

Docket No. 170009-EI: Nuclear Cost Recovery Clause.

Florida Power & Light Company

Turkey Point Units 6 & 7

Witness: **Direct Testimony of ILIANA H. PIEDRA,**

Appearing on behalf of the staff of the Florida Public Service Commission

Date Filed: June 20, 2017

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **COMMISSION STAFF**

3 **DIRECT TESTIMONY OF ILIANA H. PIEDRA**

4 **DOCKET NO. 170009-EI**

5 **June 20, 2017**

6 **Q. Please state your name and business address.**

7 **A.** My name is Iliana H. Piedra. My business address is 3625 N.W. 82nd Ave., Suite
8 400, Miami, Florida, 33166.

9 **Q. By whom are you presently employed and in what capacity?**

10 **A.** I am employed by the Florida Public Service Commission (FPSC or Commission)
11 as a Professional Accountant Specialist in the Office of Auditing and Performance
12 Analysis.

13 **Q. Briefly review your educational and professional background.**

14 **A.** I received a Bachelor of Business Administration degree with a major in
15 accounting from Florida International University in 1983. I am also a Certified Public
16 Accountant licensed in the State of Florida. I have been employed by the FPSC since
17 January 1985.

18 **Q. Please describe your current responsibilities.**

19 **A.** My responsibilities consist of planning and conducting utility audits of manual
20 and automated accounting systems for historical and forecasted data.

21 **Q. Have you presented testimony before this Commission or any other**
22 **regulatory agency?**

23 **A.** Yes. I filed testimony in the City Gas Company of Florida's rate case, Docket No.
24 940276-GU, the General Development Utilities, Inc. for the Silver Springs Shores
25 Division in Marion County and the Port Labelle Division in Glades and Hendry Counties

1 rate cases in Docket Nos. 920733-WS and 920734-WS, the Florida Power & Light
2 Company's storm cost recovery case in Docket No. 041291-EI, the Embarq's storm cost
3 recovery case in Docket No. 060644-TL, the K W Resort Utilities Corp. rate cases in
4 Docket Nos. 070293-SU and 150071-SU, the Florida Power & Light Company's rate
5 case in Docket No. 160021-EI, the Fuel and Purchased Power Cost Recovery Clause in
6 Docket Nos. 120001-EI, 130001-EI and 140001-EI, and the Nuclear Cost Recovery
7 Clause in Docket Nos. 130009-EI, 150009-EI and 160009-EI.

8 **Q. What is the purpose of your testimony today?**

9 **A.** The purpose of my testimony is to sponsor the staff audit report of Florida Power
10 & Light Company (FPL or Utility) which addresses the Utility's filing in Docket Nos.
11 170009-EI and 160009-EI, Nuclear Cost Recovery Clause (NCRC) for costs associated
12 with its Nuclear Units - Turkey Point Units 6 & 7 (Turkey Point 6 & 7). These audit
13 reports are filed with my testimony and are identified as Exhibits IHP-1 and IHP-2.

14 **Q. Were these audits prepared by you or under your direction?**

15 **A.** Yes, they were prepared under my direction.

16 **Q. Please describe the work you performed in both of these audits.**

17 **A.** Our overall objective was to verify that the Utility's 2016 and 2015 NCRC filings
18 for Turkey Point 6 & 7 in Docket Nos. 170009-EI and 160009-EI are consistent with and
19 in compliance with Section 366.93, Florida Statutes, and Rule 25-6.0423, Florida
20 Administrative Code. Audit staff performed the following procedures to satisfy the
21 overall objective.

22 Construction Work in Progress (CWIP)

23 We sampled and verified the monthly pre-construction expenditures and traced to
24 invoices and other supporting documentation including contracts. We verified various
25 sample items to purchase orders for contracts over \$250,000. We verified a sample of

1 salary expenses and traced to time sheets. We verified a sample of legal fees and traced
2 to invoices. We recalculated Schedule T-6.

3 Recovery

4 We traced the amount collected on Schedules T-1 to the NCRC jurisdictional amount
5 approved in Order Nos. PSC-15-0521-FOF-EI, and PSC-14-0617-PAA-EI, to the
6 Capacity Cost Recovery Clause in Docket Nos. 170001-EI and 160001-EI.

7 Carrying Cost on Deferred Tax Adjustment

8 We recalculated Schedule T-3A. We traced the projected and estimated True-Up amount
9 to prior NCRC Orders. We reconciled the monthly recovered costs to the supporting
10 schedules in the filing. We traced the Allowance for Funds Used During Construction
11 (AFUDC) rate applied to the current rate approved in Order No. PSC-14-0193-PAA-EI,
12 issued April 25, 2014.

