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October 7, 2015

VIA HAND DELIVERY

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

REDACTED

RECEIVED FPSC
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COMMISSION
CLERK

Re: Docket No. 150009-EI; Nuclear Cost Recovery Clause

Dear Ms. Stauffer:

Enclosed for filing on behalf of Florida Power & Light Company ("FPL") is a Request for Confidential Classification of Staff's work papers for Audit Report PA-15-01-002. FPL's original Request includes exhibits A through D. One additional copy of Exhibit B also is included.

Exhibit A consists of the confidential work papers, and all information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C consists of FPL's justification table supporting its Request for Confidential Classification. Exhibit D contains two affidavits in support of FPL's Request for Confidential Classification.

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

Sincerely,

Jessica Cano

Jessica A. Cano
Fla. Bar No. 0037372

COM _____

AFD _____

APA Redacted

ECO _____

ENG _____

GCL _____

IDM _____

TEL _____ Enclosures

CLK _____ cc: Counsel for Parties of Record (w/out enc.)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost)
Recovery Clause)

Docket No. 150009-EI
Filed: October 7, 2015

**FLORIDA POWER & LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION OF
AUDIT PA-15-01-002 WORK PAPERS**

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of certain information provided to the Staff of the Florida Public Service Commission ("Staff") pursuant to Audit PA-15-01-002 ("the Audit") and reflected in Staff's work papers. In support of its request, FPL states as follows:

1. During the Audit, FPL provided Staff various confidential responses and confidential documents. By letter dated September 16, 2015, Staff indicated its intent to retain certain audit work papers reflecting that confidential information. Pursuant to Rule 25-22.006(3)(a), Florida Administrative Code, FPL was given 21 days from the date of the letter to file a formal request for confidential classification with respect to the work papers. Accordingly, FPL is filing this Request for Confidential Classification to maintain continued confidential handling of the confidential work papers.

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

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

b. Exhibit B consists of a copy of the confidential documents, in which all information that is entitled to confidential treatment has been redacted.

c. Exhibit C is a table containing the specific line, column and page references to the confidential information, and references to the specific statutory basis or bases for the claim of confidentiality and to the affidavit in support of the requested confidential classification.

d. Exhibit D includes the affidavits of Steven Scroggs and Antonio Maceo in support of FPL's request.

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

4. As the affidavits included in Exhibit D explain, some of information in the Audit work papers is proprietary, confidential business information. The Audit work papers contain information related to reports of internal auditors. This information is protected from public disclosure by Section 366.093(3)(b), Florida Statutes. The work papers also contain information related to bids or contractual data, such as pricing terms, the public disclosure of which would violate nondisclosure provisions of FPL's contracts with certain vendors and impair FPL's ability to contract for goods or services on favorable terms in the future. Such information is protected from public disclosure by Section 366.093(3)(d), Florida Statutes. The work papers

also include competitively sensitive information which, if disclosed, could impair the competitive interests of the provider of the information. Such information is protected from public disclosure by Section 366.093(3)(e), Florida Statutes.

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

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

Respectfully submitted,

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

**CERTIFICATE OF SERVICE
DOCKET NO. 150009-EI**

I HEREBY CERTIFY that a true and correct copy of FPL's Request for Confidential Classification of Audit PA-15-01-002 Work Papers* was served via hand delivery** or U.S. mail this 7th day of October, 2015 to the following:

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

REDACTED

EXHIBIT B

Review of
Florida Power and Light Company's
Project Management Controls
for
Turkey Point 6 & 7 Construction

June 2015

David Rich

Official Workpapers

PA-15-01-002

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1.0 Administrative

1.1 Workload Control Form

UNDOCKETED PROJECT

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

Control No: <u>PA-15-01-002</u>		Date Prepared: <u>04/22/15</u>	
Source of Project: <u>ECR</u>		Title: <u>2015 Nuclear Controls Review for FPL Nuclear Cost Recovery Clause</u>	
Section 1			
Type:	<input checked="" type="checkbox"/> E - Energy	<input type="checkbox"/> T - Telecommunications	<input type="checkbox"/> G - Generic
		<input type="checkbox"/> W - Water and Wastewater	
OPR:	<input type="checkbox"/> CCA	<input type="checkbox"/> RCP	<input checked="" type="checkbox"/> ECR
		<input type="checkbox"/> RCA	<input type="checkbox"/> SCR
		<input type="checkbox"/> SGA	<input type="checkbox"/> GCL
Section 2			
What is to be done: A review of FPL project management and cost controls for nuclear uprates and new construction projects.			
Why it is to be done: To assure FPL has established effective internal controls for management of nuclear plant construction costs, and that the companies comply with applicable standards, rules, laws and regulations for nuclear plant new construction projects.			
OPR Staff Assigned	Task	Staff	Due Date
David Rich – Audit Manager	Preliminary Survey and Initial Document Request	Rich	01/16/14
	March filings by Companies (2014 True-up)	Rich	03/02/15
	Field Visits and Interviews Completed	Rich	04/17/15
	May Filings by Companies (Feasibility/Current Year)	Rich	05/04/15
	Draft #1 to Supervisor	Vinson	05/11/15
	Draft #2 to Supervisor	Vinson	05/15/15
	Draft #3 to Director,	Mailhot	05/20/15
	Draft to FPL	Rich	05/26/15
	Draft returned from FPL	Rich	06/19/15
	Report Published	Rich	06/22/15
	Staff Testimony Filed	Rich	06/22/15
	Hearing	Rich	08/18-08/20
Supervisor/Project Leader			
Carl Vinson (CV)			
Staff Counsel (GCL)			
Keino Young			
OCR Staff			
Mark Laux, Jim Breman			
(OPR Director/Date)			
Dale Mailhot (DM)			
(OCR Director/Date)			
Mark Futrell			

1.2 Workplan

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
NEW CONSTRUCTION			
2.1 Project Planning			
<p>What is the current status of the project?</p> <p>How has the scope of the project changed in light of the stipulation?</p>	Update and describe project <i>planning</i> made since the last review for the project and its effect on the project schedule and costs.	<p>The project remains in the LICENSING phase.</p> <p>NRC licensing process defines the project critical path and will remain FPL's primary focus beyond 2015.</p>	<p>None. Continue monitoring through end-2015 and beyond.</p>
	Obtain and document any external reviews performed relative to <i>planning</i> since the last review.		
	Review any detailed internal feasibility studies completed relative to project/ <i>planning</i> scope changes.		
	Identify the residual impacts on the project, if any, of the Fukushima accident, along with Waste Confidence and other regulatory decisions (in terms of strategy, timing, feasibility and other decisions under FPL management control).		
<p>What is the current project schedule?</p> <p>What is the expected NRC COLA approval date?</p>	Review and update the status of project planning, engineering, equipment modification, and phasing of work schedules to complete the licensing portion of the project, and identify any potential delays.	<p>PTN timeline completed an update of the project schedule in 4Q14.</p> <p>New COD dates:</p> <p style="padding-left: 20px;">PTN 6: 06/2028 PTN 7: 06/2029</p> <p>Cost range was revised upward from \$12.62B - \$18.42B to \$14.2B - \$20.8B.</p> <p>Current long lead forging agreement with Westinghouse expires 10/16.</p>	<p>If FPL cancels or forfeits the long lead reservation manufacturing slot, part or all of its reservation fee may be lost.</p> <p>Project cost estimate range has shifted (increased) due to schedule shift;</p> <p>The increase is \$1.58B on the low side of the range and \$2.38B on the high end.</p> <p>FPL states the increase is due to NRC schedule delay and FL legislative changes.</p>
	Review and update the tracking of the project's schedule and costs.		
	<p>Document the status of long-lead and other required equipment.</p>		

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
<p>What is the current status of required regulatory approvals?</p>	<p>Update the status of any federal and state license approvals for the project. Determine status of Site Certification and ACOE approvals. Determine effect of NRC delays.</p>	<p>Draft Environmental Impact Statement (DEIS) received in 1Q15. FEIS (S: Feb2016) and FSER (Mar2017) on track</p>	<p>Schedule shift for DEIS, FEIS, and FSER (and other schedule milestones) by NRC drive project schedule changes.</p>
	<p>Determine project plan and time line to complete COLA activities</p>	<p>State, county, and local, licensing continues.</p>	<p>FPL states that the magnitude of project schedule shift is 2.5 years due to the NRC changes and 2.5 years due to FL legislative changes, that these shifts are cumulative, and the project end date will be 5 years later than predicted in 2014.</p>
	<p>Document future scheduled dates for regulatory approvals and review any impact on the project.</p>	<p>Application to convert exploratory UIC to an operating well granted (Jan2014). Operational testing successful (Feb2014).</p>	<p>COLA approval now on track for as early as 12/2016; more likely NLT 03/2017</p>
	<p>Obtain and document studies performed relating to the company meeting regulatory environmental challenges to regulatory approval. (i.e. cooling water requirements, transmission, site certification, and hydrology)</p>	<p>Site Certification approved May2014, effectively granting approval for the project and 88 miles of new transmission. Miami, S. Miami, Pinecrest, and Coral Gables opposed; FPL settled with Coral Gables. Litigation continues</p> <p>FDEP likely to issue an Industrial Wastewater permit modification before end-2014 (update)</p>	<p>Project construction / significantly increases costs likely begins in 2019.</p> <p>Opposition to SCA approval continues tho' one city settled; a court challenge is ongoing</p>
<p>What risk assessments have the company completed for the project?</p>	<p>Document the ongoing risk analyses being performed on the project and identify any changes to the process.</p>	<p>Risk analysis process remains unchanged.</p>	<p>Project internal controls, risk evaluation, and management oversight are adequate and responsive to current project requirements.</p>
	<p>Document any project risk challenges and mitigation strategies implemented since the last review, including lessons learned from other AP1000 COLA efforts.</p>	<p>FPL provided risk assessments and reports on a monthly basis throughout the audit.</p> <p>Staff reviewed all 2014-2015 (to date) dashboard reports.</p>	

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
		They provide issue/risk clarity and detail, a probability of occurrence, and analysis of potential impacts, cost, and possible schedule turbulence.	
2.2 Project Management Organization			
What is the current Project Management organization?	Review and update any changes made to the Project Management Organization since the last review.	There are no personnel changes contemplated for the remainder of 2014.	Personnel and organization changes are beneficial to the project, leverage existing carryover expertise, and do not appear to impact project operations, organizational structure, or contractor relationships.
	Review and update any changes made to the site Project Management and reporting process since the last review.	<p>2015 personnel changes: VP Projects Design & Execution created, reporting directly to the CNO and New Nuclear Projects reports to VP Projects</p> <p>VP New Nuclear position to be filled post-COLA</p> <p>FPL states that the most substantive impact of personnel change is additional senior management oversight and support</p> <p>The company states that these changes do not impact internal project operations, subordinate structures, or existing relationships with contractors and regulators.</p>	
What are the current project management oversight and accountability controls?	Document current processes for senior management oversight responsibilities and reporting.	Risk management includes regular meetings and reports to ID, characterize, evaluate, and isolate or mitigate project risk.	Senior management is engaged, adequately providing higher-level oversight to the project.
	Document current processes for providing informational and status reports on the	Weekly small team meetings	

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
	project.	(e.g. COLA & SCA teams) track activities, facilitate risk ID, discussion, & development of response strategies.	Current processes and reports are adequate.
	Document the current process for reporting project status to internal boards and committees.	Senior management steps in when risks cannot be mitigated by small teams,	Internal boards and committees are adequate -- engaged and responsive to project need.
	Document the process for continuing review of project viability and milestone events.	<p>Project schedule, progress, and cost tracked real time, reported in standardized format to monitor vendor performance. Vendors must provide weekly progress reports.</p> <p>Project team meets monthly -- reviews schedule, budget, and issues/risks. ID'd risks are tracked/reviewed until resolved and closed.</p> <p>A Cost Report meeting also provides an opportunity to scrutinize project cost risks.</p> <p>Project management provides regular project updates to FPL executive management.</p> <p>Formal risk reporting focuses on monthly project dashboard and quarterly risk analysis.</p> <p>Monthly dashboards track major risks and inform the quarterly analysis.</p> <p>Quarterly risk analysis is a</p>	<p>Controls are adequate, sufficiently comprehensive, and responsive to the needs of the project at its current stage.</p> <p>Monthly dashboard and quarterly assessments inform FPL management and executive leadership.</p> <p>As the plan shifts from licensing to construction, staff concludes that an FPL reassessment of content will be required and restructuring may be necessary.</p>

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
		<p>broader mgmt assessment tool to ID key issues, characterize each, trend them, and track attendant risk. An integral part is determining likelihood of occurrence (lo, med, hi) and potential negatives (lo, med, hi). For each risk a response is designed, mitigation owner assigned, strategies developed to manage risk, and progress tracked until completed.</p> <p>Project leadership may present info to and obtain advice from the FPL Risk Committee. No presentations were made Jun-Dec 2014 or Jan-May2015.</p> <p>Staff reviewed all 2014-15 (to date) dashboards. These provide issue/risk clarity and detail, a probability of occurrence, and analysis of potential impacts, cost, and possible schedule turbulence. Areas assessed:</p> <ul style="list-style-type: none"> NRC Licensing ACOE Permitting SCA UICI MDC Development Project Design Pre-Construction Planning Budget Schedule Procurement Safety 	

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
2.3 Project Oversight and Controls			
What are current controls for monitoring the schedule and costs?	Review and update the company's process for monitoring project schedule, risks, and cost updates.	See comments above	See conclusions, above. Continue to monitor through the remainder of 2015 and in following years.
	Review and update the company's process for trending and managing scope changes.		
	Review and update work planning and scheduling changes made since the last review.		
	Review and update the status of company budget development, evaluation, and revisions for the project since the last review.		
	Review the company's staffing plan and changes made to planned staffing requirements for the project.		
2.4 Auditing and Quality Assurance			
What are the current auditing and quality assurance controls for the project?	Determine whether any changes to Audit/QA structure have been made since the last review, resulting in fewer audits being performed this year.	<p>2014 project expenditures were audited by Experis, under the direction / supervision of FPL Internal Audit.</p> <p>FPSC audit staff reviewed the results and audit report.</p> <p>Concentric Energy Advisors reviewed project activities and controls, concluding that FPL appropriately and prudently managed the project in 2014.</p> <p>FPL Quality Assurance (QA) holds vendors accountable for process and product. Oversight of production and controls is done by inspections at the vendors' headquarters and/or manufacturing sites.</p> <p>(2014-15 to date) FPL QA assessors conducted no on-site</p>	<p>FPSC audit staff believes FPL QA oversight is adequate and properly focused for the current project stage & scope.</p> <p>As the project transitions from licensing to construction, project scale and tempo will accelerate. Audit staff believes that on-site manufacturing visits and an FPL reassessment of its QA oversight plan, schedule, and structure will be warranted; restructuring may be necessary to accommodate expansion of project scope and increased project tempo.</p>
	Review the current internal audit plan and rationale for audits. Review all completed audits since the last review and determine when future audits are planned.		
	Obtain and review any Quality Assurance contractor evaluations completed since the last review.		

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
		<p>manufacturer visits.</p> <p>FPL QA assessors conducted spot visits of vendors working at FPL facilities.</p>	
2.5 Contractor Selection and Management			
<p>What are the current process and controls for soliciting and evaluating contractor bid selection?</p>	<p>Review and document company methods and procedures for issuing a request for proposal.</p>	<p>No changes</p>	<p>Continue to monitor through the remainder of 2015 and in following years.</p>
	<p>Review and update any changes made to company solicitation policies and procedures since the last review.</p>		
	<p>Review and document company methods and procedures for selecting project contractors and vendors.</p>		
	<p>Determine what the company uses to compare and validate contract amounts.</p>		
	<p>Obtain and review sample contract bid evaluation summaries.</p>		
<p>What are the current controls for contractor management?</p>	<p>Update and document a current listing of major contractors and their responsibilities and scope of work.</p>	<p>Project management, technical representatives, and quality assurance personnel monitor vendor performance. FPL believes its "layered approach" to monitoring ensures high quality vendor performance.</p> <p>ISC sourcing specialists and contract managers monitor CO's and invoices. Items outside norms are reported. Schedule and cost risks are ID'd, prioritized, & quantified. This information is then used to formulate responsive solutions.</p> <p>FPL believes its suite of</p>	<p>FPL invoicing policies and procedures are well understood.</p> <p>FPL contract and invoicing personnel follow company policies, practices, and procedures.</p> <p>Evidence of challenges to inaccurate invoices and appropriate push back to questionable or unsupported charges was observed.</p> <p>Processes for contract oversight are adequate.</p>
	<p>Document current project management responsibilities for contractor oversight and performance.</p>		
	<p>Document current contractor oversight and performance responsibilities for completing work activities.</p>		
	<p>Document current QA/Audit responsibilities for contractor oversight on the project.</p>		
	<p>Obtain and review company procedures for verifying contractor work performed modifications, scope changes and work authorizations.</p>		

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
		<p>systems, policies, procedures, and processes quickly and efficiently ID invoice mistakes or overcharges. Specialists review all invoices for accuracy and prevailing labor rates. Billed hours are scrutinized and validated (against job categories). Travel expense requests are checked for applicability, authorization, justifications, and linkage to an existing contract.</p> <p>Contract oversight controls include policies/instructions, authorization requirements, approval methods, invoicing and control procedures.</p> <p>(2014) No Project Instructions were revised in 2014.</p> <p>Three Project Instructions were created in 2014:</p> <ul style="list-style-type: none"> • Review of WEC Design Change Proposals (DCP) • Pre-COL Departure Process • Preparation of Interim Staff Guidance – 011 Screens / Evaluations <p>Two Project instructions were deleted:</p>	<p>Authorizations and required signatures are present.</p> <p>FPL challenges inaccurate vendor documentation and invoices, payment being withheld until resolution.</p> <p>FPL memos and spreadsheet entries adequately document communications with vendors, illuminating actions of all parties involved.</p>

**Performance Analysis Section
2015 Work Plan
Florida Power & Light Company (FPL)
New Construction**

Task	Subtask	Auditor Notes	Conclusions
		<ul style="list-style-type: none"> • Project Schedule Configuration & Control • Change Control for COL Application Information <p>Warranty claim(s): by FPL against a vendor, for work on RAI response prep, required calculations, and review of responses. FPL withheld payment, in compliance with its company procedures, & negotiated with the vendor. A settlement was reached, with the vendor paying (not charging) for duplicative work done to correct the error(s).</p>	
<p>Are current contractor cost management controls effective?</p> <p>Are there controls to identify and charge back rework or unapproved scope work?</p>	<p>Perform a sample analysis of scope changes, work authorizations and related invoices to determine proper approvals have been obtained and that contractors are not being paid for corrective rework or work outside of approved scope.</p>		

1.3 Initiation Letter

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



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

Public Service Commission

November 21, 2014

Mr. Kenneth A. Hoffman
VP, Regulatory Affairs
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301

Dear Mr. Hoffman:

The Office of Auditing and Performance Analysis is initiating the annual audit of project management internal controls for Florida Power & Light Company's nuclear plant construction project. This audit will assist technical staff in the Nuclear Cost Recovery Clause docket (150009-EI).

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

Mr. David Rich is designated as project manager for this review, which is estimated to be completed by May 30, 2015. Mr. Rich is responsible for making you aware of our progress and ensuring that our review is independent and accurate. At the conclusion of the review, you will have an opportunity to review and respond to the report draft prior to release.

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

- ▶ Designate an FPL official to liaison with staff. This individual should be capable of rendering an opinion on the proprietary or confidential nature of information responsive to staff requests. Please advise Mr. Rich of the FPL designee by December 5, 2014.
- ▶ Provide staff the disks returned to FPL control at the conclusion of the last annual review.
- ▶ Provide responses to the attached initial data requests no later than January 9, 2015. Staff encourages partial company responses prior to the due date. New or additional information may be supplemented when available.
- ▶ Provide future monthly management reports, through April 2015, when available.

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

Kenneth Hoffman
Page 2
November 21, 2014

During the audit, please use the Document Request/Notice of Intent form to transmit each set of responses and to request potential confidentiality. To maintain continued confidential handling of these documents at the conclusion of the audit, FPL must file a written request for confidential classification with the Office of Commission Clerk within 21 days of receipt of the draft audit report or the audit exit conference.

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

Please contact David Rich (850) 413-6830 if you have any questions regarding this review.

Sincerely,



Dale Mailhot
Director
Office of Auditing and Performance Analysis

Attachments

cc: Office of Public Counsel
Carl Vinson
Jim Breman
Mark Laux

1.4 Draft Transmittal Letter

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

STATE OF FLORIDA



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

Public Service Commission

May 26, 2015

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

Dear Ms. Adams:

Enclosed is a draft copy of the staff audit report, *Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction*. This audit report documents the controls associated with the Turkey Point 6 & 7 construction project. It is anticipated that staff will file the report as an exhibit to testimony in the Nuclear Cost Recovery Clause in Docket No. 150009-EI.

The draft report is provided to allow FPL the opportunity to review the report for factual accuracy and confidentiality. The transfer of this draft report serves as a preliminary exit conference. At the conclusion of hearings for Docket No. 150009-EI, audit staff will schedule a final exit conference to address the remaining staff-created and FPL-provided work paper documents.

You may file a request for confidential classification on portions of the report, in accordance with *Chapter 25-22.006(3) Florida Administrative Code*.

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

The report must be published and staff testimony filed by June 22, 2015. With that in mind, please return FPL comments and request for confidentiality no later than June 16, 2015. Thank you for the cooperation extended by FPL and all employees who participated in this review.

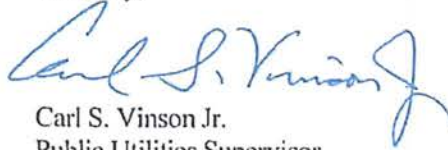
Ms. Lynne Adams

Page 2

May 26, 2015

If you have any questions, please contact the Project Manager, David Rich, at (850) 413-6830.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carl S. Vinson Jr.", with a stylized flourish at the end.

Carl S. Vinson Jr.
Public Utilities Supervisor

Enclosure

cc: Dale Mailhot

1.5 Final Report Transmittal Letter

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

STATE OF FLORIDA



OFFICE OF
AUDITING & PERFORMANCE ANALYSIS
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Public Service Commission

June 22, 2015

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

Dear Ms. Adams:

Enclosed is a copy of the final report entitled *Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction*. This report is filed as an exhibit to staff testimony in Docket No. 150009-EI and the redacted final report is on the Commission website at <http://www.floridapsc.com/publications/pdf/electricgas/FPLTurkeyPoint2015.pdf>.

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

Sincerely,

A handwritten signature in blue ink that reads "Carl S. Vinson, Jr." with a stylized flourish at the end.

Carl S. Vinson, Jr.
Public Utilities Supervisor
Office of Auditing and Performance Analysis

Enclosures

cc: Dale Mailhot, Director, Office of Auditing and Performance Analysis

1.6 Internal Distribution E-mail

No Content

1.7 Other Company Correspondence

No Content

1.8 Company Contacts

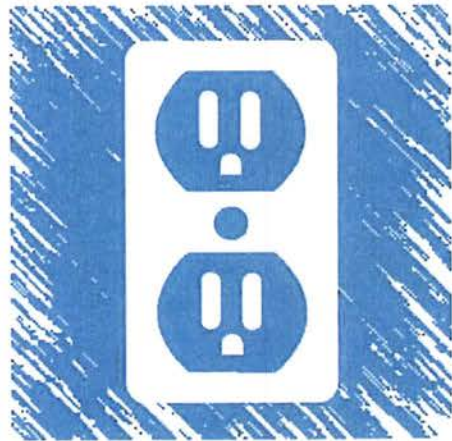
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Ms. Lynne D. Adams
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(850) 521-3900
(850) 521-3939 (fax)

2.0 Report



Review of Florida Power & Light Company's Project Management Internal Controls For Turkey Point 6 & 7 Construction

JUNE 2015

BY AUTHORITY OF
The Florida Public Service Commission
Office of Auditing and Performance Analysis

**Review of
Florida Power & Light Company's
Project Management
Internal Controls
for
Turkey Point 6 & 7 Construction**

David F. Rich
Public Utility Analyst IV
Project Manager

June 2015

By Authority of
The State of Florida
Public Service Commission
Office of Auditing and Performance Analysis

PA-15-01-002

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1.0 Executive Summary

1.1 Turkey Point 6&7 Project At a Glance

- ◆ Project focus remains on licensing and licensing is the current critical path
- ◆ Revised NRC COLA review schedule and Section 366.93 FS impact project schedule
- ◆ Current Commercial Operation Date (COD) delayed five years to 2027 and 2028
- ◆ Estimated cost range - \$13.7 billion to \$20.0 billion, up 8.7 percent from a year ago
- ◆ State site certification is being appealed in court
- ◆ Construction contract(s) likely will not be signed before 2017
- ◆ COLA approval now estimated as March 2017
- ◆ New Nuclear Plant moved to Nuclear Division; reports to the Chief Nuclear Officer
- ◆ FPL asserts the project remains economically feasible

1.2 Audit Execution

1.2.1 Purpose and Objective

This audit addresses project internal controls and management oversight used by Florida Power & Light Company (FPL or the company) in managing the Turkey Point 6 & 7 (PTN6&7) project. The primary objective of this audit was to provide an independent account of project activities and to evaluate internal project controls. Information in this report may be used by the Commission to assess the reasonableness of FPL cost-recovery requests.

Commission audit staff published previous reports in 2008 through 2014, each entitled *Review of Florida Power & Light's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects*. These previous reports are available on the Commission website at www.floridapsc.com.

1.2.2 Scope

The period of this review is January 2014 to May 2015. Staff examined the adequacy of FPL project management and internal controls for the PTN6&7 project. The internal controls assessed were related to the following key areas of project activity:

- ◆ Planning
- ◆ Management and organization
- ◆ Cost and schedule controls
- ◆ Contractor selection and management
- ◆ Auditing and quality assurance

Comprehensive controls are essential for successful project management. However, adequate and comprehensive controls are ineffective if not actively emphasized by management, embraced by the organization, and subject to oversight, and revision. Proper internal controls minimize risk, enhance its mitigation and management, and aid efficient, reasoned decision making.

Risk must be timely and accurately identified. Sufficient safeguards created, vetted, and in place will help prevent and mitigate risk. Prudent decision making results from well-defined processes that address identified risks, expectations, and cost. Effective communication, adherence to clear procedures, and vigilant oversight are also essential to ensure prudent project decisions.

Commission audit staff's review places primary importance on internal controls found in the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and in the *Internal Control - Integrated Framework* developed by the Committee of Sponsoring Organizations of the Treadway Commission. The framework states that an internal control should consist of five interrelated components:

- ◆ Control environment
- ◆ Risk assessment
- ◆ Control activities
- ◆ Information and communication
- ◆ Monitoring

To maximize operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations, all five components must be present and functioning in concert to conclude that internal controls are effective.

1.2.3 Methodology

Initial planning, research, and data collection occurred from December 2014 through January 2015. Staff interviewed project management in April 2015.

Audit staff conducted additional data collection and analysis from January through May 2015. Staff also reviewed project internal audits and company testimony, discovery, and filings in Docket No. 150009-EI.

