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March 1, 2010

-VIA HAND DELIVERY -

Ms. Ann Cole, Director
 Division of the Commission Clerk and Administrative Services
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850

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 COMMISSION
 CLERK

Re: Docket No. 100009-EI

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket, please find an original and seven (7) copies of Florida Power & Light Company's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Period Ending December 2009 with a CD containing the electronic version of same. The enclosed CD was produced using Windows XP operating system and the word processing software in which the documents appear is Word 2003.

Also enclosed for filing are an original and fifteen (15) copies of the prefiled testimony and exhibits of Florida Power & Light Company witnesses Steven Scroggs, Terry Jones, Winnie Powers and John Reed of Concentric Energy Advisors.

Should you have any questions regarding this transmittal, please contact me at 561-304-5253.

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Sincerely,

Bryan S. Anderson
 Authorized House Counsel No. 219511

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

DOCUMENT NUMBER-DATE

01385 MAR-10

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Power Plant)
Cost Recovery Clause)

Docket No. 100009-EI
Filed: March 1, 2010

**PETITION FOR APPROVAL OF NUCLEAR POWER PLANT COST RECOVERY
TRUE-UP FOR THE PERIOD ENDING DECEMBER 2009**

Florida Power & Light Company ("FPL"), pursuant to Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code, hereby petitions the Florida Public Service Commission ("the Commission") for approval of its Nuclear Power Plant Cost Recovery ("NPPCR") true-up overrecovery amount of \$14,623,840 and for a determination that FPL prudently incurred its 2009 NPPCR costs. In support of this Petition, FPL states as follows:

INTRODUCTION

1. FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of FPL Group, Inc., a registered holding company under the federal Public Utility Holding Company Act and related regulations. FPL provides generation, transmission, and distribution service to approximately 4.5 million retail customers.

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

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FILED NO. NUMBER-DATE

1385 MAR-10

FPSC-COMMISSION CLERK

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, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of such rule are not applicable to this Petition. In compliance with subparagraph (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 NFR schedules filed herewith, may be disputed by others planning to participate in this proceeding.

BACKGROUND AND OVERVIEW

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

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

6. Customers are expected to benefit significantly from the additional nuclear capacity and generation that will be provided from the EPU project, as well as the new nuclear option FPL is pursuing. Together, these nuclear projects are anticipated to add approximately 2,614 megawatts of emission-free baseload generation to FPL's system. In addition to being emission-free, this energy source will improve the fuel diversity of FPL's system – acting as a hedge against volatile fossil fuel prices and improving energy independence – and will substantially reduce fuel costs charged to customers after the units enter commercial operation.

7. The Commission approved FPL's first NPPCR amounts related to its Uprate project and the Turkey Point 6 & 7 project by Order No. PSC-08-0749-FOF-EI, issued November 12, 2008. The Commission approved FPL's second NPPCR amounts by Order No. 09-0783-FOF-EI, issued November 19, 2009. The NPPCR amounts approved by Order No. PSC-09-0783-FOF-EI were included in FPL's CCRC factors for the period beginning January 2010, and were based in part on actual/estimated 2009 cost data. As described below and in the testimony being filed herewith, the true-up of FPL's actual 2009 NPPCR expenditures for its EPU and Turkey Point 6 & 7 projects is an overrecovery (i.e., a net "underspend") of \$14,623,840 to be returned to customers through the CCRC factors during 2011, due primarily to timing differences between planned and actual expenditures. FPL is seeking approval of this amount and a prudence determination with respect to the underlying actual 2009 Uprate project construction expenditures, recoverable operations and maintenance ("O&M") expenses, and St. Lucie Unit 2 Turbine Gantry Crane base rate revenue requirements; and actual 2009 Turkey Point 6 & 7 preconstruction expenditures and site selection carrying costs, all as provided for by the NPPCR Rule.

8. The prepared testimony and exhibits of FPL witnesses Winnie Powers, Terry Jones, Steven Scroggs, and John Reed of Concentric Energy Advisors are being filed together with this Petition and are incorporated herein by reference. Exhibit TOJ-1 to the testimony of FPL witness Jones and Exhibits SDS-1 and SDS-2 to the testimony of FPL witness Scroggs, parts of which are sponsored or co-sponsored by FPL witness Powers, contain schedules T-1 through T-7 of the Nuclear Filing Requirements (“NFRs”). These NFR schedules were developed by the Commission Staff working with FPL, the Office of Public Counsel, Progress Energy Florida and others.¹ The “T Schedules” are the NFRs that are intended to support final true-up filings such as the one that is the subject of this Petition.

UPRATE PROJECT

9. The uprate of FPL’s existing St. Lucie and Turkey Point nuclear units will deliver substantial benefits of additional nuclear generating capacity to customers. Several key activities occurred in 2009, including continued engineering evaluation and analyses in support of license amendment submittals to the Nuclear Regulatory Commission, the progress of activities and quality inspections related to the manufacture of long lead equipment, the management and implementation of the Engineering Procurement and Construction contract, and detailed reviews of the modification installation planning and EPU outage schedules. FPL also modified and placed into service components of the St. Lucie Unit 2 Turbine Gantry Crane.

10. FPL incurred a total of \$237,677,629 in construction costs (\$227,680,202 jurisdictional, net of participants), \$16,459,329 in carrying costs, and \$498,077 in recoverable

¹ The NFRs consist of T, AE, P and TOR Schedules. The T Schedules are to be filed each March and provide the true-up for the prior year. In May, there are three sets of schedules: the AE Schedules provide the actual/estimated cost information for the current year, the P Schedules provide the projected expenditures for the subsequent year and the TOR schedules provide a summary of the actual and projected costs for the duration of the project. Parties are currently working with Staff on developing a revised set of schedules for the 2011 NPPCR docket.

O&M expenses (\$478,450 jurisdictional, net of participants) in 2009. FPL also incurred \$12,802 in base rate revenue requirements to be recovered through the CCRC for modifications to the St. Lucie Unit 2 Turbine Gantry Crane. Only those costs necessary for the implementation of the Uprates – not those associated with other capital or maintenance activities – are included in FPL’s Uprate construction cost expenditures. FPL’s Uprate expenditures are thus “separate and apart” from other nuclear plant expenditures.

11. FPL witness Jones’s testimony discusses FPL’s 2009 Uprate expenditures and project controls, while FPL witness Powers presents the calculation of the carrying costs and revenue requirements recoverable pursuant to the NPPCR Rule and related accounting controls. Because the project is in the construction phase, only the carrying costs on construction costs are recoverable. Recovery of the principal amount does not begin until base rate adjustments occur as the modified units or systems are placed into service. As demonstrated by each of those witnesses, and supported by the testimony of FPL witness Reed, the Uprate expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that result from robust project planning and project management processes.

TURKEY POINT 6 & 7 PROJECT

12. During 2009, FPL completed the studies and analyses supporting applications to federal, state and local entities for required licenses, certifications and permits to construct and operate Turkey Point 6 & 7. These applications define technical and environmental aspects of the project and will be the focus of extensive agency review over the next several years. Additionally, 2009 was a year of negotiation, analysis and review to evaluate additional steps beyond the licensing activity. Overall, FPL maintained progress towards obtaining the necessary

approvals, while also managing contractual commitments in a manner that minimized risk and near term expenditures.

13. FPL's 2009 Turkey Point 6 & 7 costs included preconstruction costs and associated carrying costs, as well as the true-up of carrying costs on its site selection expenditures. FPL incurred \$37,731,525 in preconstruction costs (\$37,599,045 jurisdictional), \$857,211 in preconstruction carrying costs, and \$372,818 in site selection carrying costs for Turkey Point 6 & 7.


14. FPL witness Scroggs's testimony discusses FPL's 2009 preconstruction costs and site selection carrying costs, while FPL witness Powers presents the calculation of the preconstruction costs, preconstruction carrying costs and site selection carrying costs recoverable pursuant to the Rule and related accounting controls. As demonstrated by each of those witnesses, and supported by the testimony of FPL witness Reed, the Turkey Point 6 & 7 expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that result from robust project planning and project management processes.

CONCLUSION

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission (i) determine that FPL's 2009 Uprate project construction costs, associated carrying costs, and recoverable O&M expenses were prudently incurred; (ii) determine that the true up amount of base rate revenue requirements recovered through the CCRC for modifications to the St. Lucie Unit 2 Turbine Gantry Crane was prudently incurred; (iii) determine that FPL's 2009 Turkey Point 6 & 7 preconstruction costs and associated carrying costs and site selection carrying costs were prudently incurred; and (iv) approve an NPPCR true-up overrecovery

amount of \$14,623,840 and authorize the inclusion of this amount in the calculation of the CCRC factors for the period beginning January 2011.

Respectfully submitted,

By: 
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**CERTIFICATE OF SERVICE
DOCKET NO. 100009-EI**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Petition for Nuclear Power Plant Cost Recovery True-Up was served by hand delivery* or U.S. Mail this 1st day of March, 2010 to the following:

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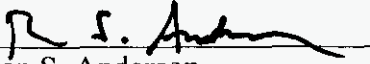
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