38,541**	**$38,475**	**$38,409**	**$38,343**	**$366,917**
Nuclear - St. Lucie Unit 1 Outage (PSL 1-24)	201204	$486,989,586	$487,845,256	$479,075,003				$1,542,844	$4,625,058	$4,618,112	$4,611,165	$4,604,218	$4,597,272	$4,590,325	$4,583,378	$4,576,431	$38,348,803
GSU - St. Lucie Unit 1 Generator Step-Up (GSU) Transformer Cooler Upgrade	201204	$7,679,944	$7,679,944	$7,530,318				$38,468	$76,864	$76,722	$76,580	$76,438	$76,296	$76,153	$76,011	$75,869	$649,400
April Total		**$494,669,530**	**$495,525,200**	**$486,605,321**				**$1,581,311**	**$4,701,922**	**$4,694,833**	**$4,687,745**	**$4,680,656**	**$4,673,567**	**$4,666,478**	**$4,659,389**	**$4,652,301**	**$38,998,203**
Transmission-Turkey Point Site Expansion Switchyard	201206	$1,382,929	$1,382,929	$1,250,598						$5,854	$11,700	$11,685	$11,669	$11,654	$11,639	$11,623	$75,825
June Total		**$1,382,929**	**$1,382,929**	**$1,250,598**						**$5,854**	**$11,700**	**$11,685**	**$11,669**	**$11,654**	**$11,639**	**$11,623**	**$75,825**
Nuclear St. Lucie Unit 1 License Amendment Request	201207	$42,654,075	$42,654,075	$41,887,260							$237,562	$474,541	$473,373	$472,206	$471,039	$469,872	$2,598,593
Transmission-Turkey Point Flagami Breaker Failure Panels	201207	$647,044	$647,044	$585,129							$2,941	$5,877	$5,866	$5,856	$5,845	$5,835	$32,220
Transmission-Turkey Point Davis Breaker Failure Panels	201207	$380,290	$380,290	$343,901							$1,729	$3,454	$3,448	$3,442	$3,436	$3,429	$18,937
July Total		**$43,681,409**	**$43,681,409**	**$42,816,290**							**$242,232**	**$483,871**	**$482,688**	**$481,504**	**$480,320**	**$479,136**	**$2,649,751**
Transmission-Turkey Point Distribution Street Lighting	201208	$13,178	$13,178	$11,917								$66	$132	$132	$131	$131	$592
GSU - Turkey Point Spare Generator Step-Up (GSU) Transformer	201208	$8,160,646	$8,160,646	$8,001,654								$40,719	$81,363	$81,213	$81,063	$80,912	$365,270
Nuclear - Turkey Point Turbine Valve Refurbishment (from PTN 4 26)	201208	$130,990	$130,990	$126,635								$628	$1,255	$1,253	$1,251	$1,249	$5,635
August Total		**$8,304,814**	**$8,304,814**	**$8,142,207**								**$41,413**	**$82,750**	**$82,597**	**$82,445**	**$82,292**	**$371,498**
Nuclear Turkey Point Unit 3 License Amendment Request	201209	$35,233,884	$35,233,884	$34,600,466									$207,916	$415,258	$414,112	$412,966	$1,450,252
Nuclear Turkey Point Unit 4 License Amendment Request	201209	$34,238,446	$34,238,446	$33,622,923									$199,452	$398,368	$397,295	$396,221	$1,391,336
Nuclear - Turkey Point Unit 3 Outage (PTN 3-26)	201209	$942,259,831	$943,719,864	$926,754,112									$7,140,205	$8,918,526	$8,905,066	$8,891,606	$33,855,403
Nuclear - Turkey Point Turbine Valve Refurbishment (during PTN 3-26)	201209	$10,350,484	$10,350,484	$10,164,408									$79,376	$99,141	$98,983	$98,825	$376,325
Nuclear - Turkey Point Simulator	201209	$1,840,603	$1,840,603	$1,807,514									$8,376	$16,742	$16,721	$16,700	$58,538
September Total		**$1,023,923,249**	**$1,025,383,282**	**$1,006,949,423**									**$7,635,325**	**$9,848,035**	**$9,832,176**	**$9,816,318**	**$37,131,855**
Nuclear - St. Lucie Unit 2 License Amendment Request	201211	$36,039,549	$36,039,549	$30,119,881											$158,076	$315,829	$473,905
Nuclear - St. Lucie Unit 2 Outage (PSL 2-20)	201211	$295,402,194	$295,702,586	$247,132,021											$549,984	$2,355,358	$2,905,342
GSU - St. Lucie Unit Replacement 2A Generator Step-Up GSU Transformer	201211	$12,680,446	$12,680,446	$10,581,379											$25,086	$107,414	$132,501
Nuclear - Turkey Point Gate Valve Machining	201211	$35,910	$35,910	$35,264											$163	$326	$489
Nuclear - Turkey Point Globe Valve Machining	201211	$42,354	$42,354	$41,592											$192	$384	$576
Transmission - Turkey Point Switchyard	201211	$4,478,355	$4,478,355	$4,049,828											$20,060	$40,086	$60,146
GSU - St. Lucie Spare Generator Step-Up (GSU) Transformer Coolers & Pumps	201211	$2,339,760	$2,339,760	$2,115,872											$10,744	$21,468	$32,212
November Total		**$351,018,568**	**$351,318,960**	**$294,075,837**											**$764,305**	**$2,840,866**	**$3,605,171**
Nuclear - Turkey Point Turbine Valve Refurbishment (from PTN 3 26)	201212	$98,500	$98,500	$96,729												$471	$471
December Total		**$98,500**	**$98,500**	**$96,729**												**$471**	**$471**
Subtotal		$1,927,405,761	$1,930,021,855	$1,843,849,878	$51	$101	$19,553	$1,620,284	$4,740,828	$4,739,527	$4,980,450	$5,256,332	$12,924,640	$15,128,844	$15,808,783	$17,921,450	$83,200,844
Post In Service Costs		$71,855,626	$72,382,033	$69,777,122	$0	$0	$0	($281)	$22,809	$56,542	$85,843	$160,757	$202,835	$339,814	$498,697	$601,367	1,968,384
Total Including Post In Service Costs		$1,999,261,387	$2,002,403,888	$1,913,627,000	$51	$101	$19,553	$1,620,003	$4,763,637	$4,796,070	$5,066,293	$5,417,090	$13,127,475	$15,468,657	$16,307,480	$18,522,817	$85,169,227
Contractor Charge Adjustment					$0	$0	$0	($3,082)	($6,160)	($6,152)	($6,145)	($6,137)	($6,893)	($7,649)	($9,285)	($4,543)	(56,046)
Sales Tax Entry Adjustment					$0	$0	$0	($136)	($272)	($272)	($272)	($271)	($911)	($1,549)	($1,564)	($858)	(5,905)
Total Base Rate Revenue Requirements Including Post In Service Costs and Adjustments					$ 51	$ 101	$ 19,553	$ 1,616,785	$ 4,757,205	$ 4,789,645	$ 5,059,876	$ 5,410,681	$ 13,119,672	$ 15,459,460	$ 16,356,632	$ 18,517,616	$ 85,107,276

