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April 27, 2016

-VIA ELECTRONIC FILING-

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

Re: Docket No. 160009-EI; Nuclear Cost Recovery Clause

Dear Ms. Stauffer:

Please find enclosed for filing in the above referenced docket Florida Power & Light Company's ("FPL's") Petition for Approval of Nuclear Power Plant Cost Recovery Amount for the Year 2017, along with the testimony and exhibits of two witnesses, including FPL's Nuclear Filing Requirements ("NFRs").

This filing is being made via the Florida Public Service Commission's Web Based Electronic Filing portal and consists of three submittals, each including a signed certificate of service. This letter and the petition are being filed as submittal 1 of 3. The remaining documents are being submitted as follows:

- Prefiled Testimony and Exhibits of S. Scroggs, including NFRs (2 of 3); and
- Prefiled Testimony and Exhibits of J. Grant-Keene (3 of 3).

If there are any questions regarding this filing, please contact me at 561-304-5226.

Sincerely,

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

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Cost)
Recovery Clause _____)

Docket No. 160009-EI
Filed: April 27, 2016

**FLORIDA POWER & LIGHT COMPANY’S
PETITION FOR APPROVAL OF NUCLEAR POWER PLANT
COST RECOVERY AMOUNT FOR THE YEAR 2017**

Florida Power & Light Company (“FPL”), pursuant to Section 366.93, Florida Statutes,¹ and Rule 25-6.0423, Florida Administrative Code, hereby petitions the Florida Public Service Commission (the “Commission”) for approval to recover a Nuclear Power Plant Cost Recovery (“NPPCR”) amount of \$22,081,049 through the Capacity Cost Recovery Clause (“CCRC”) during the period January – December 2017. This equates to a typical residential customer monthly bill impact of approximately \$0.23 per 1,000 kilowatt-hours (kWh) to support the continued development of FPL’s Turkey Point 6 & 7 project. The addition of Turkey Point 6 & 7 will diversify FPL’s fuel and generation mix, increasing the overall reliability of FPL’s system, while significantly reducing carbon dioxide and other emissions.

INTRODUCTION

1. FPL is an investor-owned utility with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408, operating under the jurisdiction of the Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of NextEra Energy, Inc., a registered holding company under the Federal Public Utility Holding Company Act and related regulations. FPL provides generation, transmission, and distribution service to more than 4.8 million retail customers.

¹ All Florida statutory references are to the 2015 Florida Statutes.

2. Any pleading, motion, notice, order or other document required to be served upon

FPL or filed by any party to this proceeding should be served upon the following individuals:

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

BACKGROUND AND OVERVIEW

4. Section 366.93, Florida Statutes, was adopted by the Legislature in 2006 to promote utility investment in nuclear power plants. Rule 25-6.0423, Florida Administrative Code ("the Rule"), implements this statute and provides for the annual review of expenditures

and annual recovery of eligible costs through the CCRC. The Turkey Point 6 & 7 project qualifies for NPPCR treatment pursuant to Section 366.93, Florida Statutes.²

5. The NPPCR amount sought for recovery through the CCRC of \$22,081,049 is made up of the following: (i) the difference between FPL's 2015 actual costs and its 2015 actual/estimated costs provided last year; (ii) the difference between FPL's 2016 actual/estimated costs and its 2016 projected costs provided last year; and (iii) FPL's 2017 projected costs. Approval of the true-up of FPL's 2015 actual costs was requested in the petition filed March 1, 2016, and explained and supported in the direct testimony, exhibits, and NFRs filed therewith. FPL's 2016 actual/estimated and 2017 projected costs are the subject of this petition and supported by the accompanying testimony, exhibits, and NFRs filed herewith.

6. The testimony and exhibits of FPL witness Steven Scroggs describe FPL's 2016 actual/estimated and 2017 projected costs, and demonstrate that FPL's 2016 and 2017 costs are reasonable. The testimony and exhibits of FPL witness Jennifer Grant-Keene explain the computation of the total NPPCR amount sought for recovery during 2017. Exhibit SDS-7 to the testimony of FPL witness Scroggs (portions of which are sponsored or co-sponsored by FPL witness Grant-Keene), contain FPL's actual/estimated ("AE") cost schedules and projected ("P") cost schedules, as well as the True Up to Original ("TOR") schedules that make up FPL's NFRs. The form of these NFR schedules was developed by the Commission Staff working with FPL, the Office of Public Counsel, and others. Consistent with FPL's Petition for Waiver of Rule 25-6.0423, Fla. Admin. Code, filed concurrently with this petition, no feasibility analysis has been included with FPL's testimony and exhibits.

² By Order No. PSC-08-0237-FOF-EI, issued April 11, 2008, the Commission made an affirmative determination of need for Turkey Point 6 & 7.