A large volume of information was collected and analyzed. Information collected from FPL included the following categories:

- ◆ Policies and procedures
- ◆ Organizational charts
- ◆ Project timelines
- ◆ Vendor and contract change orders and updates
- ◆ Vendor invoices
- ◆ Internal and external audit reports

1.3 Overview

1.3.1 Turkey Point 6&7 New Nuclear Project

During 2014, FPL continued to focus on licensing and characterizes its project management as deliberate and stepwise. The project critical path remains licensing, unchanged from a year ago.

FPL continues pursuing its Combined License Application (COLA) with the Nuclear Regulatory Commission (NRC) and, upon approval, an option to build two new AP1000 nuclear reactors, designated as Turkey Point Unit 6 and Turkey Point Unit 7.

Also in 2014, the NRC issued a revised COLA review schedule, delaying the anticipated date for COLA approval to March 2017. With the NRC revised schedule as its basis, FPL conducted a review of the PTN6&7 project schedule, developing a new construction timeline and cost estimate range. As a result of its schedule review, FPL also initiated new assessments of 18 critical project tasks with the intent of improving schedule detail, defining work scope, validating project assumptions, and supporting pre-construction work upon COLA receipt. The assessments are underway, scheduled to conclude in December 2016.

FPL believes that the NRC revised COLA review schedule, combined with changes to Florida statutes relevant to the project sequencing and construction, have combined to add five years and as much as \$1.6 billion to project schedule and cost. The company states that pre-construction work previously anticipated to be accomplished concurrent with latter stages of the NRC review process (see **Exhibit 1**) is no longer possible and cannot begin now until receipt of the COLA (see **Exhibit 2**). Combined, these changes have added five years to the project timeline.

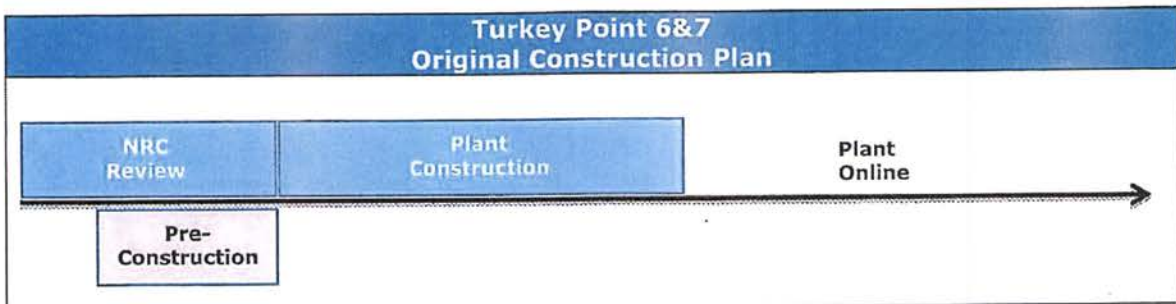


Exhibit 1

Source: Document Request 4.1

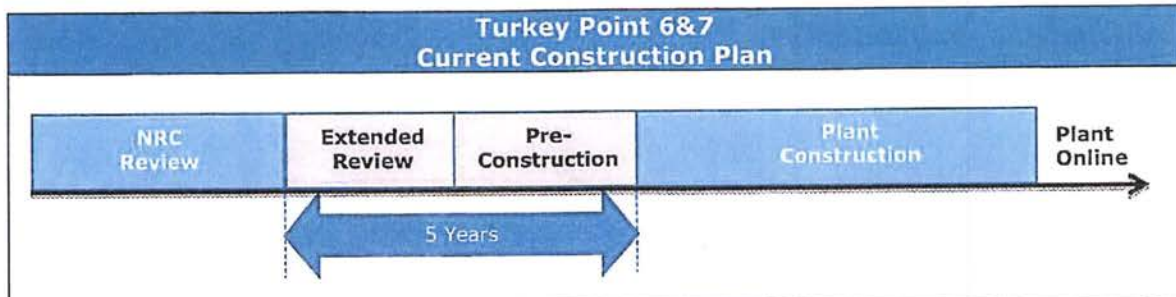


Exhibit 2

Source: Document Request 4.1

FPL completed an internal schedule review in the fall of 2014 and published a revised PTN6&7 project timeline in December. **Exhibit 3** shows the revised project timeline.

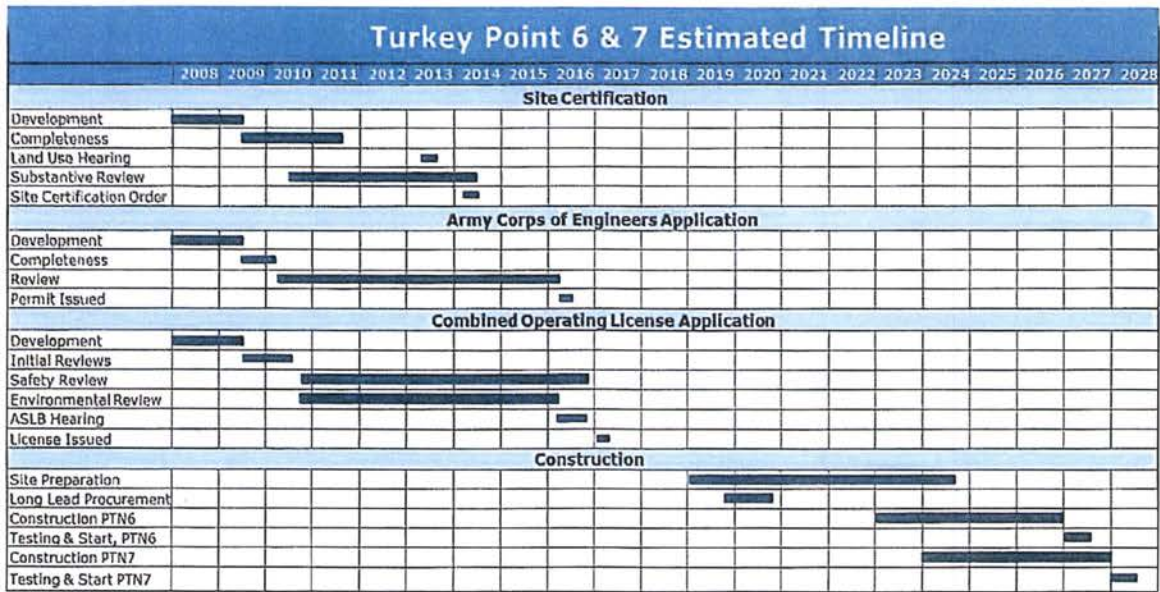


Exhibit 3

Source: Document Request 1.13

Licensing Schedule Changes

FPL received the Draft Environmental Impact Statement in February 2015 and receipt of the Final Environmental Impact Statement is now tentatively expected in February 2016.

In April 2014, FPL responded to NRC safety review concerns in the areas of geology, seismology, and geotechnical engineering and the NRC concluded that FPL’s responses were sufficient to complete its safety review. **Exhibit 4** shows the revised safety review milestones:

Phase of Safety Review	Previous	Current
Phase A - Requests for Additional Information (RAIs) and Supplemental RAIs	02.2012	06.2015
Phase B - Advanced Final Safety Evaluation Report (SER) with no Open Items	01.2013	01.2016
Phase C - Advisory Cmte, Reactor Safeguards (ACRS) review, Advanced Final SER	07.2013	05.2016
Phase D - Final SER	11.2013	10.2016

Exhibit 4

Source: Document Request 1.1

Reallocation of NRC review resources to deal with the waste confidence issue directly impacted agency ability to complete the environmental portion of the COLA and contributed to project delay.

Project Cost Estimate

Project cost range has increased about 8.7 percent over last year’s estimate. From a range of \$12.62 billion to \$18.42 billion in 2014, the estimated range is now \$13.7 billion to \$20.0 billion. **Exhibit 5** shows project cost estimates, 2007-2015.

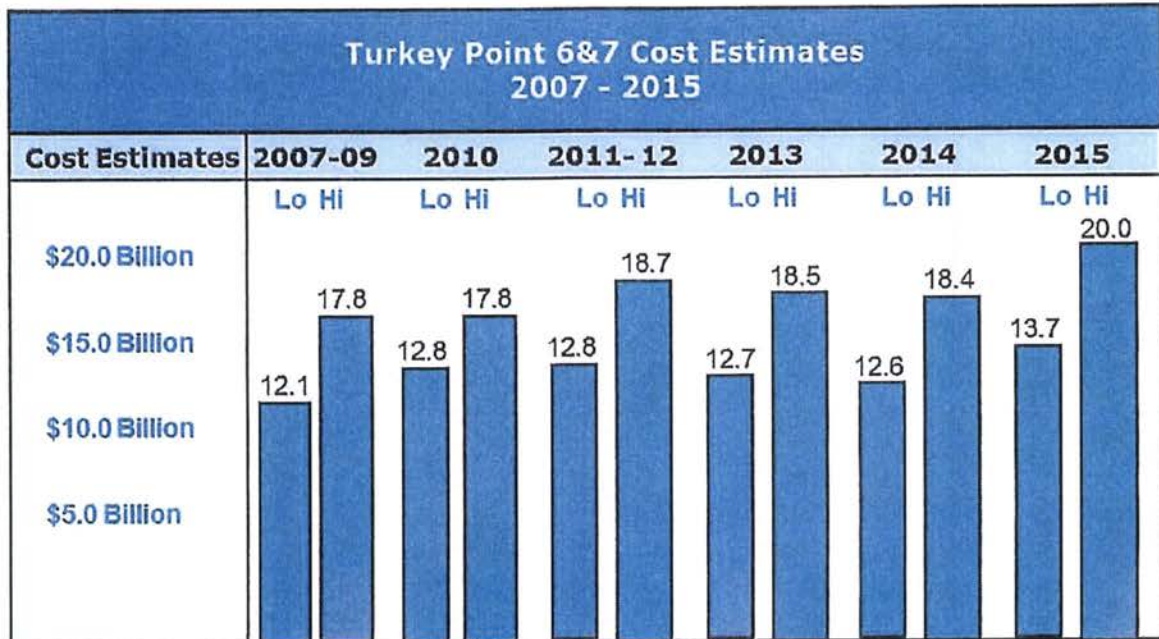


Exhibit 5

Source: Document Request 2.1

Federal Applications

There were no federal applications, approvals or certifications issued to or submitted by FPL in 2014. In January 2014, however, the Federal Aviation Administration did grant an extension through July 2015 of the permits relevant to the safe, efficient use and preservation of navigable airspace around the proposed containment structures. FPL plans to renew the permits.

State Level Applications

The FPL application to convert the exploratory injection well to an operating well was approved and operational testing successfully conducted in February 2014. Site Certification was approved in May 2014, effectively granting approval for the project and 88 miles of associated new transmission lines. Legal challenges continue; a decision is expected by the 3rd Circuit Court of Appeals by April 2016.

Construction Contract Structure and Timing

Whether a single EPC (engineering, procurement, construction) contract or separate EP and C contracts would be more advantageous when the project shifts to construction remains an open question. The company believes it best to defer the decision until closer to actual construction. Active pursuit of a contract is currently on hold.

Long Lead Forging Agreement

FPL's long lead forging agreement with Westinghouse remains in effect and unchanged from last year, when it was extended under the existing terms and conditions. The latest extension runs until October 2016. Also remaining in effect is the provision that should FPL cancel the project or forfeit the manufacturing slot, part or all of its \$10.8 million reservation fee may be lost.

1.4 Commission Audit Staff Observations

Based upon its information gathering and analysis, Commission audit staff developed the following observations regarding the Turkey Point 6&7 project:

- ♦ Project internal controls, risk evaluation, and management oversight are adequate and responsive to current project requirements.
- ♦ Invoicing policies and procedures are adequate, universally understood and followed.
- ♦ Contracts and contract change orders (CO) adhered to FPL procedures and included all required justifications.

2.0 New Construction - Turkey Point 6&7

2.1 Key Project Developments

There were no federal applications submitted or approvals and/or certifications received in 2014. Site Certification was granted by the State of Florida in May 2014, effectively approving the project and 88 miles of associated transmission lines. A legal challenge is ongoing and a decision is expected in early 2016.

FPL states that the project critical path remains unchanged. That critical path is obtaining the licenses and approvals necessary to construct and operate Turkey Point 6&7. Specifically, that includes completing the licensing phase, obtaining FPSC approval for pre-construction activities (e.g. developing a site plan and execution plan, negotiating procurement and construction contracts), obtaining FPSC approval for construction activities, and conducting construction activities (i.e. building access roads and bridges, creating underground and civil infrastructure, building support facilities, and sequenced construction of the nuclear units).¹

The FPL project schedule and cost estimate range review determined that a five-year delay is necessary and estimated project cost has increased approximately 8.7 percent. The estimated cost range is currently \$13.7 billion to \$20.0 billion.

2.1.1 Significant Events

Federal Applications, Approvals, or Certifications

No federal applications, approvals or certifications were issued to or submitted by FPL during 2014. However, in mid-2014 the Federal Aviation Administration did issue permit extensions for the proposed PTN6&7 containment structures. These permits are valid through July 2015 and relevant to the safe, efficient use and preservation of navigable airspace around the proposed containment facilities. FPL plans to renew the permits.

COLA Delay

Based on the revised NRC COLA review schedule of mid-2014, FPL reviewed the PTN6&7 project timeline and cost estimate range. That review was completed in late 2014, producing a new project timeline and cost estimate range. The new schedule adds five years to the project and increases the project cost estimate.

In April 2014, the NRC announced delays in publication of three documents critical to the continuation of the project -- Draft Environmental Impact Statement to February 2015, Final Environmental Impact Statement to February 2016, and the Final Safety Evaluation Report to March 2017. The Draft Environmental Impact Statement was received on schedule and FPL believes the remaining two milestones will be met on the schedule announced by the NRC. As a consequence of these delays, FPL shifted its estimated date for COLA approval.

¹ FPL response to Staff Document Request 1.4

NRC Requests for Information (RAI)

In 2013, the NRC asked FPL to readdress certain portions of the company's original Final Safety Analysis Review relating to seismology and geology. FPL engaged third party experts to review data and provide assistance in preparing responses. FPL completed the environmental RAIs in 1Q2014 and those regarding safety in mid-2014.

Approximately a dozen RAIs remain open. FPL states that all RAIs will be submitted timely, by June 2015.

State Site Certification Application

The Florida Power Plant Siting Board granted final Site Certification in May 2014, including 88 miles of associated transmission lines. Four communities opposed the transmission lines (Miami, South Miami, Pinecrest and Coral Gables). FPL reached a settlement with Coral Gables. Remaining parties submitted position briefs to the 3rd Circuit Court of Appeals in January 2015. Responses were due 2Q2015 but a 60-day extension was granted to Florida Department of Environmental Protection. FPL expects the Court to hear the challenge in 4Q2015, with a decision following in approximately 90 days.

FPL states that it is confident of a favorable outcome but that the appeal process has potential to challenge PTN6&7 project critical path if the appeal is:

- ◆ Not heard in a timely manner, extending beyond 2017
- ◆ Decided in the appellants' favor and modifications cannot be made by 1Q2017, or
- ◆ Dismissed but appealed to the Florida Supreme Court, extending the process beyond 1Q2017

Land Exchange

The Everglades National Park land exchange process continues and is expected to be successfully completed by the end of this year. The swap would allow FPL, at little or no cost, to exchange land it owns within the Everglades National Park for land on the eastern edge of the park, creating a continuous north-south transmission right-of-way in Miami-Dade County.

A Draft Environmental Impact Statement was published in January 2014. Supporting agreements with state and regional agencies are in place, the swap is authorized by federal legislation, and the National Parks Service is completing its final environmental review. The Final Environmental Impact Statement is expected in 3Q2015, with a decision anticipated in 4Q2015.

Transmission

The Site Certification Final Order of May 2014 approved FPL's proposed transmission corridors and directed maximum use of the Western Consensus Corridor, which is dependent on successful completion of the land exchange and obtaining land rights from federal or state agencies. It also requires additional negotiations between FPL and the parties. If the Western Consensus Corridor cannot be obtained timely and at reasonable cost, FPL would pursue development of the Western Preferred Corridor also subject to the proposed land exchange with the National Parks Service.

Project Construction Contract

FPL maintains that the company has not made a decision whether an EPC or EP&C contracts would be more advantageous. The company states that a decision at this early point would be unwise based on industry experience. FPL believes the best course of action is to defer pursuit of the construction contract, with intentions of signing an EPC or EP&C up to 18 months before construction would begin in 2019. The company acknowledges risk associated with waiting (e.g. craft availability and costs increases) but believes this course reduces total risk.

Project Long Lead Forging Reservation

The Forging Reservation agreement between FPL and Westinghouse (2008) reserves manufacturing capacity. Multiple extensions have been signed, the most recent in 2014, extending original terms and conditions until October 2016. FPL believes continued extension is in its best interest, reduces near term cost and risk, while preserving schedule flexibility. The company acknowledges risk. If the agreement is dissolved, FPL may forfeit some or all of its \$10.8 million deposit.

Project - Joint Ownership

Required annual meetings continue between FPL and prospective joint owner utilities. FPL provides the Commission with status updates. The 2014 participants included Florida Municipal Energy Association, Florida Municipal Power Agency, Orlando Utilities Commission, and Seminole Electric Cooperative. The 2015 meeting is not yet scheduled.

2.1.2 Turkey Point 6&7 Project Cost Estimate

FPL's reexamination of the cost estimate range resulted in a new cost estimate range of \$13.7 billion to \$20.0 billion. This new estimate represents an increase of approximately 8.7 percent overall, \$1.1 billion on the low end and \$1.6 billion on the high end of the range. **Exhibit 6** provides a component breakdown of the increase 2014 to 2015. Previously, **Exhibit 5** provided a project cost estimate history. FPL attributes the 2015 higher cost estimate range to NRC review schedule delays and Florida legislative changes that make pre-construction in parallel with the COLA review impossible.

Turkey Point 6&7 In-Service Cost Estimate – 2014 and 2015				
Category	2015 Low	Change from 2014	2015 High	Change from 2014
Site Selection	\$6,118,105	\$0	\$6,118,105	\$0
Pre-construction	\$304,509,934	\$114,746,694	\$337,177,897	\$111,414,657
Construction	\$10,149,263,190	\$1,087,930,415	\$14,906,444,521	\$1,602,527,589
AFUDC	\$3,240,607,689	(\$84,827,220)	\$4,744,320,802	(\$138,109,210)
TOTAL	\$13,700,498,918	\$1,117,849,889	\$19,994,061,325	\$1,575,833,036

EXHIBIT 6

Source: Docket 140009-EI, TOR-2, May 2014 & Docket 150009-EI, Tor-2, May 2015

2.1.3 FPL Project Feasibility Analyses

FPL conducted its 2015 annual PTN6&7 project feasibility analyses using updated assumptions and forecasts but in the same basic analytical approach as the Need Determination proceeding and six previous feasibility studies. Analyses examined fourteen different scenarios of varying fuel and environmental compliance cost forecasts for 40 and 60 year operational lifespans. The company believes these analyses confirm cost effectiveness of the project and the benefits associated with constructing the new plants.

2.2 Project Controls and Oversight

2.2.1 Project Controls

Project controls are built into the financial and accounting systems, department procedures, and desktop instructions. No project controls were revised during 2014. Those shown in Exhibit 7 below are the project instructions created or deleted during the year.

Turkey Point 6&7 Revised or Deleted Project Instructions - 2014			
Number	Title	Revised	Deleted
NNP-PI-1-00	Project Schedule Configuration and Control		02.11.14
NNP-PI-1-1	Change Control for COL Application Information		11.13.14
NNP-PI-3-01	Review of WEC Design Change Proposals (DCPs)	11.07.14	
NNP-PI-3-02	Pre-COL Departure Process	11.07.14	
NNP-PI-3-03	Preparation of Interim Staff Guidance - 011 Screens / Evaluations	11.07.14	

EXHIBIT 7

Source: Document Request 1.27

These revisions were responsive to changing project requirements. No internal audits, quality assurance reviews, or external audits reviewed by staff cited any weaknesses in project instructions or management controls.

“White papers” represent a project management tool that has been used by FPL to record and document key decisions or actions. There were no white papers produced in 2014 and none to date in 2015. One project memo was issued in November 2014, discussing the project schedule review and making a recommendation on revised project target dates.

Controls and process instructions exist in the following areas of project management:

- ◆ Budgeting and reporting
- ◆ Schedule and activity reporting
- ◆ Contract management
- ◆ Internal and external oversight
- ◆ Executive management

- ◆ Subordinate managers
- ◆ FPL subject matter experts (SME) and team members
- ◆ Third party experts
- ◆ Regular updates and reports on risk, cost, and schedule

FPL's Project Controls Group provides management schedule, budget, costs, vendor performance, and risk reports on a regular, ongoing basis. Primavera-6 remains the scheduling software, capable of real time updating, active monitoring, tailored date sorting, and customized status reports.

2.2.2 Risk Management Reporting

Project risk management remains unchanged from last year, using ongoing, regular meetings and reports designed to identify, characterize, evaluate, and isolate or mitigate project risk. Weekly small team meetings track project activities, facilitate risk identification, discussion, and development of response strategies. A more senior level of management gets involved if a small team cannot mitigate risk. The item is further elevated to increasingly higher levels of management, until resolution is achieved.

Project schedule, progress, and cost metrics are monitored in real time. Results are reported using standardized reports, increasing subject matter familiarity and allowing for close scrutiny of contractor performance. FPL considers vendors as important stakeholders in risk management and requires them to provide weekly agendas and progress reports.

The PTN6&7 project team meets monthly to review project schedule, budget, project issues, and risks. Each identified project risk is tracked and reviewed until resolved and closed out. A Cost Report meeting also provides an opportunity to scrutinize project cost risk. Project management provides regular project updates to FPL executive management.

Commission audit staff reviewed all monthly project dashboards and quarterly risk analyses for 2014 and to date in 2015. These reports provide issue and risk clarity and detail, a probability of occurrence, and analysis of potential project impacts, cost, and schedule turbulence. Areas assessed included:

- ◆ NRC Licensing
- ◆ US Army Corps of Engineers Permitting
- ◆ Site Certification Application
- ◆ Underground Injection Control well
- ◆ Miami-Dade County
- ◆ Development
- ◆ Project Design
- ◆ Pre-Construction Planning
- ◆ Budget
- ◆ Schedule / Revised Schedule
- ◆ Procurement
- ◆ Safety

The quarterly risk analysis is a project management assessment tool of wider, more comprehensive scope. Its purpose is to identify key issues, characterize them, provide historical trending, and track attendant risk. An integral part of this assessment is determining a likelihood of occurrence for each risk (low, medium, or high) and the potential negative consequences to the project if it occurs (low, medium, high). A response is designed for each identified risk. Then, a mitigation owner is assigned, management strategies are developed, and progress is tracked until the risk is either mitigated or eliminated.

PTN6&7 project leadership also has the option of presenting information to and obtaining the advice of the FPL Risk Committee. No presentations were made to the FPL Risk Committee from January 2014 thru May 2015.

Commission audit staff believes that risk controls are adequate and responsive to the current stage of the PTN6&7 project. Monthly dashboard and quarterly assessments inform FPL management and executive leadership. However, staff believes that as the plan shifts from licensing to construction a reassessment of content will be required and restructuring may be necessary to meet the increased demands of the rapidly expanding project.

2.2.3 Management Oversight

The position of Construction Director was filled in early 2014 with an experienced manager from the FPL EPU project. No additional personnel changes occurred in the remainder of 2014.

A new position of Vice-President, Design and Execution was created in early 2015 to place all major project activity under one group. FPL stated that the impetus for this initiative is from other projects, not PTN6&7 in its current state of project development. No positions or responsibilities changed in the New Nuclear Projects organization in the last year. Project procedures other than those shown in **Exhibit 7** remain unchanged to preserve project continuity.

2.2.4 Audits

In 2014, FPL again selected Experis to conduct an audit of project expenditures for 2014, under the direction and supervision of FPL Internal Audit. The report was published and reviewed by Commission staff in March 2015.

Audit areas remained unchanged from a year ago -- [REDACTED] and [REDACTED] of annual NCRC filings. The audit examined approximately \$ [REDACTED] million of \$20.2 million in expenditures, or approximately [REDACTED] percent of the total. No exceptions were noted.

Since 2008, Concentric Energy Advisors has performed an annual review of PTN6&7 project processes, procedures, and structure, focusing on internal controls. In 2015 testimony, Concentric concluded that FPL capably managed the project in 2014 and that project expenditures during the year were prudently incurred.

2.2.5 FPL Quality Assurance Reviews

The FPL Quality Assurance (QA) group holds vendors accountable for process and product quality while under contract to FPL. Oversight of production quality, manufacturing activities,

and control procedures is accomplished through inspections at the vendors' headquarters and manufacturing sites.

During 2014 and to date in 2015, FPL Quality Assurance assessors did not conduct any on-site manufacturer visits. For vendors working at FPL facilities, QA assessors conducted on-site spot visits. No areas of vendor non-compliance related to the project were identified by FPL.

Commission audit staff continues to believe the layers and methodologies of FPL QA oversight are adequate, properly focused for current project development and scope. However, as the project matures, regular FPL QA visits to vendor manufacturing sites and a reassessment of the FPL QA oversight plan, schedule, and structure will be warranted. Restructuring, or at least an increase in QA scope and frequency, is likely necessary to accommodate project expansion.

2.3 Contract Oversight and Management

The FPL system for contract management and oversight remains intact from a year ago. The company uses project management, technical representatives, and QA personnel to monitor vendor performance. Vendors are required to provide regular progress reports.

Integrated Supply Chain sourcing specialists and contract managers monitor change orders and invoicing for anomalies. Items outside established contractual norms are routinely reported up the chain of command. Schedule and cost risks are identified, prioritized, and quantified. This information is then used to formulate responsive solutions.

FPL continues to employ systems, policies, procedures, and processes to identify invoice mistakes or vendor overcharges. Invoicing specialists review invoices for accuracy in meeting contract provisions and prevailing labor rates. Billed hours are scrutinized and checked against job categories. Travel expense requests are checked for applicability, authorization, required justification, and linkage to an existing contract.

2.3.1 Contract Oversight

FPL's controls to communicate procedures and provide ongoing oversight are unchanged from a year ago. These include policies and instructions, authorization requirements, approval methodologies, invoicing and control procedures.

Audit staff's review reaffirmed that FPL invoicing policies and procedures are well understood and that FPL contract and invoicing personnel follow company policies, practices, and procedures. Evidence of challenges to invoiced amounts and an appropriate level of push back of questionable or unsupported charges was observed.

FPL opened one warranty claim against a vendor during this report period. The amount disputed was less than \$40,000 and the vendor was required to rework tasks previously completed. The claim was satisfied and closed.

Processes for contract oversight are adequate. Required authorizations are present and in the configuration specified by procedures. Vendor invoices and supporting documentation (e.g.

employee receipts) are challenged appropriately. Payment is withheld until reconciliation of any dispute. FPL memos, emails, and spreadsheet entries document challenges to invoices and requests for supporting documentation from vendors.

2.3.2 Contracts Executed or Modified

In 2014, PTN6&7 project management signed two significant new contracts (see **Exhibit 8**). One was single sourced (CB&I Stone & Webster) and the other was competitively bid (HDR Engineering Inc.). Commission audit staff verified that required letters of justification were present and in compliance with FPL internal policies and procedures.