13 Other Issues

14 We recalculated Schedule T-2. We traced the projected and estimated true-up amounts to
15 prior NCRC Orders. We traced the beginning balances included in the schedule to the
16 prior docket. We reconciled the monthly costs to the supporting schedules in the filing.

17 True-up

18 We traced the December 31, 2015 and December 31, 2014, Site Selection and Pre-
19 Construction True-Up Provisions to the Commission Order Nos. 15-0521-FOF-EI and 14-
20 0617-FOF-EI. We recalculated the True-Up and Interest Provision amounts as of
21 December 31, 2016 and December 31, 2015 using the Commission approved beginning
22 balances as of December 31, 2015 and December 31, 2014, the approved AFUDC rate,
23 and the 2016 and 2015 costs.

24 **Q. Please review the audit findings in both audit reports, Exhibit IHP-1 and IHP-2.**

25 **A.** There were no findings in either audit.

1 **Q. Does that conclude your testimony?**

2 **A.** Yes.

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State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing
Miami District Office

Auditor's Report

Florida Power & Light Company
Nuclear Cost Recovery Clause
Turkey Point Units 6 & 7

Twelve Months Ended December 31, 2016

Docket No. 170009-EI
Audit Control No. 17-006-4-1
May 31, 2017

A handwritten signature in blue ink, appearing to read "Iliana H. Piedra".

Iliana H. Piedra
Audit Manager

A handwritten signature in blue ink, appearing to read "Marisa Glover".

Marisa Glover
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Office of Industry Development and Market Analysis in its audit service request dated January 5, 2017. We have applied these procedures to the attached schedules prepared by Florida Power & Light Company, and to several of its related schedules in support of its 2016 filing for the Nuclear Cost Recovery Clause (Turkey Point Units 6 & 7 Project) in Docket No. 170009-EI.

This audit was performed following General Standards and Fieldwork Standards found in the AICPA Statements on Standards for Attestation Engagements. The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Site selection costs, are costs that are expended prior to the selection of a site.

Pre-construction costs, are costs that are expended after a site has been selected in preparation for the construction of a nuclear power plant, incurred up to and including the date the utility completes site clearing work.

FPL/Utility refers to Florida Power & Light Company.

CCRC refers to Capacity Cost Recovery Clause.

NCRC refers to Nuclear Cost Recovery Clause.

Objectives: The objective was to determine whether the Utility's 2016 NCRC filings in Docket No. 170009-EI are consistent and in compliance with Section 366.93, Florida Statutes (F.S.), and Rule 25-6.0423, Florida Administrative Code (F.A.C.)

Procedures: We performed the following specific objectives and procedures to satisfy the overall objective identified above.

Construction Work in Progress (CWIP)

Objectives: The objectives were to verify that pre-construction costs listed on the Utility's Schedule T-6 filing were supported by adequate documentation and that the capital additions were appropriately recoverable through the NCRC and in compliance with Section 366.93, F.S. and Rule 25-6.043, F.A.C.

Procedures: We sampled and verified the monthly pre-construction expenditures and traced to invoices and other supporting documentation including contracts. We verified various sample items to purchase orders for contracts over \$250,000. We verified a sample of salary expenses and traced to time sheets. We verified a sample of legal fees and traced to invoices. We recalculated Schedule T-6. No exceptions were noted.

Recovery

Objectives: The objectives were to determine whether the Utility used the Commission approved CCRC factors to bill customers for the period January 1, 2016 through December 31, 2016 and whether Schedules T-2 and T-3 reflect the amounts in Order No. PSC-15-0521-FOF-EI, issued November 3, 2015.

Procedures: We verified the amount collected on the Schedule T-1 to the NCRC jurisdictional amount approved in Order No. PSC-15-0521-FOF-EI, and to the CCRC and verified that the approved factor was used to bill the customers. No exceptions were noted.

Carrying Cost on Deferred Tax Adjustment

Objectives: The objectives were to determine whether Schedule T-3A - Carrying Cost on Deferred Tax Assets (DTA) included the correct balances from the supporting schedules and the deferred tax adjustment is accurately calculated.

Procedures: We traced the projected and estimated True-Up amount to prior NCRC Orders. We traced the beginning balances included in the schedule to the prior audit. We reconciled the monthly recovered costs to the supporting schedules in the filing. We traced the Allowance for Funds Used During Construction (AFUDC) rate applied to the rates approved in Order No. PSC-14-0193-PAA-EI, issued April 25, 2014. We recalculated Schedule T-3A and verified the Final True-Up amount. No exceptions were noted.

Other Issues

Objectives: The objectives were to determine whether the carrying cost for site selection and pre-construction costs listed on the Utility's Schedule T-2 include the correct balances from the supporting schedules of the filing and were appropriately calculated.

Procedures: We traced the projected and estimated true-up amounts to prior NCRC Orders. We traced the beginning balances included in the schedule to the prior docket. We reconciled the monthly costs to the supporting schedules in the filing. We traced the AFUDC rate applied by the Utility to the rate approved in Order No. PSC-14-0193-PAA-EI. We recalculated Schedule T-2 and verified the Final True-Up. No exceptions were noted.

True-Up

Objectives: The objective was to determine whether the final True-Up filed on Schedule T-1 was properly calculated.

Procedures: We traced the December 31, 2015, Site Selection and Pre-Construction True-Up Provisions to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2016 using the Commission approved beginning balances as of December 31, 2015, the approved AFUDC interest rate, and the 2016 costs. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: Schedule T-1 True-Up of Site Selection Cost

Schedule T-1 (True-up)		Turkey Point Units 6&7 Site Selection Carrying Cost on Site Selection Cost Balance True-up Filing: Retail Revenue Requirements Summary						[Section (6)(c)1.a.]
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: FLORIDA POWER & LIGHT COMPANY DOCKET NO.: 170009-EI		EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual carrying cost for the prior year and the previously filed costs.						For the Year Ended 12/31/2016 Witness: Jennifer Grant-Keene
Line No.		(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars								
1	Site Selection Revenue Requirements (Schedule T-2, Line 7)	\$57	\$53	\$46	\$39	\$32	\$25	\$254
2	Construction Carrying Cost Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA(DTL) Carrying Cost (Schedule T-3A, Line 6)	\$13,298	\$13,298	\$13,298	\$13,298	\$13,298	\$13,298	\$79,769
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	<u>\$13,355</u>	<u>\$13,351</u>	<u>\$13,344</u>	<u>\$13,338</u>	<u>\$13,331</u>	<u>\$13,323</u>	<u>\$80,042</u>
7	Projected Cost and Carrying Cost on DTA(DTL) for the Period (Order No. PSC-15-0521-FOF-EI) (a)	\$14,201	\$14,202	\$14,209	\$14,217	\$14,225	\$14,233	\$85,287
8	Difference (True-up to Projections) (Over)/Under Recovery for the Period (Line 6 - Line 7)	<u>(\$846)</u>	<u>(\$850)</u>	<u>(\$865)</u>	<u>(\$880)</u>	<u>(\$894)</u>	<u>(\$910)</u>	<u>(\$5,244)</u>
9	Actual / Estimated Revenue Requirements for the period (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Final True-up Amount for the Period (Line 6 - Line 9)	<u>(\$846)</u>	<u>(\$850)</u>	<u>(\$865)</u>	<u>(\$880)</u>	<u>(\$894)</u>	<u>(\$910)</u>	<u>(\$5,244)</u>
* Totals may not add due to rounding								
See notes on Page 2								
Page 1 of 2								
Line No.		(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars								
1	Site Selection Revenue Requirements (Schedule T-2, Line 7)	\$16	\$17	\$23	\$28	\$34	\$41	\$415
2	Construction Carrying Cost Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA(DTL) Carrying Cost (Schedule T-3A, Line 6)	\$13,298	\$13,298	\$13,298	\$13,298	\$13,298	\$13,298	\$159,578
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	<u>\$13,316</u>	<u>\$13,315</u>	<u>\$13,321</u>	<u>\$13,327</u>	<u>\$13,333</u>	<u>\$13,339</u>	<u>\$159,993</u>
7	Projected Cost and Carrying Cost on DTA(DTL) for the Period (Order No. PSC-15-0521-FOF-EI) (a)	\$12,551	\$12,533	\$12,502	\$12,470	\$12,438	\$12,406	\$160,186
8	Difference (True-up to Projections) (Over)/Under Recovery for the Period (Line 6 - Line 7)	<u>\$765</u>	<u>\$783</u>	<u>\$819</u>	<u>\$856</u>	<u>\$894</u>	<u>\$933</u>	<u>(\$193)</u>
9	Actual / Estimated Revenue Requirements for the period (a)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Final True-up Amount for the Period (Line 6 - Line 9)	<u>\$765</u>	<u>\$783</u>	<u>\$819</u>	<u>\$856</u>	<u>\$894</u>	<u>\$933</u>	<u>(\$193)</u>
Notes								
11	(a) Per Order No. PSC-16-0266-PCO-EI the Commission deferred consideration of FPL's Actual/Estimated 2016 True-up.							
* Totals may not add due to rounding								
Page 2 of 2								

Exhibit 2: Schedule T-1 True-Up of Pre-Construction Cost

Schedule T-1 (True-up)		Turkey Point Units 6&7 Pre-Construction Costs and Carrying Costs on Construction Cost Balance True-up Filing: Retail Revenue Requirements Summary						[Section 6(x)1.a.]
FLORIDA PUBLIC SERVICE COMMISSION COMPANY: FLORIDA POWER & LIGHT COMPANY DOCKET NO.: 170009-EI		EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual expenditures for the prior year and previously filed expenditures.						For the Year Ended 12/31/2016 Witness: Jennifer Grant-Keene
Line No.		(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars								
1	Pre-Construction Revenue Requirements (Schedule T-2, Line 7)	\$1,327,727	\$1,183,104	\$3,217,347	\$1,573,735	\$1,355,525	\$1,889,575	\$10,547,014
2	Construction Carrying Cost Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA(DTL) Carrying Cost (Schedule T-3A, Line 8)	\$580,784	\$582,593	\$587,182	\$580,751	\$571,523	\$574,217	\$3,477,029
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	\$1,908,510	\$1,765,697	\$3,804,529	\$2,154,486	\$1,927,049	\$2,463,792	\$14,024,043
7	Projected Cost and Carrying Cost for the Period (Order No. PSC-15-0521-FOF-EI) (a)	\$1,970,197	\$2,235,612	\$3,407,604	\$3,560,697	\$2,576,177	\$1,396,017	\$15,145,305
8	Final True-up Amount of (Over)/Under Recovery for the Period (Line 6 - Line 7)	(\$61,687)	(\$469,915)	\$396,905	(\$1,406,211)	(\$651,129)	\$1,067,775	(\$1,124,262)
9	Actual / Estimated Revenue Requirements for the period (b)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Final True-up Amount for the Period (Line 8 - Line 9)	(\$61,687)	(\$469,915)	\$396,905	(\$1,406,211)	(\$651,129)	\$1,067,775	(\$1,124,262)
11	(a) Total recovered in 2016 as approved in Order No PSC-15-0521-FOF-EI in Docket No 150009-EI							6 Month Total
12	2014 Final True-Up (2013 Schedule T-1, Line 10)	(\$536)	(\$336)	\$441,332	(\$2,173)	\$596,009	\$907,072	\$1,941,369
13	2015 (Over)/Under Recovery (Schedule AE-1, Line 8)	\$348,790	(\$404,426)	(\$1,697,354)	\$1,731,397	(\$180,039)	(\$2,203,274)	(\$2,304,996)
14	2016 Projected Cost / Carrying Cost (Schedule P-2, Line 7)	\$1,039,807	\$2,050,628	\$4,065,223	\$1,225,413	\$1,532,191	\$2,076,905	\$11,987,445
15	2016 Projected DTA/DTL Carrying Cost (Schedule P-3A, Line 8)	\$95,137	\$389,549	\$598,403	\$606,059	\$610,017	\$615,231	\$3,604,394
16	2016 Total (Over)/Under Recovery	\$1,070,197	\$2,235,612	\$3,407,604	\$3,560,697	\$2,576,177	\$1,396,017	\$15,145,305
* Totals may not add due to rounding See notes on Page 2								
Page 1								
Line No.		(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars								
1	Pre-Construction Revenue Requirements (Schedule T-2, Line 7)	\$1,401,970	\$2,099,575	\$1,485,291	\$1,365,391	\$1,101,303	\$3,106,417	\$21,109,961
2	Construction Carrying Cost Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA(DTL) Carrying Cost (Schedule T-3A, Line 8)	\$576,970	\$580,033	\$583,221	\$585,352	\$586,925	\$591,052	\$6,960,591
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	\$1,978,940	\$2,679,608	\$2,068,513	\$1,950,743	\$1,688,229	\$3,700,469	\$28,090,552
7	Projected Cost and Carrying Cost for the Period (Order No. PSC-15-0521-FOF-EI) (a)	\$1,787,798	\$3,966,153	\$2,525,157	\$1,557,685	\$1,598,339	\$7,825,913	\$34,089,349
8	Actual (Over)/Under Recovery for the Period (Line 6 - Line 7)	\$211,150	(\$1,286,544)	(\$456,644)	\$393,058	\$89,090	(\$3,825,445)	(\$5,998,797)
9	Actual / Estimated Revenue Requirements for the period (b)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Final True-up Amount for the Period (Line 8 - Line 9)	\$211,150	(\$1,286,544)	(\$456,644)	\$393,058	\$89,090	(\$3,825,445)	(\$5,998,797)
11	(a) Total recovered in 2016 as approved in Order No PSC-15-0521-FOF-EI in Docket No 150009-EI							12 Month Total
12	2014 Final True-Up (2013 Schedule T-1, Line 10)	(\$963,676)	(\$110,049)	\$437,551	\$640,787	\$27,441	(\$2,034,734)	(\$691,512)
13	2015 (Over)/Under Recovery (Schedule AE-1, Line 8)	\$1,198,119	\$2,174,925	(\$410,277)	(\$570,599)	\$81,034	\$6,740,725	\$6,101,031
14	2016 Projected Cost / Carrying Cost (Schedule P-2, Line 7)	\$943,981	\$378,906	\$1,871,306	\$665,027	\$876,864	\$3,780,114	\$21,303,710
15	2016 Projected DTA/DTL Carrying Cost (Schedule P-3A, Line 8)	\$619,594	\$622,360	\$626,493	\$630,470	\$633,000	\$639,809	\$7,376,121
16	2016 Total (Over)/Under Recovery	\$1,787,798	\$3,966,153	\$2,525,157	\$1,557,685	\$1,598,339	\$7,825,913	\$34,089,349
17	(b) Per Order No. PSC-16-0268-PCO-EI the Commission deferred consideration of FPL's Actual/Estimated 2016 True-up.							
* Totals may not add due to rounding								
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State of Florida



Public Service Commission

Office of Auditing and Performance Analysis
Bureau of Auditing
Miami District Office

Auditor's Report

Florida Power & Light Company
Nuclear Cost Recovery Clause
Turkey Point Units 6 & 7

Twelve Months Ended December 31, 2015

Docket No. 160009-EI
Audit Control No. 16-005-4-1
May 31, 2016

Handwritten signature of Iliana H. Piedra in black ink.

Iliana H. Piedra
Audit Manager

Handwritten signature of Gabriela Leon in black ink.

Gabriela Leon
Audit Staff

Handwritten signature of Marisa Glover in blue ink.

Marisa Glover
Reviewer

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Purpose

To: Florida Public Service Commission

We have performed the procedures described later in this report to meet the objectives set forth by the Office of Industry Development and Market Analysis in its audit service request dated January 5, 2016. We have applied these procedures to the attached schedules prepared by Florida Power & Light Company, and to several of its related schedules in support of its 2015 filing for the Nuclear Cost Recovery Clause (Turkey Point Units 6 & 7 Project) in Docket No. 160009-EI.

This audit was performed following General Standards and Fieldwork Standards found in the AICPA Statements on Standards for Attestation Engagements. The report is intended only for internal Commission use.

Objectives and Procedures

General

Definitions

Site selection costs, are costs that are expended prior to the selection of a site.

Pre-construction costs, are costs that are expended after a site has been selected in preparation for the construction of a nuclear power plant, incurred up to and including the date the utility completes site clearing work.

FPL/Utility refers to Florida Power & Light Company.

CCRC refers to Capacity Cost Recovery Clause.

NCRC refers to Nuclear Cost Recovery Clause.

Objectives: The objective was to determine whether the Utility's 2015 NCRC filings in Docket No. 160009-EI are consistent and in compliance with Section 366.93, Florida Statutes (F.S.), and Rule 25-6.0423, Florida Administrative Code (F.A.C.)

Procedures: We performed the following specific objectives and procedures to satisfy the overall objective identified above.

Construction Work in Progress (CWIP)

Objectives: The objectives were to verify that pre-construction costs listed on the Utility's Schedule T-6 filing were supported by adequate documentation and that the capital additions were appropriately recoverable through the NCRC and in compliance with Section 366.93, F.S. and Rule 25-6.043, F.A.C.

Procedures: We sampled and verified the monthly pre-construction expenditures and traced to invoices and other supporting documentation including contracts. We verified various sample items to purchase orders for contracts over \$250,000. We verified a sample of salary expenses and traced to time sheets. We verified a sample of legal fees and traced to invoices. We recalculated Schedule T-6. No exceptions were noted.