ACTUAL/ESTIMATED AND PROJECTED COSTS

7. FPL is continuing to apply a step-wise approach to the development of the Turkey Point 6 & 7 new nuclear generation units. The primary focus at this stage of the project has been, and remains, obtaining the necessary federal, state, and local approvals for construction and operation of Turkey Point 6 & 7. By continuing to work on the necessary licenses, permits, certifications and approvals, FPL is maintaining progress toward delivering the benefits of new nuclear generation to its customers. FPL currently expects to receive its Combined License (“COL”) from the NRC and related federal approvals in 2017. FPL will also continue its work on obtaining final Site Certification. Afterwards, FPL will engage in activities, and incur costs, related only to the maintenance of approvals received.

8. During 2016, FPL expects to incur a total of \$25,147,152 in “pre-construction costs” as defined by Rule 25-6.0423(2)(g), Florida Administrative Code.³ These costs primarily consist of FPL employee and contractor labor and specialty consulting services necessary to support the review of the various license, permit, and certification applications, as well as participation in industry groups such as the AP1000 Owners Group. Additionally, FPL completed certain studies in 2016 called “Initial Assessments,” that will inform a future decision to proceed to the preconstruction work phase by better defining project schedule and scope. All of these costs are reasonable and recoverable pursuant to Section 366.93, Fla. Stat. and Rule 25-6.0423, Fla. Admin. Code. As demonstrated in the testimony of FPL Witness Scroggs, the Commission should find that FPL’s total 2016 project costs of \$25,147,152 are reasonable. However, FPL is not seeking recovery of Initial Assessment costs at this time. FPL has adjusted

³ “Pre-construction costs” are defined as “costs that are expended after a site has been selected in preparation for the construction of a nuclear or integrated gasification combined cycle power plant, incurred up to and including the date the utility completes site clearing work.” Rule 25-6.0423(2)(g), Fla. Admin. Code.

those costs out of its recovery request, to be deferred and recovered when it begins preconstruction work. Accordingly, the Commission should approve an actual/estimated true-up under-recovery of \$1,799,409 (jurisdictional) which excludes Initial Assessment costs, an over-recovery of \$483,011 in preconstruction carrying charges, and an under-recovery of \$189 in site selection carrying charges for Turkey Point 6 & 7, for recovery in 2017.

9. During 2017, FPL projects it will incur \$15,074,005 in preconstruction costs. FPL will continue to incur costs necessary to support the various license, permit, and certification applications and to participate in industry groups for new nuclear licensees. Additionally, FPL will incur costs necessary to prepare for receipt of the COL from the NRC and to maintain the approvals received. For example, upon receipt of the COL, FPL will be required to have certain resources in place to support the license. All of these costs are reasonable and recoverable pursuant to Section 366.93, Fla. Stat. and Rule 25-6.0423, Fla. Admin. Code. As demonstrated in the testimony of FPL witness Scroggs, the Commission should approve recovery of \$14,254,550 (jurisdictional), \$7,656,172 in carrying charges, and \$159,949 in site selection carrying charges for Turkey Point 6 & 7 in 2017.

CONCLUSION

10. FPL's 2016 actual/estimated costs and 2017 projected costs for the Turkey Point 6 & 7 project consist of reasonable amounts expected to be expended during those years that are necessary to continue to support Turkey Point 6 & 7 licensing activities. FPL's planned expenditures are subject to a rigorous planning and budgeting process, and key decisions affecting those expenditures receive the benefit of informed, thorough and multi-disciplined assessment as well as executive management review, all as described and shown in FPL's testimony and exhibits, including the NFRs. It is appropriate – indeed, responsible – for FPL to

complete obtaining its license, permits, certifications and other necessary approvals for future construction and operation of the Turkey Point 6 & 7 new nuclear units. Afterwards, FPL will engage only in those activities necessary to maintain the approvals received. For all the foregoing reasons, as discussed in the testimony of FPL's witnesses, FPL's 2016 actual/estimated and 2017 projected costs for Turkey Point 6 & 7 are reasonable.

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission enter an order (i) determining that FPL's total project 2016 actual/estimated and 2017 projected Turkey Point 6 & 7 costs are reasonable; and (ii) approving recovery of an NPPCR jurisdictional amount of \$22,081,049 through the CCRC during the period January – December 2017, reflecting the 2015 final true-up of NPPCR costs, 2016 actual/estimated true-up of NPPCR costs, and 2017 projected NPPCR costs as described herein.

Respectfully submitted this 27th day of April, 2016.

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

CERTIFICATE OF SERVICE
DOCKET NO. 160009-EI

I HEREBY CERTIFY that a true and correct copy of FPL's Petition for Approval of Nuclear Power Plant Cost Recovery Amount for the Year 2017 was served electronically this 27th day of April, 2016, to the following:

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