Turkey Point 6&7 New Contracts Greater than \$100,000					
Vendor	Description	Terms	Original Value	Issued	Expire Date
HDR Engineering, Inc.	Develop Submittals for USACE Sect408 Authorization	T&M		08/13/14	11/26/14
CB&I Stone & Webster	Project Schedule Review & Assessment	Fixed Price		06/06/14	12/15/14

EXHIBIT 8

Source: Document Request 1.37

Change orders represent added or deleted contract scope, an increase or decrease of contract value, or an administrative adjustment without monetary impact. Commission audit staff determined FPL executed no change orders of more than \$50,000 during 2014 or to date in 2015.

There are 17 contracts (see **Exhibit 9**) valued at more than \$250,000, representing original contract value and any subsequent change order.

Commission audit staff reviewed all 2014 contract justifications and those to date in 2015; no discrepancies were noted. The Bechtel contract is the largest at nearly \$ [REDACTED]. Signed in 2007, this contract now has 58 change orders that have altered scope and value. Due to the probability of project schedule extensions, it is likely that the Bechtel contract cost will continue to increase.

Turkey Point 6&7 Existing Contracts Greater than \$250,000			
Vendor	Description	Current Value	Type*
AMEC Environment & Infrastructure	RAI response review		S
AMEC Environment & Infrastructure	RAI response review / FSAR 2.5.4		S
Atkins North America	Expert scientific analysis		S
Bechtel Power Corporation	COLA / SCA prep & RAI support		C, S, P
Burns & McDonnell	Design of radial collector well		C, S

Vendor	Description	Current Value	Type*
Eco Metrics, Inc.	Environmental consulting services		S
Environmental Consulting & Technology	SCA & post-submittal support		S, P
EPRI - Electric Power Research Institute	Nuclear technology; membership		S
Golder & Associates Inc.	Post-SCA submittal support		S, P
HDR Engineering, Inc.	Conceptual engineering of cooling water supply / discharge		C, S
Layne Christensen Company	Injection well testing		C
McCallum Turner, Inc.	COLA site selection RAI support		S
McNabb Hydrogeologic Consulting	Post-SCA / UIC licensing support		S, P
Paul C. Rizzo Associates, Inc.	Field Investigation; FSAR 2.5 Revision		S
Power Engineers, Inc.	Prelim Analysis of Miami River crossing and Davis/Miami Line		S
TetraTechGeo	Collector well modeling support		S
Westinghouse Electric Co.	COLA prep & RAI support		C, S, P
* C = Competitive Bid S = Single/Sole Source P = Predetermined Source			

EXHIBIT 9

Source: DR-1.36 and Exhibit SDS-7, Schedule P-7A, May 2015

3.0 Workpapers

3.1 Document Requests

3.1.1 DR 1

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

TO: Soria Talbot / Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-1 PTN6&7

DATE OF REQUEST: November 21, 2014

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: January 9, 2015

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

X OUTSIDE OF AN INQUIRY

NOTE:

- 1) Please provide the CDs (1-thru-20) returned to FPL at the conclusion of the last NCRC audit.
- 2) Please provide all responses on a single CD; there is no need this year for an additional copy.

DR1.1 Please provide the status of the NRC COLA review schedule.

DR1.2 Regarding the FPL full project review anticipated in response to the NRC COLA review,

- a. Has FPL begun its full project review?
- b. When did the review begin?
- c. Has the review been completed? If so, when (mo/yr) was it completed?
- d. Please describe the review scope, methodology, and results.
- e. If ongoing, please provide the target completion date.

DR1.3 For the Turkey Point 6&7 new nuclear project:

- a. Please describe the company outlook, philosophy, feasibility, and intent to construct.
- b. What are the current expected in-service dates for Unit 6 and Unit 7?
- c. What is the current expected cost range of the project?
- d. Please complete the right-hand column for project schedule dates:

Project Phase		Original	1 Year Ago (FPL, DR-1)	Current
Licensing	Start	2007	2007	2007
	Finish	2012	2014	
Site Preparation	Start	2010	2014	
	Finish	2012	2016	
Generation Plant	Start	2013/2015	2017/2018	
	Finish	2018/2020	2022/2023	
Transmission Facilities	Start	2010	2016	
	Finish	2020	2022	

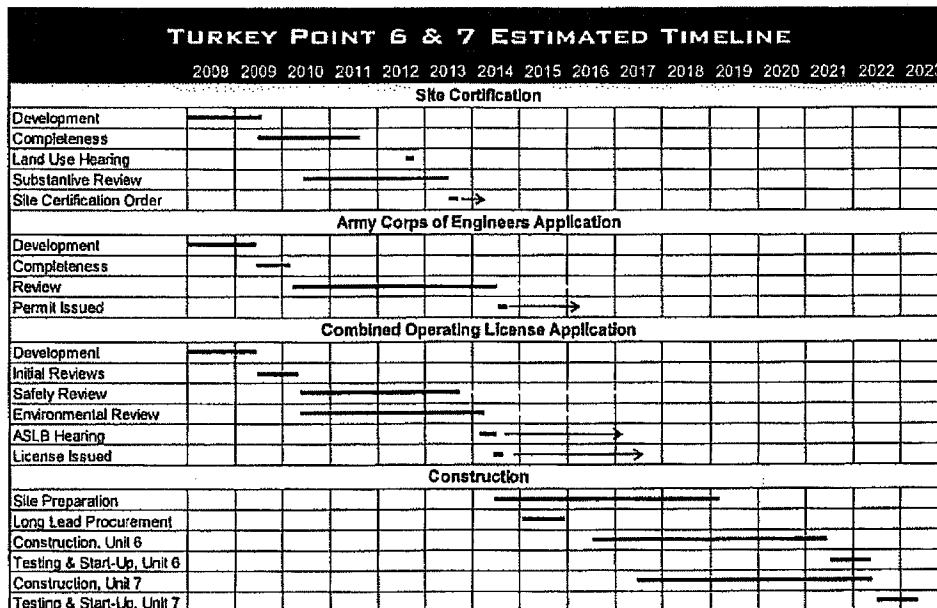
DR1.4 Regarding project critical path:

- a. Please identify the current project critical path and the events that define / determine it.
- b. Please describe timeline impacts from NRC COLA review delays.
- c. Please provide the current target date (mo/yr) for COLA approval.
- d. Please explain how changes to the COLA approval date have effected project schedule.

- DR1.5 Please describe the status, outstanding items, and resolution of COLA FSAR 2.5 issues.
- DR1.6 Please provide a list and description of NRC requests for RAI received since January 1, 2014. Provide the RAI number, date received, NRC due date, and actual or anticipated date of each FPL response.
- DR1.7 Please describe, identify the agency, and provide the date of applications, approvals, and/or certifications completed in 2014 and anticipated in 2015 or beyond:
- a. Federal level
 - b. State level
 - c. County / Municipal level
- DR1.8 Please describe the realized or potential project impact(s) of responses to DR1.7(a-c), above.
- DR1.9 Please update the status of litigation and new rulings relative to continued storage of spent nuclear fuel (renamed from "waste confidence") and describe actual or potential project impact(s).
- DR1.10 What project impact(s) does FPL anticipate following the 98-day public comment period for the draft Generic Environmental Impact Statement (GEIS, published 09/2014) and proposed continued storage of spent nuclear fuel rule?
- DR1.11 Please describe current status and provide an update on litigation involving Site Certification (SCA).
- DR1.12 For SCA expenditures, please provide:
- a. The total for SCA licensing activities thru SCA approval in 2014.
 - b. During the appeal process, from approval to date
 - c. The amount FPL anticipates for continued SCA appeal litigation.
- DR1.13 Please describe / update recent developments and explain how cooling canal issues at Turkey Point might effect the PTN6&7 project (e.g. cost, timeline, sequencing) and operation of the new facilities after construction.
- DR1.14 Please describe how FPL intends to satisfy the requirements of 366.93(3)(f)3 F.S. "*...that it has committed sufficient, meaningful, and available resources to enable the project to be completed and that its intent is realistic and practical.*"
- DR1.15 Please provide dates (mo/yr) and description for project milestone events completed or anticipated:
- a. 2014
 - b. 2015
 - c. 2016
 - d. 2017
 - e. 2018
 - f. 2019
 - g. 2020 to completion
- DR1.16 As a result of Florida legislative changes for NCRC, please cite, describe, and explain the impact to:
- a. Project schedule and sequencing
 - b. Project cost estimates
 - c. Project policies, practices, and procedures
- DR1.17 Please explain whether and how legislative changes has caused FPL to refocus, alter, or resequence how or when aspects of the project will be accomplished.

DR1.18 Given statutory changes and revisions to the NRC schedule, please describe the realized and/or anticipated impact(s) to PTN6&7 project schedule, cost, and sequencing.

DR1.19 Please provide the current project timeline, in the format shown below.



DR1.20 Regarding an EPC or EP&C construction contract, to date has FPL:

- Decided on which is more preferred, favorable, or will be pursued? If so, please explain.
- Identified possible or preferred candidate(s)? If so, please list.
- Had discussions or negotiations with any candidate(s)? If so, please explain.
- Determined the target date (mo/yr) for signing a contract?

DR1.21 Please provide a copy of all project white papers produced from January 1, 2014 to date. Provide future white papers, through May 2015, as a supplemental response to this document request.

DR1.22 For cooling water, please describe:

- Current status
- Unresolved issues
- Milestones achieved in 2014, with dates
- Milestones anticipated in 2015, with target dates

DR1.23 For transmission, please describe:

- Current status
- Unresolved issues
- Milestones achieved in 2014, with dates
- Milestones anticipated in 2015, with target dates

DR1.24 Regarding benchmarking of domestic new nuclear construction programs:

- Identify the project(s) FPL benchmarked in 2014.
- Identify the project(s) FPL plans to benchmark in 2015.
- Provide any FPL reports, studies, briefing slides or lessons learned reports.

- DR1.25 Regarding benchmarking of foreign new nuclear construction programs:
- Identify the project(s) FPL benchmarked in 2014.
 - Identify the project(s) FPL plans to benchmark in 2015.
 - Provide any FPL reports, studies, briefing slides or lessons learned reports.
- DR1.26 For risk management meetings or reviews, please
- Dates of all meetings, May 2014 to date.
 - Provide meeting slides, recaps, reports, and/or minutes.
 - Until May 2015, provide the slides, recaps, reports, and/or minutes for such meetings as a supplemental response to this request.
- DR1.27 Please list (by number, title, date) project policies, procedures, and controls:
- Created in 2014
 - Revised in 2014
 - Currently under revision
 - Deleted in 2014.
 - Scheduled for revision in 2015
- DR1.28 Please provide a current organization chart showing PTN 6&7 project personnel (by name), with all direct and indirect reporting linkages depicted.
- DR1.29 For project organizational structure and/or staffing, please describe:
- Changes made in 2014
 - Changes anticipated from January 2015 through May 2015
- DR1.30 Please provide project management reports/status updates from May 2014 to date, to include reports issued by and for senior and executive management. Topics would include, but not be limited to briefings, minutes, findings, handouts, PowerPoint slides, and reports. Going forward, through May 2015, please provide monthly updates.
- DR1.31 Please provide the Key Performance Indicators used by FPL management to monitor project and sub-project status. Please provide the 2014 monthly results for each indicator. Going forward, through May 2015, please provide monthly updates.
- DR1.32 Regarding future power purchases or joint ownership, please:
- Describe FPL efforts during 2014 seeking future power purchasers or joint owners
 - Provide a list of dates for meetings held in 2014.
 - Provide a list of attendee companies or municipalities for each meeting
 - Provide slides, notes, handouts, minutes, or reports for each meeting
 - Provide a list of meetings scheduled for 2015
- DR1.33 Please describe any changes made during 2014 or anticipated through May 2015 to contractor selection and management policies or procedures.
- DR1.34 Describe any revisions to project FPL project contractor oversight or management policies and procedures during 2014 or anticipated through May 2015.
- DR1.35 For the long lead forging agreement:
- Is the status, terms, and 2016 expiration date unchanged? If not, provide an update.
 - Are there negotiations ongoing or planned to alter status, terms, or expiration date?
 - If so, provide a description, target date for completion, and new expiration (mo/yr).
 - What is the latest forging must begin (mo/yr) to meet current project in-service dates?

- DR1.36 Please provide a list of all **existing** (open) contracts valued at \$250,000 or more, with contractor name, description of service, estimated value upon completion, and type (competitive bid, single/sole source, or predetermined source). Provide copies of justifications.
- DR1.37 For **new** contracts valued at \$100,000 or more provide contractor name, contract number and date, service description, contract length, value, methodology (e.g. T&M, fixed price, fixed w/incentives), dollars spent to date, and type (competitive bid, single/sole source, or predetermined source), and single or sole source justifications:
- a. May 2014 to date
 - b. Anticipated January through May 2015
- DR1.38 For contract **change orders** valued at \$50,000 or more provide contractor name, contract number, date, description of change(s) to terms or value, and copies of single or sole source justifications:
- a. May 2014 to date
 - b. Anticipated January through May 2015
- DR1.39 Please list contract warranty claims from May 2014 to date. Identify the contractor, contract number, disputed amount, date initiated, and date (or anticipated date) of resolution. Please describe the terms of any resolutions. Going forward through May 2015, report any new warranty claims using the same criteria, as a supplement to this numbered document request.
- DR1.40 For PTN6&7-related FPL QA manufacturer visits, please list:
- a. Visits made May – December 2014
 - b. Visits planned January - May 2015
- DR1.41 Please list internal and external audits, please:
- a. List those completed May - December 2014; provide audit reports.
 - b. List those scheduled for completion January - May 2015; provide audit reports.
- DR1.42 Please describe any changes in project management policies, practices, procedures, reporting or controls implemented as a result of QA reviews or internal/external audit findings.
- DR1.43 Please describe any changes made to the Employee Concerns Program (ECP):
- a. May 2014 to date
 - b. Planned January - May 2015
- DR1.44 Please list all PTN6&7 project ECP allegations or complaints received since May 2014, to include the date and method by which it was received (walk-in, telephonic, under the door, or Red Letter), a summary of the allegation(s) and investigator(s) assigned, investigation result(s), and the disposition. Going forward, through May 2015, provide any new EPU allegations or complaints received as a supplement to this numbered document request.

TO: AUDIT MANAGER David Rich

DATE: 1/26/2015

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.24, 1.26, 1.28, 1.30, 1.36, 1.37, 1.39, 1.41. IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

T - C - Tto

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

TO: AUDIT MANAGER David Rich

DATE: 1/26/2015

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY DR 1.30 - Supplemental
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) DR 1.30 Supplemental IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

J. C. Tto

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

TO: AUDIT MANAGER

David Rich

DATE:

⁵
4/18/15

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY May Monthly Update
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.30, 1.41 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

T. C. H. G.
SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

TO: AUDIT MANAGER David Rich DATE: 6/16/2015

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY June Monthly Update
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 1.21, 1.30, 1.41 IS (ARE) (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

T. C. Tto

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

3.1.2 DR 2

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

TO: Soria Talbot / Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-2 PTN6&7

DATE OF REQUEST: February 5, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: February 19, 2015

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

X OUTSIDE OF AN INQUIRY

NOTE:

1) Please provide all responses on a single CD; there is no need this year for an additional copy.

DR-2.1 Regarding the FPL response to DR-1.3, an increase to the upper end of the total project cost estimate of approximately \$3.4B (to \$21.8B) was indicated. Has FPL also increased the lower end of the project cost estimate? Please provide the current lower end cost estimate.

DR-2.2 Regarding the FPL response to DR-1.8, please explain how the appeal of the Final Order for State Site Certification does not have a potential to challenge project critical path.

DR-2.3 Regarding the canal cooling system remediation effort and the FPL response to DR-1.13:

a. When (month/year) does FPL expect to complete the project?

b. At what cost?

c. Does FPL anticipate that any of the remediation costs fall within the NCRC?

DR-2.4 Regarding EPC or EP&C contract negotiation and the FPL response to DR-1.20(d), when does FPL anticipate negotiations will have to commence in order to have a signed construction contract by the target date of 01.2019?

DR-2.5 Regarding the CBI project study entitled *Turkey Point Units 6 & 7 Project Schedule Review and Assessment*, dated November 20, 2014:

a. Please explain whether FPL adopted any, none, or a hybrid of the project milestone scenarios depicted on page 9 of 10 from the study.

b. Please provide the month and year FPL anticipates commencing:

1. Design
2. Construction
3. First Nuclear Concrete (FNC-Unit 6)
4. Unit 6 commercial operations (COD)
5. Unit 7 commercial operations (COD)

DR-2.6 In the 1Q2014 through 3Q2014 Quarterly Risk Assessments the item "FPL COL Application Review is not completed within current published schedule" shows a HIGH probability of occurrence:

- a. What is company's basis and rationale for this assessment?
- b. Does FPL *expect* additional delay to the current target date of 03.2017?

DR-2.7 Regarding the FPL response to DR-1.28, what effect does FPL anticipate to organization and manning as a result of the 5-year project delay?

DR-2.8 Regarding the FPL response to DR-1.30, (PTN Variance Report 12.2014, year-to-date, pg. 4 of 7), please explain:

- a. The [redacted] paid to Bechtel for "PTN 6&7 COLA Activities" and why the additional work was not covered under the original terms of agreement. Provide a breakdown of the expenditure, the rationale to expend additional funds, the approval process involved, and any justification documentation. 1
- b. The [redacted] paid to Geotech for "RAI response generation" and why the additional work was not covered under the original terms of agreement. Provide a breakdown of the expenditure, the rationale to expend additional funds, the approval process involved, and any justification documentation. 2
- c. The additional \$2.6M in Preconstruction Fees due to "NRC activity higher than anticipated" and to which vendor(s) received additional payment. Also, please explain why this additional work was not covered under the original agreement(s). Provide a breakdown of the \$2.6M, the rationale to expend additional funds, approval process involved, and any justification documentation.

DR-2.9 Regarding the FPL response to DR1.35(d) that the latest forgings must begin is dependent on Westinghouse, what is the latest that FPL believes such forgings must begin to meet the current project timeline for construction and COD dates?

DR-2.10 Regarding the response to DR-1.36, please explain [redacted] than expected contract expenditures for: 3

- a. Eco-Metrics Inc.; Environmental Consulting Services [redacted] 4
- b. Environmental Consulting & Technology, Inc.; Post-SCA Submittal Support [redacted] 5
- c. EPRI – Advanced Nuclear Tech; near term deployment of Advanced Light Water Reactors [redacted] 6
- d. Golder & Associates, Inc.; Post-SCA Submittal Support [redacted] 7
- e. Paul C. Rizzo Associates, Inc.; Field Investigation and FSAR 2.5 Revision [redacted] 8

DR-2.11 Regarding the FPL response to DR1.37, please confirm that the contracts and payments are complete.

DR-2.12 Regarding the warranty claim (contract [redacted] rework estimated at \$40K, date 08.20.14), please provide a status update and whether the disputed (warranty) amount is reflected all or in part in the [redacted] Estimated Value at Completion for the contract as shown in FPL's response to DR-1.36. 9 10

DR-2.13 Regarding the FPL response to DR-1.41 concerning annual audits of New Nuclear expenditures:

- a. How many consecutive years has Experis performed the audit?
- b. Does FPL have a plan to switch auditors? If so, when?

TO: AUDIT MANAGER

David Rich

DATE:

2/19/2015

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY 2.1-2.7, 2.9-2.13
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) NOT, 2.10, 2.12 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

T. C. Tto

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

3.1.3 DR 3

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

TO: Soria Talbot / Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-3 PTN6&7

DATE OF REQUEST: April 2, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 9, 2015

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

X OUTSIDE OF AN INQUIRY

DR-3.1 During a visit to the FPL office in Tallahassee, staff reviewed the FPL audit report:

- *New Nuclear Review: 2014 Expenditures*, dated March 27, 2015

Staff made and retained notes during its review (3 pages). These notes were copied by FPL Tallahassee staff and electronically shared with FPL New Nuclear / Regulatory personnel. Please provide via the NOI, below, an indication of FPL's intent on confidentiality of staff's notes.

TO: AUDIT MANAGER David Rich

DATE: 4/6/2015

THE REQUESTED RECORD OR DOCUMENTATION:

(1) HAS BEEN PROVIDED TODAY

(2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____

(3) AND IN MY OPINION, ITEM(S) DR 3.1 and staff notes IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.

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

T. C. Ho
SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

3.1.4 DR 4

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

TO: Soria Talbot / Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 PTN6&7

DATE OF REQUEST: April 16, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 16, 2015

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

PTN DR-4.1 Please provide a copy of the PTN6&7 project update briefing presented in PowerPoint format during the FPSC staff visit April 16, 2015.

TO: AUDIT MANAGER

David Rich

DATE:

4/16/2015

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) 4.1 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

T. C. H. O.
SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

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

TO: Soria Talbot / Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-4 PTN6&7 DATE OF REQUEST: April 16, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 16, 2015

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

X OUTSIDE OF AN INQUIRY

PTN DR-4.1 Please provide a copy of the PTN6&7 project update briefing presented in PowerPoint format during the FPSC staff visit April 16, 2015.

TO: AUDIT MANAGER David Rich

DATE: 4/28/15

THE REQUESTED RECORD OR DOCUMENTATION:

- (1) HAS BEEN PROVIDED TODAY 4.1 - Sup
- (2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____
- (3) AND IN MY OPINION, ITEMS(S) _____ IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.
- (4) THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)

Travis Contratto

SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

3.1.5 DR 5

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

O: Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-5 PTN6&7

DATE OF REQUEST: April 21, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: April 28, 2015

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

X OUTSIDE OF AN INQUIRY

PTN DR-5.1 Re the initial assessment schedule (pg 18, "New Nuclear Update to FPSC Internal Control Auditors", April 16, 2015) as discussed with Staff during audit interviews, please provide and/or explain:

- a. The FPL rationale for conducting the assessments.
- b. The FPL timeline in developing the assessment concept.
- c. How assessment items were derived, prioritized, and sequenced.
- d. The items to be assessed in each category, A through D. (e.g. event, deadline, task, etc)
- e. FPL white papers, memos, or staff studies informing the decision to do the assessments.
- f. In Category A, the principal contractor(s) for each sub-item being assessed.
- g. Realized / anticipated contract value of each category, A through D
- h. Realized / anticipated contract value of each sub-item assessed in categories A through D.

TO: AUDIT MANAGER

David Rich

DATE:

4/28/15

THE REQUESTED RECORD OR DOCUMENTATION:

(1) HAS BEEN PROVIDED TODAY

(2) CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY _____

(3) AND IN MY OPINION, ITEMS(S) 5.1 IS (ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156 F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF COMMISSION CLERK AND ADMINISTRATIVE SERVICES. REFER TO RULE 25-22.006, F.A.C.

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

T-C-76
SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

3.1.6 DR 6

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

TO: Travis Contratto

UTILITY: Florida Power & Light Company

David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 PTN6&7

DATE OF REQUEST: May 4, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: NLT May 11, 2015

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

X OUTSIDE OF AN INQUIRY

PTN DR-6.1 Please update Exhibit SDS-2, *PTN 6&7 Licenses, Permits and* (from Testimony & Exhibits of Steven D. Scroggs, dated March 2, 2015). Add a column to the table, indicating the current status of each license, permit, or approval listed in Exhibit SDS-2. If a license, permit, or approval has been received by FPL, indicate the date of receipt. For a pending license, permit, or approval, indicate an estimated target date of receipt.

TO: AUDIT MANAGER

David Rich

DATE:

5/14/15

THE REQUESTED RECORD OR DOCUMENTATION:

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

T. C. Little
SIGNATURE AND TITLE OF RESPONDENT

Regulatory Analyst

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

TO: Travis Contratto

UTILITY: Florida Power & Light Company David Rich
AUDIT MANAGER

FROM: FPSC

REQUEST NUMBER: DR-6 PTN6&7 DATE OF REQUEST: May 4, 2015

AUDIT PURPOSE: Project Management Internal Controls

REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: NLT May 11, 2015

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

PTN DR-6.1 Please update Exhibit SDS-2, *PTN 6&7 Licenses, Permits and* (from Testimony & Exhibits of Steven D. Scroggs, dated March 2, 2015). Add a column to the table, indicating the current status of each license, permit, or approval listed in Exhibit SDS-2. If a license, permit, or approval has been received by FPL, indicate the date of receipt. For a pending license, permit, or approval, indicate an estimated target date of receipt.

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

THE REQUESTED RECORD OR DOCUMENTATION:

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

J. Little
SIGNATURE AND TITLE OF RESPONDENT
Regulatory Analyst

3.3 Document Summaries

3.3.1 DR 1

Document Summary & Control Log

Office of Auditing and Performance Analysis Document Summary and Control Log

Company: FPL
Area: Nuclear Controls Review
Auditor(s): Rich / Hallenstein

Workload Control #: PA-15-01-002
File Name: i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\3.3.1 DocSumLog DR-1.doc

Document #: PTN DR-1.1
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Question or Request: Please provide the status of the NRC COLA Review schedule.

Summary of Contents: FPL responded that the NRC issued an environmental milestone review schedule on 0.17.14 and an overall COLA milestone schedule on 08.26.14. Both letters were provided; summarized below.

The 04.17.14 letter provided NRC's and US Army Corps of Engineers (USACE) findings regarding ongoing environmental review issue concerning alternative sites and a revised environmental review schedule. NRC and USACE are cooperating Federal Agencies in the development of the Environmental Impact Statement (EIS) for PTN6&7.

NRC had earlier (letters, 05.04.12 4 & 02.28.13) outlined tech issues regarding alternative sites: 1) water availability concerns for the three inland alternatives (Glades, Martin, and Okeechobee, 2) technical process deficiencies used to select alternative sites, and 3) discrepancy of responses to the NRC in connection with their National Environmental Policy Act (NEPA) evaluation and info given to USACE for the least environmentally damaging practicable alternative (LEDPA) evaluation. As a result, NRC suspended alternative site review until the NRC and USACE were satisfied that sites met all applicable requirements. FPL developed resolution responses and presented them to NRC and USACE at public meetings (05.22.13 and 11.13.13). FPL also revised its draft responses to NRC and USACE alternative site RAIs (#s 6353 & 6879). NRC and USACE agree FPL provided sufficient info to allow both agencies to proceed with the reviews.

In the 11.13.13 meeting, it was agreed that USACE's LEDPA review would be separate from the NRC NEPA review. This agreement means that EIS development could proceed. USACE is separately reviewing FPL's Clean Water Act Section 404(b)(1) alternatives analysis and may require more info to complete it. The draft EIS will address the 404(b)(1) review. Anything provided to USACE in response to this review is also being provided to the NRC.

Regarding the schedule for completing the draft EIS, NRC management reallocated resources to support completion of Waste Confidence. Movement of resources directly impacted NRC's ability to complete the environmental portion COLA. Therefore, PTN6&7 COLA will be delayed. If more resources become available or priorities change, NRC staff will try to mitigate delays. The revised schedule also assumes no new / significant changes or additions to the COLA, to USACE's joint permit application, or documentation supporting the environmental review. New and significant information may affect staff conclusions in the draft EIS, and therefore, impact scheduled completion dates. The staff will re-evaluate this schedule after the time for comment on the draft EIS has expired. At that point, staff may establish a new Phase 3 target based on the number and complexity of comments received from other federal, state, and local agencies; members of the public; and other stakeholders. Revised EIS schedule shown below.