Recovery

Objectives: The objectives were to determine whether the Utility used the Commission approved CCRC factors to bill customers for the period January 1, 2015 through December 31, 2015 and whether Schedules T-2 and T-3 reflect the amounts in Order No. PSC-14-0617-FOF-EI, issued October 27, 2014.

Procedures: We verified the amount collected on the Schedule T-1 to the NCRC jurisdictional amount approved in Order No. PSC-14-0617-FOF-EI, and to the CCRC in Docket No. 160001-EI and verified that the approved factor was used to bill the customers. No exceptions were noted.

Carrying Cost on Deferred Tax Adjustment

Objectives: The objectives were to determine whether Schedule T-3A - Carrying Cost on Deferred Tax Assets (DTA) included the correct balances from the supporting schedules and the deferred tax adjustment is accurately calculated.

Procedures: We traced the projected and estimated True-Up amount to prior NCRC Orders. We traced the beginning balances included in the schedule to the prior audit. We reconciled the monthly recovered costs to the supporting schedules in the filing. We traced the Allowance for Funds Used During Construction (AFUDC) rate applied to the rates approved in Order No. PSC-14-0193-PAA-EI, issued April 25, 2014. We recalculated Schedule T-3A and verified the Final True-Up amount. No exceptions were noted.

Other Issues

Objectives: The objectives were to determine whether the carrying cost for site selection and pre-construction costs listed on the Utility's Schedule T-2 include the correct balances from the supporting schedules of the filing and were appropriately calculated.

Procedures: We traced the projected and estimated true-up amounts to prior NCRC Orders. We traced the beginning balances included in the schedule to the prior docket. We reconciled the monthly costs to the supporting schedules in the filing. We traced the AFUDC rate applied by the Utility to the rate approved in Order No. PSC-14-0193-PAA-EI. We recalculated Schedule T-2 and verified the Final True-Up. No exceptions were noted.

True-Up

Objectives: The objective was to determine whether the final True-Up filed on Schedule T-1 was properly calculated.

Procedures: We traced the December 31, 2014, Site Selection and Pre-Construction True-Up Provisions to the Commission Order. We recalculated the True-Up and Interest Provision amounts as of December 31, 2015 using the Commission approved beginning balances as of December 31, 2014, the approved AFUDC interest rate, and the 2015 costs. No exceptions were noted.

Audit Findings

None

Exhibits

Exhibit 1: Schedule T-1 True-Up of Site Selection Cost

	Turkey Point Units 6&7 Site Selection Carrying Costs on Cost Balance True-up Filing: Retail Revenue Requirements Summary	[Section (6)(c)1.a.]					
Schedule T-1 (True-up)							
FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual carrying costs for the prior year and the previously filed costs.	For the Year Ended 12/31/2015					
COMPANY: FLORIDA POWER & LIGHT COMPANY		Witness: Jennifer Grant-Keene					
DOCKET NO.: 160009-EI							
Line No.	(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
	Jurisdictional Dollars						
1	(\$188)	(\$184)	(\$176)	(\$169)	(\$160)	(\$152)	(\$1,027)
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	\$13,325	\$13,326	\$13,326	\$13,326	\$13,327	\$13,327	\$78,957
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	<u>\$13,137</u>	<u>\$13,142</u>	<u>\$13,150</u>	<u>\$13,159</u>	<u>\$13,167</u>	<u>\$13,176</u>	<u>\$78,930</u>
7	\$12,209	\$12,212	\$12,212	\$12,212	\$12,212	\$12,212	\$73,270
8	<u>\$828</u>	<u>\$828</u>	<u>\$838</u>	<u>\$846</u>	<u>\$855</u>	<u>\$863</u>	<u>\$5,659</u>
9	\$13,108	\$13,113	\$13,121	\$13,130	\$13,138	\$13,146	\$78,756
10	<u>\$28</u>	<u>\$28</u>	<u>\$29</u>	<u>\$29</u>	<u>\$29</u>	<u>\$30</u>	<u>\$174</u>
* Totals may not add due to rounding							

Turkey Point Units 6&7
Site Selection Carrying Costs on Cost Balance
True-up Filing: Retail Revenue Requirements Summary

Schedule T-1 (True-up) [Section (6)(c)1.a.]

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA POWER & LIGHT COMPANY
 DOCKET NO.: 160009-EI

EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual carrying costs for the prior year and the previously filed costs.

For the Year Ended 12/31/2015
 Witness: Jennifer Grant-Keena

Line No.	(H) Actual July	(I) Actual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1	Site Selection Revenue Requirements (Schedule T-2, Line 7)	(\$143)	(\$142)	(\$146)	(\$161)	(\$156)	(\$1,926)
2	Construction Carrying Cost Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA/DTL Carrying Cost (Schedule T-3A, Line 8)	\$13,328	\$13,328	\$13,329	\$13,329	\$13,329	\$155,930
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	<u>\$13,184</u>	<u>\$13,186</u>	<u>\$13,182</u>	<u>\$13,178</u>	<u>\$13,168</u>	<u>\$158,002</u>
7	Projected Cost and Carrying Cost on DTA/DTL for the Period (Order No. PSC 14-0617-FOF-EI)	\$13,905	\$13,924	\$13,950	\$13,977	\$14,008	\$157,080
8	True-up to Projections (Over)/Under Recovery for the Period (Line 6 - Line 7)	<u>(\$720)</u>	<u>(\$738)</u>	<u>(\$768)</u>	<u>(\$799)</u>	<u>(\$830)</u>	<u>\$942</u>
9	Actual / Estimated Revenue Requirements for the period (Order No. PSC 15-0521-FOF-EI)	\$13,166	\$13,158	\$13,154	\$13,149	\$13,144	\$157,658
10	Final True-up Amount for the Period (Line 6 - Line 9)	<u>\$28</u>	<u>\$28</u>	<u>\$28</u>	<u>\$29</u>	<u>\$29</u>	<u>\$345</u>

* Totals may not add due to rounding

Exhibit 2: Schedule T-1 True-Up of Pre-Construction Cost

		Turkey Point Units 6&7 Pre-Construction Costs and Carrying Costs on Construction Cost Balance True-up Filing: Retail Revenue Requirements Summary						(Section 8)(c)1.a.)
Schedule T-1 (True-up)								
FLORIDA PUBLIC SERVICE COMMISSION		EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual expenditures for the prior year and previously filed expenditures.						For the Year Ended 12/31/2015
COMPANY: FLORIDA POWER & LIGHT COMPANY								Witness: Jennifer Grant-Keene
DOCKET NO.: 160009-EI								
Line No.		(A) Actual January	(B) Actual February	(C) Actual March	(D) Actual April	(E) Actual May	(F) Actual June	(G) 6 Month Total
Jurisdictional Dollars								
1	Pre-Construction Revenue Requirements (Schedule T-2, Line 7)	\$1,082,527	\$2,420,676	\$1,311,551	\$1,487,404	\$1,635,826	\$1,242,581	\$9,380,636
2	Construction Carrying Costs Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Recoverable O&M Revenue Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	DTA/DTL Carrying Costs (Schedule T-3A, Line 8)	\$538,018	\$542,511	\$547,356	\$550,878	\$555,180	\$559,132	\$3,283,085
5	Other Adjustments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Total Period Revenue Requirements (Lines 1 through 5)	<u>\$1,620,545</u>	<u>\$2,963,187</u>	<u>\$1,858,908</u>	<u>\$2,048,372</u>	<u>\$2,391,016</u>	<u>\$1,801,694</u>	<u>\$12,663,721</u>
7	Projected Costs and Carrying Costs for the Period (Order No. PSC 14-0817-FOF-EI) (e)	\$1,270,611	\$3,366,449	\$3,627,540	\$405,086	\$2,401,325	\$4,091,639	\$15,362,951
8	True-up to Projections (Over/Under Recovery for the Period (Line 6 - Line 7)	<u>\$349,933</u>	<u>(\$403,262)</u>	<u>(\$1,988,632)</u>	<u>\$1,643,286</u>	<u>(\$10,308)</u>	<u>(\$2,290,246)</u>	<u>(\$2,679,230)</u>
9	Actual / Estimated Revenue Requirements for the period (Order No. PSC-15-0521-FOF-EI)	\$1,619,401	\$2,982,023	\$2,130,186	\$2,136,483	\$2,241,286	\$1,888,665	\$12,978,045
10	Final True-up Amount for the Period (Line 6 - Line 9)	<u>\$1,143</u>	<u>\$1,164</u>	<u>(\$271,278)</u>	<u>(\$88,111)</u>	<u>\$146,731</u>	<u>(\$85,772)</u>	<u>(\$284,324)</u>
11	(a) Total being recovered in 2015 as approved in Order No. PSC-14-0817-FOF-EI in Docket No. 140008-EI.							6 Month Total
12	2013 Final True-Up (2013 Schedule T-1, Line 10)	(\$0)	(\$0)	\$216,800	(\$637,117)	(\$438,136)	\$1,491,428	\$632,975
13	2014 (Over/Under Recovery (Schedule AE-1, Line 8)	\$16,386	\$2,038,917	\$1,991,752	(\$377,746)	\$1,162,282	\$1,016,667	\$5,848,558
14	2015 Projected Costs / Carrying Costs (Schedule P-2, Line 7)	\$718,182	\$789,292	\$1,079,022	\$876,130	\$1,130,431	\$1,033,631	\$6,625,889
15	2015 Projected DTA/DTL Carrying Costs (Schedule P-3A, Line 8)	\$538,043	\$538,240	\$540,888	\$543,819	\$548,750	\$548,612	\$3,265,730
16	2016 Total (Over/Under Recovery	<u>\$1,270,611</u>	<u>\$3,366,449</u>	<u>\$3,627,540</u>	<u>\$405,086</u>	<u>\$2,401,325</u>	<u>\$4,091,639</u>	<u>\$15,362,951</u>

* Totals may not add due to rounding

See notes on Page 2

Turkey Point Units 6&7
Pre-Construction Costs and Carrying Costs on Construction Cost Balance
True-up Filing: Retail Revenue Requirements Summary

[Section (6)(c)1.a.]

Schedule T-1 (True-up)

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: FLORIDA POWER & LIGHT COMPANY
 DOCKET NO.: 160009-EI

EXPLANATION: Provide the calculation of the true-up of total retail revenue requirements based on actual expenditures for the prior year and previously filed expenditures.

For the Year Ended 12/31/2015

Witness: Jennifer Grant-Keene

Line No.	(H) Actual July	(I) Annual August	(J) Actual September	(K) Actual October	(L) Actual November	(M) Actual December	(N) 12 Month Total
Jurisdictional Dollars							
1	\$1,445,651	\$1,427,791	\$2,233,588	\$723,815	\$1,553,715	\$973,897	\$17,749,073
2	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	\$561,314	\$504,974	\$569,781	\$573,533	\$576,284	\$579,413	\$9,718,383
5	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	<u>\$2,006,965</u>	<u>\$1,932,765</u>	<u>\$2,803,369</u>	<u>\$1,297,348</u>	<u>\$2,129,999</u>	<u>\$1,553,309</u>	<u>\$24,467,457</u>
7	\$659,031	(\$710,802)	\$2,252,935	\$2,411,124	\$1,706,501	(\$2,001,503)	\$19,680,436
8	<u>\$1,347,935</u>	<u>\$2,703,367</u>	<u>\$550,414</u>	<u>(\$1,113,776)</u>	<u>\$423,498</u>	<u>\$3,554,812</u>	<u>\$4,787,020</u>
9	\$1,857,149	\$1,704,333	\$1,842,668	\$1,632,525	\$1,797,534	\$3,739,222	\$25,781,487
10	<u>\$149,816</u>	<u>\$228,432</u>	<u>\$98,891</u>	<u>(\$535,177)</u>	<u>\$382,455</u>	<u>(\$2,185,913)</u>	<u>(\$1,314,010)</u>
11	<u>(a) Total recovered in 2015 as approved in Order No. PSC-14-0617-FOF-EI in Docket No. 140009-EI:</u>						
	July	August	September	October	November	December	12 Month Total
12	\$556,215	(\$187,119)	\$569,101	\$846,185	(\$151,998)	(\$2,729,012)	(\$463,640)
13	(\$1,279,278)	(\$1,879,653)	\$37,860	\$245,950	\$525,006	(\$2,538,164)	\$950,338
14	\$829,459	\$801,148	\$1,088,193	\$759,507	\$770,773	\$2,697,815	\$12,571,584
15	\$552,635	\$555,018	\$557,781	\$660,482	\$582,720	\$587,796	\$5,612,164
16	<u>\$659,031</u>	<u>(\$710,802)</u>	<u>\$2,252,935</u>	<u>\$2,411,124</u>	<u>\$1,706,501</u>	<u>(\$2,001,503)</u>	<u>\$19,680,436</u>

* Totals may not add due to rounding

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Nuclear cost recovery clause.

DOCKET NO. 170009-EI

DATED: June 20, 2017

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the testimony of ILIANA H. PIEDRA on behalf of the staff of the Florida Public Service Commission was electronically filed with the Office of Commission Clerk, Florida Public Service Commission, and copies were furnished by electronic mail to the following on this 20th day of June 2017.

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CERTIFICATE OF SERVICE
DOCKET NO. 170009-EI
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