* Totals may not add due to rounding

Notes:
(a) Base rate revenue requirements to be recovered through the NCRC are those related to plant placed into commercial service during 2012.
(b) Revenue requirement calculations for plant placed into service of less than $10M, are based on the assumption that they were placed into service on the 15th of the month. Revenue requirement calculations for plant placed into service of $10M or greater, are calculated to the day. For intangible plant, which is amortized over the life of the asset, carrying charges are calculated for half a month and amortization expense for half a month regardless of the dollar amount of the plant being placed into service
(c) Participants' share for St. Lucie Unit 2 (PSL 2) is Orlando Utilities Commission (OUC) of 6.0895% and Florida Municipal Power Agency (FMPA) of 8.806%.
(d) Adjustments represent unfunded pension and welfare benefit credit and non-cash accruals, net of participants. These adjustments are necessary to present the expenditures on a cash basis in order to calculate carrying charges on T-3 in compliance with the Commission's practice regarding AFUDC.
(e) For purposes of calculating carrying charges in NFR schedule T-3 and Appendix A, actual participant credits are deducted. (As is the practice for calculating AFUDC). In calculating the base rate revenue requirements, the full participation credit is deducted from incremental and non-incremental work orders/internal orders.
(f) Non-incremental costs are due to the fact that labor was included in base rates. While FPL is not requesting recovery of carrying charges on this amount through the NCRC, these capital costs are included in our base rate revenue requirement calculation.
(g) Consistent with AFUDC calculations, carrying charges are calculated through the date prior to plant being placed into service. Depreciation is calculated from the day plant is placed into service through the end of the month.
(h) Post In Service Cost Adjustments represent expenditures incurred after the work order has been placed into service, net of participants. This adjustment is necessary to present the expenditures in the month incurred in order to calculate base rate revenue requirements to be recovered through the NCRC related to plant placed into commercial service during 2012. While FPL is not requesting recovery of carrying charges on this amount through the NCRC, these expenditures are included in our base rate revenue requirement calculation.


Are costs incurred in 2012 in direct support of project?
No
Charge appropriate base account (expense, capital, etc.)
Yes
Are costs capitalizable?
No
Are costs incremental?
No
Expense
Yes
Yes
Charge to project work order for clause recovery (include in Nuclear Cost Recovery filing)
Charge to regulatory asset O&M deferred for clause recovery (include in Nuclear Cost Recovery filing)