Phase 1: Environmental Impact Statement Scoping Summary Report Issued	December 2010 (A)*
Phase 2: Draft Environmental Impact Statement Issued to EPA	February 2015 (T)*
Phase 3: Final Environmental Impact Statement Issued to EPA	February 2016 (T)*

The 08.14.14 letter from NRC to FPL revised the COLA review schedule, as outlined in the table below. It also spoke of a 05.04.12 letter, (NRC ADAMS Doc Accession No. ML120740390), in which significant issues were identified affecting NRC's ability to complete the safety review in areas of geology, seismology, and geotechnical engineering. It stated that before the staff restarted review of Sections 2.5.1 through 2.5.5, FPL needed to revise its responses and make substantial modifications to the Final Safety Analysis Report (FSAR).

In a letter dated 05.11.12 (ADAMS Accession No. ML12136A551), FPL notified NRC of a commitment to addressing the concerns. FPL then performed additional site investigation to support responses. The revised RAI responses were received by NRC on 04.29.14. NRC conducted a preliminary review, concluding that sufficient quality data now exists to schedule review of Sections 2.5.1 through 2.5.5. The new schedule supports issuance of the Advanced Final Safety Evaluation Report (SER) in 01.2016 and Final SER in 10.2016.

In issuing the new schedule, the NRC staff assumes that FPL will provide high quality responses to any additional RAIs. The new schedule anticipates that NRC staff may need to perform confirmatory calculations to reach its safety findings. The schedule also assumes that FPL will meet the following schedule milestones:

- Submittal of responses, including proposed changes to the COLA, within 30 days of any RAIs issued in relation to these topics.
- Submittal of a revised COLA at least 75 days prior to the issuance of the Final SER.

The schedule also assumes availability of staff resources and the ability of the staff to resolve other ongoing issues in a timely manner. The staff will continue to look for opportunities to mitigate these schedule impacts as the COL review progresses.

Combined License Application Safety Review Milestones (Revised)

Phase of Safety Review	Previous	Revised
Phase A - Requests for Additional Information (RAIs) and Supplemental RAIs	02.2012	06.2015
Phase B - Advanced Final Safety Evaluation Report (SER) with no Open Items (OIs)	01.2013	01.2016
Phase C - ACRS review of Advanced Final SER	07.2013	05.2016
Phase D - Final SER	11.2013	10.2016

Conclusions:

Data Requests Generated:

Follow-up Required:

Document #: PTN DR-1.2
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Question or Request: Regarding the FPL full project review anticipated in response to the NRC COLA review,
a. Has FPL begun its full project review?
b. When did the review begin?
c. Has the review been completed? If so, when (mo/yr) was it completed?
d. Please describe the review scope, methodology, and results.
e. If ongoing, please provide the target completion date.

Summary of Contents:

a. Yes. FPL recently completed a Level 1 schedule review based on the revised NRC COLA review schedule.

	<p>b. 3Q2014.</p> <p>c. Yes, it was completed in 12.2014</p> <p>d. FPL conducted a review of all project schedule factors from current to in-service dates for both units. The review began with the revised NRC review schedule, a review of ongoing US AP1000 construction projects, and finally incorporating the impact of the 2013 Nuclear Cost Recovery statute amendment. FPL engaged Chicago Bridge and Iron (CBI) to perform a review and assessment of FPL's project schedule. <u>The new earliest practicable estimated commercial operation dates (COD) are 06.2027 for Unit 6 and 06.2028 for Unit 7.</u></p> <p>e. N/A.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:")</p> <p>Follow-up Required:</p>																																									
<p>Document #: PTN DR-1.3 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: For the Turkey Point 6&7 new nuclear project:</p> <p>a. Please describe the company outlook, philosophy, feasibility, and intent to construct.</p> <p>b. What are the current expected in-service dates for Unit 6 and Unit 7?</p> <p>c. What is the current expected cost range of the project?</p> <p>d. Please complete the right-hand column for project schedule dates:</p> <table border="1" data-bbox="692 679 1672 978"> <thead> <tr> <th>Project Phase</th> <th></th> <th>Original</th> <th>1 Year Ago (FPL, DR-1)</th> <th>Current</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Licensing</td> <td>Start</td> <td>2007</td> <td>2007</td> <td>2007</td> </tr> <tr> <td>Finish</td> <td>2012</td> <td>2014</td> <td></td> </tr> <tr> <td rowspan="2">Site Preparation</td> <td>Start</td> <td>2010</td> <td>2014</td> <td></td> </tr> <tr> <td>Finish</td> <td>2012</td> <td>2016</td> <td></td> </tr> <tr> <td rowspan="2">Generation Plant</td> <td>Start</td> <td>2013/2015</td> <td>2017/2018</td> <td></td> </tr> <tr> <td>Finish</td> <td>2018/2020</td> <td>2022/2023</td> <td></td> </tr> <tr> <td rowspan="2">Transmission Facilities</td> <td>Start</td> <td>2010</td> <td>2016</td> <td></td> </tr> <tr> <td>Finish</td> <td>2020</td> <td>2022</td> <td></td> </tr> </tbody> </table> <p>Summary of Contents:</p> <p>a. FPL states that the company began the project because it recognized economic, fuel diversity, environmental and system reliability benefits of nuclear generated power. FPL maintained that the potential benefits are substantial, realistic and achievable. FPL states that the company remains committed to pursuing those benefits, which requires completing a series of important milestones, including: selecting a site and technology (complete), obtaining all licenses/permits (in process), developing an execution plan with committed contracts and schedule, and then executing that plan. FPL's philosophy is a risk-managed approach to accomplish each milestone so that the project and its benefits may be delivered at the earliest practicable time.</p> <p>b. The current estimated in-service dates for Unit 6 and Unit 7 are: Unit 6 – June 2027 & Unit 7 – June 2028</p> <p>c. FPL states it anticipates an increase to the total project cost related to an additional five years of escalation and interest during construction. The upper end of FPL's total project cost estimate (\$18.4B as of the 05.01.14 feasibility analysis) increases by about \$3.4B to \$21.8B. Interest will be some of that increase, but FPL states that the bulk of the increased cost estimate is attributable to an assumed annual cost escalation of 2.5% per year. FPL notes, however, that the overnight capital cost estimate of</p>	Project Phase		Original	1 Year Ago (FPL, DR-1)	Current	Licensing	Start	2007	2007	2007	Finish	2012	2014		Site Preparation	Start	2010	2014		Finish	2012	2016		Generation Plant	Start	2013/2015	2017/2018		Finish	2018/2020	2022/2023		Transmission Facilities	Start	2010	2016		Finish	2020	2022	
Project Phase		Original	1 Year Ago (FPL, DR-1)	Current																																						
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	Finish	2018/2020	2022/2023																																							
Transmission Facilities	Start	2010	2016																																							
	Finish	2020	2022																																							

\$5,453/kW (2014\$) has not changed at this time. FPL did not provide a cost estimate range, stating it will include the 2015 non-binding cost estimate range in the 2015 feasibility analysis. (note: for now, audit staff will use the 2014 low-end (\$12.6B) and new \$21.8B high-end furnished in item “c” above.

d.

Project Phase		Original	1 Year Ago (FPL, DR-1)	Current
Licensing	Start	2007	2007	2007
	Finish	2012	2014	2017
Site Preparation	Start	2010	2014	2019
	Finish	2012	2016	2023
Generation Plant	Start	2013/2015	2017/2018	2023/2024
	Finish	2018/2020	2022/2023	2027/2028
Transmission Facilities	Start	2010	2016	2019
	Finish	2020	2022	2027

Conclusions:

Data Requests Generated (use format “No. ____, Description:”):

Follow-up Required: Obtain 2015 cost estimate range – during interviews, if not prior to them.

Document #: PTN DR-1.4
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Question or Request: Regarding project critical path:

- Please identify the current project critical path and the events that define / determine it.
- Please describe timeline impacts from NRC COLA review delays.
- Please provide the current target date (mo/yr) for COLA approval.
- Please explain how changes to the COLA approval date have effected project schedule.

Summary of Contents:

- FPL states that project critical path includes completing its licensing phase, obtaining FPSC approval for pre-construction activities, conducting pre-construction activities (developing a site plan & execution plan, negotiating procurement & construction contracts), obtaining FPSC approval for construction activities, and conducting construction activities (building access roads & bridges, creating site underground and civil infrastructure, building support facilities, and sequenced construction of nuclear units).
- The estimated impact is a 2 year and 6 month change in the estimated COLA approval date.
- Target date for COLA approval is 03.2017, but approval as early as 12.2016 is possible depending on NRC process.
- The project schedule has been impacted by 2 years and 6 months.

Conclusions:

Data Requests Generated (use format “No. ____, Description:”):

Follow-up Required:

Document #: PTN DR-1.5
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Question or Request: Please describe the status, outstanding items, and resolution of COLA FSAR 2.5 issues.

Summary of Contents: FPL revised FSAR 2.5 RAI responses based on additional site investigations, submitting them to the NRC on 04.29.14. NRC concluded that they were able to schedule the review of FSAR 2.5.1 through 2.5.5 and issued a revised review schedule on 08.26.14. All RAIs are scheduled to complete June 2015.

Conclusions:

Data Requests Generated (use format “No. ____, Description:”):

Follow-up Required:

<p>Document #: PTN DR-1.6 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please provide a list and description of NRC requests for RAI received since January 1, 2014. Provide the RAI number, date received, NRC due date, and actual or anticipated date of each FPL response.</p> <p>Summary of Contents: FPL has received one RAI since 01.2014:</p> <table border="1" data-bbox="472 220 1866 368"> <thead> <tr> <th>Item #</th> <th>RAI #</th> <th>Subject of RAI</th> <th>Date of RAI</th> <th>NRC Due Date</th> <th>Response Sent Date</th> <th>PTT Doc Name</th> <th>Response PTT Doc Name</th> </tr> </thead> <tbody> <tr> <td>RAI3882</td> <td>02.01.03-3</td> <td>RAI Ltr No. 080 (RAI 7467) 6/18/2014 FSAR 2.1.3 Population Distribution</td> <td>05.20.14</td> <td>06.19.14</td> <td>06.19.14</td> <td>NRCFPL-14-0150</td> <td>FPLNRC-14-0341</td> </tr> </tbody> </table> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: FPL states that "about a dozen" RAIs remain open but on track to be completed NLT June 2015.</p>	Item #	RAI #	Subject of RAI	Date of RAI	NRC Due Date	Response Sent Date	PTT Doc Name	Response PTT Doc Name	RAI3882	02.01.03-3	RAI Ltr No. 080 (RAI 7467) 6/18/2014 FSAR 2.1.3 Population Distribution	05.20.14	06.19.14	06.19.14	NRCFPL-14-0150	FPLNRC-14-0341
Item #	RAI #	Subject of RAI	Date of RAI	NRC Due Date	Response Sent Date	PTT Doc Name	Response PTT Doc Name										
RAI3882	02.01.03-3	RAI Ltr No. 080 (RAI 7467) 6/18/2014 FSAR 2.1.3 Population Distribution	05.20.14	06.19.14	06.19.14	NRCFPL-14-0150	FPLNRC-14-0341										
<p>Document #: PTN DR-1.7 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please describe, identify the agency, and provide the date of applications, approvals, and/or certifications completed in 2014 and anticipated in 2015 or beyond:</p> <ol style="list-style-type: none"> a. Federal level b. State level c. County / Municipal level <p>Summary of Contents:</p> <p>a. No federal applications, approvals and/or certifications issued or submitted in 2014. On 01.14.14, the FAA issued an extension to the FAA permits for the Units 6 & 7 Containment Structures through 07.14.15 July 14, 2015. These must be renewed. The dates for the issuance of the following reports, permits or licenses is currently estimated to be:</p> <ul style="list-style-type: none"> - NRC Final Safety Evaluation Report (SER) - 10.2016 per NRC correspondence of 08.26.14 - NRC Environmental Impact Statement (EIS) - 02.2016 per NRC correspondence of 04.17.14 - NRC Combined Operating License (COL) - 12.2016 to 03.2017 based on NRC process following Final SER. - ACOE 404b and Section 10 permit - 3 to 6 months following COL. 03.2017 to 10.2017 <p>Permit applications for the following activities to be submitted before construction:</p> <ul style="list-style-type: none"> - FAA permission to locate construction cranes, - Permission to place facilities in the vicinity of or otherwise use levees owned / controlled by SFWMD and originally constructed by the USACOE (USACE 408 permit administered by SFWMD), - If necessary, permit applications will be submitted to ACOE and DOI for access to government owned land within Everglades National Park for the purpose of wetlands and listed species surveys within the western transmission line right-of-way. <p>b. - Underground Injection Well test was performed in 02.2014. FDEP accepted / approved Injection Test Technical Memo 06.02.14</p> <ul style="list-style-type: none"> - State Site Certification via Final Order of Siting Board, 05.19.14 - Applications to allow transport of radioactive material into Utah and Tennessee (from the Utah Department on Environmental Quality and the Tennessee Department of Environmental and Conservation, Division of Radiological Health), for low-level radioactive waste processing or disposal. To be submitted after COL issuance. - Application for a Title V (Air) permit will be submitted prior to unit operation. - Applications for the following activities will be submitted before construction: <ol style="list-style-type: none"> 1. Permit to allow FPL to build twelve (12) additional UIC wells 																

	<p>2. Permit to allow for the twelve UICs' operation,</p> <p>3. NPDES (National Pollutant Discharge Elimination System; see http://water.epa.gov/polwaste/npdes/) permit allowing management of construction related storm water.</p> <p>c. None</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.8 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please describe the realized or potential project impact(s) of responses to DR1.7(a-c), above.</p> <p>Summary of Contents: FPL states that completion of the State Site Certification is a critical step in project completion, providing all necessary state and local environmental, zoning, and land use approvals for construction.</p> <p>Several parties filed appeals to the Final Order; FPL expects these appeals to be addressed by 04.2016.</p> <p>FPL states that the appeal process does not challenge the project's critical path.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: How does the appeals process NOT challenge project critical path? Explain.</p>
<p>Document #: DR-1.9 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please update the status of litigation and new rulings relative to continued storage of spent nuclear fuel (renamed from "waste confidence") and describe actual or potential project impact(s).</p> <p>Summary of Contents: FPL states that litigation is ongoing re NRC's Continued Storage of Spent Nuclear Fuel Rule. It is in two arenas –</p> <p>a. On 09.29.14 several intervenor groups collectively challenged the new rule before the NRC, filing both a new contention and a petition to suspend final decisions in all pending reactor licensing proceedings until their challenge is resolved. These generic challenges were filed in the PTN6&7 docket and other new reactor / reactor license renewal proceedings around the country. These challenges are fully briefed and awaiting NRC decision.</p> <p>b. In 10.2014, several states and intervenor groups challenged the final rule in the U.S. Court of Appeals (D.C. Circuit). These petitions are awaiting briefing. If either of these challenges is successful, the NRC may have to modify the rule or its accompanying Generic Environmental Impact Statement. FPL says that schedule impact is speculative, but the last time the D.C. Circuit overturned the NRC's generic consideration of spent nuclear fuel storage, it resulted in this recent rulemaking proceeding, which took approximately two years to complete.</p> <p>Conclusions: None – but if either appeal succeeds, there could be schedule / project / cost impact. Won't know until decided.</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: Continue to monitor for decisions / impacts: discuss and get an update during FPL interviews</p>
<p>Document #: DR-1.10 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: What project impact(s) does FPL anticipate following the 98-day public comment period for the draft Generic Environmental Impact Statement (GEIS, published 09/2014) and proposed continued storage of spent nuclear fuel rule?</p> <p>Summary of Contents: None. FPL stated that the NRC published its Final Continued Storage of Spent Nuclear Fuel rule and the Final Generic Environmental Impact Statement on 09.19.14 – see 79 Fed. Reg. 56,238 (09.19.14) and 79 Fed. Reg. 56,263 (09.19.14). The final rule was effective 10.20.14. There is no further public comment period on either document. The NRC has resumed issuing reactor license renewals and can issue combined licenses for new reactor projects when those projects are otherwise ready, subject to the litigation described in FPL's answer to DR 1.9.</p>

	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: DR-1.11 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe current status and provide an update on litigation involving Site Certification (SCA). Summary of Contents: FPL states that the State of Florida Electrical Power Plant Siting Board approved the Final Order of Certification for the Project on 05.19.14. Four parties filed appeals of the Order of Certification to the Third District Court of Appeal on 06.17.14. The Initial Brief of each party was expected on 01.23.15. Answer Briefs and Reply Briefs would follow on a schedule, TBD by the Court. On the current schedule, an approximate date for the decision of the Third District Court of Appeal would be 04.2016. Depending on the decision, an appeal could be filed to the Florida Supreme Court. Whether that is heard is at the discretion of the FL Supreme Court. Such a request to the Court to accept an appeal would be filed thirty (30) days after the decision of the Third District Court of Appeal. Conclusions: Data Requests Generated (use format "No. ____, Description:"): Follow-up Required: DR-2: Have the appeals briefs been filed? What effect, if any?
Document #: DR-1.12 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: For SCA expenditures, please provide: a. The total for SCA licensing activities thru SCA approval in 2014. b. During the appeal process, from approval to date c. The amount FPL anticipates for continued SCA appeal litigation. Summary of Contents: a. The total costs for SCA licensing activities 2006 – 05.2014 are \$65,995,730. b. The total amount of SCA costs incurred 06.2014 0 11.2014 is \$1,382,472, including \$222,871 related solely to the appeal. c. FPL anticipates \$377,129 for costs related solely to continued SCA appeal litigation from 12.2014 – 12.2017 Conclusions: Data Requests Generated (use format "No. ____, Description:"): Follow-up Required:
Document #: DR-1.13 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe / update recent developments and explain how cooling canal issues at Turkey Point might effect the PTN6&7 project (e.g. cost, timeline, sequencing) and operation of the new facilities after construction. Summary of Contents: FPL states that degraded performance of the cooling canal system (CCS) at Turkey Point in 2014 was due to multiple (but unspecified) factors . Restoration and remediation activities are currently underway. The company further stated that the independence of the CCS design for Turkey Point Units 6&7, there is no anticipated construction or operating impact to project in cost, timeline or sequence. Conclusions: Data Requests Generated (use format "No. ____, Description:"): Follow-up Required: When will the remediation efforts for the CCS be complete? At what cost? Does any fall within the NCRC?
Document #: DR-1.14 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe how FPL intends to satisfy the requirements of 366.93(3)(f)3 F.S. "...that it has committed sufficient, meaningful, and available resources to enable the project to be completed and that its intent is realistic and practical." Summary of Contents: FPL replied by providing the entirety of this subparagraph, which reads as follows: "Beginning January 1, 2014, in making its determination for any cost recovery under this paragraph, the commission may find that a utility intends to construct a nuclear or integrated gasification combined cycle power plant only if the utility proves by a preponderance of the

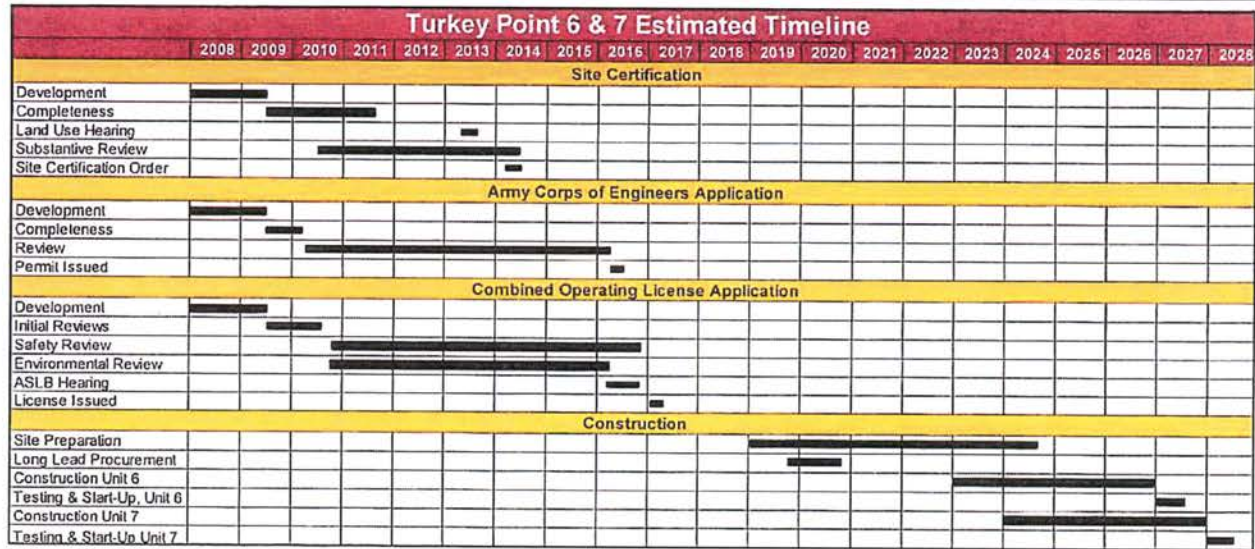
	<p><i>evidence that it has committed sufficient, meaningful, and available resources to enable the project to be completed and that its intent is realistic and practical."</i></p> <p>The company states that this paragraph addresses two scenarios: one in which a utility has not begun construction 10 years after receiving a license from the NRC and one in which a utility has not begun construction 20 years after receiving a license from the NRC – and stressed that in only those two scenarios do the terms of the paragraph – and the new language associated with “intent to build” – apply. FPL maintains that neither of these scenarios are currently applicable to the project.</p> <p>FPL further stated that this language also has been included in amended Section 25-6.0423(6)(c)5 of the Nuclear Cost Recovery rule, which is related to annual feasibility analyses, and that the company will comply with this new rule language primarily in the same manner it has complied with the feasibility analysis requirement annually during NCRC proceedings. Additionally, FPL said the company will continue to demonstrate its intent with respect to the project as it has in prior years. FPL also will continue to demonstrate in testimony the sufficiency of the resources it has in place to enable success at the current stage of the project.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required: Is FPL committed to building Turkey Point 6 and Turkey Point 7? (check one: YES or NO)</p>
<p>Document #: DR-1.15 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please provide dates (mo/yr) and description for project milestone events completed or anticipated:</p> <ul style="list-style-type: none"> a. 2014 b. 2015 c. 2016 d. 2017 e. 2018 f. 2019 g. 2020 to completion <p>Summary of Contents:</p> <ul style="list-style-type: none"> a. 2014 Project Milestones (completed) <ul style="list-style-type: none"> 01.2014 – Publication of ENP Draft EIS for Land Exchange (60 day public comment) 02.2014 – UIC Injection Test 03.2014 – All Environmental RAIs Complete 03.2014 – 2013 True-Up NCRC Filing 05.2014 – 2014/15 Actual/Estimate and Projection NCRC Filing 05.2014 – SCA - Approval by State of Florida Siting Board 08.2014 – Revised COLA Schedule 08.2014 – NCRC Hearings 10.2014 – NCRC Special Agenda Conference b. 2015 Project Milestones (anticipated) <ul style="list-style-type: none"> 02.2015 – NRC Draft EIS Issued 06.2015 – All Safety RAIs addressed Mid 2015 – Final EIS and ROD (Record of Decision) for Land Exchange c. 2016 Project Milestones (anticipated) <ul style="list-style-type: none"> 02.2016 – Final EIS 08.2016 – ACOE Issues Permit As early as 10.2016, obtain conditional FPSC approval to begin pre-construction activities in 2017

	<p>As early as 12.2016, NRC issues COL</p> <p>d. 2017 Project Milestones (anticipated) As late as 03.2017, NRC Issues COL As late as 10.2017, obtain FPSC approval to begin pre-construction activities</p> <p>e. 2018 Project Milestones (anticipated) 01.2018 – Start Pre-Construction Activities 10.2018 – FPSC Approval for Construction Activities in 2019</p> <p>f. 2019 Project Milestones (anticipated) 01.2019 – Start Site Preparation (Construction Activities)</p> <p>g. Please see the attached Level 1 Baseline Project Schedule. (in notebook under “Miscellaneous”</p> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required: Check on dates during interviews (During interview, FPL stated that the Final EIS Final (followed by a public comment period) and a Record of Decision by Fall 2015. Company believes the whole process will be completed by end-2015</p>
<p>Document #: DR-1.16 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: As a result of Florida legislative changes for NCRC, please cite, describe, and explain the impact to:</p> <ol style="list-style-type: none"> Project schedule and sequencing Project cost estimates Project policies, practices, and procedures <p>Summary of Contents:</p> <ol style="list-style-type: none"> FPL responded that recent changes to the NCRC statute extends project schedule by (approx.) 2½ years. The 2013 amendment limits FPL’s ability to conduct activities in parallel, in advance of their COL. Prior to the 2013 amendment a utility, with FPSC oversight, could conduct certain engineering, procurement, and design (pre-construction activities) in advance of the COL. Postponing pre-construction activities necessarily delays construction activities. Please see FPL’s response to DR 1.3c, which includes the cost impact of the legislative changes. FPL states that policies, practices and procedures are not affected. <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required:</p>
<p>Document #: DR-1.17 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please explain whether and how legislative changes has caused FPL to refocus, alter, or resequence how or when aspects of the project will be accomplished.</p> <p>Summary of Contents: FPL states that the company has altered its (project) approach, opining that compliance with statute defers initiation of substantive planning, engineering, procurement and implementation team activities that were scheduled in advance of the COL, subject to FPSC oversight. FPL conducted a review to determine what prerequisite activities must be accomplished prior to key milestones, to ensure that start dates of activities are properly sequenced. The company also identified a group of preliminary studies that will support efficient and timely initiation of pre-construction work following receipt of COL. Preliminary studies include initial site planning and environmental surveys that must be conducted in years prior to pre-construction work and then construction. These studies are necessary to inform the feasibility analysis to be conducted in support of FPL’s request to the FPSC to begin pre-construction work.</p>

Division of Regulatory Compliance
Bureau of Performance Analysis

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Document #: DR-1.18	Question or Request: Given statutory changes and revisions to the NRC schedule, please describe the realized and/or anticipated impact(s) to PTN6&7 project schedule, cost, and sequencing.																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
Date Requested:	Summary of Contents: The company believes that the combined impact to project schedule of the NCRC statutory changes and the NRC's revised COLA approval schedule is <u>approximately 5 years</u> .																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
Date Received:	The revision to the NRC's COLA approval schedule does not impact the sequencing of project activities. See the FPL response to DR 1.16a for a discussion of the statutory amendment's impact to sequencing. Also see the DR1.3c response regarding impact to project costs.																																																																																																																																																																																																																																																																																																																																																																																																																																																																											
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Conclusions:

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Follow-up Required: Ongoing. Notation on the response (Bates 001346) indicated "privileged and confidential". Per phone call (280945JAN15) with FPL POC Travis Contratto, this document is not confidential. It was not listed on the NOI. FPL indicated it would prefer to provide a revised copy of the graphic, without the "privileged and confidential" notation. Awaiting that file.

Document #: PTN DR-1.20
Date Requested:
Date Received:
Comments: (i.e., Confidential)

Question or Request: Regarding an EPC or EP&C construction contract, to date has FPL:
 a. Decided on which is more preferred, favorable, or will be pursued? If so, please explain.
 b. Identified possible or preferred candidate(s)? If so, please list.
 c. Had discussions or negotiations with any candidate(s)? If so, please explain.
 d. Determined the target date (mo/yr) for signing a contract?

