



Jessica A. Cano
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5226
(561) 691-7135 (Facsimile)

June 16, 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

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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 Audit Report PA-15-01-002. Seven copies of FPL's request, excluding Exhibit A, are included.

Exhibit A consists of the confidential pages from the report, 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. Also included in this filing is a compact disc containing FPL's Request for Confidential Classification and Exhibit C only in Microsoft Word format.

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

Sincerely,

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

COM _____
AFD _____
APA _____
ECO _____
ENG _____
GCL _____
IDM _____
TEL _____
CLK _____

2+CD+Redacted

Enclosures
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: June 16, 2015

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

Pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") requests confidential classification of portions of Audit Report PA 15-01-002, titled Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction ("Audit Report"). In support of its request, FPL states:

1. During its review of FPL's internal controls, Staff was provided with various confidential documents and confidential information. By letter dated May 26, 2015, Staff conducted a preliminary exit conference for the Audit Report, which includes confidential information provided by FPL. Pursuant to Rule 25-22.006(3)(a)2, FPL is required to file a Request for Confidential Classification within 21 days of the exit conference letter. Accordingly, FPL is filing this Request for Confidential Classification to maintain continued confidential handling of the information contained in the Audit Report.

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

a. Exhibit A consists of a copy of the confidential pages on which all information that FPL asserts is entitled to confidential treatment has been highlighted.

b. Exhibit B consists of a copy of the confidential pages on which all information that FPL asserts is entitled to confidential treatment has been redacted.

c. Exhibit C is a table containing an identification of the information highlighted in Exhibit A, together with references to the specific statutory basis or bases

for the claim of confidentiality and to the affidavit in support of the requested classification.

d. Exhibit D includes the affidavits of Antonio Maceo and Steven D. Scroggs in support of this 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. Section 366.093(3), Florida Statutes, defines confidential information as information that is intended to be and is treated by the company as private in that disclosure of the information would cause harm to the company's business operations or its customers, and has not been disclosed publicly. The confidential information is intended to be and has been treated by FPL as private, its confidentiality has been maintained, and its disclosure would cause harm to FPL and its customers. Pursuant to Section 366.093(3)(2), 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. A majority of the Audit Report is not asserted to be confidential. However, as the affidavits included in Exhibit D indicate, some of the information in the Audit Report is proprietary, confidential business information. Certain information contained in the Audit Report is information related to reports of FPL's internal auditors. The confidential status of internal auditing scope, process, findings, and reports supports full and frank internal disclosure. This information is protected from public disclosure by Section 366.093(3)(b), Florida Statutes.

5. The Audit Report also contains 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 by Section 366.093(3)(d), Florida Statutes. This information is also competitively sensitive information which, if disclosed, could impair the competitive interests of the provider of the information. Such information is protected by Section 366.093(3)(e), Florida Statutes.

6. 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, FPL respectfully requests confidential classification of the material described herein.

Respectfully submitted,

Jessica A. Cano
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5226
Facsimile: (561) 691-7135

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 Report PA 15-01-002 (without exhibits)* was served by hand delivery** or U.S. Mail this 16th day of June, 2015 to the following:

Martha F. Barrera, Esq.**
Kyeshia Mapp, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
mbarrera@psc.state.fl.us
kmapp@psc.state.fl.us

Patricia A. Christensen, Esq.
Erik L. Sayler, Esq.
Associate Public Counsel
Office of Public Counsel
The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399
christensen.patty@leg.state.fl.us
sayler.erik@leg.state.fl.us
Attorney for the Citizens of the State of Fla.

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

Dianne M. Triplett, Esq.
299 First Avenue North
St. Petersburg, Florida 33701
dianne.triplett@duke-energy.com
Attorney for Duke Energy Florida, Inc.

Matthew Bernier, Esq., Sr. Counsel
106 East College Ave., Suite 800
Tallahassee, Florida 32301-7740
Matthew.bernier@duke-energy.com
Attorney for Duke Energy Florida, Inc.

