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March 1, 2017

**-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. 170009-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 True-Up for the Years 2015 and 2016, 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. 170009-EI  
Filed: March 1, 2017

**PETITION FOR APPROVAL OF NUCLEAR POWER PLANT  
COST RECOVERY TRUE-UP FOR THE YEARS 2015 AND 2016**

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 2015 Nuclear Power Plant Cost Recovery (“NPPCR”) true-up over-recovery amount of \$1,306,211 and its 2016 NPPCR true-up over-recovery amount of \$5,998,991, and for a determination that FPL’s 2015 and 2016 costs for the Turkey Point Units 6 & 7 Project (“the Project”) were prudently incurred. In support of this Petition, FPL states as follows:

**INTRODUCTION**

1. FPL is a wholly-owned subsidiary of NextEra Energy, Inc. and an investor-owned utility operating under the jurisdiction of the Commission pursuant to the provisions of Chapter 366, Florida Statutes.<sup>1</sup> FPL’s headquarters are located at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL provides generation, transmission, and distribution service to more than 4.8 million retail customer accounts.

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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<sup>1</sup> All references to Florida Statutes are to the 2016 Florida Statutes.

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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. 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-08-0237-FOF-EI, issued April 11, 2008, the Commission made an affirmative determination of need for FPL's Turkey Point Units 6 & 7 Project. The Project is eligible for NPPCR treatment pursuant to Section 366.93(3), Florida Statutes, and Rule 25-6.0423, Florida Administrative Code. Accordingly, FPL's Project has been subject to Commission oversight, and FPL has been permitted to recover eligible costs, since 2008.

6. By Order No. PSC-16-0266-PCO-EI, the Commission deferred consideration of FPL's 2016 NPPCR filings seeking 2017 cost recovery. Consistent with that order, FPL is not currently recovering costs associated with the Project. FPL's 2015 and 2016 true-up filings, therefore, compare actual costs incurred to the costs approved in 2015 and recovered in 2016 for those years.

7. The NPPCR amount FPL recovered for the Project in 2016, as approved by Order No. PSC-15-0521-FOF-EI, included an amount for 2015 that was based on actual/estimated 2015 cost data and an amount for 2016 that was based on projected data. As described below and in the testimony being filed herewith, the true-up of FPL's actual 2015 NPPCR amount results in an over-recovery of \$1,306,211, and the true-up of FPL's actual 2016 NPPCR amount results in an over-recovery of \$5,998,991. FPL is seeking approval of these amounts and prudence determinations with respect to the actual 2015 and 2016 Turkey Point 6 & 7 project activities and resulting costs.

8. The prepared testimony and exhibits of FPL witnesses Steven Scroggs and Jennifer Grant-Keene are being filed together with this Petition and are incorporated herein by reference. Exhibits SDS-1 and SDS-2 to the testimony of FPL witness Scroggs, parts of which are sponsored or co-sponsored by FPL witness Grant-Keene, contain the true-up ("T") NFR schedules for 2015 and 2016 Project costs. The framework for these NFR schedules was

developed by the Commission Staff working with FPL, the Office of Public Counsel, and others.<sup>2</sup>

### **2015 and 2016 PROJECT SUMMARY**

9. During 2015 and 2016, FPL continued its pursuit of the approvals and authorizations necessary to proceed with the Turkey Point Units 6 & 7 Project. For example, FPL provided information to the Nuclear Regulatory Commission (“NRC”) so that it could complete its evaluations, FPL obtained authorizations from the U.S. Army Corp of Engineers for work necessary to support the installation of linear facilities required for the Project, and FPL worked to defend the State Site Certification issued by the Power Plant Siting Board. Notably, FPL received a final recommendation letter for the Project from the Advisory Committee on Reactor Safeguards. Additionally, the NRC issued its Final Environmental Impact Statement and its Final Safety Evaluation Report. Project staff continued to monitor industry milestones and participate in technical reviews to identify potential impacts to the overall Project schedule and cost. FPL also completed a set of Initial Assessments to review key early construction activities to add confidence to the sequence, timing and resources required to initiate future construction.

10. On a total project basis, FPL prudently incurred \$19,771,814 in preconstruction costs in 2015.<sup>3</sup> This is \$1,765,977 less than estimated in 2015. For current cost recovery purposes (*i.e.*, jurisdictional and excluding Initial Assessments), FPL incurred \$17,309,494 in preconstruction costs; \$6,668,729 in preconstruction carrying costs; and \$160,088 in site

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<sup>2</sup> The NPPCR NFRs consist of True-Up (T), Actual/Estimated (AE), Projected (P), and True-Up to Original (TOR) Schedules. The T Schedules are typically filed in March and provide the true-up for the prior year. Additional schedules will be filed in this docket on May 1, 2017.

<sup>3</sup> This amount includes costs for Initial Assessment activities, which FPL is deferring for recovery at a later date. See Order No. PSC-15-0521-FOF-EI, p. 32.

selection carrying costs. When compared to FPL's actual/estimated amount approved by Order No. PSC-15-0521-FOF-EI, the result is an over-recovery of \$1,306,211.

11. In 2016, on a total project basis, FPL prudently incurred \$18,193,089 in preconstruction costs.<sup>4</sup> This is \$7,216,831 less than projected in 2015. For current cost recovery purposes (*i.e.*, jurisdictional and excluding Initial Assessments), FPL incurred \$15,673,982 in preconstruction costs; \$7,007,051 in preconstruction carrying costs; and \$159,395 in site selection carrying costs. When compared to FPL's projected amount approved by Order No. PSC-15-0521-FOF-EI, the result is an over-recovery of \$5,998,991.

12. FPL witness Scroggs discusses FPL's 2015 and 2016 Project activities, controls, and total preconstruction costs. FPL witness Grant-Keene presents the calculation of the recoverable preconstruction costs, preconstruction carrying costs and site selection carrying costs pursuant to the Rule, and describes related accounting controls. As demonstrated by each of those witnesses, the Turkey Point 6 & 7 Project expenditures were prudently incurred at the direction of properly qualified and well-informed FPL management, subject to comprehensive cost and accounting controls, and based on decisions that resulted from robust project planning and project management processes.

## CONCLUSION

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission: (i) determine that FPL's actual, total 2015 Turkey Point 6 & 7 Project costs were prudently incurred; (ii) determine that FPL's actual, total 2016 Turkey Point 6 & 7 Project costs were prudently incurred; and (iii) approve for recovery the true-up of the preconstruction costs, preconstruction carrying costs, and site selection carrying costs resulting in a \$1,306,211 over-

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<sup>4</sup> These amounts include costs for Initial Assessment activities, which FPL is deferring for recovery at a later date. See Order No. PSC-15-0521-FOF-EI, p. 32.

recovery for 2015 and a \$5,998,991 over-recovery for 2016, to be included in the calculation of the CCRC factors for the period beginning January 2018.

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By: s/ Jessica A. Cano  
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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 170009-EI**

I HEREBY CERTIFY that a true and correct copy of FPL's Petition for Approval of Nuclear Power Plant Cost Recovery True-Up for the Years 2015 and 2016 was served electronically this 1st day of March, 2017, to the following:

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