Summary of Contents:

- a. No decision has been made by FPL regarding an EPC or EP&C construction contract .
- b. FPL is monitoring progress at first wave (US) AP1000 projects as one indication of credible contractor candidates.
- c. No discussions or negotiations to date.
- d. Current project schedule anticipates signing of an EPC contract (or EP and C) by 01.2019 (start of construction).

Conclusions:

Data Requests Generated (use format "No. ____, Description:"):

Follow-up Required: Re the response to item "b" -- who is on the list of possibles? And re the response to item "d" -- if a contract is to be signed by 01.2019, when does FPL anticipate beginning negotiations necessary to make such a signed date viable?

Document #: PTN DR-1.21

Question or Request: Please provide a copy of all project white papers produced from January 1, 2014 to date. Provide future white

Date Requested: Date Received: Comments: (i.e., Confidential)	papers, through May 2015, as a supplemental response to this document request.
	Summary of Contents: There were no white papers in 2014. See project reports and one project memo included in response to DR 1.30, Disk 2. In a supplemental response (03.18.15), FPL reported that there had been no white papers issued to date in 2015.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: PTN DR-1.22 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: For cooling water, please describe: a. Current status b. Unresolved issues c. Milestones achieved in 2014, with dates d. Milestones anticipated in 2015, with target dates
	Summary of Contents: a. FPL's proposed water resource plan was approved as a part of the Site Certification Final Order. b. Additional permitting is ongoing with USACE to obtain 408 authorizations for pipeline crossings of ACOE facilities (levees, canals, etc.). <u>This permitting is not critical path.</u> c. Site Certification (05.19.14) and submission of 408 authorization application to SFWMD (12.2014) d. Obtain 408 Authorization from USCOE (2Q2015)
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required: Monitor 408 application progress; did FPL receive 408 authorizations as anticipated in 2Q2015?
Document #: PTN DR-1.23 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: For transmission, please describe: a. Current status b. Unresolved issues c. Milestones achieved in 2014, with dates d. Milestones anticipated in 2015, with target dates
	Summary of Contents: a. FPL's proposed transmission corridors were approved per the Site Certification Final Order. b. The Final Order directs FPL to pursue maximum use of the Western Consensus Corridor, unless it cannot be obtained in a timely manner or at a reasonable cost. If not, FPL would pursue development of the Western Preferred Corridor. c. Site Certification (05.19.14) d. Final EIS & Record of Decision for Land Exchange (w/National Park Service, supporting Western Preferred Corridor) - mid 2015.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required: Monitor Final EIS and Decision for Land Exchange (with NPS); did FPL obtain both as anticipated in mid-2015? Determine what is meant by "a timely manner" and "at reasonable cost" – during the interview, FPL stated that they believed 3 years

<p>Document #: PTN DR-1.24 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Regarding benchmarking of <u>domestic</u> new nuclear construction programs:</p> <ol style="list-style-type: none"> a. Identify the project(s) FPL benchmarked in 2014. b. Identify the project(s) FPL plans to benchmark in 2015. c. Provide any FPL reports, studies, briefing slides or lessons learned reports. <p>Summary of Contents:</p> <ol style="list-style-type: none"> a. FPL assumes that the use of the term “benchmarking” by staff refers to the full range of activities FPL uses to obtain knowledge, insight and lessons learned by preceding new nuclear construction projects. Given that, they assert that the activity is ongoing. To “benchmark”, FPL engages in the following ways: FPL is a member of the APOG Organization Construction Committee formed by US utilities pursuing development of the AP1000. Committee members include engineering and construction personnel from Southern Services, Duke, SCANA, & FPL. The main objective of the Committee is to benchmark construction of all AP1000 units in order to provide a quality final product for all end-users. The Committee was established to provide input and experience from five utilities with a technology in common, five independent Construction Experience (CE) / Operating Experience (OE) programs, two supplier “CE” programs – Westinghouse & CBI Construction (formerly Shaw), and the INPO Program. The Committee meets monthly by teleconference and has face-to-face quarterly meetings, maintaining continuity and providing walkdowns of sites under construction or in planning for construction. The AP1000 projects under construction, or planned for construction, that provide representation for the group are: <ol style="list-style-type: none"> 1. Vogtle Units 3 & 4 (Southern Services) 2. VC Summer Units 2 & 3 (SCANA) 3. Levy County Project Units 1 & 2 (Duke Energy) 4. William States Lee III, Units 1 and 2 (Duke Energy) 5. Turkey Point Units 6 & 7 (Florida Power & Light) <p>Additionally, CB&I Construction provides updates and lessons learned from the construction of the Sanmen and Haiyang projects in China. Other specific benchmarking activities included:</p> <ol style="list-style-type: none"> 1. Benchmark – Licensing -VC Summer 2 & 3 – 02.05-06.14 2. Self- Assessment – Duke – Security & Emergency Planning Impact Reviews – 06.05-08.14 3. Benchmarking Trip – SCANA – VC Summer 2&3 – 05.12-14.14 4. Benchmarking Trip – Southern – Vogtle 3&4 – 07.30-31.14 5. COL Readiness Assessment – Duke – Levy County 1 & 2 – 07.14-17.14 6. External OSHA Safety Assessment – SCANA – VC Summer 2&3 –07.21-24.14 7. VC Summer Unit 2 & 3 - AP 1000 Enhanced Shield Building Mock-up Phase 1 – 11.18-19.14 8. VC Summer Units 2 & 3 – AP 1000 Enhanced Shield Building Mock-up Phase 2 – 12.18.14 9. CBI – Project Schedule Review and Assessment – 11.2014 b. FPL states that it will continue to monitor the following projects: <ol style="list-style-type: none"> 1. Sanmen and Haiyang (China National Nuclear Corporation)
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2. Vogtle Units 3 & 4 (Southern Services)
3. VC Summer Units 2 & 3 (SCANA)
4. Levy Project Units 1 & 2 (Duke Energy)
5. William States Lee III, Units 1 and 2 (Duke Energy)

To maintain project and issue awareness, FPL provides a total of five people on six committees:

1. APOG Executive - 2
2. APOG Construction - 1
3. APOG Electrical - 1
4. APOG Licensing - 1
5. APOG I&C - 1
6. APOG Engineering - 1

c. More specifics contained in reports and trip notes; see DR.24 files on Disk 2:

1. Benchmarking Trip Notes - SCANA - VC Summer 2&3 - 05.12-14.14
2. Trip Notes - Vogtle 3&4 - 07.30-31.14
3. Formal Assessment Report - External OSHA Safety Assessment - 07.21-24.14 - SA14-NND-CON-06
4. VC Summer Unit 2 & 3 - AP 1000 Enhanced Shield Building Mock-up Phase 1 Final Readiness Review
5. CBI - Turkey Point Units 6 & 7 - Project Schedule Review and Assessment - 11.20.14

Excerpted from CBI *PTN 6-7 Project Schedule Review and Assessment (11.20.14)*:

Scenario #	Design Start	Construction Start	First Nuclear Concrete Unit 6 (FNC-6)	COD Unit 6	COD Unit 7

1
2
3
4

Conclusions:

Data Requests Generated (use format "No. ____, Description:"):

Follow-up Required: Re the *PTN 6-7 Project Schedule Review and Assessment* presented by CBI in 11.2014, none of the COD dates listed for design / construction scenarios 1 through 4 coincide with dates provided by FPL in response to DR-1.3 (i.e. 06.2027 and 06.2028). Please explain which scenario FPL has decided to follow and why the COD dates do not align.

Scenario 3. Earliest Practicable requires schedule compression and engineering / construction planning to begin in 01.2015. Has FPL begun Engineering and Construction planning? If not, when does FPL expect / intend to begin? Does FPL intend that expenditures associated with such activities will be borne outside of the NCRC process?

<p>Document #: PTN DR-1.25 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Regarding benchmarking of <u>foreign</u> new nuclear construction programs:</p> <ol style="list-style-type: none"> Identify the project(s) FPL benchmarked in 2014. Identify the project(s) FPL plans to benchmark in 2015. Provide any FPL reports, studies, briefing slides or lessons learned reports. <p>Summary of Contents: See response to DR-1.24</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"): </p> <p>Follow-up Required:</p>
<p>Document #: PTN DR-1.26 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: For risk management meetings or reviews, please</p> <ol style="list-style-type: none"> Dates of all meetings, May 2014 to date. Provide meeting slides, recaps, reports, and/or minutes. Until May 2015, provide the slides, recaps, reports, and/or minutes for such meetings as a supplemental response to this request. <p>Summary of Contents: FPL responds that tracking and characterization of project risk is a central principle behind all company project reports (e.g. monthly accounting variance or vendor status) or the quarterly risk assessments.</p> <p>Formal risk management is centered in two specific reporting documents. On a monthly basis, it is the project specific dashboard tracking key project aspects representing what the company believes are major risk areas. Quarterly, a broader review is conducted to determine significant risk areas and associated trends. This results in the Quarterly Risk Assessment.</p> <p>Additionally, on a monthly basis, the project reports status to an executive team through meetings and presentations.</p> <p>When specific situations or decisions warrant, the project has the option of presenting this information to, and obtaining the advice of the FPL Risk Committee. No presentations were made to the Risk Committee in 2014.</p> <p>Monthly dashboards are included in the response to DR 1.30 (on Disk 1).</p> <p>Quarterly Risk Assessments provided; printed and in "Document Request section of notebook. Dispose prior to preparation of work papers. Also see DR-1.26, Disk 1.</p> <p>In a supplemental response (03.18.15) not claimed confidential by NOI, FPL reported that no risk management meetings had taken place in 2015 through end-February.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"): </p> <p>Follow-up Required: In both Q1-Q2 and Q3 2014 Quarterly Risk Assessments NRC-2 (FPL COL Application Review is not completed within current published schedule) shows a HIGH probability for this to occur. What is the rationale for this FPL assessment? Does FPL <i>expect</i> further delay to the current target of 03.2017?</p>
<p>Document #: PTN DR-1.27 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please list (by number, title, date) project policies, procedures, and controls:</p> <ol style="list-style-type: none"> Created in 2014 Revised in 2014 Currently under revision Deleted in 2014.

	<p>e. Scheduled for revision in 2015</p> <p>Summary of Contents: Project Instructions listed below were created / deleted in 2014. None were revised in 2014.</p> <p>Project Instruction <i>NNP-PI-303, Preparation of Interim Staff Guidance – 011 Screens/Evaluations</i> is currently being revised.</p> <p>Project Instructions <i>NNP-PI-0, Request for Information (RFI) and RFI Response</i> and <i>NNP-PI-12, Hosting Visiting Dignitaries at the FPL Juno Campus and Preconstruction Tours of the PTN 6 & 7 Site</i> are scheduled for periodic review and revision (if required) in 2015.</p> <table border="1"> <thead> <tr> <th>NUMBER</th> <th>TITLE</th> <th>CREATED</th> <th>DELETED</th> </tr> </thead> <tbody> <tr> <td>NNP-PI-1-00</td> <td>Project Schedule Configuration and Control</td> <td></td> <td>02.11.14</td> </tr> <tr> <td>NNP-PI-1-1</td> <td>Change Control for COL Application Information</td> <td></td> <td>11.13.14</td> </tr> <tr> <td>NNP-PI-3-01</td> <td>Review of WEC Design Change Proposals (DCPs)</td> <td>11.07.14</td> <td></td> </tr> <tr> <td>NNP-PI-3-02</td> <td>Pre-COL Departure Process</td> <td>11.07.14</td> <td></td> </tr> <tr> <td>NNP-PI-3-03</td> <td>Preparation of Interim Staff Guidance – 011 Screens / Evaluations</td> <td>11.07.14</td> <td></td> </tr> </tbody> </table> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required:</p>	NUMBER	TITLE	CREATED	DELETED	NNP-PI-1-00	Project Schedule Configuration and Control		02.11.14	NNP-PI-1-1	Change Control for COL Application Information		11.13.14	NNP-PI-3-01	Review of WEC Design Change Proposals (DCPs)	11.07.14		NNP-PI-3-02	Pre-COL Departure Process	11.07.14		NNP-PI-3-03	Preparation of Interim Staff Guidance – 011 Screens / Evaluations	11.07.14	
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NNP-PI-3-03	Preparation of Interim Staff Guidance – 011 Screens / Evaluations	11.07.14																							
<p>Document #: PTN DR-1.28 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Please provide a current organization chart showing PTN 6&7 project personnel (by name), with all direct and indirect reporting linkages depicted.</p> <p>Summary of Contents: FPL provided two organization charts – New Nuclear Projects and Development Project (Licensing Phase). See Disk 1, DR-1.28. Dispose prior to preparation of work papers.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required: What effect will the (5-year) project delay have on organization manning? Will the organizations remain intact throughout the anticipated project delay, as configured on the manning charts of 12.2014? If not, what changes does FPL expect to organization structure and manning, and when is/are change(s) expected to take place?</p>																								
<p>Document #: PTN DR-1.29 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: For project organizational structure and/or staffing, please describe:</p> <ol style="list-style-type: none"> Changes made in 2014 Changes anticipated from January 2015 through May 2015 <p>Summary of Contents:</p> <ol style="list-style-type: none"> FPL states the management structure was modified in 2014 to include Steve Reuwer as Director of Construction. As such, he leads the activities necessary to revise project schedule for feasibility analysis and determine project critical path items. No other changes were made in 2014, other than replacement in kind for personnel assignments. A contract mechanical engineer retired (01.2015) and will not be replaced (until FPL commences preliminary studies). <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required: Regarding response to item “a”, what replacement in kind personnel changes were made in 2014?</p>																								
<p>Document #: PTN DR-1.30 Date Requested:</p>	<p>Question or Request: Please provide project management reports/status updates from May 2014 to date, to include reports issued by and for senior and executive management. Topics would include, but not be limited to briefings, minutes, findings, handouts, PowerPoint</p>																								

<p>Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>slides, and reports. Going forward, through May 2015, please provide monthly updates.</p> <p>Summary of Contents: See Disk 1, DR-1.30. Some hard copies printed and are under the "Miscellaneous" tab of the notebook; dispose prior to preparation of work papers.</p> <p>FPL provided the following reports:</p> <ul style="list-style-type: none"> • Weekly Status Reports (05.2014 thru 12.2014) • Weekly NNP Staff Meeting Reports (05.2014 thru 12.2014) • Project Corporate Due Diligence Reports (2Q, 3Q, 4Q2014) • Project Dashboards (monthly; 04.2014 thru 12.2014) • Pre-Construction Graphics (monthly; 04.2014 thru 12.2014) • Monthly Cost Reports (monthly; 04.2014 thru 12.2014) • Bechtel Contract Progress Reports (monthly; 04.2014 thru 12.2014) <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: (NNP Due Diligence Rpt, Topic 2, 4Q2014) NPS indicated the Final EIS would not be published until 06.2015 or later – update status and publication target date?</p> <p>(NNP Due Diligence Rpt, Topic 3, 4Q2014) FPL staff estimates PTN Final EIS by 02.2016 – update status and publication target date.</p> <p>(NNP Due Diligence Rpt, Topic 3, 4Q2014) FPL staff estimates the Final Safety Evaluation Report (FSER) by 10.2016 -- update status and publication target date</p> <p>(NNP Due Diligence Rpt, Topic 3, 4Q2014) FPL staff estimates the COL issuance by 03.2017 -- update status and publication target date</p> <p>PTN 6&7 Variance Reports – Please define the term "adders" as used in Variance Explanation(s).</p> <p>PTN Variance Report 12.2014 (Year-to-Date, pg. 4 of 7) -- Explain the [REDACTED] to Bechtel for "PTN 6&7 COLA Activities" 1 Provide a general explanation and breakdown of those costs, the FPL decision to expend the funds, approval process, and any justification documentation associated with the additional expenditure.</p> <p>PTN Variance Report 12.2014 (Year-to-Date, pg. 4 of 7) -- Explain the additional costs, approval process, and rationale behind the [REDACTED] expenditures for Geotech RAI response generation. Provide a general explanation and breakdown of those costs, the FPL decision to expend the funds, approval process, and any justification documentation associated with the additional expenditure. 2</p> <p>PTN Variance Report 12.2014 (Year-to-Date, pg. 4 of 7) -- Explain the additional \$2.6M in Preconstruction Fees due to "NRC activity higher than anticipated". Provide a general breakdown of those costs, the FPL decision to expend the funds, approvals process, and provide any justification documentation associated with the additional expenditure.</p> <p>PTN Variance Report 12.2014 (Year-to-Date, pg. 5 of 7) -- explain the additional \$2.6M in Preconstruction Fees due to "NRC activity higher than anticipated". Provide a general breakdown of those costs, the FPL decision to expend the funds, approvals process, and provide any justification documentation associated with the additional expenditure.</p>
<p>Document #: PTN DR-1.31</p>	<p>Question or Request: Please provide the Key Performance Indicators used by FPL management to monitor project and sub-project status.</p>

Division of Regulatory Compliance
Bureau of Performance Analysis

I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\3.2.1 DocSumLog PTN DR-1.doc

Date Requested: Date Received: Comments: (i.e., Confidential)	Please provide the 2014 monthly results for each indicator. Going forward, through May 2015, please provide monthly updates.
	Summary of Contents: See FPL responses to data request DR-1.30
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: PTN DR-1.32 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Regarding future power purchases or joint ownership, please: <ul style="list-style-type: none"> a. Describe FPL efforts during 2014 seeking future power purchasers or joint owners b. Provide a list of dates for meetings held in 2014. c. Provide a list of attendee companies or municipalities for each meeting d. Provide slides, notes, handouts, minutes, or reports for each meeting e. Provide a list of meetings scheduled for 2015
	Summary of Contents: <ul style="list-style-type: none"> a. FPL states that the company maintained a dialogue with stakeholders who have expressed an interest. There are no agreements in place; FPL considers agreements premature given the status of licensing. b. FPL met with interested stakeholders on June 6, 2014. c. FL Municipal Energy Assoc (FMEA), FL Municipal Power Agency (FMPA), Orlando Utilities Comm (OUC), & Seminole Electric Cooperative, Inc. d. Power Point slide presentation. See notebook, under "Miscellaneous" tab. e. None. No meetings are scheduled.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required: Regarding item "a", which stakeholders have expressed an interest?
Document #: PTN DR-1.33 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe any changes made during 2014 or anticipated through May 2015 to contractor selection and management policies or procedures.
	Summary of Contents: No revision or changes were made to contractor selection and management policies / procedures in 2014. None are anticipated 05.2015 relating or effecting the project.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: PTN DR-1.34	Question or Request: Describe any revisions to project FPL project contractor oversight or management policies and procedures during

<p>Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>2014 or anticipated through May 2015.</p> <p>Summary of Contents:</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required:</p>
<p>Document #: PTN DR-1.35 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: For the long lead forging agreement:</p> <ol style="list-style-type: none"> Is the status, terms, and 2016 expiration date unchanged? If not, provide an update. Are there negotiations ongoing or planned to alter status, terms, or expiration date? If so, provide a description, target date for completion, and new expiration (mo/yr). What is the latest forging must begin (mo/yr) to meet current project in-service dates? <p>Summary of Contents:</p> <ol style="list-style-type: none"> No changes. No negotiations taking place / none planned. N/A The latest the forgings must begin would be dependent on arrangements that Westinghouse may have, as part of their global supply needs, to meet the current project in-service dates for the FPL project. This will be determined as part of negotiations with Westinghouse. <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: Regarding response to item "d" – in years past, FPL states a NLT date that forging must commence in order that they meet their project planning milestones and completion date. Determine that date based on the revised project timeline of DR-1.19.</p>
<p>Document #: PTN DR-1.36 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Please provide a list of all <u>existing</u> (open) contracts valued at \$250,000 or more, with contractor name, description of service, estimated value upon completion, and type (competitive bid, single/sole source, or predetermined source). Provide copies of justifications.</p> <p>Summary of Contents: FPL provided a list of existing contracts valued at \$250K or more – hard copy filed under the "Miscellaneous" tab in the notebook. Discard before assembling work papers . One new contract – HDR Engineering, Inc., for developing submittals for USACE Section 408 Authorization , value [REDACTED] All other vendors / contracts remain unchanged from the 2014 report, though the values of contracts for the following vendors went [REDACTED]</p> <ul style="list-style-type: none"> • Eco-Metrics Inc.; Environmental Consulting Services [REDACTED] • Environmental Consulting & Technology, Inc.; Post-SCA Submittal Support [REDACTED] • EPRI – Advanced Nuclear Technology; Near term deployment of Advanced Light Water Reactors [REDACTED] • Golder & Associates, Inc.; Post-SCA Submittal Support [REDACTED] • Paul C. Rizzo Associates, Inc.; Field Investigation and FSAR 2.5 Revision [REDACTED] <p>Justification and approval documentation was also provided. See Disk 1, DR-1.36 for specifics.</p> <p>Conclusions:</p>

1/21/15

	<p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: Explain the reasons for [REDACTED] than-expected contract estimated values for:</p> <ul style="list-style-type: none"> • Eco-Metrics Inc.; Environmental Consulting Services [REDACTED] • Environmental Consulting & Technology, Inc.; Post-SCA Submittal Support [REDACTED] • EPRI – Advanced Nuclear Technology; Near term deployment of Advanced Light Water Reactors [REDACTED] • Golder & Associates, Inc.; Post-SCA Submittal Support [REDACTED] • Paul C. Rizzo Associates, Inc.; Field Investigation and FSAR 2.5 Revision [REDACTED]
<p>Document #: PTN DR-1.37 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: For <u>new</u> contracts valued at \$100,000 or more provide contractor name, contract number and date, service description, contract length, value, methodology (e.g. T&M, fixed price, fixed w/incentives), dollars spent to date, and type (competitive bid, single/sole source, or predetermined source), and single or sole source justifications:</p> <p style="margin-left: 40px;">a. May 2014 to date b. Anticipated January through May 2015</p> <p>Summary of Contents:</p> <p>a. There are two new contracts valued at \$100K or more, from 05/2014 to date:</p> <ul style="list-style-type: none"> • CB&I Stone & Webster; No. 2000147028; Project Schedule Review & Assessment; begun 08.13.14; ended 11.26.14; estimated value [REDACTED] actual to date [REDACTED] pricing method: T&M; Sole Source Justification (SSJ) • HDR Engineering; No. 2000140558; Develop Submittals for USACE Section 408 Authorization; begun 06.06.14; ended 12.15.14; estimated value [REDACTED] spend to date [REDACTED] pricing method: Fixed Price; Competitive Bid <p>b. FPI does not anticipate any new contracts valued at \$100K or more, from 01.2015 through 05.2015.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required: Confirm that both contracts are ended and funding/payout is complete.</p>
<p>Document #: PTN DR-1.38 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: For contract change orders valued at \$50,000 or more provide contractor name, contract number, date, description of change(s) to terms or value, and copies of single or sole source justifications:</p> <p style="margin-left: 40px;">a. May 2014 to date b. Anticipated January through May 2015</p> <p>Summary of Contents:</p> <p>a. None. No change orders greater than \$50,000 issued from 05.2014 to date.</p> <p>b. None. No change orders greater than \$50,000 anticipated from 01.2015 thru 05.2015</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required:</p>
<p>Document #: PTN DR-1.39 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Please list contract warranty claims from May 2014 to date. Identify the contractor, contract number, disputed amount, date initiated, and date (or anticipated date) of resolution. Please describe the terms of any resolutions. Going forward through May 2015, report any new warranty claims using the same criteria, as a supplement to this numbered document request.</p> <p>Summary of Contents: One warranty claim 05.2014 to date:</p>

1
2
3
4
5
6

7

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<p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<ul style="list-style-type: none"> • [redacted] contract [redacted] rework estimated at \$40K; date 08.20.14 ¹ <p>In a supplemental response (03.18.15), not claimed confidential by NOI, FPL reported there were no new warranty claims in 2015 (through end-February).</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required:</p> <ul style="list-style-type: none"> • Concentric testimony indicates the claim was satisfied in 10.14 – obtain specifics of the settlement. • Provide current status of claim. • Did the vendor complete the rework? • Is this disputed amount reflected in the [redacted] by [redacted] Estimated Value at Completion for contract [redacted] as shown in ² the chart FPL provided in response to DR-1.36?
<p>Document #: PTN DR-1.40 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: For PTN6&7-related FPL QA manufacturer visits, please list:</p> <ol style="list-style-type: none"> Visits made May – December 2014 Visits planned January - May 2015 <p>Summary of Contents:</p> <ol style="list-style-type: none"> No QA on-site manufacturer visits occurred from 05.2014 thru 12.2014 No QA on-site manufacturer visits are planned from 01.2015 thru 05.2015 <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required:</p>
<p>Document #: PTN DR-1.41 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Please list internal and external audits, please:</p> <ol style="list-style-type: none"> List those completed May - December 2014; provide audit reports. List those scheduled for completion January - May 2015; provide audit reports. <p>Summary of Contents:</p> <ol style="list-style-type: none"> There were no audits completed during this time frame. The New Nuclear Review: 2014 Expenditures audit, to be performed by Experis under FPL Internal Auditing's direction and supervision, is expected to be completed during this time frame. <p>In a supplemental response (03.18.15) FPL states that the audit report should be completed soon and will be available to FPSC staff for review.</p> <p>Email correspondence from FPL (04.01.15) stated the audit report is available in the FPL Tallahassee office. Staff reviewed the audit report on 04.02.15.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"):</p> <p>Follow-up Required</p> <ul style="list-style-type: none"> • When complete, notify FPSC audit staff provide the opportunity to review audit report. • How many years has Experis audited the New Nuclear expenditures? • Does FPL have a plan to switch auditors, to get a 'fresh set of eyes' on the New Nuclear expenditures?

Document #: PTN DR-1.42 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe any changes in project management policies, practices, procedures, reporting or controls implemented as a result of QA reviews or internal/external audit findings.
	Summary of Contents: None. No changes to project management policies, practices, procedures, reporting or controls have been implemented as a result of QA reviews or internal/external audit findings.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required: Are any anticipated based on QA reviews or internal / external audit findings?
Document #: PTN DR-1.43 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please describe any changes made to the Employee Concerns Program (ECP): a. May 2014 to date b. Planned January - May 2015
	Summary of Contents: a. None There were no changes made to the PTN Employee Concerns Program from 05.2014 to date. b. No changes are anticipated or planned 01.2015 thru 05.2015
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: PTN DR-1.44 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Please list all PTN6&7 project ECP allegations or complaints received since May 2014, to include the date and method by which it was received (walk-in, telephonic, under the door, or Red Letter), a summary of the allegation(s) and investigator(s) assigned, investigation result(s), and the disposition. Going forward, through May 2015, provide any new EPU allegations or complaints received as a supplement to this numbered document request.
	Summary of Contents: None. No PTN6&7 ECP allegations or complaints have been received since 05.2014. In a supplemental response (03.18.15), FPL reported there were no ECP complaints filed in either January or February 2015.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required: Have any complaints been received in the program since responding to this DR?