James W. Brew, Esq.
Owen J. Kopon, Esq.
Laura A. Wynn, Esq.
Brickfield, Burchette, Ritts & Stone, P.C.
1025 Thomas Jefferson Street, N.W.
8th Floor, West Tower
Washington, D.C. 20007
jbrew@bbrslaw.com
owen.kopon@bbrslaw.com
laura.wynn@bbrslaw.com
*Attorneys for White Springs Agricultural
Chemicals, Inc., d/b/a PCS Phosphate-White
Springs*

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

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
Gardner Bist Bowden Bush Dee
LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
Schef@gbwlegal.com
Jlavia@gbwlegal.com
Attorneys for the Florida Retail Federation

George Cavros, Esq.
120 E. Oakland Park Blvd., Suite 105
Fort Lauderdale, FL 33334
george@cavros-law.com
Attorney for Southern Alliance for Clean Energy

Victoria Méndez, City Attorney
Matthew Haber, Assistant City Attorney
City of Miami
444 Southwest 2nd Avenue
Miami, FL 33130
vmendez@miamigov.com
mshaber@miamigov.com
yillescas@miamigov.com (secondary e-mail)
Attorneys for City of Miami

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

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

EXHIBIT A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

EXHIBIT B

REDACTED COPIES

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.

1 Audit areas remained unchanged from a year ago -- [REDACTED]
2 [REDACTED] and [REDACTED] of annual NCRC filings. The audit examined approximately
3 \$ [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,

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
1 HDR Engineering, Inc.	Develop Submittals for USACE Sect408 Authorization	T&M		08/13/14	11/26/14
2 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

3 increases. 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*
4 AMEC Environment & Infrastructure	RAI response review		S
5 AMEC Environment & Infrastructure	RAI response review / FSAR 2.5.4		S
6 Atkins North America	Expert scientific analysis		S
7 Bechtel Power Corporation	COLA / SCA prep & RAI support		C, S, P
8 Burns & McDonnell	Design of radial collector well		C, S

	Vendor	Description	Current Value	Type*
1	Eco Metrics, Inc.	Environmental consulting services		S
2	Environmental Consulting & Technology	SCA & post-submittal support		S, P
3	EPRI - Electric Power Research Institute	Nuclear technology; membership		S
4	Golder & Associates Inc.	Post-SCA submittal support		S, P
5	HDR Engineering, Inc.	Conceptual engineering of cooling water supply / discharge		C, S
6	Layne Christensen Company	Injection well testing		C
7	McCallum Turner, Inc.	COLA site selection RAI support		S
8	McNabb Hydrogeologic Consulting	Post-SCA / UIC licensing support		S, P
9	Paul C. Rizzo Associates, Inc.	Field Investigation; FSAR 2.5 Revision		S
10	Power Engineers, Inc.	Prelim Analysis of Miami River crossing and Davis/Miami Line		S
11	TetraTechGeo	Collector well modeling support		S
12	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

EXHIBIT C

JUSTIFICATION TABLE

Exhibit C
Florida Power and Light Company
Review of FPL's Project Management Internal Controls for
Turkey Point 6&7 Construction (Audit Report)
Docket No. 150009-EI

Document	Description	No. of Pages	Conf. Y/N	Line No./Col. No.	Florida Statute 366.093 (3) Subsection	Affiant
Audit Report, PA-15-01-002	Internal Controls Report PTN	19	N	Cover Pages 1-2, i-ii, 1-11, 13		
			Y	Page 12 Lines 1-3	(b)	Antonio Maceo
				Page 14 Lines 1-8	(d), (e)	Steven D. Scroggs
				Page 15 Lines 1-12	(d), (e)	Steven D. Scroggs

EXHIBIT D

AFFIDAVITS

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 FPSC audit staff's report titled Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction (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 15th day of June 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.

Heather P. Meligonis

Notary Public, State of Florida

My Commission Expires:
12/6/17



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 FPSC audit staff's report titled Review of Florida Power & Light Company's Project Management Internal Controls for Turkey Point 6 & 7 Construction (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 16th day of June 2015, by Antonio Maceo who is personally known to me or who has produced FDLM20001262230 (type of identification) as identification and who did take an oath.

Notary Public, State of Florida

My Commission

