



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

March 3, 2014

-VIA FPSC'S WEB BASED FILING PORTAL-

Carlotta Stauffer, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 140009-EI

Dear Ms. Stauffer:

Please find enclosed for filing in the above referenced docket Florida Power & Light Company's ("FPL's") Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Year Ending December 2013, along with the testimony and exhibits of six witnesses and FPL's Nuclear Filing Requirements.

This filing is being made via the Florida Public Service Commission's Web Based Electronic Filing portal and consists of eight submittals. This letter, the petition, and the certificate of service are being filed as document 1 of 8. The remaining documents will be submitted as follows:

- Prefiled Testimony and Exhibits of S. Scroggs (document 2 of 8);
- Prefiled Testimony and Exhibits of T. Jones (document 3 of 8);
- Prefiled Testimony and Exhibits of J. Grant-Keene (document 4 of 8);
- Prefiled Testimony and Exhibits of A. Ferrer, Burns & Roe, Inc. (document 5 of 8);
- Prefiled Testimony and Exhibits of N. Diaz, ND2 Group (document 6 of 8);
- Prefiled Testimony and Exhibits of J. Reed, Concentric Energy Advisors (document 7 of 8); and
- FPL's Nuclear Filing Requirements (document 8 of 8).

Ms. Carlotta Stauffer, Director
Division of Commission Clerk
Florida Public Service Commission
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If there are any questions regarding this filing, please contact me at 561-304-5253.

Sincerely,

/s/ Bryan S. Anderson

Bryan S. Anderson

Fla. Authorized House Counsel No. 219511

Admitted in IL, Not Admitted in FL

Enclosures

cc: Counsel for Parties of Record (w/encl.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost)
Recovery Clause)

Docket No. 140009-EI
Filed: March 3, 2014

**PETITION FOR APPROVAL OF NUCLEAR POWER PLANT COST RECOVERY
TRUE-UP FOR THE YEAR ENDING DECEMBER 2013**

Florida Power & Light Company (“FPL”), pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code, hereby petitions the Florida Public Service Commission (“the Commission”) for approval of its 2013 Nuclear Power Plant Cost Recovery (“NPPCR”) true-up amount of a \$3,366,682 over-recovery, and for a determination that FPL prudently incurred its 2013 NPPCR costs. In support of this Petition, FPL states as follows:

INTRODUCTION

1. FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of NextEra Energy, Inc., a registered holding company under the Federal Public Utility Holding Company Act and related regulations. FPL provides generation, transmission, and distribution service to approximately 4.7 million retail customers.

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

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

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

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

BACKGROUND AND OVERVIEW

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

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

6. FPL's customers are already benefiting from the additional nuclear capacity and generation being provided by the completed EPU project, and are expected to benefit significantly from the additional nuclear capacity and generation that would be provided by the Turkey Point 6 & 7 project. Together, these nuclear projects are anticipated to add over 2,700 MW of emission-free baseload generation to FPL's system. In addition to being emission-free, additional nuclear energy improves the fuel diversity of FPL's system – acting as a hedge against potentially volatile fossil fuel prices and improving energy independence – and substantially reduces fuel costs charged to customers after the units enter commercial operation. The addition of capacity at the St. Lucie and Turkey Point sites also helps maintain balance between generation and load in the Southeastern Florida area, further improving the reliability of the system.

7. The EPU project was successfully completed in 2013. It is providing 522 MW of nuclear power for FPL's customers (545 MW state-wide), which is 31% more than anticipated at the time of FPL's need determination filing. This investment in Florida's energy infrastructure has been made possible by the legislature's policy to support investment in nuclear projects, set forth in the NPPCR statute, and the Commission's careful implementation of that policy through the NPPCR Rule and its annual hearing process.

8. For the EPU project, in compliance with the NPPCR Rule, FPL is recovering the carrying charges on its construction costs, recoverable Operations & Maintenance (“O&M”) expenses, and the partial-year base rate revenue requirements for the year systems are placed into service. FPL does not recover its capital investment in the EPU project through the clause. Rather, the substantial sums FPL has expended (to purchase equipment, pay vendors, etc.) will be recovered over the lives of the uprated systems. Through 2013, FPL has invested approximately \$3.388 billion in the EPU project and recovered approximately \$451 million through the NPPCR process. Recovery of carrying costs during construction of the EPU project as provided for by the NPPCR statute and rule will save FPL’s customers more than \$300 million over the life of the nuclear plants.

9. In 2013, the Turkey Point 6 & 7 project was in the “preconstruction” phase, as that term is defined by Section 366.93(1)(f), Florida Statutes. Accordingly, FPL is recovering “preconstruction costs,” as those costs are defined by Rule 25-6.0423(2)(g) and (h), and carrying costs it is incurring for the Turkey Point 6 & 7 project. These costs are necessary to pay vendors and personnel working to obtain the required licensing and certification for the Turkey Point 6 & 7 project. FPL is neither incurring nor recovering any post-licensing preconstruction or construction costs.

10. The NPPCR amount that FPL is currently recovering as approved by Order No. PSC-13-0493-FOF-EI was based in part on actual/estimated 2013 cost data. As described below and in the testimony being filed herewith, the true-up of FPL’s actual 2013 NPPCR amount for its EPU and Turkey Point 6 & 7 projects is an over-recovery of \$3,366,682 to be returned to customers through the CCRC in 2015. FPL is seeking approval of this amount and a prudence determination with respect to the underlying actual 2013 EPU and Turkey Point 6 & 7 costs.

11. The prepared testimony and exhibits of FPL witnesses Jennifer Grant-Keene, Terry Jones, Steven Scroggs, John Reed, Nils Diaz, and Albert Ferrer are being filed together with this Petition and are incorporated herein by reference. Exhibit TOJ-1 to the testimony of FPL witness Jones, parts of which are sponsored or co-sponsored by FPL witness Grant-Keene, contains the true-up NFR schedules for 2013 EPU costs. Exhibit SDS-1 to the testimony of FPL witness Scroggs, parts of which are sponsored or co-sponsored by FPL witness Grant-Keene, contains the true-up NFR schedules for 2013 Turkey Point 6 & 7 costs. These NFR schedules were developed by the Commission Staff working with FPL, the Office of Public Counsel, and others.¹

UPRATE PROJECT

12. In 2013, FPL successfully completed the EPU project, which required implementation of the final EPU modifications at Turkey Point and completion of thousands of project close-out activities at both sites. The EPU Project was an enormous effort requiring the employment of thousands of workers. During the final EPU outage in 2013, for example, there was an average of over 1,600 workers assigned daily to the EPU outage activities for the 108 outage days. The additional 522 MW of nuclear generation is providing significant and quantifiable benefits for customers without expanding the footprint of FPL's existing nuclear power plant sites and without burning natural gas or foreign oil or emitting greenhouse gasses.

13. In total, FPL incurred about \$10 million less than it estimated for 2013. FPL's 2013 EPU costs included \$205,892,683 in construction costs (\$199,307,280 jurisdictional, net of participants), \$19,867,885 in carrying costs, \$10,873,922 in recoverable O&M expenses

¹ The NPPCR NFRs consist of True-Up (T), Actual/Estimated (AE), Projected (P), and True-Up to Original (TOR) Schedules. The T Schedules are typically filed in March and provide the true-up for the prior year. The remaining schedules are typically filed in May.

(\$10,599,758 jurisdictional, net of participants, including interest), and \$73,902,908 in base rate revenue requirements for plant placed into service (including carrying costs). FPL also incurred \$35,424,980 in Net Book Value of Retirements, Removal and Salvage (\$34,787,806 jurisdictional, net of participants). FPL's EPU expenditures are "separate and apart" from other nuclear plant capital or maintenance expenditures.

14. FPL witness Jones's testimony discusses FPL's 2013 EPU activities, expenditures, and project controls. FPL witness Grant-Keene presents the calculation of the carrying costs, recoverable O&M, and revenue requirements recoverable pursuant to the NPPCR Rule, and related accounting controls. As demonstrated by each of those witnesses, and supported by the testimony of FPL witnesses Ferrer and Reed, the Uprate expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that resulted from robust project planning and project management processes.

TURKEY POINT 6 & 7 PROJECT

15. During 2013, FPL continued its pursuit of the approvals and authorizations necessary to proceed with the Turkey Point 6 & 7 project. In the NRC licensing process, significant progress was made responding to Requests for Additional Information related to seismic issues and alternative sites, participating in multiple NRC public meetings, and updating the Combined Operating License Application with Revision 5. In the Site Certification Application process, FPL participated in a comprehensive Site Certification Hearing that resulted in an affirmative Recommended Order by the Administrative Law Judge, recommending that the Siting Board grant final site certification to the Turkey Point 6 & 7 project, including all

associated transmission lines. FPL maintained its disciplined and steady approach in the execution of the project.

16. In total, FPL incurred about \$550,000 less than estimated for 2013. FPL's 2013 Turkey Point 6 & 7 costs included preconstruction costs and associated carrying costs, as well as carrying costs on its site selection costs. In 2013, FPL incurred \$28,728,488 in preconstruction costs (\$28,209,654 jurisdictional), \$4,664,921 in preconstruction carrying costs, and \$170,485 in site selection carrying costs for Turkey Point 6 & 7. FPL witness Scroggs's testimony discusses FPL's 2013 Turkey Point 6 & 7 activities and preconstruction costs, while FPL witness Grant-Keene presents the calculation of the recoverable preconstruction costs, preconstruction carrying costs, and site selection carrying costs pursuant to the Rule, and related accounting controls. As demonstrated by each of those witnesses, and supported by the testimony of FPL witnesses Diaz and Reed, the Turkey Point 6 & 7 expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that resulted from robust project planning and project management processes.

CONCLUSION

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission (i) determine that FPL's actual 2013 Uprate project construction costs, recoverable O&M expenses, and Net Book Value of Retirements, Removal, and Salvage were prudently incurred and approve for recovery the true-up of the associated carrying costs, recoverable O&M expenses, and base rate revenue requirements; (ii) determine that FPL's actual 2013 Turkey Point 6 & 7 preconstruction costs were prudently incurred and approve for recovery the true-up

of the preconstruction costs, preconstruction carrying costs, and site selection carrying costs; and
(iii) approve the resulting total 2013 NPPCR true-up over-recovery amount of \$3,366,682 for
inclusion in the calculation of the CCRC factors for the period beginning January 2015.

Bryan S. Anderson
Fla. Auth. House Counsel No. 219511
Jessica A. Cano
Fla. Bar No. 37372
Kenneth M. Rubin
Fla. Bar No. 349038
Attorneys for Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
(561) 304-5226
(561) 691-7135 (fax)

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

**CERTIFICATE OF SERVICE
DOCKET NO. 140009-EI**

I HEREBY CERTIFY that a true and correct copy of FPL's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Year Ending 2013, with accompanying testimony and exhibits, was served electronically this 3rd day of March, 2014 to the following:

Keino Young, Esq.
Michael Lawson, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
kyoung@psc.state.fl.us
MLAWSON@PSC.STATE.FL.US

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

J. Michael Walls, Esq.
Blaise N. Gamba, Esq.
Carlton Fields Jordan Burt, P.A.
P.O. Box 3239
Tampa, Florida 33601-3239
mwalls@cfjblaw.com
bgamba@cfjblaw.com
Attorneys for Duke Energy

John T. Burnett, Esq.
Dianne M. Triplett, Esq.
Progress Energy Service Company, LLC
299 First Avenue North
St. Petersburg, Florida 33701
john.burnett@duke-energy.com
dianne.triplett@duke-energy.com
Attorneys for Duke Energy

Robert Scheffel Wright
John T. LaVia
Gardner Bist Wiener Wadsworth Bowden
Bush Dee LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
Phone: 850-385-0070
FAX: (850) 385-5416
Schef@gbwlegal.com
Jlavia@gbwlegal.com
Attorneys for FRF

Matthew Bernier, Sr. Counsel
Mr. Paul Lewis, Jr.
106 East College Ave., Suite 800
Tallahassee, Florida 32301-7740
Matthew.bernier@duke-energy.com
paul.lewisjr@duke-energy.com

James W. Brew, Esq.
F. Alvin Taylor, Esq.
Brickfield Law Firm
1025 Thomas Jefferson Street, N.W., 8th Floor
Washington, D.C. 20007
jbrew@bbrslaw.com
ataylor@bbrslaw.com
Attorneys for PCS Phosphate-White Springs

Jon C. Moyle, Jr., Esq.
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
Attorney for FIPUG

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