3.3.2 DR 2
Document Summary &
Control Log

Office of Auditing and Performance Analysis Document Summary and Control Log

Company: <u>FPL</u> Area: <u>Nuclear Controls Review</u> Auditor(s): <u>Rich / Hallenstein</u>	Workload Control #: <u>PA-15-01-002</u> File Name: <u>i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\ 3.3.2 DocSumLog DR-2.doc</u>
Document #: <u>PTN DR-2.1</u> Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Question or Request: Regarding the FPL response to DR-1.3, an increase to the upper end of the total project cost estimate of approximately \$3.4B (to \$21.8B) was indicated. Has FPL also increased the lower end of the project cost estimate? Please provide the current lower end cost estimate.</p> <p>Summary of Contents: FPL stated that the company has not conducted a review of the lower end of the project cost estimate. This will be done as a part of the 2015 feasibility analysis.</p> <p>Conclusions:</p> <p>Data Requests Generated:</p> <p>Follow-up Required: During interviews with FPL leadership, determine a "best guess" figure.</p>
Document #: <u>PTN DR-2.2</u> Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Question or Request: Regarding the FPL response to DR-1.8, please explain how the appeal of the Final Order for State Site Certification does not have a potential to challenge project critical path.</p> <p>Summary of Contents: FPL replied that the appeal of the Final Order of the Site Certification has the potential to challenge the project critical path if:</p> <ul style="list-style-type: none"> a. The appeal is not heard in a timely manner, extending beyond 1Q2017, b. The appeal is decided in appellants' favor, and modifications cannot be accomplished by 1Q2017 , c. The appeal is dismissed, and this action is appealed to the Florida Supreme Court and that action is not heard in a timely manner, extending beyond 1Q2017. <p>It is FPL's assessment, based on experience in the siting of multiple projects in the State of Florida, that the likelihood of any of these potential outcomes is <u>LOW</u>. Therefore, the company believes (at this point) there will be no impact to the project's critical path.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:")</p> <p>Follow-up Required:</p>
Document #: <u>PTN DR-2.3</u> Date Requested: Date Received: Comments: (i.e., Confidential)	<p>Question or Request: Regarding the canal cooling system remediation effort and the FPL response to DR-1.13:</p> <ul style="list-style-type: none"> a. When (month/year) does FPL expect to complete the project? b. At what cost? <p>Does FPL anticipate that any of the remediation costs fall within the NCRC?</p> <p>Summary of Contents: FPL states the remediation began in early 2014 and continues to date. The company anticipates the efforts will require several years to "complete". Completion in this context refers to meeting the objectives of the FDEP Administrative Order (AO) issued on 12.23.14. It is noted that the AO has been challenged via an Administrative Hearing process. Final effect of that AO will be dependent on the timing and outcome of that Administrative Hearing process. As such, there is no consolidated cost estimate available for this effort. <u>However, costs of the remediation and restoration effort will not be included in the NCRC.</u></p>

	Conclusions:
	Data Requests Generated (use format “No. ____, Description:”):
	Follow-up Required:
Document #: PTN DR-2.4 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Regarding EPC or EP&C contract negotiation and the FPL response to DR-1.20(d), when does FPL anticipate negotiations will have to commence in order to have a signed construction contract by the target date of 01.2019?
	Summary of Contents: <i>Negotiations would need to commence NLT 18 months prior (i.e. 07.17) to meet the the 01.19 target date</i>
	Conclusions:
	Data Requests Generated (use format “No. ____, Description:”):
	Follow-up Required:
Document #: PTN DR-2.5 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: Regarding the CBI project study entitled <i>Turkey Point Units 6 & 7 Project Schedule Review and Assessment</i> , dated November 20, 2014: <ul style="list-style-type: none"> a. Please explain whether FPL adopted any, none, or a hybrid of the project milestone scenarios depicted on page 9 of 10 from the study. b. Please provide the month and year FPL anticipates commencing: <ul style="list-style-type: none"> 1. Design 2. Construction 3. First Nuclear Concrete (FNC-Unit 6) 4. Unit 6 commercial operations (COD) 5. Unit 7 commercial operations (COD)
	Summary of Contents: <ul style="list-style-type: none"> a. FPL adopted Scenario 4 and adjusted the COD dates by one month each to 06.2027 for Unit 6 and 06.2028 for Unit 7. b. <ul style="list-style-type: none"> 1. Design – 01 Jan 2018 2. Construction – 09 Jan 2019 3. First Nuclear Concrete (FNC-Unit 6) – 30 Dec 2022 4. Unit 6 commercial operations (COD) – 30 Jun 2027 5. Unit 7 commercial operations (COD) – 30 Jun 2028
	Conclusions:
	Data Requests Generated (use format “No. ____, Description:”):
	Follow-up Required:
Document #: PTN DR-2.6 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: In the IQ2014 through 3Q2014 Quarterly Risk Assessments the item “FPL COL Application Review is not completed within current published schedule” shows a HIGH probability of occurrence: <ul style="list-style-type: none"> a. What is company’s basis and rationale for this assessment? b. Does FPL <i>expect</i> additional delay to the current target date of 03.2017?
	Summary of Contents: <ul style="list-style-type: none"> a. FPL states that, in 2014, the company understood that NRC was reviewing the COLA Review Schedule, and would likely issue revised (i.e., later) dates. Therefore, it was highly probable that the NRC would not complete its review consistent with the then-

	<p>currently published schedule (referring to completion by September 2014). It was a then-current timeframe or snapshot probability estimation, not a longterm look or estimation.</p> <p>b. FPL does not expect additional delay, assuming the NRC is able to maintain its current resource projections.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required:</p>
<p>Document #: PTN DR-2.7 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Regarding the FPL response to DR-1.28, what effect does FPL anticipate to organization and manning as a result of the 5-year project delay?</p> <p>Summary of Contents: FPL replied that the 5-yr delay will postpone and change the sequence of the planned increased staffing necessary as the project transitions from licensing activity to pre-construction and construction activity.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format “No. ____, Description:”):</p> <p>Follow-up Required: How? Please explain in more detail. Provide estimates of timing / staffing in the 1-, 3-, 5-year windows.</p>
<p>Document #: DR-2.8 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Regarding the FPL response to DR-1.30, (PTN Variance Report 12.2014, year-to-date, pg. 4 of 7), please explain:</p> <ol style="list-style-type: none"> a. The [REDACTED] paid to Bechtel for “PTN 6&7 COLA Activities” and why the additional work was not covered under the original terms of agreement. Provide a breakdown of the expenditure, the rationale to expend additional funds, the approval process involved, and any justification documentation. 1 b. The [REDACTED] paid to Geotech for “RAI response generation” and why the additional work was not covered under the original terms of agreement. Provide a breakdown of the expenditure, the rationale to expend additional funds, the approval process involved, and any justification documentation. 2 c. The additional \$2.6M in Preconstruction Fees due to “NRC activity higher than anticipated” and to which vendor(s) received additional payment. Also, please explain why this additional work was not covered under the original agreement(s). Provide a breakdown of the \$2.6M, the rationale to expend additional funds, approval process involved, and any justification documentation. <p>Summary of Contents: FPL states that;</p> <ol style="list-style-type: none"> a. Work was covered by terms of the original contract. The budget was created in 2013, not anticipating the amount of work required to satisfy NRC prerequisites for issuance of the COLA review schedule (issued 08/2014). While Bechtel was specified in staff’s question, FPL responded with additional detail – other vendors fell under WBS UENC.00000045.01—and provided the cost breakdown for the [REDACTED] variance as follows: <ul style="list-style-type: none"> Bechtel - [REDACTED] Approval process for work out of scope is performed by a project scope change document (PSCD) process, outlined in the contract, being generated and approved, as well as being agreed upon, by both FPL management and the vendor. The effort required for satisfying NRC RAI responses was already within scope but was higher than anticipated. Ref. Bechtel Trend 268 & Acknowledgement letter. 3 Westinghouse - [REDACTED] (not budgeted for 2014). At the time that the 2014 budget was formulated, it was anticipated that the services of Westinghouse would no longer be required. The approval process is performed by the same PSCD process used with Bechtel, with it being generated and approved, as well as being agreed upon, by both FPL management and the vendor. 4

Division of Regulatory Compliance
Bureau of Performance Analysis

I:\PERFORMANCE ANALYSIS SECTION\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\PL3.0 Work Papers\3.3 Document Summaries\3.2.2 DocSumLog PTN DR-2.doc

ECT - [redacted] (not budgeted for 2014). Funds were not budgeted for ECT; the SCA process was originally scheduled to be completed before the beginning of 2014. Services of this vendor, required support leading up to the Governors Board Hearing, assessing emerging issues / conditions and to provide Siting Board Hearing support. The process used to procure additional funding and support for unanticipated scope follows a process similar to the PSCD process used for Bechtel.

KLD - [redacted] (not budgeted for 2014). In response to NRC RAI No 79 in late 2013 requesting additional information related to time estimates for emergency evacuation evaluations, KLD was contracted for this work directly by FPL to expedite this request, since KLD had performed work for FPL Turkey Points Units 3 & 4 in the area of emergency evacuation evaluations. This direct contract offset funds that would have gone to Bechtel for the same work.

Golder Assoc - [redacted] than budgeted.

b. The budget was created in 2013 and did not anticipate the amount of work required to satisfy the NRC prerequisites for issuance of the COLA review schedule (issued 08/2014). Geotech is not a company, rather it is an area of specialty engineering which included FPL in house engineering and contract labor as well as multiple vendors. The bulk of this variance is comprised of third party experts and the generation of requests for additional information (RAIs) responses from Rizzo. Lower in house labor costs and higher external labor costs fall under WBS UENC.00000045.03 The cost breakdown for the [redacted] variance is as follows:

FPL In house labor - (\$345,867) less than budgeted.

Contractor Labor - [redacted] incremental charges are approved through FPL management in the FPL RAI response generation.

Paul Rizzo & Assoc. - [redacted] Approval process is performed by the same PSCD process outlined above, being generated and approved, as well as being agreed upon, by both FPL management and the vendor. The effort required for satisfying NRC RAI responses was already within scope but was higher than anticipated.

Sargent & Lundy - [redacted] S&L performed work using a pre-negotiated contract with FPL. This work offset funds that would have gone to Bechtel for the same work.

Tetra Tech Geo - [redacted] incremental charges are approved through FPL management in the FPL RAI response generation.

Ford Armenteros - [redacted] incremental charges are approved through FPL management prior to work progressing for investigation of real estate easements.

c. The budget was created in 2013 & did not anticipate the amount of work required to satisfy the NRC prerequisites for issuance of the COLA review schedule (issued 08/2014). Part of this work are the costs associated with the NRC reviewing FPL responses provided prior to the issuance of the NRC schedule letter. The NRC began these reviews of seismic responses in order to issue the COLA schedule. The \$2.6M overage is totally comprised of fees paid to the NRC and the NRC Year End accruals.

Conclusions:

Data Requests Generated (use format "No. ____, Description:"):

Follow-up Required:

Document #: DR-2.9
Date Requested:

Question or Request: Regarding the FPL response to DR1.35(d) that the latest forgings must begin is dependent on Westinghouse, what is the latest that FPL believes such forgings must begin to meet the current project timeline for construction and COD dates?

<p>Date Received: Comments: (i.e., Confidential)</p>	<p>Summary of Contents: Based on FPL's observation of other projects, the company states that it believes the latest the order for the large forgings must be placed is now 2020.</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"): </p> <p>Follow-up Required: Has the forging agreement been renegotiated to take into consideration this change in dates? Is it ongoing? Does FPL expect the specifics of the current agreement to carry over to the new one?</p>
<p>Document #: DR-2.10 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center; color: red;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: Regarding the response to DR-1.36, please explain [redacted] than expected contract expenditures for:</p> <ol style="list-style-type: none"> a. Eco-Metrics Inc.; Environmental Consulting Services [redacted] b. Environmental Consulting & Technology, Inc.; Post-SCA Submittal Support [redacted] c. EPRI – Advanced Nuclear Tech; near term deployment of Advanced Light Water Reactors [redacted] d. Golder & Associates, Inc.; Post-SCA Submittal Support [redacted] e. Paul C. Rizzo Associates, Inc.; Field Investigation and FSAR 2.5 Revision [redacted] <p>Summary of Contents:</p> <ol style="list-style-type: none"> a. Based on appeals being filed to the Site Certification Order, the expected Change Orders (CO) to this contract did not occur. b. Based on appeals being filed to the Site Certification Order, the expected CO to this contract did not occur. c. Based on the EPRI billing cycle, the expected CO for \$275K did not occur. d. Based on appeals being filed to the Site Certification Order, the expected CO to this contract did not occur. e. NRC review of submitted RAI responses produced no supplemental RAIs requiring a CO that would have raised contract value. Therefore, there were no CO to this contract. <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"): </p> <p>Follow-up Required:</p>
<p>Document #: DR-2.11 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Regarding the FPL response to DR1.37, please confirm that the contracts and payments are complete.</p> <p>Summary of Contents: Contracts for CBI and HDR were completed in 2014</p> <p>Conclusions:</p> <p>Data Requests Generated (use format "No. ____, Description:"): </p> <p>Follow-up Required:</p>
<p>Document #: DR-2.12 Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p>Question or Request: Regarding the warranty claim (contract [redacted] rework estimated at \$40K, date 08.20.14), please provide a status update and whether the disputed (warranty) amount is reflected all or in part in the [redacted] Estimated Value at Completion for the contract as shown in FPL's response to DR-1.36.</p> <p>Summary of Contents: The claim was settled for \$37.5K – the disputed amount was not billed by the vendor or paid by FPL.</p>

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REQUESTED CONFIDENTIAL BY NOI	As stated in DR 2.10, NRC's review of the submitted RAI responses did not produce supplemental RAIs such that a CO would have been required. Therefore, there was no change to the contract value.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:
Document #: DR-2.13 Date Requested: Date Received: Comments: (i.e., Confidential)	Question or Request: DR-2.13 Regarding the FPL response to DR-1.41 concerning annual audits of New Nuclear expenditures: a. How many consecutive years has Experis performed the audit? b. Does FPL have a plan to switch auditors? If so, when?
	Summary of Contents: a. The audit currently underway of 2014 expenditures is the 7 th consecutive year that Experis has conducted the audits under Internal Audit's direction (first audit was in '09 for 2008 expenditures). b. FPL does not have a plan to switch auditors, believing Experis' knowledge of the business yields the most cost-effective and efficient audit results. FPL states that this is a direct benefit to both FPL's customers as well as the Company.
	Conclusions:
	Data Requests Generated (use format "No. ____, Description:"):
	Follow-up Required:

3.3.3 DR 3
Document Summary &
Control Log

Office of Auditing and Performance Analysis Document Summary and Control Log

<p>Company: FPL Area: Nuclear Controls Review Auditor(s): Rich / Hallenstein</p>	<p>Workload Control #: PA-15-01-002 File Name: i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\3.3.3 DocSumLog DR-3.doc</p>
<p>Document #: PTN DR-3.1 Date Requested: Date Received: Comments: (i.e., Confidential)</p> <p style="text-align: center; color: red;">REQUESTED CONFIDENTIAL BY NOI</p>	<p>Question or Request: During a visit to the FPL office in Tallahassee, staff reviewed the FPL audit report:</p> <ul style="list-style-type: none"> • <i>New Nuclear Review: 2014 Expenditures</i>, dated March 27, 2015 <p>Staff made and retained notes during its review (3 pages). These notes were copied by FPL Tallahassee staff and electronically shared with FPL New Nuclear / Regulatory personnel. Please provide via the NOI, below, an indication of FPL's intent on confidentiality of staff's notes.</p> <p>Summary of Contents: The audit, done by Experis on the behalf of the Internal Auditing Department (FPL, Tony Maceo - Mgr), titled and dated as shown above. Internal FPL Audit Reference #NEE-NUC-EX-00-2015-0001. Staff reviewed the audit report on 04.02.15 in the FPL Tallahassee offices, noting the following:</p> <ul style="list-style-type: none"> • Audit Objective: to determine whether costs charged to the project are actually for New Nuclear and recorded /processed in acord with Rule 25-6.0423. • Period covered by the audit was 01JAN14 to 31DEC14. • Of approximately \$20.2M about [REDACTED] was examined – [REDACTED] percent of the total. 1 • Audit concentrated on: <ul style="list-style-type: none"> • Employee reimburse expenses • Third party invoices • Payroll • Reconciling amounts in FPSC filings to amounts subjected to audit testing • Overall opinion of the auditors/audit – New Nuclear controls are [REDACTED] 2 <p>EMPLOYEE REIMBURSED EXPENSES:</p> <ul style="list-style-type: none"> • Tested for proper approval, “nature of business” info, disclosure of meal/meeting attendees, and support documentation. • [REDACTED] employee expenses selected in terms of high dollar and diversity of employees • [REDACTED] percent) of the total of [REDACTED] was audited 3 4 5 • [REDACTED] <p>INVOICES:</p> <ul style="list-style-type: none"> • Tested vendor invoices to assess reasonableness, project-relation, and support documentation • The audit: <ul style="list-style-type: none"> • Traced rates and prices to source documents • Checked for proper support documentation • Confirmed that expenditures were New Nuclear related • [REDACTED] invoices were examined, chosen terms of high dollar and diversity of vendors 6 7 8 • [REDACTED] percent) of [REDACTED] was tested • [REDACTED]

	<p><u>PAYROLL:</u></p> <ul style="list-style-type: none"> • Evaluation of 2014 time charged based on eligibility established in 2013 (PSC Order No. PSC-13-0023-S-EI). • Tested [redacted] New Nuclear personnel • [redacted] percent) • [redacted] during the audit. [redacted] hours; that [redacted] was [redacted] and [redacted] by FPL [redacted] testing. <p><u>FPSC TRUE-UP:</u></p> <ul style="list-style-type: none"> • Validated /reconciled amounts included in the filing of amounts subject to audit testing. "... [redacted] ..." <p>Conclusions: Controls from previous years, reviewed and vetted by Staff, remain in place and functioning.</p> <p>Data Requests Generated:</p> <p>Follow-up Required: None</p>
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3.3.4 DR 4
Document Summary &
Control Log

Office of Auditing and Performance Analysis

Document Summary and Control Log

Company: FPL
 Area: Nuclear Controls Review
 Auditor(s): Rich / Hallenstein

Workload Control #: PA-15-01-002

File Name: i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\3.3.4 DocSumLog DR-4.doc

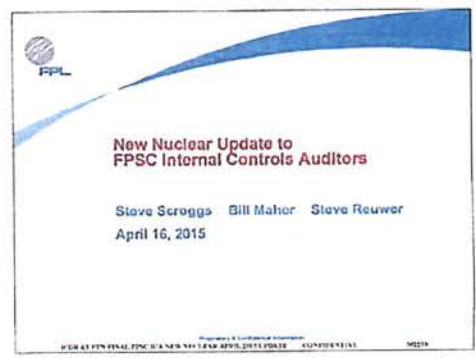
Document #: PTN DR-4.1
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Question or Request: Please provide a copy of the PTN6&7 project update briefing presented in PowerPoint format during the FPSC staff visit April 16, 2015.

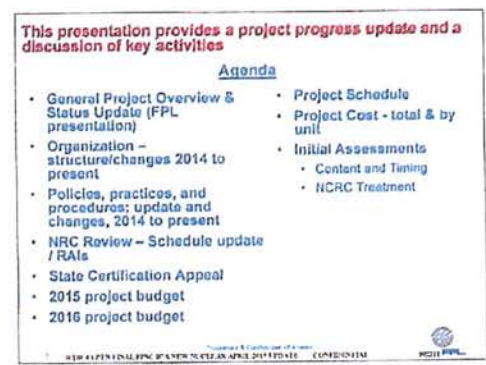
Summary of Contents: The *New Nuclear update to FPSC Internal Controls Auditors* was presented during audit interviews on April 16, 2015. The briefing consisted of 18 pages:

**REQUESTED
CONFIDENTIAL
BY NOI**

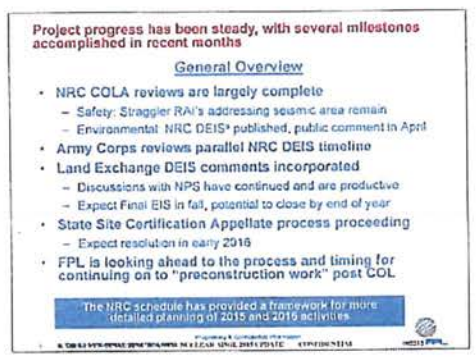
Page 1:



Page 2:



Page 3 & 4:



Page 5 & 6:

Changes within Nuclear Division were made in 2015

Organizational Changes

- VP Projects Design and Execution was created in 2015, reporting to CNO
- New Nuclear Projects now reports to VP Projects
 - VP New Nuclear position to be filled after COL
 - Most substantive impact of change will be additional senior management oversight and support
- Steve Scroggs retains Sr. Director New Nuclear Development reporting directly to CNO
- Changes as a result of the shift
 - No position or responsibility changes within NNP
 - All project procedures remain as before, to preserve project continuity

Proprietary & Confidential Information
NRC 41 PENDING LITIGATION - NEW NUCLEAR APRIL 2014 DATE - CONFIDENTIAL

NRC and Corps have completed staff review and published the Draft EIS for public comment

NRC License Actions

- Environmental Review
 - DEIS Publication date consistent with published schedule
 - Continuous interaction with NRC and Corps management will be important as comments are proffered and reviewed
- Safety Review
 - Analysis of 2014 and 2015 RAI responses underway
 - Straggler RAI's will be diligently pursued, no new issues
 - Schedule pressure due to analysis required for responses
- Preparation for next steps
 - Initial Assessments were identified as a result of the 2014 schedule review
 - Staff and systems necessary to support Licensee responsibilities have been identified and scheduled

COLA Review back on track: beginning to focus on COL maintenance activities

Proprietary & Confidential Information
NRC 41 PENDING LITIGATION - NEW NUCLEAR APRIL 2014 DATE - CONFIDENTIAL

Page 7 & 8:

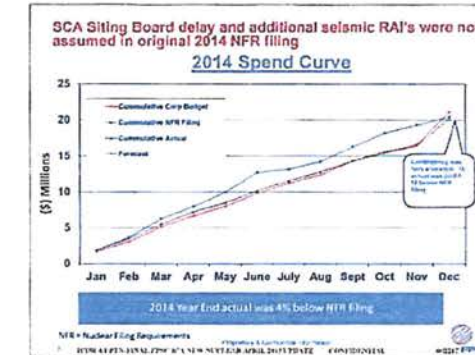
Appeal stems from Municipals and County dispute of Final Order

Site Certification Appeal

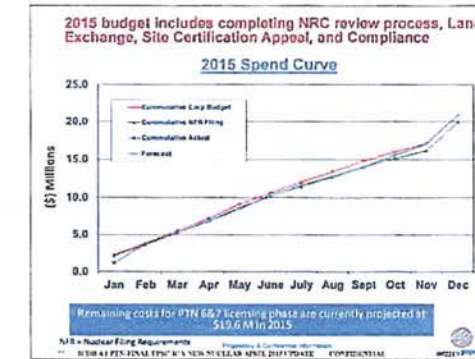
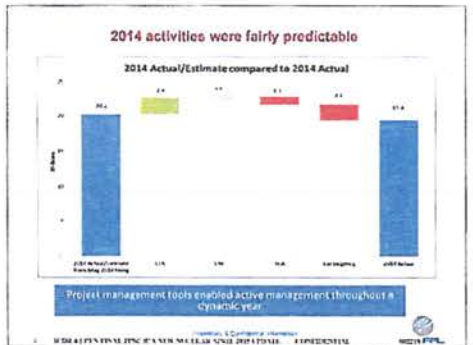
- City of Coral Gables settled with FPL and support the Final Order
- City of Miami, Village of Pinecrest and South Miami claim that:
 - DOAH process had flaws, was biased to the favor of FPL
 - Municipals have zoning authority over transmission (east)
- Miami Dade County claims that:
 - County's environmental overlay is not zoning, and prohibits transmission (west)
- Third Circuit Court of Appeals manages the schedule
 - Parties are exchanging briefs prior to hearing
 - Hearing will likely be in Fall 2015, with decision to follow
 - Supreme Court appeal is possible, but very high standard

Appellants must demonstrate that the process was unfair or that the ALJ came to an improper conclusion

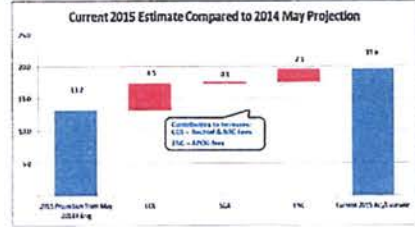
Proprietary & Confidential Information
NRC 41 PENDING LITIGATION - NEW NUCLEAR APRIL 2014 DATE - CONFIDENTIAL



Page 9 & 10:



Following NRC schedule revision, 2015 activities are more predictable in scope than those undertaken during 2014



Revised project schedule incorporates NRC review and impacts of NCRC amendment

Project Schedule

- COL
 - NRC issued letter in Aug 2014 revising target for the Safety Review; Environmental schedule was issued in Apr 2014
 - Estimated date Mar 2017: Two and a half years later than planned
- NCRC
 - Amended statute limits FPL from conducting certain key activities in parallel with the licensing process, in advance of receiving the COL
 - Pre-construction activities such as site engineering, procurement, and design work require significant resources and time to accomplish
 - Delay in starting the initiation of Pre-construction activities adds approximately two and a half years of additional time to the project

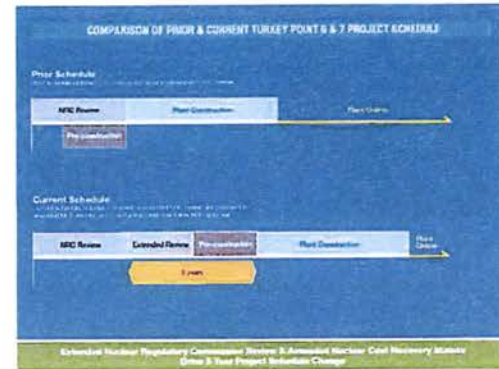
FPL project schedule provides for earliest practicable delivery, and assumes a 2016 vetting of the next step

Revised project schedule incorporates NRC review and impacts of NCRC amendment

Project Schedule (Continued)

- Combined Impact
 - The nature of the amendments to the NCRC Statute make these impacts additive, in that the Pre-construction activities cannot begin any earlier than when the COL is received
 - The additive effect is five years
- Initial Assessments
 - Schedule development effort identified studies required to further refine the revised schedule and substantiate assumptions, supporting the feasibility analysis

FPL project schedule provides for earliest practicable delivery, and assumes a 2016 vetting of the next step



FPL cost estimate range remains based on 2007 study, consistent with 2010 check, escalated for current year

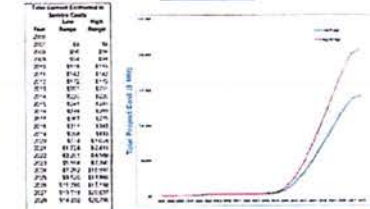
Project Costs

- SCA Final Order supports project and features that are consistent with FPL's original configuration
- Project overnight cost range is unchanged, but escalated to current year
- Project total cost range was revised based on 2027/2028 COOs
 - Range is revised to \$14.2 B to \$20.8 B
- The increased costs are wholly related to increased time to reach COD (escalation and interest during construction)
- For analytical purposes cost split is assumed 60% Unit 6, 40% Unit 7
 - Actual results may vary

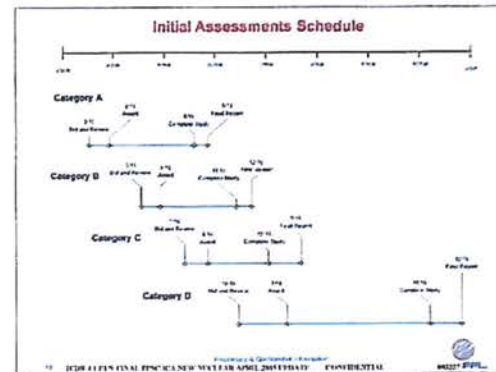
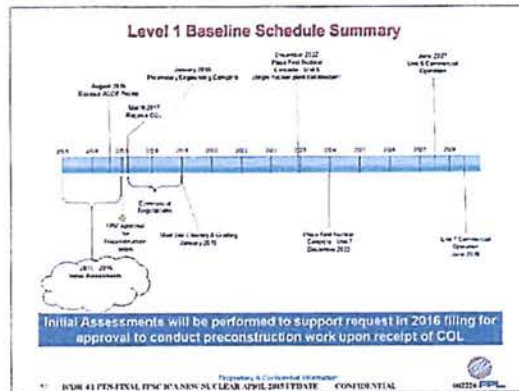
FPL cost estimate range has remained consistent and conservative throughout the project history

FPL cost estimate range remains based on 2007 study, consistent with 2010 check, escalated for current year

Project Costs



FPL cost estimate range has remained consistent and conservative throughout the project history



NOTES:

Slide 3: DEIS is Draft Environmental Impact Statement. The writing is done; entering into the public comment phase. Draft Land Exchange agreement; NPS expects to complete each by end-2015. Re the Site Certification Appeal – decision expected this time next year and it is **not critical path**...at this point. However, as the bar is raised (e.g. State Supreme Court, it could become critical path.)

Slide 4: Public comment period – open forum meetings scheduled for April 22 and 23. The final EIS to be published in 2Q16 – a year to process / evaluate public comments. The notice of 404b Application **has been received**. Re the Site Certification Appeal opposition briefs, DEP asked for and received a 60-day extension (FPL holding their brief until then). Now 3Q15 (June). After the 3rd Circuit Court of Appeals hearing (4Q15), 90 days +/- before a decision.

Slide 5: Steve Rabitsky is the VP Projects Design and Execution; the ‘driver’ for creating this position is other projects, not PTN6&7. FPL believes that it just made sense to put PTN under its umbrella, too. There is **no functional changes to New Nuclear**.

Slide 6: RAI responses are on time / on plan. FPL expects to complete them by June 2015. There are currently about a dozen +/- open. FSAR 2.5 is no longer problematic so far as schedule goes.

Slide 7: Cities in opposition **are not interested in settling, according to FPL**. They want underground lines, at FPL customer expense. FPL unwilling to do this. The cities claim the DOAH process was FPL-biased and that municipalities have jurisdiction over transmission. FPL believes that issue has been settled and of longstanding in the courts – litigated previously in favor of the state and FPL confident they will win the appeal. 3rd Circuit Court of Appeals briefs have been turned in. DEP/FPL to respond by June 2015. Second round in 3Q15 and second response in 4Q15. **This ongoing action is NOT critical path, according to FPL.**

Slide 10: Total is \$19.6M

Slide 11: NRC fees this year are \$5M, which is a \$3M increase over last year. APOG participation fee is \$3M this year, a \$2M increase over last year.

Slide 12: COL is two parts but one process. FPL states that the current schedule anticipates permission to proceed in 10.2016. They intend to ask for that conditional approval in 05.2016, but request is predicated on an expected receipt of COL. Clarity on the COL issuance schedule should increase as the (currently) expected window for issuance, 12/16 to 03/17, draws closer. Original schedule for COL issuance slipped from 08/14. FPL stated again that iterative “mother may I” steps requiring Commission approval can’t start until FPL has the COL, thereby adding 2.5 years (of the 5.0 years additional) to the project schedule.

Slide 13: FPL states that the initial assessments will ‘do the groundwork for feasibility’ and, as such, the company considers it NCRC related. FPL intends to seek recovery of funds expended for the assessments – in a spend now, recover later framework. Current intent is to seek recovery of the entire cost (approximately \$5M) in the May 2016 filing. Spend rate is \$1.66M in 2015, and \$3.24M in 2016.

Slide 15: The consensus corridor (dry) would cost considerably more to build out than the alternative (wet) corridor. Project cost estimate range is \$14.2B to \$20.8B, up from the 2014 estimate. **FPL revised the estimated range (04.29.15) to \$13.7B to \$20.0B.** See Disk 15.

Slide 16: Two scenarios were above the range, five (5) were within the range. FPL maintains that it is accruing the benefits of being the first of the *second* wave instead of having been among those in the vanguard of new nuclear builds. Recognizing QC problems in some of the current modular assembly locations, FPL may use international suppliers to improve quality.

Slide 17: Turning dirt in 2019 – project will require moving up to 11M cubic yards of fill. The nuclear island will take 4½ years to compete. The high level critical path timeline identified eighteen (18) essential tasks that needed more study – leading to the assessments previously discussed (Slide 13). These assessments will test / validate and, perhaps, lead to changes in the original assumptions for the project critical path and schedule.

Slide 18: \$5M total for the four categories A through D. Category A contract was competitively bid (CBI, Zack Beach, et al) and has been let awarded to Bechtel – which is in addition to the original contract already on the books and valued at [REDACTED]. Category A was awarded to one company but that is not the standard – each subpart of every category will be contracted as needed to align project need with vendor expertise. Each category *could* be bundled but that is not a requirement. FPL views this assessment as a win-win between company and vendors, providing a way for credible vendors to develop more project-specific knowledge and to build relationships, making it a good vetting opportunity for both parties. 1

Conclusions:

Data Requests Generated:

Follow-up Required: None

3.3.5 DR 5
Document Summary &
Control Log

Office of Auditing and Performance Analysis Document Summary and Control Log

Company: FPL
 Area: Nuclear Controls Review
 Auditor(s): Rich / Hallenstein

Workload Control #: PA-15-01-002

File Name: i:\Performance Analysis Section\00 PERFORMANCE ANALYSIS AUDITS\Nuclear Controls Review 2015\FPL\3.0 Work Papers\3.3 Document Summaries\ 3.3.5 DocSumLog DR-5.doc

Document #: PTN DR-5.1
 Date Requested:
 Date Received:
 Comments: (i.e., Confidential)

Question or Request:

Re the initial assessment schedule (pg 18, "New Nuclear Update to FPSC Internal Control Auditors", April 16, 2015) as discussed with Staff during audit interviews, please provide and/or explain:

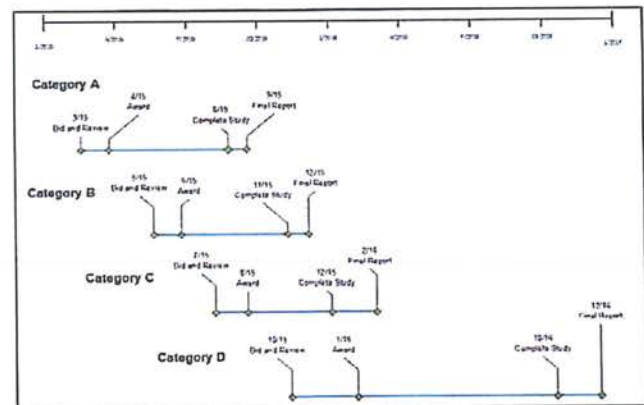
**REQUESTED
CONFIDENTIAL
BY NOI**

- a. The FPL rationale for conducting the assessments.
- b. The FPL timeline in developing the assessment concept.
- c. How assessment items were derived, prioritized, and sequenced.
- d. The items to be assessed in each category, A through D. (e.g. event, deadline, task, etc)
- e. FPL white papers, memos, or staff studies informing the decision to do the assessments.
- f. In Category A, the principal contractor(s) for each sub-item being assessed.
- g. Realized / anticipated contract value of each category, A through D
- h. Realized / anticipated contract value of each sub-item assessed in categories A through D.

Summary of Contents:

a. FPL states that the rationale for conducting these assessments is to improve project schedule detail, work scope definitions, to validate project assumptions, and to support a decision to begin pre-construction work upon receipt of the COL.

b. During the FPL 2014 review and production of a new project schedule, it was recommended that initial assessments be conducted for various activities. In November 2014, FPL further developed this concept and decided to proceed with the assessments during CY2015-16.



c. Upon completion of the Project Schedule Review and Assessment, FPL's consultant (Chicago, Bridge & Iron) identified, grouped, and prioritized a list of future assessments that CBI recommended be undertaken, to obtain more certainty in the schedule scenarios CBI had provided. After reviewing the CBI recommendation(s), FPL decided to implement and developed a schedule in accordance with assessment categories A through D.

d. Refer to Attachment A, Disk 16, -- PTN 6&7 Initial Assessments deck (pages 3 and 4) for a brief description of items in each category. Also refer to page 5 for the Initial Assessments Schedule. Tasks will be further developed as Scopes of Work are prepared for the individual bid packages.

Category A

- Master site development plan, offsite facilities/laydown plan
- Module/sub module assembly and logistics plan
- Assessment of heavy lifting equipment and options

Category B

- Island Retaining Wall conceptual development
- Island backfill sequence, evaluate fill supply, delivery methods and rates
- Update level 2 pre FNC-6 schedule

Category C

- Dewatering plan development
- Slurry Wall execution plan
- Concrete- aggregate supply, transportation, storage

Category D

- Retaining wall material, batch plant location/design study
- Evaluate non-critical path work on FNC-6 schedule
- Site Surveying specification
- Cooling towers, circulating water system design layout
- Road, Bridges, Potable water pipeline, transmission construction plan for 359th street access
- Reclaimed Water Treatment Plant construction plan
- Underground Injection Control construction plan
- Radial Collector Wells construction plan
- Reclaimed Water pipeline construction plan

e. See Attachment A - Turkey Point Units 6 & 7 Initial Assessments. Also see the PTN 6-7 Project Schedule Review and Assessment by CBI provided in response to Data Request No. 1.24. Section 1.0, recommends "...future studies that are required to provide a more in-depth analysis of areas of concern or activities that are in need of more detail".

f. After competitive bidding, Bechtel Power was awarded the contract for the Category A – Initial Assessment items.

- g. · Category A - [REDACTED] contract award value
- Category B - [REDACTED] estimated value
- Category C - [REDACTED] estimated value
- Category D - [REDACTED] estimated value

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h. For the Category A assessment, the contract values for the sub items are as follows:

- Task 1- Site Development Plan
- Task 2 – Offsite Facilities Need
- Task 3 – Module Assembly Facility
- Task 4 – Module Delivery and Transport.....
- Task 5- Heavy Lift.....
- Task 6 – Review of Level 1 Baseline Schedule
- Meetings
- Total.....

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12

For Categories B through D, FPL is in the process of further developing the bid scopes of work and sub-item breakdowns.

Conclusions:

Data Requests Generated:

Follow-up Required: None

3.3.6 DR 6
Document Summary &
Control Log

FEDERAL AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
NRC	10 CFR Part 30	By-Product License	Possession of fuel	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 40	Source Material License	Possession of source material	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 50	Licensing of nuclear power plant	Approval for construction of nuclear power plant	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 51 10 CFR Part 52	NRC approval of an Environmental Report	Evaluation of environmental impacts from construction and operation of a nuclear power plant	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 52	COL	Safety review of the nuclear power plant site	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 61	Licensing requirements for land disposal of radioactive wastes	Land disposal of radioactive waste that contains by-product source and Special Nuclear Material (SNM)	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 70	SNM License	Possession of SNM	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
NRC	10 CFR Part 71	Packaging and transportation of radioactive material	Packaging and transportation of licensed radioactive material	Part of COL: Application submitted 6/30/2009. COL issuance expected 3/31/2017.
Department of Energy	Nuclear Waste Policy Act (42 U.S.C 10101 et seq.) 10 CFR Part 961	Spent Fuel Contract	Disposal of spent nuclear fuel	Signed prior to COLA submittal on 6/30/2009.
USACE	Clean Water Act of 1976 /33 U.S.C section 1344	Section 404 Permit	Discharge of dredge and fill materials into waters of the US	TP 6&7: Ongoing/ in progress. Application submitted 6/30/2009. USACE issued Public Notice on 3/15/2015. Public Comments due 4/12/2015. Permit expected approximately 4 months after COL issuance. (July 2017)

USACE	Rivers and Harbors Act of 1899/ 33 U.S.C. section 401 et. seq.	Section 10 -Rivers and Harbors Act Permit	Excavation or filling within navigable waters of the US	TP 6&7: Ongoing/ in progress. Application submitted 6/30/2009. USACE issued Public Notice on 3/15/2015. Public Comments due 4/12/2015. Permit expected approximately 4 months after COL issuance. (July 2017)
USACE	Rivers and Harbors Act of 1899/ CWA section 14 (33 USC 408)	Section 408. Taking possession of, use of, or injury to harbor or river improvements.	Control of all potential changes to navigable waters or to flood control structures.	TP 6&7: 408 Perpetual Authorization received on March 23, 2015.

FEDERAL AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
USACE	Secretary of the Army	License for use of government owned lands; Modified water deliveries to Everglades National Park	Use of Government owned lands for the purpose of onsite investigations in support of a Phase I Environmental Site Assessment, Wetland delineation, preparation of legal description and soil borings	Inactive - Work Completed 8/8/08
Federal Aviation Agency (FAA)	14 CFR Part 77 - Safe, Efficient Use, and Preservation of Navigable Airspace	FAA Obstruction Permit for Unit 6 Containment Building	FAA Obstruction Permit for Unit 6 Containment Building	TP 6&7: Ongoing/ in progress. Expiration 7/14/15, anticipate new determination by 6/30/15.
FAA	14 CFR Part 77 - Safe, Efficient Use, and Preservation of Navigable Airspace	FAA Obstruction Permit for Unit 7 Containment Building	FAA Obstruction Permit for Unit 7 Containment Building	TP 6&7: Ongoing/ in progress. Expiration 7/14/15, anticipate new determination by 6/30/15.
FAA	14 CFR Part 77 - Safe, Efficient Use, and Preservation of Navigable Airspace	FAA Obstruction Permit for Construction Cranes	FAA Obstruction Permit for construction Cranes - to be obtained as necessary	Application to be submitted prior to bringing cranes to the jobsite (decision date undetermined).
Department of the Interior (DOI)	RE-DO-53	Special Use Permit; Temporary Construction Easement	Provide access to delineate wetland boundaries within the proposed utility line right of way relocation in Everglades National Park	Inactive - Work Completed 06/30/09.
DOI	RE-DO-53	Special Use Permit; Temporary Construction Easement	Provide access to conduct visual and pedestrian surveys for Phase I environmental assessment within the proposed utility line right of way relocation in Everglades National Park	Inactive - Work Completed 06/30/09.

FEDERAL AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
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 Turkey Point 6 & 7 Licenses, Permits and Approvals
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US Fish and Wildlife Service (USFWS)	16 U.S.C 1539(a)(1)(A) 50 CFR Parts 13, 17	Endangered species permit to take American crocodile during monitoring	Provides authorization to take (capture, examine, weigh, identify sex, collect tissue samples, mark, radio-tag, radio-track, relocate, release) endangered American crocodile individuals during population monitoring	Renewal is currently in the final stages of review with the FWS in Atlanta. Current renewal is expected by YE 2015
USFWS	16 U.S.C 703-712	Special purpose salvage permit, migratory birds	Provides authorization to: salvage dead migratory birds, abandoned nests, and addled eggs after nesting season; salvage dead bald or golden eagles; and possess live migratory birds for transport to permitted rehabilitator	Renewal is currently in the final stages of review with the FWS in Atlanta. Current renewal is expected by YE 2015
USFWS	16 U.S.C. 703-712 50 CFR Part 13:50 CFR 21.41	Federal Fish and Wildlife Permit	Emergency relocation of active migratory bird nests when birds, nests, or eggs pose a direct threat to human health and safety or when the safety of the bird is at risk if the nest and/or birds are not removed	This permit is event based and expired 3/31/12

STATE OF FLORIDA AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
FDEP, Siting Board	F.S. § 403.501-.518, F.S	Power Plant Site Certification*	Construction and operation of a power plant with more than 75 MW of steam generated power and associated facilities	TP 6&7: Site Certification Final Order issued May 19, 2014

*Pursuant to the Florida Electrical Power Plant Siting Act (PPSA) all state, regional and local permits,

STATE OF FLORIDA AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
FDEP, US Environmental Protection Agency (EPA) Region IV review	F.A.C. 62-621	National Pollutant Discharge Elimination System (NPDES) Storm water Operations Permit for Industrial Activities	Operation of an industrial facility	Application submitted to FDEP on 6/30/09. Issuance pending. This is covered by the IWW permit application submitted on 6/30/09. FDEP has indicated they will not issue this permit until they issue the IWW permit renewal for the existing facility.
FDEP	Chapter 403 F.S.	Exploratory Well Construction Permit	Allows for the construction of the exploratory well and dual-zone monitor well	TP 6&7: Inactive - Construction completed, Exploratory Well converted to injection well July 2013.
FDEP	Chapter 403 F.S.	UIC Well Construction Permit	Allows for the conversion of the exploratory well to an injection well and perform operational testing for up to 2 years	TP 6&7: Exploratory Well conversion and injection permit issued July 29, 2013 which expires on July 28, 2018
FDEP	Chapter 403 F.S.	UIC Well Construction Permit	Allows for the construction of up to 12 additional injection wells and associated dual - zone monitoring wells and perform operational testing for up to 2 years	Application to be submitted prior to well construction (decision date undetermined).
FDEP	Chapter 403 F.S.	Class I Well Operation Permit	Allows for the operation of the injection wells. This permit must be renewed every 5 years	Application to be submitted after well construction (decision date undetermined).
FDEP, EPA Region IV review	F.A.C. 62-621	Prevention of Significant Deterioration Construction Permit	Construction and operation of facilities that generate air emissions	Permit issued on 5/28/10 with 7/1/2024 expiration date.
FDEP, EPA Region IV review	403.0885 F.S.	Modification of Industrial Wastewater Treatment Facility (IWW) permit	Construction of Units 6 & 7 within the industrial wastewater facility	Application submitted to FDEP on 6/30/09. Issuance pending. Same note as for 36 above.

FDEP/EPA	F.A.C. 62-25, 62-40	NPDES Construction Storm water Permit	Construction of any facility that disturbs 1 acre or more	Application to be submitted prior to mobilizing for construction. (decision date undetermined)
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STATE OF FLORIDA AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
Florida Fish and Wildlife Conservation Commission (FWCC)	F.A.C. 68A-9.002; 68A-25.002; 68A-27.003	Special purpose live-capture permit	Provides authorization for live-capture, insertion of data loggers in nests, and collection of samples, on FPL properties of American crocodiles for mark/recapture and scientific data collection; also provides for live-capture, relocation, and release of American alligators and eastern indigo snakes and other endangered or threatened species or species of special concern	Permit to be replaced by USFWS permit. (See Line 26 above)
FDEP	403.087, F.S. and F.A.C. 62-4, 62-520, 62-522, 62-528 62-550, 62-600, 62-601	Operation of Class V, Group 3 domestic wastewater injection (gravity flow) well	Operation of treated domestic sewage injection well	For TP 6&7 this activity will be covered under the UIC Permit (see lines 38, 39, and 40 above)
FDEP	403, F.S. and F.A.C. 62-600, 62-601, 62-602, 62-620, 62-640, 62-699	Operation of domestic wastewater treatment facility (WWTF)	Operation of Turkey Point Power Plant WWTF	The operation of the TP 6&7 WWTF is authorized by State Site Certification (see, Section B.II.D.).
FDEP	F.A.C. 62-213	Title V Operations Permit	Operations of facilities that generate air emissions	Application to be submitted at least 90 days prior to the expiration of the PSD permit (7/1/2024) but no later than 180 days after commencing operation.
FDEP	253.12 F.S. F.A.C. 18-18, 18-20, 18-21, 18-22	Sovereign Submerged Lands Easements	Obtain easements for facilities to be located below surface water bodies in state owned lands	These easements have been granted as part of the State Site Certification. For RCW laterals see condition Section B. VIII.A. For Miami River Crossing see condition Section C. XIV. A.
FDEP	253.12 F.S. F.A.C. 18-2	Upland Easements	Obtain easements for facilities to be located in state owned lands (uplands)	This easement has been granted as part of the State Site Certification, see condition Section C. XIV. B.

FDEP, South Florida Water Management District (SFWMD)	F.A.C. 40B-3	Well Construction Permit	Construct, repair, modify, or abandon a well	Inactive - well construction completed. Wells will be properly abandoned / removed during construction (decision date unknown).
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STATE OF FLORIDA AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
SFWMD	F.A.C. 40E-3	Well Abandonment Permit	Well abandonment permits	Cancelled - Wells will be properly abandoned / removed during construction (decision date undetermined).
SFWMD, USACE	33 USC S 408	Federal Jurisdiction Per Section 14 of the Rivers and Harbors Act of 1899	Permission to place facilities in the vicinity of or otherwise use levees owned or controlled by the SFWMD originally constructed by the USACOE	TP 6&7: 408 Perpetual Authorization received on March 23, 2015.
SFWMD	Chapter 373 F.S.	Water well construction permits	Pump test for test wells	Inactive - well construction completed. Wells will be properly abandoned / removed during construction (decision date undetermined).
State of Florida	F.A.C. 40E-3	Well Abandonment Permit	Application to construct, repair, modify, or abandon well	Inactive - well construction completed. Wells will be properly abandoned / removed during construction (decision date undetermined).
FWCC	F.A.C. 68A-9.002, 68A-9.025, 68A-27	Carcass Salvage Permit	Salvage, mount, and display wildlife carcasses upon encounter for educational or scientific purposes	Permit to be replaced by USFWS permit. (See Line 26 above)
FWCC	F.A.C. 68A-9.002, 68A-27.005	Removal of nests and ospreys	Removal and replacement of inactive nests of ospreys and other migratory birds	Permit to be replaced by USFWS permit. (See Line 26 above)

FOREIGN STATE AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
Utah Department of Environmental Quality Division of Radiation Control	R313-26 of the Utah Radiation Control Rules	Revision of existing General Site Access Permit	Transport of radioactive materials into the State of Utah	Units 6 & 7 disposal capacity authorization to be requested after COL issuance. COL issuance expected 3/31/2017.

FOREIGN STATE AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
Tennessee Department of Environment and Conservation Division of Radiological Health	TDEC Rule 1200-2-10.32	Revision of existing Tennessee Radioactive Waste License-for-Delivery	Transport of radioactive waste into the State of Tennessee	Units 6 & 7 disposal capacity authorization to be requested after COL issuance. COL issuance expected 3/31/2017.

LOCAL AUTHORIZATIONS

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan and adopted regulations	Land use and zoning conditional approval (unusual use approval)	Unusual Use (zoning approval) to permit a nuclear power plant (atomic reactors) and ancillary structures and equipment	Active, zoning approval received 12/24/2007
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan (CDMP) and adopted regulations	CDMP text amendment	Excavation for fill source. Application was withdrawn 03/05/2010	Withdrawn 3/5/10
Miami-Dade County	Chapter 163 F.S.; Miami-Dade County Comprehensive Plan (CDMP) and adopted regulations	CDMP text amendment	Temporary access roads	Active, CDMP amended on 9/29/2009

LOCAL AUTHORIZATIONS (CONT.)

Jurisdictional Agency	Authority, Law, or Regulation	Description of Requirement	Activity Covered	Status
Miami-Dade County	Miami-Dade County Ordinances	IW6 Permit (Industrial Well field) for site investigation	Land use -non-residential, within major well field protection areas not served by sanitary sewers	Inactive - well construction completed. Wells will be properly abandoned / removed during construction (decision date undetermined).
Miami-Dade County Health Department	Chapter 373 F.S.	Water well construction permits	Well installation for hydrologic investigation	Inactive - well construction completed. Wells will be properly abandoned / removed during construction (decision date undetermined).
Miami-Dade County	Miami-Dade County Code Chapter 24	Domestic wastewater annual operating permit	Stabilization treatment facility	Operation of the TP 6&7 WWTF is authorized by Site Certification (see Section B.VII.E.).
Miami-Dade County	Miami-Dade County Code Chapter 24	Operation of pollution control facility permit	Operation of fleet vehicle maintenance facility that generates waste oil, coolant, and used batteries with a solvent wash tank and served by septic tank	Active - expiration date 4/30/15
Miami-Dade County	Miami-Dade County Ordinances, Chapter 14	Burn Permit	Onsite combustion of construction debris. Annual permit issued	This activity is authorized by Site Certification, (see Section B.VII.N. and Section C.VII.K.).

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Miami-Dade County	Miami-Dade County Ordinances, Section 24-35	IW5 Permit (or waiver)	Hazardous materials or hazardous waste – large user or generator. Hazardous waste permit issued 10/01/2008	Active - expiration date 4/30/15
Miami-Dade County	Miami-Dade County Ordinances, Section 24	Stratospheric Ozone Protection Annual Operations Permit	Use of refrigerants R-12, R-22, R-502 for Robinair Recovery Units, Models 25200, 25200A, 25200B	Active, expiration date 5/31/15.
Miami-Dade County	Miami-Dade County Ordinances, Section 24	Industrial Waste Annual Operations Permit	Onsite disposal of Class III industrial solid waste consisting of earth and earth-like products, concrete, rock, bricks, and land clearing debris	Active - expiration date 5/31/15
Miami-Dade County	Miami-Dade County Ordinances, 89-104	Marine Facilities Annual Operations Permit	Operation of 1 wet slip, 1 dry slip, 2 commercial vessels	Active - expiration date 5/31/15.

3.4 Interview Schedule

No Content

3.4.1 Interview Questions

SCROGGS pg. 5 (lines 21-23) and pg. 6 (lines 1-2): Please explain linear and non-linear. Why are they described that way? Is that an industry standard or an FPL description?

SCROGGS pg. 7 (line 18): Does "...minimizing the *current* cost exposure.." lead to higher *future* costs?

SCROGGS pg. 8 (lines 9-11): What is the target (month) in 2014?

SCROGGS pg. 8 (lines 22-23): What is the status converting the Underground Injection Control (UIC) exploratory well to an operating well?

SCROGGS pg. 9 (lines 7-11): How many visits were made to observe key construction milestones at Vogtle and Sumner AP1000 projects? When were they undertaken? Who made the visit(s)?

SCROGGS pg. 9 (lines 18-19): What is the current status on progress re the Waste Confidence rule, the pre-requisite to the NRC issuing any new COLs for new nuclear plants in the US?

SCROGGS pg. 11 (lines 4-9): Discuss the impact(s) and scope of it/them on project cost & schedule.

SCROGGS pg. 13 (lines 7-16): Provide a SAFETY analysis update.

SCROGGS pg. 13 (lines 10-16): Please provide an update on RAI completion. Any new RAI's?

SCROGGS pg. 13 (lines 19-23) & pg. 14 (lines 1-3): Provide an ENVIRONMENTAL analysis update.

SCROGGS pg. 14 (lines 1-3): What is the latest / best target date for a draft EIS and revised COLA review schedule?

SCROGGS pg. 14 (lines 1-3): Do you believe that the revised COLA review schedule will impact the current project timeline? Approximately how long after the draft EIS and revised COLA schedule will FPL publish its revised project timeline?

SCROGGS pg. 16 (21-23) & pg. 17 (1-2): Please update the status of the Everglade National Park (ENP) Land Exchange since the draft EIS was published in January 2014. Is it a done deal?

SCROGGS pg. 17 (lines 4-14): Describe changes made by the Western Consensus Corridor (WCC) for transmission and show the final configuration agreed to by parties.

SCROGGS pg. 17 (lines 12-14): Please explain "...additional levels of complexity to the entire project and requires continued discussions with other parties...". Who are these parties? Are discussions ongoing? What is the status of those discussions and/or agreements derived from discussions. Does this add project cost or alter the current timeline?

SCROGGS pg. 18 (lines 1-3): Does margin remain? How much?

SCROGGS pg. 18 (lines 8-11): What Pre-construction activities were deferred? Is there project cost or scheduling impact(s). Please describe.

SCROGGS pg. 25 (lines 9-10): "...routine update to FPL executive management.." – is that schedule driven or on an as-needed basis, or both?

SCROGGS pg. 32 (lines 1-3): Concentric has reviewed the project for six consecutive years. Is it time for "new blood". Is Concentric "too familiar"...and if not, why not?

SCROGGS pg. 32 (lines 22-23) & pg. 33 (lines 1-3): Project costs incurred in 2013 were \$28.7M, which was \$549,227 less than the May 1st filing estimate of \$29.3M. Please describe the savings.

SCROGGS pg. 33 (lines 18-19): Was any portion of the \$111,273 LICENSING overspend a result of FPL failure to comply or having to redo previous work?

SCROGGS pg. 34 (lines 15-17): Was any portion of the \$200,609 PERMITTING overspend a result of FPL failure to comply or having to redo previous work?

SCROGGS pg. 33 & 34: Please describe why LICENSING and PERMITTING are separate /distinct.

SCROGGS; SDS-2 (pgs. 1-8): Please identify those federal, state, local, and foreign authorizations that are still outstanding, and a status update on each.

3.5 Interview Summaries

Bureau of Performance Analysis Interview Summary

Florida Power & Light Company 2014 Nuclear Controls Review Auditors: Rich, Hallenstein	Interview Number: PTN6&7, IVS-1 File Name:
Name: Steve Scroggs, Bill Maher, Steve Reuwer, Travis Contratto, Soria Talbot	Date of Interview: 04/03/14 Location: Juno Beach Headquarters 700 Universal Blvd. Telephone Number:

(1) Purpose of Interview: To provide an update of the PTN 6&7 project status and discuss project key events

(2) Interview Summary:

Topics:

- General Project Overview & Status Update (FPL Presentation)
- Organization – structure changes 2013-to-present
- Organization – changes anticipated or planned for 2014
- Policies, practices, and procedures; updates and/or changes, 2013-to-present
- NRC review – Schedule update
- NRC review – Request for information (RAI)
- State application and licensing
- Local application and licensing
- 2013 project budget
- 2014 project budget
- Contracts greater than or equal to \$250K (2013-thru-present)
- Change orders greater than or equal to \$100K (2013-thru-present)
- Project timeline going forward
- Project cost going forward
- Long lead forging items
- Transmission
- Vendor update / issues / selection
- 2015-and-beyond
- “Off ramps” / decision points
- Pushback to vendors, warranty claims

Steve Scroggs stated that FPL remains committed to building PTN 6&7 “at the earliest practical time”. Licensing is “slower than anticipated but with continued forward momentum”.

He stated that 2013 and thus far into 2014 has been productive for the project, that it carried on the past pattern (of COLA prep) and sorting out land use/permitting issues. He characterized the year as one in which the “volume has gone down but the pace is still fast”. He compared the PTN6&7 team role as something like air traffic control – it’s all about timing and orchestration of many moving pieces or parts to the overall equation.

Scroggs stated that NRC COLA reviews are largely complete. The analysis of added site investigations was completed in April (2014) and an EIS drafting session is also scheduled for April (2014).

The Land Exchange Draft Environmental Impact States (DEIS) was published in January. The 60-day comment period ended in March. He hopes for the final EIS in the 3Q14 timeframe.

NRC COLA:

RAIs are essentially complete for pre-COLA stage. FPL submitted last (Safety) RAIs to NRC in April. Anticipates NRC revised COLA review schedule 3Q14 (Aug-Sep). FPL will then do a complete project schedule / budget review, revising as required. Alternative site issues are settled. (Draft) ACOE EIS anticipated pub in 4Q14. (Final EIS – FEIS – expected 4Q15)

ARMY CORPS OF ENGINEERS (ACOE):

Notice of 404b application anticipated 4Q14. (Final) ACOE EIS expected 4Q15. Wetland permit would follow in 2016.

(FL) SITE CERTIFICATION: Siting Board meets 05/13/14. Site Certification expected. There is a 6-7 day admin process before

certification, then a 30-day appeal period. Municipalities indicate they will appeal. Probably take 12-18 months for appeals to work through the courts. (Notice must be in FAW NLT 04/22/14 to meet the 05/13/14 anticipated date) Eight weeks of hearings follow. Strong recommended order (RO) to the Governor / Cabinet (ALJ to DEP). Municipalities filed 285 exceptions.

LAND EXCHANGE:

FEIS – the advisory document - to be published Oct2014. Record of decision expected in December – this is the execution document. Land exchange to be executed 12/14 – 01/15.

ORGANIZATIONAL CHANGES: (Scroggs said that changes support NRC and pre-construction milestones)

2013 - New Nuclear (PTN6&7) was aligned to Nuclear Division in early 2013, to align project under Chief Nuclear Officer, who has responsibility for NRC interaction. There were no position changes associated with the alignment.

2014 - Steve Reuwer brought in from EPU, leads development of an execution plan (cost, schedule, vendors) is now VP-Construction

NRC SCHEDULE REVIEW:

Public meetings in 2013 – four for Safety, four for Environment

Remains under review – FPL says all outstanding issues are either resolved or on schedule for resolution. The company maintains “continuous interaction” with the NRC and Corps management. They believe a revised schedule is “imminent” but do not know a date.

Safety Review – Analysis of 2013 site investigation to be submitted 04/14. They believe their submission meets NRC expectations.

Environmental Review – NRC/ACOE indicated to FPL all National Environmental Protection Act (NEPA) issues are complete.

There is a drafting meeting April 8th and FPL expected ‘straggler questions’ to pop up

FPL has had a weekly call with the NRC project POC. Personnel turnover at NRC hasn’t helped. Mr. Maher has had drop-ins or scheduled meetings with the head of New Reactors. Mano Nazar and Bill Maher to see the NRC Deputy Director on April 14th.

PROJECT COSTS:

Cost estimate continues to be based on 2007 estimated range. FPL claims it remains consistent with the 2010 check, escalated for the current year. The company will conduct a complete schedule / cost review upon publication of the NRC’s revised COLA review schedule (expected later this year). Until then, the official cost estimate is the current one, though Mr. Scroggs conceded that will almost certainly change upon review. He could not estimate the amount of change of the final project cost range.

Project total cost range remains consistent with prior years and based on a 2022/2023 COD. Mr. Scroggs also admitted that the 2022/2023 timeline is very likely going to change based on the revised NRC COLA Review Schedule.

For project costing, the total project cost split is assumed by FPL to be 60-percent Unit 6 (the first to be built), 40-percent Unit 7. Tongue in cheek, FPL opines that “actual results may vary”

FPL stated that their cost estimate range has remained consistent and conservative throughout the project’s history.

The RO (Recommended Order) supports the project and features consistent with FPL’s original project plan. There would be no additional project incremental costs to relocate the reclaimed water treatment facility (RWTF). The potential West *consensus* transmission corridor contained in the stipulation is within 10-percent of the West *preferred* corridor cost. Municipality proposal to bury the US-1 230kV line was discounted in the RO – cost was \$250M +/-.

PROJECT SCHEDULE FACTORS:

FPL believes that schedule predictability will *increase* at 2014 goes on, when NRC published a revised COLA Review schedule. COLA review schedule is a **CRITICAL PATH** item .

COLA Schedule: there will be a milestone schedule published for publication of staff reviews and public comment. This may not be required if final item is dismissed. Potential challenge from Waste Confidence (predicated on NLT 10/03/14 publication of the rule and GEIS), seismic reviews, Spent Fuel Pool rulemaking, and new construction monitoring. FPL can be effected by it but cannot influence any of it.

ACOE Notification and Least Environmentally Damaging Practicable Alternative (LEDPA) Review: Will publish notification with the Draft EIS. Will conduct a LEDPA Analysis on all sites.

Siting Board Determination and (possible) Appeal: Project to be on Siting Board agenda end-April. Certification to be issued 7 days later, followed by 30-day appeal period. Appeals through 1st District Court could require 12-18 months. Makes end-2015 possible before site certification, if appealed.

Land Exchange Execution and Acquisition Activities: By end-2014 best case. Final EIS to be published, followed by Record

of Decision (ROD) 30 days later. Potential NEPA challenge could delay it. The Exchange Agreement would be executed after ROD. FPL estimates 3 years of acquisition activities, to include clearance of federal environmental 'encumbrances'. They say it is a 3-year project end to end but later in the project so not a critical path item.

MORE ON THE RECOMMENDED ORDER (RO):

- Recommends corridors supporting interconnection
- All corridors presented in the hearing were suitable for certification
- Analysis split between eastern 230kV and western combined lines (two 500kV, one 230kV)
- US-1 route is preferred over the eastern alternative (which is supported by Coral Gables, Pinecrest, and South Miami). FPL pointed out that the eastern alternative does not actually go through Coral Gables, Pinecrest, and South Miami...but, rather, through Little Havana where power poles would, literally, have to be in front yards.
- West consensus corridor (WCC) is preferred by FPL if available in a timely manner – 3 years and reasonable cost (+10-percent of option). FPL's West Preferred Corridor to be certified as a backup in case WCC cannot be developed.
- WCC only works if federal encumbrances on SFWMD land and easements on other government property are relocated.
- FPL believes its flexibility on transmission line siting supported favorable RO without leading to additional costs

OTHER PROJECT DEVELOPMENTS:

- NCRRC amendment changes insert new milestones to pre-construction and construction activities. FPL opines this may impact some pre-construction activities and add time.
- Lessons learned from monitoring other AP1000 projects
- Pace of pre-construction contract negotiations / vendor selection has been altered (no contract by 3Q14 as earlier anticipated)

2013 Year End actual spend was 2% below the actual/estimated budget of \$29.2M. Actual was \$28.7M. COLA and SCA costs were greater than projected (\$0.7M and \$1.1M respectively), while ENC (\$0.7M) and Contingency (\$1.7M) were under budget. FPL claims that project management tools enabled active, responsive management.

2014 Project cost to be revised in May filings – original estimated was \$17.1M. Current estimate is \$20.4M
- Project categories are currently running ahead of projections: COL (\$1.3M), SCA (\$1.6M), ENC (\$0.2M).

Remaining licensing phase cost estimates: \$13M in 2015 and \$10M in 2016.

Underground Injection Control (UIC) - Exploratory well completed in 2013. Converted to an operating well in early 2014. Well flow test completed in Feb 2014, with positive results – well has capacity above requirement and permit (7000 gal/minute for 8 hrs). Maintenance activities required to keep permit valid – ongoing. Additional 12 wells to be built when construction begins. Takes about 6 months to drill each one and each to be tested using similar process. FPL stated that the successful demonstration of UIC reduces uncertainty in future licensing and construction processes.

Construction Contract - An EPC (or EP and C) decision has not been made – no longer on track for late 2014. Scroggs stated that as they gain more certainty we will make the decision as to when the EC or EPC option would be ready to move forward. He further stated that the land use and zoning decisions would lead the company closer to the decision of when to build. Budget estimate remains unchanged but FPL will do a timeline/budget estimate review when the NRC puts out a revised COLA schedule, anticipate by end-2014. Until then, the current timeline and budget estimate are the official ones for use and public consumption.

Long Lead Forgings - agreement extended again to 10/31/14. Another extension is expected after that; FPL says it will reengage the vendor once the company has more predictability in the schedule going forward. FPL still has \$10.8M at risk, holding the forging slot. Should they decline to exercise the slot; the company will lose all or some of that money.

Contracts \$250K or more / Change Orders \$100K or more – See DR responses; no changes since those responses.

Bechtel Warranty Claims – See DR responses; no changes since those responses.

(3) Conclusion:

(4) Date Request(s) Generated:

(5) Follow-up Required:

Project Manager

3.6 Analysis & Sampling

No Content

3.7 Findings

No Content

3.8 Miscellaneous

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 18, 2015
TO: Dale Mailhot, Director, Office of Auditing and Performance Analysis
FROM: David Rich, Public Utilities Analyst IV
RE: Copying of Confidential Information—Nuclear Draft Reports

Pursuant to APM 11.04(C), permission is requested to make one copy each of the following 2015 audit reports:

- *Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction, and*
- *Duke Energy Florida Inc.'s Project Management Internal Controls for Nuclear Plant Upgrades and Construction Projects.*

These reports contain information claimed confidential by the companies.

The copies will be provided to the Martha Barrera, Office of General Council, for her review. After review, each copy will be retrieved and destroyed.

OK
Dale Mailhot

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 18, 2015
TO: Martha Barrera, Senior Attorney, Office of the General Counsel
FROM: David Rich, Public Utility Analyst IV, Office of Auditing and Performance Analysis
RE: FPL Request for Confidential Classification of Project Management Internal Controls Audit Report PA-15-01-003, Docket No. 150009

Audit staff has reviewed FPL's confidentiality request dated June 16, 2015 (DN# 03675-15).

Staff believes the request meets requirements of Florida Statute 366.093(3) for proprietary confidential business information and should be protected as requested.

If you have any questions related to this memo please contact me.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 18, 2015
TO: Martha Barrera, Senior Attorney, Office of the General Counsel
FROM: David Rich, Public Utility Analyst IV, Office of Auditing and Performance Analysis
RE: FPL Request for Confidential Classification of Project Management Internal Controls Audit Report PA-15-01-002, Docket No. 150009

Audit staff has reviewed FPL's confidentiality request dated June 16, 2015 (DN# 03675-15).

Staff believes the request meets requirements of Florida Statute 366.093(3) for proprietary confidential business information and should be protected as requested.

If you have any questions related to this memo please contact me.

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 16, 2015
TO: Division of Auditing and Performance Analysis, Office of Primary Responsibility
FROM: OFFICE OF COMMISSION CLERK
RE: CONFIDENTIALITY OF CERTAIN INFORMATION

DOCKET NO(s): 150009-EI DOCUMENT NO(s): 03676-15

DESCRIPTION: FPL (Cano) - (CONFIDENTIAL) Portions of Audit Report [No.] PA 15-01-002, titled review of FPL's project management internal controls for Turkey Point 6 & 7 construction.

SOURCE: Florida Power & Light Company

The above confidential material was received with a request for confidential classification. Please complete the following form by checking all applicable information and forward it to the attorney assigned to the docket, along with a brief memorandum supporting your recommendation.

- The document(s) is (are), in fact, what the utility asserts it (them) to be.
 The utility has provided enough details to perform a reasoned analysis of its request.
 The material has been received incident to an inquiry.
 The material is confidential business information because it includes:
 (a) Trade secrets;
 (b) Internal auditing controls and reports of internal auditors;
 (c) Security measures, systems, or procedures;
 (d) Information concerning bids or other contractual data, the disclosure of which would impair the efforts of the company to contract for services on favorable terms;
 (e) Employee personnel information unrelated to compensation, duties, qualifications, or responsibilities;
 (f) Tax returns or tax-related information;
 (g) Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of information.
 The material appears to be confidential in nature and harm to the company or its ratepayers will result from public disclosure.
 The material appears not to be confidential in nature.
 The material is a periodic or recurring filing and each filing contains confidential information.

This response was prepared by David Rich, Public Utility Analyst IV, on 7/27/15, a copy of which has been sent to the Office of Commission Clerk and the Office of General Counsel.

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

STATE OF FLORIDA



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

Public Service Commission

September 16, 2015

Mr. Kenneth A. Hoffman
VP, Regulatory Affairs
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, FL 32301

Dear Mr. Hoffman:

Enclosed is a copy of the final staff-generated work papers for the *Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Constructions*. Also included are FPL-generated CD disks responsive to staff document requests. Staff requests the company maintain these disks, for return to staff during the 2016 review, if necessary.

The company may file a request for confidentiality on portions of the staff-created work papers, in accordance with *Chapter 25-22.006(3) Florida Administrative Code*. This request must be filed with the Office of Commission Clerk no later than 21 days from the date of receipt. Therefore, the filing will be due by the close of business on **October 7, 2015**. Absent good cause, failure to file a request will constitute a waiver of confidentiality. Staff stands ready to assist and answer any questions you may have related to the work papers.

The Office of Auditing and Performance Analysis appreciates the assistance afforded our staff in completing this review. If you have any questions or concerns, please contact David Rich at (850) 413-6830.

Sincerely,

A handwritten signature in blue ink that reads "Carl S. Vinson".

Carl S. Vinson
Public Utilities Supervisor

Enclosures

cc: Dale Mailhot, Director, Office of Auditing and Performance Analysis

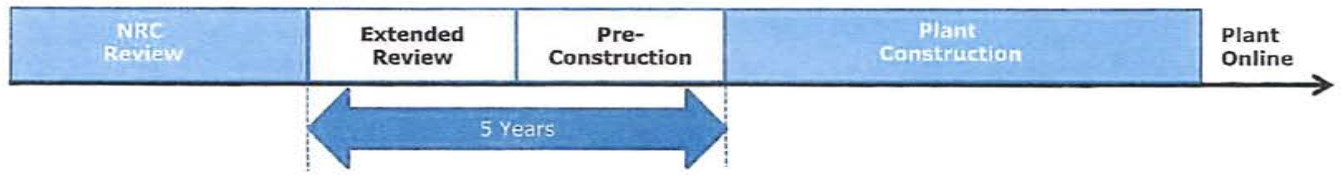
FPL DATA REQUEST RESPONSE LOG -2015

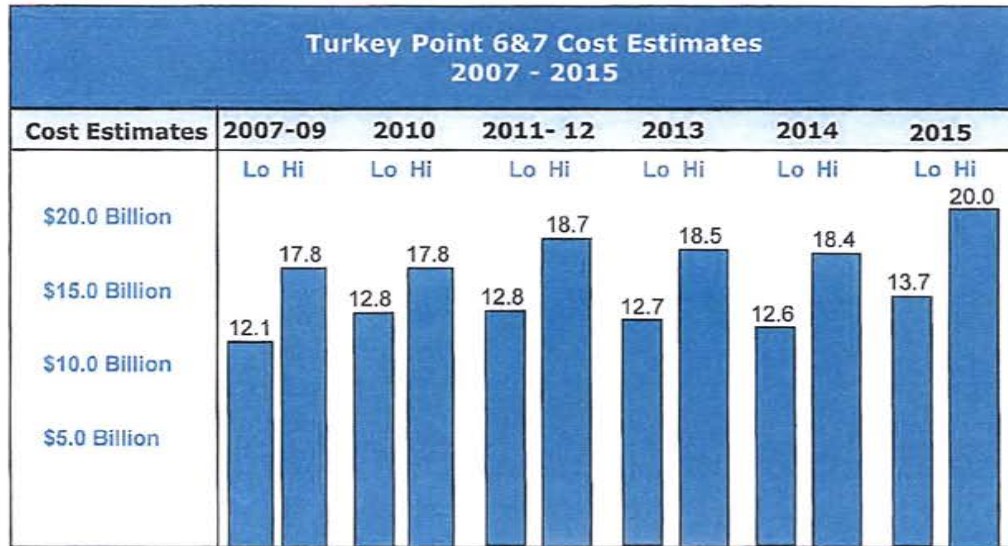
As of 06.17.15

Supersedes all others with an earlier date

Red = Claimed confidential via Notice of Intent (NOI)

Disk	DR	Project	Questions	Date Rec'd	Confidential Items
1	DR-1	PTN	DR-1.24, 1.26, 1.28, 1.30, 1.36, 1.37, 1.39, & 1.41	01.26.15	All
2	DR-1	PTN	DR-1.1 thru 1.23, 1.25, 1.27, 1.29, 1.31 thru 1.35, 1.38, 1.40, & 1.42 thru 1.44	01.26.15	None
3	DR-1	PTN	DR-1.30 (supplemental)	01.26.15	All
4	DR-1	PTN	DR-1.19 (supplemental)	01.29.15	None
5	DR-1	PTN	DR-1.32 (supplemental)	01.29.15	None
6	DR-2	PTN	DR-2.10 and 2.12	02.19.15	All
7	DR-2	PTN	DR-2.1 thru 2.9, 2.11, and 2.13	02.19.15	None
8	DR-2	PTN	DR-2.8	02.22.15	All
9	DR-1	PTN	DR-1.21, 1.26, 1.31, 1.39, & 1.44 (Supplemental Responses)	03.18.15	None
10	DR-1	PTN	DR-1.30 & 1.41 (Supplemental Responses)	03.18.15	All
11	DR-4	PTN	DR-4.1 (Update Presentation to Staff)	04.16.15	All
12	DR-1	PTN	DR-1.39 Follow-up (Contracts & Warranty Claim)	04.16.15	All
13	DR-1	PTN	DR-1.30 & 1.41 (Supplemental Responses)	04.16.15	All
14	DR-1	PTN	DR-1.21, 1.26, 1.31, 1.39, & 1.44 (Supplemental Responses)	04.16.15	None
15	DR-4	PTN	DR-4.1 (revision to Slide 15)	04.29.15	None
16	DR-5	PTN	DR-5.1	04.29.15	All
17	DR-1	PTN	DR-1.21, 1.26, 1.31, 1.39, & 1.44 (Supplemental Responses)	05.19.15	None
18	DR-1	PTN	DR-1.30 & 1.41 (Supplemental Responses)	05.19.15	All
19	DR-1	PTN	DR-1.21, 1.30 & 1.41 (Supplemental Responses)	06.17.15	All
20	DR-1	PTN	DR-1.26, 1.31, 1.39, & 1.44 (Supplemental Responses)	06.17.15	None





Turkey Point 6 & 7 Estimated Timeline

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Site Certification																						
Development	█																					
Completeness		█																				
Land Use Hearing						█																
Substantive Review			█																			
Site Certification Order							█															
Army Corps of Engineers Application																						
Development	█																					
Completeness		█																				
Review			█																			
Permit Issued									█													
Combined Operating License Application																						
Development	█																					
Initial Reviews		█																				
Safety Review			█																			
Environmental Review			█																			
ASLB Hearing									█													
License Issued										█												
Construction																						
Site Preparation												█										
Long Lead Procurement												█										
Construction PTN6																█						
Testing & Start, PTN6																				█		
Construction PTN7																	█					
Testing & Start PTN7																					█	

Exhibit C
Florida Power and Light Company
Staff Audit Work Papers for Audit Report PA-15-01-002
Docket No. 150009-EI

Document	Description	Page Number(s)	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093 (3) Subsection	Affiant
Staff Audit Work Papers	Review of Florida Power and Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction	1-64, 66-91, 93-94, 96, 100-103, 107-108, 111-115, 117-119, 121-154	N			
	3.1.2 DR 2	Pg. 65	Y	Line 1-10	(d)(e)	Steven D. Scroggs
	3.3.1 DR 1 Document Summary & Control Log	Pg. 92	Y	Line 1-4	(e)	Steven D. Scroggs
		Pg. 95	Y	Lines 1-2	(d)(e)	Steven D. Scroggs
		Pg. 97	Y	Lines 1-7	(d)(e)	Steven D. Scroggs
		Pg. 98	Y	Lines 1-8	(d)(e)	Steven D. Scroggs
		Pg. 99	Y	Lines 1-2	(d)(e)	Steven D. Scroggs
	3.3.2 DR 2 Document Summary & Control Log	Pg. 104	Y	Lines 1-5	(d)(e)	Steven D. Scroggs
		Pg. 105	Y	Lines 1-9	(d)(e)	Steven D. Scroggs
		Pg. 106	Y	Lines 1-8	(d)(e)	Steven D. Scroggs
	3.3.3 DR 3 Document Summary & Control Log	Pg. 109	Y	Line 1-8	(b)	Antonio Maceo
		Pg. 110	Y	Lines 1-6	(b)	Antonio Maceo
	3.3.4 DR 4 Document Summary &	Pg. 116	Y	Line 1	(d)(e)	Steven D. Scroggs

Document	Description	Page Number(s)	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093 (3) Subsection	Affiant
	Control Log					
	3.3.5 Document Summary & Control Log	Pg. 120	Y	Lines 1-12	(d)(e)	Steven D. Scroggs

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost)
Recovery Clause)

DOCKET NO. 150009-EI

STATE OF FLORIDA)
MIAMI-DADE COUNTY)

AFFIDAVIT OF ANTONIO MACEO

BEFORE ME, the undersigned authority, personally appeared Antonio Maceo who, being first duly sworn, deposes and says:

1. My name is Antonio Maceo. I am currently employed by Florida Power & Light Company ("FPL") as Manager of Auditing. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification of information contained in the Florida Public Service Commission's audit staff's work papers for Audit Report PA 15-01-002, for which I am identified on Exhibit C as the affiant. The documents or materials that I have reviewed contain information related to reports of internal auditors. Full and frank disclosure of information to the Internal Auditing department is essential for the department to fulfill its role, and the confidential status of internal auditing scope, process, findings, and reports supports such disclosure. The release of information related to reports of internal auditors would be harmful to FPL and its customers because it may affect the effectiveness of the Internal Auditing department itself. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

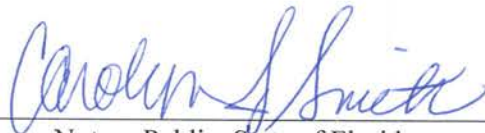
3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



Antonio Maceo

SWORN TO AND SUBSCRIBED before me this 5th day of October 2015, by Antonio Maceo who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida

My Commission Expires:



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear Cost)
Recovery Clause)

DOCKET NO. 150009-EI

STATE OF FLORIDA)
)
PALM BEACH COUNTY)

AFFIDAVIT OF STEVEN D. SCROGGS

BEFORE ME, the undersigned authority, personally appeared Steven D. Scroggs who, being first duly sworn, deposes and says:

1. My name is Steven D. Scroggs. I am currently employed by Florida Power & Light Company ("FPL") as Senior Director, Project Development. I have personal knowledge of the matters stated in this affidavit.

2. I have reviewed Exhibit C and the documents that are included in FPL's Request for Confidential Classification of information contained in the Florida Public Service Commission's audit staff's work papers for Audit Report PA 15-01-002, for which I am identified on Exhibit C as the affiant. The documents and materials that I have reviewed contain proprietary confidential business information, including information concerning bids or contractual data and competitively sensitive data. Disclosure of this information would violate FPL's contracts with its vendors, work to the detriment of FPL's competitive interests, impair the competitive interests of its vendors and/or impair FPL's efforts to enter into contracts on commercially favorable terms. To the best of my knowledge, FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.

Steven D. Scroggs

Steven D. Scroggs

SWORN TO AND SUBSCRIBED before me this 7th day of October 2015, by Steven D. Scroggs, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.

Jacqueline S. Bussey

Notary Public, State of Florida

My Commission Expires:

