のつの43名-モエ REDACTED

# II. AUDIT FINDINGS REDACTED

AUDIT FINDING NO. 1

SUBJECT: TERMINATION FEE

	AUDIT ANALYSIS: FPL entered into a contractual agreement with
	for the
	Glades Power Park for the total cost of
	As the result of the Commission's rejection of
	FPL's request for the construction of the coal-fired generation units, FPL terminated its contract with
	Through
	negotiations to reduce the full termination fee, the following terms were agreed upon.  First, agreed to reduce the termination fee from
	(decrease of \$2,000,000) if FPL agreed to increase the contract price of the
	by \$1,750,000 or an actual decrease of \$250,000. Second, agreed to adjust the cash flow of
	payments for resulting in an approximate \$500,000 reduction in
	Allowance for Fund Used During Construction (AFUDC)
	agreed to credit FPL by December 31, 2012, if is selected as the winning bidder in future
	competitive solicitation by any company in FPL Group Company, not just the utility.
	Even if an affiliate the utility would receive
CMP	The settlement of the contract price for yielded a saving benefit of \$250,000;
COM	however, it also posed an inconsistency of accounting methodology as based on the renegotiation, the termination fee would decrease the deferred loss and increase the
CTR	- The costs capitalized as a plant addition. This would result in a longer period of
ECR	writing off the \$1,750,000 since the plant addition is depreciated over a longer period
GCL	than the deferred loss would be amortized.
OPC	Although the negotiation was to transfer the \$1,750,000 between projects, FPL
RCA /	adjusted its books after the filing was made to follow Generally Accepted Accounting
	Principals and to only record the actual reduction of \$250,000 to the Glades Power Project to account 182.3-Other Regulatory Assets. Therefore, the costs booked are
SCR	actually \$34,287,477, which includes the reduction of \$250,000.
SGA	EDI will rely on the Commission outhorization to determine whether the costs of the
SEC	FPL will rely on the Commission authorization to determine whether the costs of the Glades Power Park project should be reduced and the new construction for
OTH	

DOCUMENT NUMBER-DATE

10995 DEC 17 8

increased. If the Commission decides the \$1,750,000 should be removed from the deferred loss for the recovery of the Glades Power Park project Account 182.3 - Other Regulatory Assets, then less cost would be amortized over a period of five years. If this is done, the \$1,750,000 would be an addition to the and be depreciated for a period of twenty-five years instead of five years if left in the deferred loss account. The Commission must also take into consideration the effect of the \$500,000 reduction in Allowance for Funds Used During Construction (AFUDC) due to the change in as a result of this re-negotiation on the Glades contract. The \$500,000 reduction in AFUDC helps to mitigate the increase in costs if Since this is a result of the rethe \$1,750,000 is increased in negotiation, the Commission should determine if the Glades project shoulld receive any benefit from the change in the payment schedule for an unrelated project? In addition, the Commission needs to determine whether the future credit of should reduce the deferred account or costs. There is no guarantee that there will be any credits because would have to win in a competitive bid process so any adjustment to the account would probably occur after the decision is made on FPL's recording of the loss.

**EFFECT ON LEDGER:** This finding is for informational purpose only.

#### **AUDIT FINDING NO. 2**

#### SUBJECT: PAYROLL AND RELOCATION COSTS

**AUDIT ANALYSIS:** Included in the \$34.5 million of the Glades Power Park Project was \$1,858,346.29 of Florida Power & Light payroll and \$126,314.83 of relocation costs for the hiring of two new employees, Richard Blanchette and Thuy Le. The costs are as follows:

Description	Payroll
Engineering/Construction - Power Plant	892,737.66
Engineering/Construction - Transmission	28,677.57
<u></u>	921,415.23
Site Certification/Permitting - Corp. Communications	166,512.58
Site Certification/Permitting - Environmental	142,487.50
Site Certification/Permitting - Legal	39,559.07
Site Certification/Permitting - Other	151,260.18
Site Certification/Permitting -Transmission	150,537.03
Site Certification/Permitting - E&C Proj. Management	286,574.70
Site Certification/Permitting - Engineering Support	
	936,931.06
Total	1,858,346.29
Relocation - Richard Blanchette	52,029.40
Relocation - Richard Blanchette	14,059.50
Relocation - Richard Blanchette	5,992.96
Relocation - Richard Blanchette	12,000.00
Relocation - Thuy Le	27,168.12
Relocation - Thuy Le	15,064.85
Total	126,314.83
<del></del>	
Vice President of Engineer Travel Expense  The primary vendor for the advanced technology considered at the FGPP project are located in Japan. The trip to Japan was taken by Vice-president of Engineering & Construction to solicit competitive, favorable equipment pricing for three major pieces of equipment: the boiler, steam turbine & pollution control	4,148.14
equipment.	
Total	4,148.14

These employees were hired to work on the Glades Power Park Project, thus the majority of the relocation costs were allocated to this particular project. Richard Blanchette was the project construction director. Thuy Le was the project construction manager. Although the Glades Power Park Project did not materialize, these employees are still on the company's payroll, which indicates that they are currently

working other construction projects. Therefore, all or part of the relocation costs should be allocated to the project they are currently working on.

**EFFECT ON LEDGER:** This finding is for informational purpose only.

#### **AUDIT FINDING NO. 3**

# SUBJECT: LEGAL SERVICES, LOBBYING, COMMUNITY OUTREACH, & PUBLIC RELATION

**AUDIT ANALYSIS:** Florida Power & Light incurred legal services, lobbying, community outreach, & public relation costs for the Glades Power Park Project.

Lobbying -		
	tötäl'	71,015.67
Customer Survey		
•	TOTAL	41,673.00
Outreach-		
	TOTAL	57,649.43
Outreach & Community	Coordinator -	
	TOTAL	1,369,536.14
Copy of Educational Ma	terials for Community Outreach	
	TOTAL	12,396.00
Legal Services - FPL EN	ERGY	
	TOTAL	194,435.00

EFFECT ON LEDGER: This finding is for informational purpose only.

## III. EXHIBITS

## **APPENDIX A**

# FPL Glades Power Park Project Cost Analysis

(in millions of dollars)

Land and Right of Way Option Payments	1.7
Site Certification and Permitting	7.6
Major Equipment Contracts	
Turbine contracted termination cost	12.7
Air Quality Control System contracted termination cost	<u>4.8</u>
Subtotal Major Equipment Contracts	17.5
Preliminary Engineering and Project Management	5.3
Engineering, Procurement, Construction Contract	
Contracted termination cost	<u>2.4</u>
Total Project Cost	34.5

II. AUDIT FINDINGS 43-3/3-6AUDIT FINDING NO. 1

SUBJECT: TERMINATION FEE

AUDIT ANALYSIS: FPL entered into a contractual agreement	with	
		for the
Glades Power Park for the total cost of		
As the result of the Commission	n's reie	ection of
FPL's request for the construction of the coal-fired generation units, FPL	_	
contract with		
		<del>-</del> 1
negotiations to reduce the full termination fee, the following terms were		Through
First, agreed to reduce the termination fee from	agree	ig upon.
(decrease of \$2,000,000) if FPL agreed to increase the contract price	of the	
by \$1	,750,00	00 or an
actual decrease of \$250,000. Second, agreed to adjust the		
payments for resulting in an approximate \$500,0	)00 red	_
Allowance for Fund Used During Construction (AFUDC) for agreed to credit FPL		Third,
by December 31, 2012, if is selected as the winning b	idder i	in future
competitive solicitation by any company in FPL Group Company, not	. just th	ne utility.
Even if an affiliate the utility would receive		
The settlement of the contract price for yielded a saving bene	efit of \$	250.000:
however, it also posed an inconsistency of accounting methodology as t		
negotiation, the termination fee would decrease the deferred loss ar		
costs capitalized as a plant addition. This would result in a l	-	•
writing off the \$1,750,000 since the plant addition is depreciated over than the deferred loss would be amortized.	a long	ter henoo
and the deferred loss would be differenced.		

Although the negotiation was to transfer the \$1,750,000 between projects, FPL adjusted its books after the filing was made to follow Generally Accepted Accounting Principals and to only record the actual reduction of \$250,000 to the Glades Power Project to account 182.3-Other Regulatory Assets. Therefore, the costs booked are actually \$34,287,477, which includes the reduction of \$250,000.

FPL will rely on the Commission authorization to determine whether the costs of the

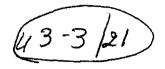
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The Commission must also take into consideration the effect of the \$500,000 reduction in Allowance for Funds Used During Construction (AFUDC) due to the change in payments for the as a result of this re-negotiation on the Glades contract. The \$500,000 reduction in AFUDC helps to mitigate the increase in costs if the \$1,750,000 is increased in Since this is a result of the renegotiation, the Commission should determine if the Glades project shoulld receive any benefit from the change in the payment schedule for an unrelated project?

In addition, the Commission needs to determine whether the future credit of should reduce the deferred account or the costs. There is no guarantee that there will be any credits because would have to win in a competitive bid process so any adjustment to the account would probably occur after the decision is made on FPL's recording of the loss.

**EFFECT ON LEDGER:** This finding is for informational purpose only.





#### SUBJECT: PAYROLL AND RELOCATION COSTS

**AUDIT ANALYSIS:** Included in the \$34.5 million of the Glades Power Park Project was \$1,858,346.29 of Florida Power & Light payroll and \$126,314.83 of relocation costs for the hiring of two new employees; Richard Blanchette and Thuy Le. The costs are as follows:

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Site Certification/Permitting - Other	151,260.18
Site Certification/Permitting -Transmission	150,537.03
Site Certification/Permitting - E&C Proj. Management	286,574.70
Site Certification/Permitting - Engineering Support	
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Total	1,858,346.29
Relocation Richard Blanchette	52,029.40
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Relocation - Richard Blanchette	12,000.00
Relocation - Thuy Le	27,168.12
Relocation - Thuy Le	15,064.85
Total	126,314.83
Vice Desident of Factors To all Factors	
Vice President of Engineer Travel Expense  The primary vendor for the advanced technology	4,148.14
considered at the FGPP project are located in Japan.	,
The trip to Japan was taken by Vice-president of	
Engineering & Construction to solicit competitive,	
favorable equipment pricing for three major pieces of	
equipment: the boiler, steam turbine & pollution control	
equipment.	
Total	4,148.14

These employees were hired to work on the Glades Power Park Project, thus the majority of the relocation costs were allocated to this particular project. Richard Blanchette was the project construction director.

Thuy Le was the project construction manager. Although the Glades Power Park Project did not materialize these

working other construction projects. Therefore, all or part of the relocation costs should be allocated to the project they are currently working on.

EFFECT ON LEDGER: This finding is for informational purpose only.

AUDIT FINDING NO. 3 43-3/99

SUBJECT: LEGAL SERVICES, LOBBYING, COMMUNITY OUTREACH, & PUBLIC RELATION

AUDIT ANALYSIS: Florida Power & Light incurred legal services, lobbying, community outreach, & public relation costs for the Glades Power Park Project.

Lobbying <b>Control</b>		
TO	TAL .	71,015.67
Customer Survey		
TO	TAL	41,673.00
Outreach- I		
то	OTAL	57,649.43
Outreach & Community Coor	dinator	
TO	DTAL	1,369,536.14
Copy of Educational Material	s for Community Outreach	
TC	DTAL	12,396.00
Legal Services - FPL ENERG	Υ	
TC	DTAL	194,435.00

EFFECT ON LEDGER: This finding is for informational purpose only.

# III. EXHIBITS

TO:	-	Bert Gonzalez	UTILITY:	Florida Power & Light
AUDIT MANA	GER:	Yen Ngo	PREPARED BY:	
REQUEST NUI	MBER: _	5	DATE OF REQUEST:	September 10, 2007
REQUEST THA	AT THE F	OLLOWING ITEMS BE PRO	OVIDED BY:	September 13, 2007
AUDIT PURPO	SE	Glades Power Park Project		
REFERENCE RUI	LE 25.22.006	, F.A.C., THIS REQUEST IS MADE	: INCIDENT TO INQUE	RY 🛮 OUTSIDE OF AN INQUIRY
ITEM DESCRI		ocumentation for the followin	g (see attachment):	
		DESCR	IPTION	CONCIDENTER
2 Not pro 3 Not pro 4 Not pro 5 Need jo 6 Not pro 7 Not pro 8 Not pro 9 Need th 14 What do 23 Descrip 24 Descrip 25 Job des 26 How wo 27 How wo 28 Need in 32 Descrip 33 Descrip 40 Need Po	ovided, ovided, ovided, ovided, ovided, ovided, ovided, ovided, ovided, ovided ovided ovided oviden of work steinption & all as this amoun as this amoun as this eviden of the se oviden of the se oviden of the se oviden of the se ovided.	a and percentage of allocation of Glade a and percentage of allocation of Glade of the work performed and name of ed d for? perform.	s Project for employed	
43 Need th Rubio,	ie same inforr Ashley F. Pin	nation as item #41 for Pamela Rauch & nation as item #41 for Barbara J. Wash nock, William F. Brannen, Pamela A. amount from the invoice to the sample	vington, Pamela Rauch, Charles S. S Penta, Todd, J. Lester. item.	
TO: AUDIT MANA	GER		DATE: 23,25,26,27,32-	9-14-2007
THE REQUESTED 1	RECORD OF	DOCUMENTATION:	23,25,26,27,37-	41,413,58
,		KOVIDED TODAT		
2) 0 0	CANNOT BE	PROVIDED BY THE REQUESTED	DATE BUT WILL BE MADE AVA	VILABLE BY:
E U C	DEFINED IN S JTILITY OR CONFIDENTI	364.183,366.093, OR 367.156, F.S. TO OTHER PERSON MUST, WITHIN	MAINTAIN CONTINUED CONF 21 DAYS AFTER THE AUDI IVISION OF RECORDS AND REF	NFIDENTIAL BUSINESS INFORMATION AS FIDENTIAL HANDLING OF THIS MATERIAL. TH IT EXIT CONFERENCE, FILE A REQUEST FO PORTING. REFER TO RULE 25-22.006, F.A.C. O
4) 🗆 T	THE ITEM W	ILL NOT BE PROVIDED. (SEE ATT	ACHED MEMORANDUM)	
		THE STATE OF THE S		
		(Signatur	e and title of respondent)	
Distribution: C	Driginal: Titilit	by (for completion and return to Auditor	4	

TO:	Bert Gonzalez	UTILITY:	Florida Power & Light
AUDIT MANAGER:	Yen Ngo	PREPARED BY:	
REQUEST NUMBER:	5	DATE OF REQUEST:	September 10, 2007
REQUEST THAT THE	FOLLOWING ITEMS BE I	PROVIDED BY:	September 13, 2007
AUDIT PURPOSE	Glades Power Park Project		
REFERENCE RULE 25.22.0	06, F.A.C., THIS REQUEST IS M	ADE:   INCIDENT TO INC	QUIRY  OUTSIDE OF AN INQUIRY
ITEM DESCRIPTION:			Provided Today: ions Job descriptions
Please provide support	documentation for the follo	wing (see attachment):	on Today, no
	DE	SCRIPTION	gov dea
4			- Mesery
<ol> <li>Need job descripti</li> <li>Not provided.</li> </ol>	on and percentage of allocation of C	riades Project for employee	70011
3 Not provided.			
4 Not provided. 5 Need job descripti	on and percentage of allocation of C	Under Desirat for anniance	Veronica Swanson.
6 Not provided.	ou and beicentake of attocation of c	nades Project for employee	veronica Swanson.
<ol> <li>Not provided.</li> </ol>			
8 Not provided. 9 Need the description	on of the work performed and name	of employees that the payroll was ch	arged to
14 What does SCA st	and for?	at omproved that the payron was on	•
23 Description of wor 24 Description of wor			CONFIDENTIAL
	all invoices related to the allocation.		SOLAL IDEIALIYE
26 How was this amo	unt traced to the invoice?		
	unt traced to the invoice? xplanation of C&A.		
	service provided and invoices.		
33 Description of the			
40 Need PO. 41 Need Ashley Pinno	oolde Demela Danchia & Alex Dubic	o's job descriptions & work performe	od for Gladar Dariast harrier mts
	ormation as item #41 for Pamela Rau		au tor Grades Project, nourly fate
43 Need the same info	rmation as item #41 for Barbara J. \	Washington, Pamela Rauch, Charles	S. Schultz, France B. Drainville, Alex
	rinnock, William F. Brannen, Pamel or amount from the invoice to the sar		
on an analogous oc	amount from the myorce to the say	upte item.	0 10 10 5
TO: AUDIT MANAGER		DAT	re: <u>9-19-2007</u>
THE REQUESTED RECORD O	OR DOCUMENTATION:		
1) Q HAS BEEN	PROVIDED TODAY		
•	E PROVIDED BY THE REQUEST	ED DATE BUT WILL BE MADE A	
	OPINION, ITEM(S)		CONFIDENTIAL BUSINESS INFORMATION AS ONFIDENTIAL HANDLING OF THIS MATERIAL THE
			DIT EXIT CONFERENCE, FILE A REQUEST FOR
CONFIDEN	TIAL CLASSIFICATION WITH TH	IE DIVISION OF RECORDS AND I	REPORTING. REFER TO RULE 25-22.006, F.A.C. OF
	AND REPORTING. REFER TO RU WILL NOT BE PROVIDED. (SEE		
7) U INCHEM	Aff	A I ACHED IVEWIORANDUMI)	
·	VSion	ature and title of respondent)	
	0		

Distribution:

Original: Utility (for completion and return to Auditor)

то:	_	Bert Gonzalez	UTILITY:	Flo	rida Power & Light
AUDIT M	ANAGER:	Yen Ngo	PREPARED BY:		
REQUEST	NUMBER:	6	DATE OF REQUEST	: Sep	otember 11, 2007
REQUEST	THAT THE	FOLLOWING ITEMS BE PR	OVIDED BY:	Sep	otember 17, 2007
AUDIT PU		Glades Power Park Project			
	-	5, F.A.C., THIS REQUEST IS MAD	E:   INCIDENT TO	INQUIRY	☑ OUTSIDE OF AN INQUIRY
	SCRIPTION:				
		ocumentation for the following	ng:		
Item #		DESCRIPTION			
57	Job description &	all invoices for the relocation cos	t.		
58	•	& all invoices for the relocation cos			
59	•	gal ad for? Also, need copy of the a			CONFIDENTIAL
69	Job description of	of Kathy Salvador & allocation (if a	applicable)		OOM INCHINE
79	Description of se	rvice provided.			
86	Why was this am	ount credited twice?			
87	Why was this am	ount credited twice?			
89	What were the co	olor copies for?			
90		ollateral copies for?			
92	What were the co	•			
93	Explanation of tr	· ·			
94		ollateral copies for?			
95	Provide	invoice.			
96		invoice & allocation of \$3			
97	Show support do	cumentation when this amount was	s offset.		
اکان	pople	(	95,969	The The	
TO: AUDIT	MANAGER	/		DATE:	4-19-2007
THE REQUE	STED RECORD O	R DOCUMENTATION:			
1) 🖫	HAS BEEN	PROVIDED TODAY EXCEPT	ITEMS 57 \$58.		
2) 🛚	CANNOT B	E PROVIDED BY THE REQUEST <b>E</b> I	2 DATE BUT WILL BE MA	DE AVAIL	ABLE BY:
3) 🕟	AND IN MY	OPINION, ITEM(S)57, 58,79	(ARE) PROPRIETARY	AND CON	FIDENTIAL BUSINESS INFORMATION AS
	DEFINED IN	N 364.183, 366.093, OR 367.156, F.S. TV OR OTHER BERSON MUST WIT	TO MAINTAIN CONTINU	ED CONFI	DENTIAL HANDLING OF THIS MATERIAL EXIT CONFERENCE, FILE A REQUEST FOI
	CONFIDEN'	TIAL CLASSIFICATION WITH THE	DIVISION OF RECORDS A	ND REPO	RTING. REFER TO RULE 25-22.006, F.A.C. O
	RECORDS A	AND REPORTING. REFER TO RUL	E 25-22.006, F.A.C.		
4) 🛭	THE ITEM \	WILL NOT BE PROVIDED. (SEE A	TACHED MEMORANDU	M)	
		11111111			
		(Signatu	re and title of respondent)		

Distribution:

Original: Utility (for completion and return to Auditor)

TO:	Bert Gonzalez	_ UTILITY:	Florida Power & Light
AUDIT MANAGI	ER: Yen Ngo	_ PREPARED BY:	
REQUEST NUMI	BER: 6	_ DATE OF REQUEST:	September 11, 2007
REQUEST THAT	THE FOLLOWING ITEMS BE P	ROVIDED BY:	September 17, 2007
AUDIT PURPOSI	Glades Power Park Project		
REFERENCE RULE	25.22.006, F.A.C., THIS REQUEST IS MA	DE: I INCIDENT TO INC	UIRY 🗵 OUTSIDE OF AN INQUIRY
Item # 57 Job desc 58 Job desc 59 What wa 69 Job desc 79 Descript 86 Why wa 87 Why wa 89 What we 90 What we 92 What we 93 Explanat 94 What we 95 Provide	DESCRIPTION  ription & all invoices for the relocation of the legal and for? Also, need copy of the ription of Kathy Salvador & allocation (interpretation of the service provided.  Is this amount credited twice?  In the color copies for?  In the color copies for?	e ad. f applicable)  Blanck  3357,382.47.	Breakclown of relocation, function for Richard Thus he off CONFIDENTIAL
1) U HAS 2) G CAN 3) W ANI DEF THE CON REC 4) U THE	CORD OR DOCUMENTATION:  S BEEN PROVIDED TODAY  NOT BE PROVIDED BY THE REQUEST: D IN MY OPINION, ITEM(S)  TINED IN 364.183, 366.093, OR 367.156, F.: UTILITY OR OTHER PERSON MUST, W  NFIDENTIAL CLASSIFICATION WITH THE CORDS AND REPORTING. REFER TO RU  E ITEM WILL NOT BE PROVIDED. (SEE	IS(ARE) PROPRIETARY AND S. TO MAINTAIN CONTINUED O ITHIN 21 DAYS AFTER THE AT E DIVISION OF RECORDS AND I ILE 25-22.006, F.A.C. ATTACHED MEMORANDUM)  Ture and title of respondent)	
Distribution: Orig Copy	• •	unor)	

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TO:		Bert Gonzalez		UTILITY:	Florida Power & Light
	MANAGE			PREPARED BY:	
-	EST NUMB			DATE OF REQUEST:	September 13, 2007
_		THE FOLLOWING		OVIDED BY:	September 19, 2007
AUDIT	r purpose	Glades Power I	Park Project		
REFER	ENCE RULE 2	5.22.006, F.A.C., THIS RI	EQUEST IS MAD	E: INCIDENT TO INC	QUIRY 🖾 OUTSIDE OF AN INQUIRY
ITEM 1.	<b>DESCRIPT</b> Please prov	ION: vide the calculation o	of the termination	on fee paid to	
2.	•	vide an explanation o	•	d CD exceeded that amo	PO stated that the total price was unt.
3.		vide an explanation o	-		ed that the total price was \$1,331,784
				CONFIDI	ZNTIÅL
ļ	Hooden				
	DIT MANAGE			DA	TE: 9-19-2007
	` /	CORD OR DOCUMENTA			
1) 2) 3)	ANI DEF THE CON REC	DIN MY OPINION, ITEM( INED IN 364.183, 366.093 UTILITY OR OTHER PE IFIDENTIAL CLASSIFICA ORDS AND REPORTING	THE REQUESTED (S) 1,2,3 , OR 367.156, F.S. RSON MUST, WIT ATION WITH THE 6. REFER TO RUL	TO MAINTAIN CONTINUED IHIN 21 DAYS AFTER THE A DIVISION OF RECORDS ANI E 25-22.006, F.A.C.	AVAILABLE BY:  ID CONFIDENTIAL BUSINESS INFORMATION AS CONFIDENTIAL HANDLING OF THIS MATERIAL. AUDIT EXIT CONFERENCE, FILE A REQUEST FOR D REPORTING. REFER TO RULE 25-22.006, F.A.C. OF
4)	□ THE	ITEM WILL NOT BE PRO	OVIDED. (SEE A	TTACHED MEMORANDUM)	
		_ //			
			(Signatu	re and title of respondent)	

Distribution:

Original: Utility (for completion and return to Auditor)

то:	Bert Gonzalez	UTILITY:	Florida Power & Light
AUDIT MANAGER:	Yen Ngo	PREPARED BY:	
REQUEST NUMBER	: 8	DATE OF REQUEST:	September 18, 2007
REQUEST THAT TH	E FOLLOWING ITEMS BI	E PROVIDED BY:	September 21, 2007
AUDIT PURPOSE	Glades Power Park Projec	t	
REFERENCE RULE 25.22	2.006, F.A.C., THIS REQUEST IS	MADE:   INCIDENT TO INQ	UIRY  OUTSIDE OF AN INQUIRY
ITEM DESCRIPTION Please provide the jou	N: urnal entries for the	termination fee ; for the	\$250,000 reduction.
upages			
TO: AUDIT MANAGER THE REQUESTED RECOR	RD OR DOCUMENTATION:	DAT	E: 9-21-2007
1) 12 HAS BE 2)  CANNO 3) AND IN	EEN PROVIDED TODAY OT BE PROVIDED BY THE REQUING THE REQUING PROVIDING THE REQUING PROVIDING THE REQUING PROVIDING P	ESTED DATE BUT WILL BE MADE . IS (ARE) PROPRIETARY ANI	CONFIDENTIAL BUSINESS INFORMATION AS
THE UT CONFII RECOR	TLITY OR OTHER PERSON MUS DENTIAL CLASSIFICATION WITH DS AND REPORTING. REFER TO	T, WITHIN 21 DAYS AFTER THE A HTHE DIVISION OF RECORDS AND DRULE 25-22.006, F.A.C.	CONFIDENTIAL HANDLING OF THIS MATERIAL. UDIT EXIT CONFERENCE, FILE A REQUEST FOR REPORTING. REFER TO RULE 25-22.006, F.A.C. OF
4) D THE IT	The state of the s	SEE ATTACHED MEMORANDUM)  ignature and title of respondent)	

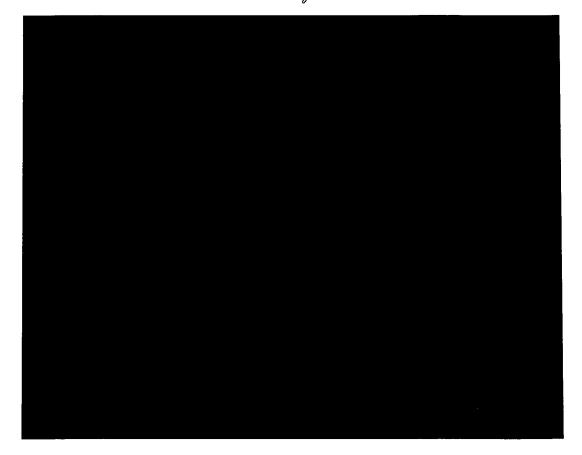
Distribution:

Original: Utility (for completion and return to Auditor)

Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

Title: <u>Dummary</u> of Yand

9/25/07



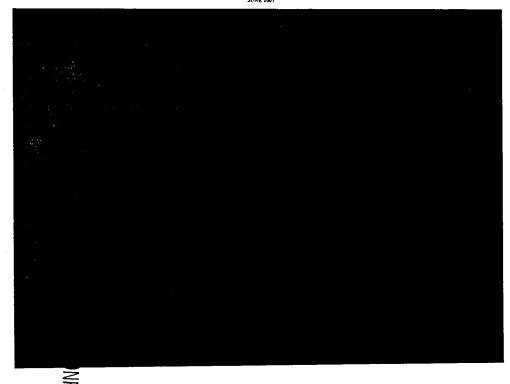
LOCATION 404 ACCOUNT 183.1 JUNE 2007

				ACCOUNT
MO/REF/YR	DESCRIPTION	AMQUNT	REMARKS	DISTRIBUTION

183.1 Balance in Location 404

0.00

LOCATION 404 ACCOUNT 186.5 JUNE 2007



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(60C)

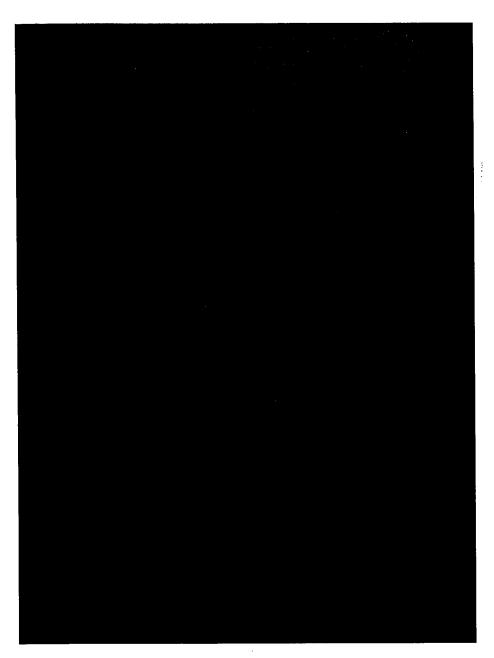
SOURCE DR #1

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	Fiorida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El TYE 6/30/07 Title:	19/8/8/101 19/8/2/101
Colon 8		CONFIDENTIAL P.1
		SOURCE DR#1
17771-217 BUSINESS FORMS, INC. Phono (847) 099-2626 Fox 1847) 099-1	505 Email: integrous & anticom	ę, 11-1

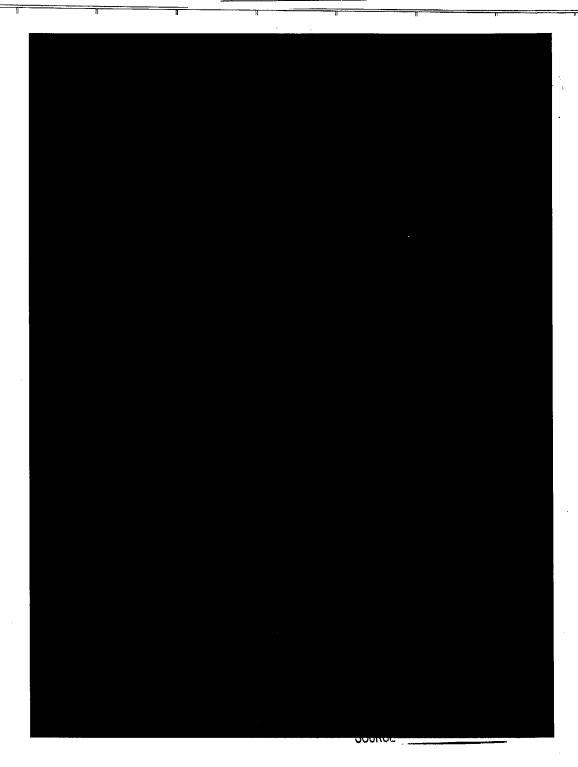


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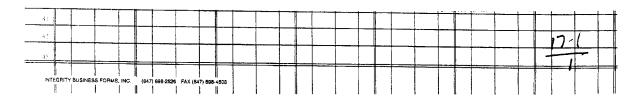
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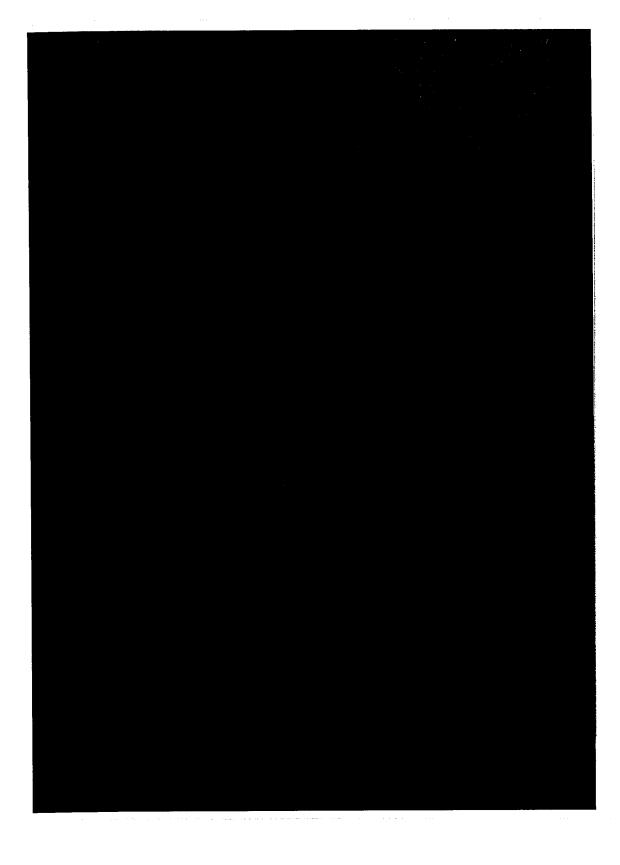
Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

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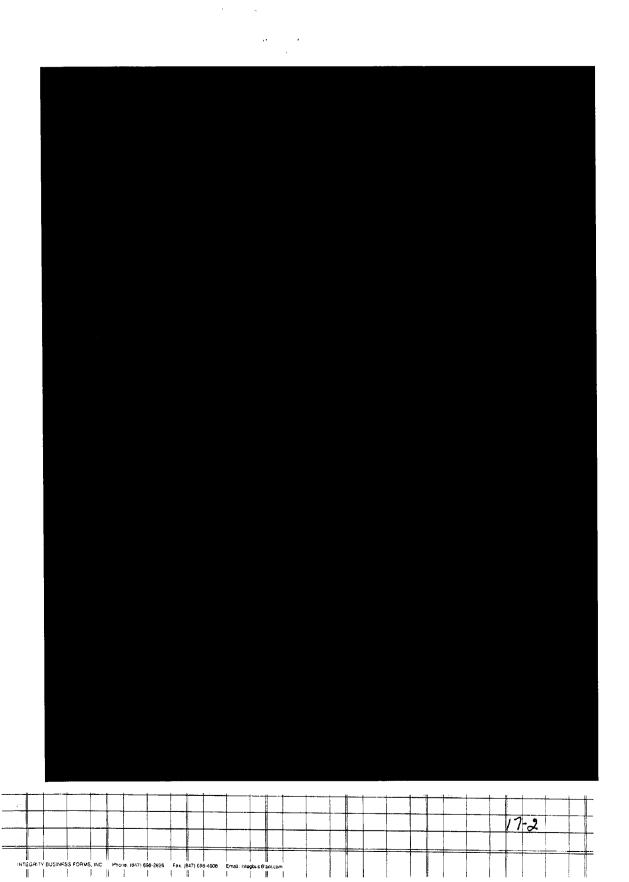


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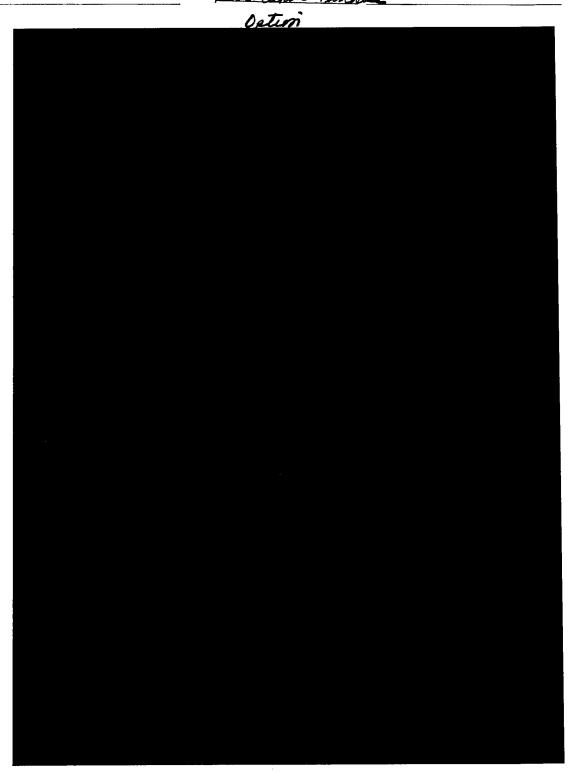


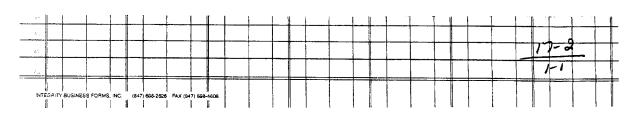


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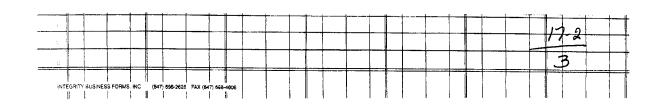


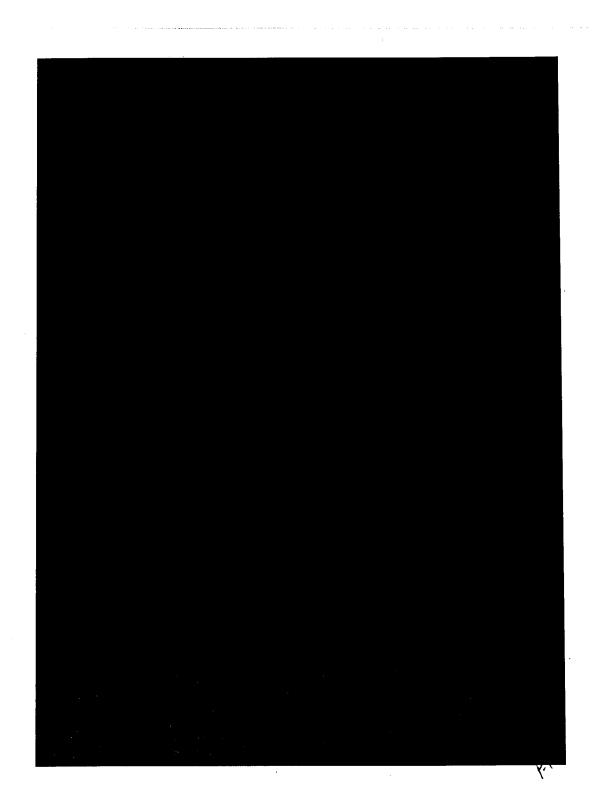
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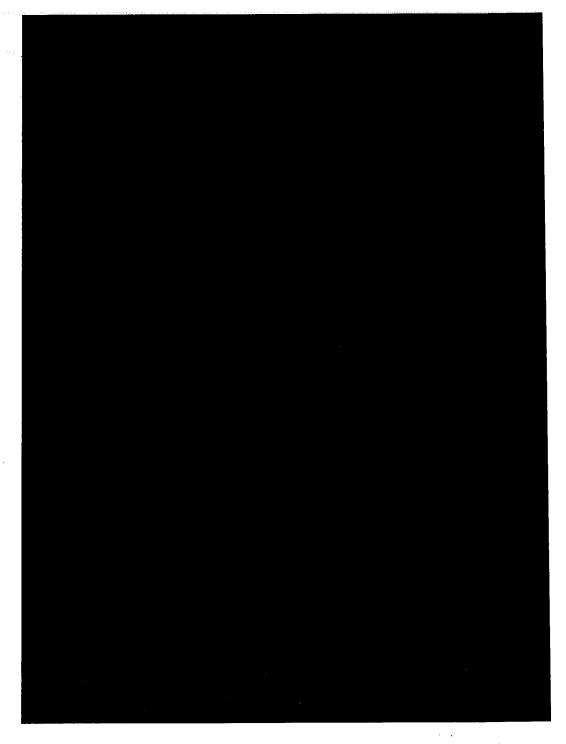
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SOURCE PR #2

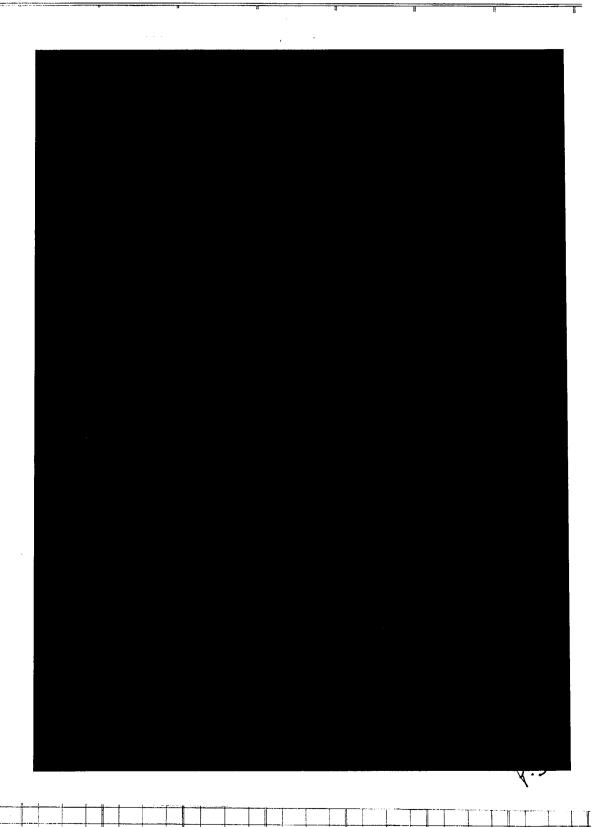


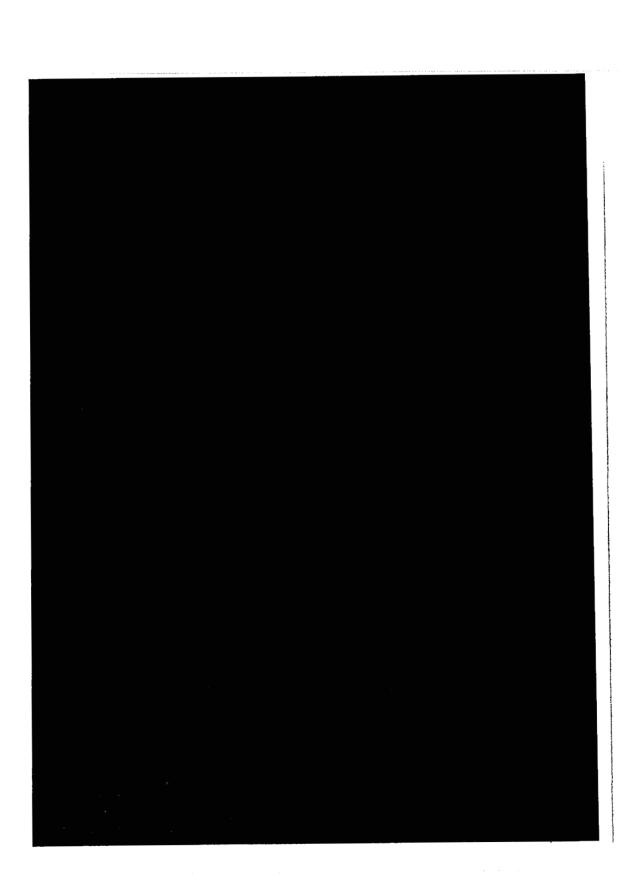




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	TYE 6/30/07 Title: <u>Memorandum of</u>	Deminster	965/07

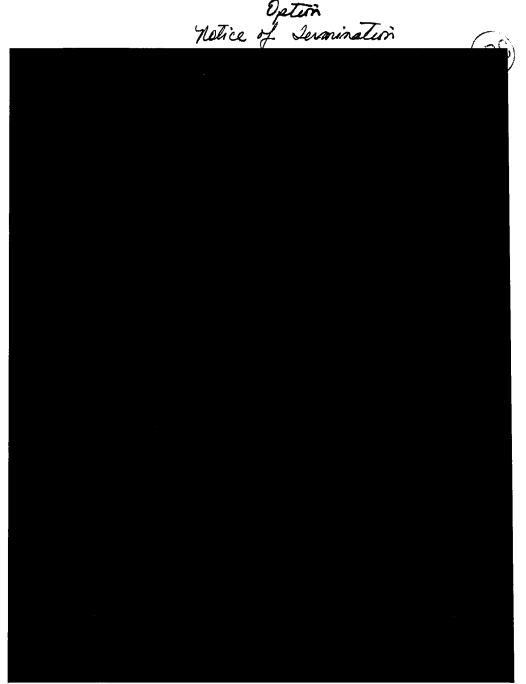




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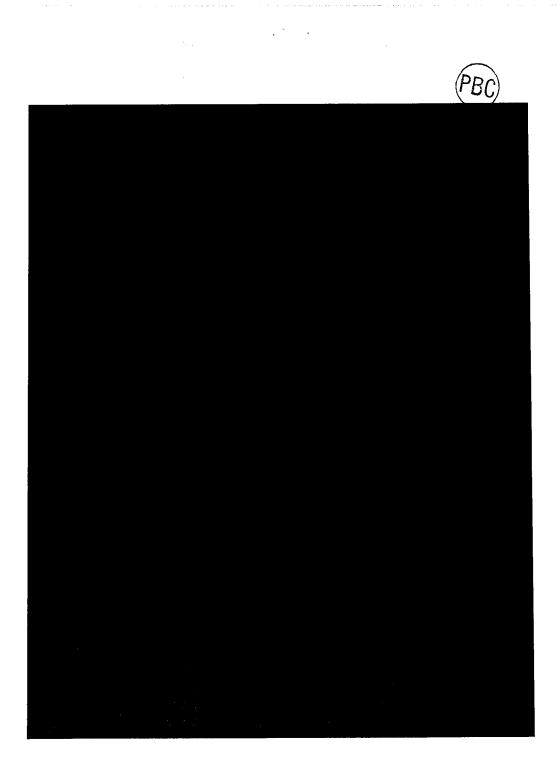
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4608 Email: inlegtus @aol.com	2

	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El	1/4/10/ 4/17/07
п	THE 6/30/07 Title: Seal Estate Purchase	

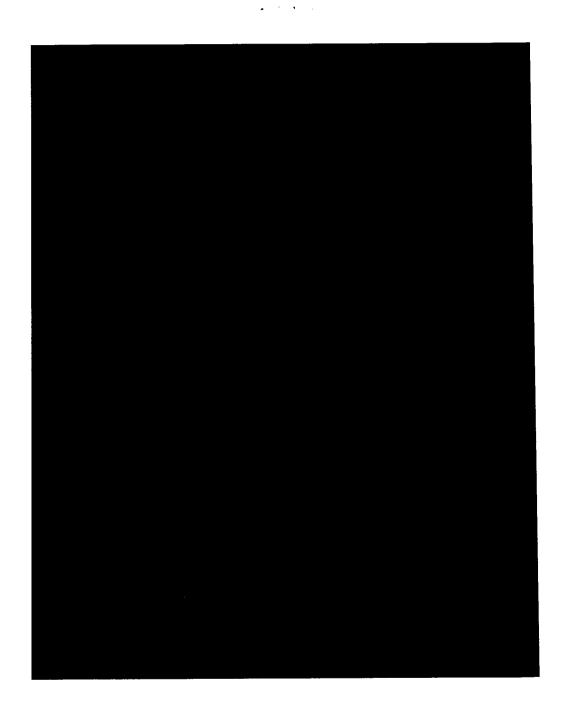


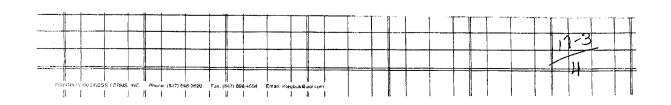
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	Florida Power & Light	yl ,
	Glades Power Park Project  RCA #07-221-4-1 Dkt #070432-El  TYE 6/30/07	9/05/07
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### Florida Power & Light Glades Power Park Project RCA #07-221-4-1 DKT #070432-EI TYE 6/30/2007

Title: Summary of Expenses

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Company:

Title: Period: Summary of Expenses TYE ended 6/30/07

Auditor:

Date:

Workpaper #43

September 22, 2007

Florida Power and Light incurred \$34.5 million preconstruction costs associated with development of its coal project. Below is the summary of the costs (43-1):

1,700,000.00 Land Permit & Site Certification \$ 7,600,000.00 17,500,000.00 Progress Payment & Cancellation Costs for Procurement Preliminary Engineering & Project Management \$ 5,300,000.00 Engineering, Procurement, & Construction 2,400,000.00 34,500,000.00 Total

Since the Commission did not approve the project, the company seek to recover the incurred costs as regulatory asset by recording them to Account 183.3 - Other Regulatory Asset, until the next rate proceeding with amortization over a five-year period beginning when new rates are implemented (WP 2).

The company provided the detail of the project costs of \$34,287,476.59 (43-3). See WP 43-3/3-6 for Audit Finding One for the settlement and the recording of the Termination Fee.

The total of the engineering/Construction and the Site Certification/Permitting costs were reconciled to the company's summary, which was estimated. The company's schedule was understated by a total of \$17,092.73 or 0.1323%. Also, included in these costs was \$1,858,346.29 of payroll (43-2/1). However, the net costs are \$37,476.59

There were several contracts associated with this project. They were for the purchase of the purchase of Air Quality Control Systems, for the purchase of for the construction of the generation facilities. The termination fee for the were recalculated from Appendix B of the contracts (43-3/1 & 2) and agreed to the sample testing (WP 43-3). Part of the ermination fee was also agreed to the sample testing (43-3/3-6). See WP 43-3/3-6 for the remainder ermination fee. The termination fees for settlement of the were also traced from WP 43-3 to the contracts (43-3/4-1 & 43-3/6-1/1).

The sample testing (43-3) indicated that the \$34.5 million were comprised of:

- Preliminary engineering for the installation of steam turbine generators 1.
- 2. Siting and permitting
- 3. Termination fees
- Consultant services for permit application and fuel professional services 4. for reviewing contracts and environmental issues.
- 5. Coal plant study and mercury analysis
- 6. Land survey
- 7. Rail transportation study

#### Florida Power & Light Glades Power Park Project RCA #07-221-4-1 DKT #070432-EI TYE 6/30/2007

Title: Summary of Expenses

- 8. Performance Excellence Reward Plan for the project
- 9 Meal catering
- 10 Printing materials for the project
- 11. Legal services, community outreach, customer survey, and lobbying
- 12. Payroll, relocation costs, and travel expense to solicit competitive steam generator equipment.

The selected sample items were traced to purchase orders, contract change orders, invoices, employee job descriptions, and other appropriate support documentation (43-3). See audit finding two for the discussion of item #11 and audit finding three for the discussion of item #12.

¥3-3 3-6

# II. AUDIT FINDINGS CONFIDENTIAL

#### **AUDIT FINDING NO. 1**

SUBJECT: TERMINATION FEE	
AUDIT ANALYSIS: FPL entered into a contractual agreement with	
Glades Power Park for the total cost of	<b>∌</b>
	8
As the result of the Commission's rejection of FPL's request for the construction of the coal-fired generation units. FPL terminated it contract with	of :s
Throug negotiations to reduce the full termination fee, the following terms were agreed upon	
First, agreed to reduce the termination fee from which would decrease the contracted termination fee by \$2,000,000 if FPL agreed increase the contract price of the turbines to be used at its or an actual decrease of \$250,000. Secon agreed to adjust the cash flow of payments for the construction resulting in an approximate \$500,000 reduction in Allowance for Fund Used During Construction (AFUDC) for Third, agreed to credit FF by December 31, 2012, is selected as the winning bidder in future competitive solicitation by an company in FPL Group Company and just the utility. Even if an affiliate the utility would receive	to d, on ng PL if
The settlement of the contract price for yielded a saving benefit of \$250,00 however, it also posed an inconsistency of accounting methodology as based on the negotiation, the termination fee would decrease the deferred loss and increase to costs capitalized as a plant addition. This would result in a longer period writing off the \$1,750,000 since the plant addition is depreciated over a longer peri than the deferred loss would be amortized.	e- he of

FPL will rely on the Commission authorization to determine whether the costs of the Glades Power Park project should be reduced and the new construction for

actually \$34,287,477, which includes the reduction of \$250,000.

Although the negotiation was to transfer the \$1,750,000 between projects, FPL adjusted their books after the filling was made to follow Generally Accepted Accounting Principals and to only record the actual reduction of \$250,000 to the Glades Power Project to account 182.3-Other Regulatory Assets. Therefore, the costs booked are

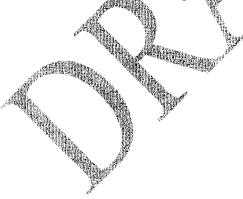
increased. If the Commission decided the \$1,750,000 should be removed from the deferred loss for the recovery of the Glades Power Park project Account 182.3 — Other Regulatory Assets, then less cost would be amortized over a period of five years. If this is done, the \$1,750,000 would be an addition to the and be depreciated for a period of twenty-five years instead of five years if left in the deferred loss account.

The Commission must also take into consideration the effect of the \$500,000 reduction in Allowance for Funds Used During Construction (AFUDC) due to the change in payments for as a result of this re-negotiation on the Glades contract. The \$500,000 reduction in AFUDC helps to mitigate the increase in costs if the \$1,750,000 is increased in the Since this is a result of the renegotiation, should the Glades project receive any benefit from the change in the payment schedule for an unrelated project?

In addition, the Commission needs to determine whether the future credit of should reduce the deferred account or the costs. There is no guarantee that there will be any credits because would have to win in a competitive bid process so any adjustment to the account would probably occur after the decision is made on FPL's recording of the loss.

EFFECT ON LEDGER: This finding is for informational purpose only.

EFFECT ON THE FILING: This finding is for informational purpose only.





#### SUBJECT: PAYROLL AND RELOCATION COSTS

**AUDIT ANALYSIS:** Including in the \$34.5 million of the Glades Power Park Project was \$1,858,346.29 of Florida Power & Light payroll and \$126,314.83 of relocation costs for the hiring of two new employees, Richard Blanchette and Thuy Le. The costs are as follows:

	A1 8 18	14
Description	Payroll.	
Engineering/Construction - Power Plant	892,737,66	
Engineering/Construction - Transmission	28,677.5 <b>7</b> 8 921,415.23	
Site Certification/Permitting - Corp. Communications Site Certification/Permitting - Environmental	166,512.58 142,487.50	
Site Certification/Permitting - Legal Site Certification/Permitting - Other	39,559.07	.di
Site Certification/Permitting -Transmission	151,260.18 150,537.03	
Site Certification/Permitting - E&C Proj. Management	286,574.70	
Site Certification/Permitting - Engineering Support	936 931.06	
Total	1,858,346.29	
Relocation - Richard Blanchette	52,029.40	
Relocation: Richard Blanchette	14,059.50	
Relocation Richard Blanchette  Relocation Richard Blanchette	5,992.96	
Relocation - Thuy te	12,000.00 27,168.12	
Relocation - Thuy Le	15,064.85	
Total	126,314.83	
Vice President of Engineer Travel Expense	4 4 4 9 4 4	
The primary vendor for the advanced technology considered at the FGPP project are located in Japan. The trip to Japan was taken by Vice-president of Engineering & Construction to solicit competitive, favorable equipment pricing for three major pieces of equipment: the boiler, steam turbine & pollution control equipment.	4,148.14	_
Total "	4,148.14	•

These employees were hired to work mainly on the Glades Power Park Project, thus the majority of the relocation costs were allocated to this particular project. Richard Blanchette was the project construction director. Thuy Le was the project construction manager. Although the Glades Power Park Project did not materialize, these employees are still on the company's payroll, which indicates that they are currently

working other construction projects. Therefore, all or part of the relocation costs should be allocated to the project they are currently working on.

EFFECT ON LEDGER: This finding is for informational purpose only.

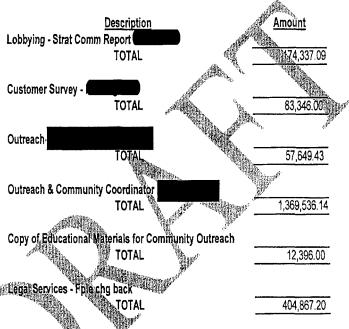
EFFECT ON THE FILING: This finding is for informational purpose only.





SUBJECT: LEGAL SERVICES, LOBBYING, COMMUNITY OUTREACH, & PUBLIC RELATION

**AUDIT ANALYSIS:** Florida Power & Light incurred legal services, lobbying, community outreach, & public relation for the Glades Power Park Project.



Community outreach and customer surveys are image enhancing. Lobbying has not been allowed by the Commission in prior rate cases.

**EFFECT ON LEDGER**. This finding is for informational purpose only.

**EFFECT ON THE FILING:** This finding is for informational purpose only.

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INTEGER TO DUSINESS FORMS INC. Phone (A47) 818-2826	Fax: (847) 558 4508 Email: interpus \$2 to	com	

# CONFIDENTIAL

Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

Pour Laste

#### **Glades Power Park Project**

Land Permit & Site Certification Preliminary Engineering & Project Management Progress Payment & Cancellation Costs for Procurement (A) Engineering, Procurement, & Construction Total

 Estimate	Actual	Difference	Reference
\$ 1,700,000.00	1,684,278.00	15,722.00	17-1
\$ 7,600,000.00	7,629,666.00	(29,666.00)	43-2
\$ 5,300,000.00	5,288,494.00	11,506.00	43-2
\$ 17,500,000.00	19,685,038.59	214,961.41	43-3
\$ 2,400,000.00			43-4
\$ 34,500,000.00	34,287,476.59	212,523.41	

(A) The difference of Cancellation costs was due to the settlement of the ermination fee of \$250,000. See WP 43-3/3 for the negotiation.

Net actual over Co. estimate by \$ 37 476 59

CONFIDENTIAL

SOURCE Petition P. 45 (WP2)



Primary	Secondary	Tertiary	Work Order	Work Order Description	(DDA)	Total
Engineering/Construction	Engineering/Project Management			Preliminary Engineering		2.730.782 •
Engineering/Constitution	Engineering/i Tojeet Management	1 OHET FIRM		Preliminary Engineering	(1 2 3)	169,847
				Project Manager		357,057•
				Home Office Support		1,004,370
	1			Other Engineering		821,359•
	ž,			E&C Juno Support		13,627•
				ISC Contract Development Support		1,949*
		Power Plant Total	1000-30-020	100 contact percophicit copport		5,098,992
			1645 00 630	Queue Transmission Line Study 95-L1		175,331*
		Transmission 2				14,171•
			1031-90-020	ting at a distribution	llim	
	E	Transmission Total	Company,	s windle 40.3		189,502 · U 3 · 1
	Engineering/Project Managemen	it i otai	a dil	gueve Transmission Line Study 96-12 's witimate \$5.3 mi levence of \$11,506	يرنو	3,288,494
	D1 0 15 15 15 15		4472.00.000	Communication Communication		53,436
Site Certification/Permitting	Site Certification/Permitting	Corp. Communications 🍮		Corporate Communication Support Corporate Communication Support		1,771,874
				Corporate Communication Support - TLin	e Sitino	102,845 •
				Corporate Communication Cupport Tem	Coming	1,928,154 . 4 3 - 2/1
		Corp. Communications Total		Generic Solid Fuel Alternative Analysis		90.690
		Environmental U		Internal JES Support -		4.106 -
				Internal JES Support -		280,552*
				JES SCA Contractor	0 = 2 = 44	
				JES SCA Contractor	957,544	947.214
				Dermitting and License Fee		208,250
				Other JES Contractors	147,708	10,788
	,			Other JES Contractors	4 7 7	136,920 •
SOURCE DR#	<b>}</b> ]			Internal JES Support	50	95 < 3,926. 1,169.
SOURCE UKT				Internal JES Support -	7	
			1611-98-606	JES SCA Contractor -		10,330-
			1611-98-620	JES SCA Contractor	120,116	< 109,786 •
			1612-98-620	Permitting and License Fee		-
				Other JES Contractors	20 /77	4,658
				Other JES Contractors	37,116	34,514
(2a)			1614-98-620	Other Engineering		18,916
		Environmental Total				1,872,149
Sally Good	.)	Legal	1475-98-606	Legal Support		1,506,907•
PHI	.)	Legal Total				1,506,907
(1 DC	<b>'</b> /	Other C	0854-98-620	Engineering and Site Investigation	_	375,226*
$\sim$	•	Val. 6		Rail Contracts		206,660 •
			1616-98-620	Service Contract -		45,502•
			1654-98-620	Utility Development Support of Glades Sit	e	177.048
		Other Total				804,436. 4 3

20

	Transmission 7	632-98-606	Power Systems Support	761, 398 / 26,498
			Power Systems Support	734.900
	1	652-98-606	Glades Transmission Line Siting SCA Ch 6	1,659 •
	1:	652-98-620	Glades Transmission Line Siting SCA Ch 6	53.70 2 52 141
	Transmission Total 7			815,197 · <u>43-5//</u>
	E&C Project Management 4 1-	492-98-606	E&C June Support	431,035
	E&C Project Management Tota		<b></b>	431,035 - 43-9/1
			Service Contract	271,787
	Engineering Support Total			
Site Certification/Permitting Total				$\frac{271,787}{1,629,666}$ (43-1)
J				<del></del>
			٠ 4	

I Recoloulate by staff.

€ Company's estimate \$1,600,600 a difference of (\$29,666).

Glades Power a Light
Glades Power Park Project
RCA #07-2214-1 Dkt #070432-Ei
TYE 6/30/07
Title:

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P. 2

Attribute 1: Proper Amount Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

Item	# Dat	e SRC	SA	From E	R From WO	From LOC	To LOC U	CET	Amount	Quantity W_NEW_G	Vendor	Description 1 2 3	
1	2007	01 30000	ECJUNO	98	983	620	606 0	М	2,326.67	0 183675		Project Engineer provides overall plant design engineering assistance including contract review &	-1
				i								negotiation assistance on the FGPP project X X X Allocated 76.5% in 2006 & 69.6% through 6/07 for	
2	2007	03 36000	JESDEV	98	1476	620	620 0	M	3,285.13	56 183675		this project.  Barbara Linkiewicz, Environmental Director (43-3/20 X X X	
3	2007	36000	JESDEV	98	1476	620	620 0	M	3,672.78	80 183675	The state of the s	p.17) Kathryn Salvador, Principal Specialist Environmental X X X responsible for permit application. (43-3/20 p. 9)	
4	2007	36000	ECJUNO	98	983	620	606 0	М	4,423.08	80 183675		Eric Heidorn, Construction Manager for the Glades X X X Project (43-3/20 p. 8)	
5	20070	2 30000	CCDEVX	98	1473	620	620 0	М	9,224,87	0 183675	San	Senior Communications Advisor provided media relations support by answering media inquiries & x x x x preparing news releases, & attended community	
6	20070	5 36000	CCDEVX	98	1473	620	620 0	М	16,925.91	0 183675		outreach activities to inform & educate the public Rachel Scott, Senior Manager r Communications. Residuate the public recommunications.	Πtle: RC
7	20060	36000	ECJUNO	98	982	606	606.0	М	20,000.00	0 183520	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	Richard Blanchette - Director Construction of the X X X Glades project.	Gladd A #07
8	20051	2 36000	ECJUNO	98	982	606	606 0	М	40,000.00	0 183520		Richard Blanchette - Director Construction of the X X X Glades project.	es Po
9	20070	3 30000	ECJUNO	98	1492	606	620 0	М	66,438.00	0 183675		Performance Excellence Rewards Plan (PERP) for the 2006 performance. 24.14% of PERP was:	Power I -4-1   E 6/3
							: : :		:		· .	charged to this project. The percentage was based X X X on the allocation of the 2006 salaries charged to the project. This reward was for the engineering &	er & Lig Park Pr Dkt #07 0/07
10	20070	3 30000	ECJUNO	98	1492	606	620 0	м	68,733.00	0 183675		construction personnel. Performance Excellence Rewards Plan (PERP) for the 2006 performance. 24.14% of PERP was	oject 70432-1
		•									- : · · · · · · · · · · · · · · · · · ·	charged to this project. The percentage was based x x x x project. This reward was for the project	1/2
11	20061	2 52450	ECDENG	98	1493	620	620 0	М	74,555.00	1 183675		development personnel. Fuel consultancy services & expenses relative to the proposed power plant (mining & geological X X X	
12	20070	5 52450	LAWDEV	98	1475	606	620 0	М	34,170.86	0 183675		consultants. (43-3/13) Consulting services for application of SCA permit to X X X Federal Dept. of Environmental Protection. (43-3/11)	;
13	20061	2 52450	LAWDEV	98	1475	606	620 0	M	12,560.00	0 183675		Professional services for review contract & research property tax classification of coal & petcoke, & review: X X X	

SOURCE DR # 154

CONFIDENTIAL

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terminal services agreement.

4N 9/05/07

Attribute 1: Proper Amount Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

Item #	Date	SRC	SA	From ER	From WO	From LOC	To LOC UC	ET	Amount	Quantity W_NEW_	_G Vendor Description 1 2 3	آڌ
14	200611	52450	LAWDEV	98	1475	606	620 0	M	18,644.72	1 L 1:183675	Review Glades Coal Project & potential sites, research on federal transmission line siting under Energy Policy Act of 2005, review design & licensing of Glades Project, analyzing BACT, IGCC & mercury issues regarding coal project, providing research & X X advice on rall permitting issues on ATCP site, & review schedule & preparation of Site Certification Application (SCA), and travel expenses. (43-3/12)	, ,
15	200704	52450	LAWDEV	98	1475	606	620.0	M	88,154.98	1 183675	Consulting services land use easement issue, site certification, transmission line, PSD permit application, NPDES stormwater permitting issues, analyze mercury issues, review project status, schedule & strategy, meeting w/Glades attorney & Hendry County Commissioner & staffs on alrport issues, review FDEP completeness issues, & travel expenses (43-3/12)	<
16	200707	52450	LAWDEV	98	1475	606	620 0	M	160,755.36	1 183675	Prepared deposition, testimony, & mock hearing for the Circuit Court & DOAH cases, review PSD permit issues, transmission licensing issues, participating in X X > land use & zoning issues, proposed order, & travel expenses, (43-3/12)	(
17	200706	52450	LAWDEV	98	1475	606	620 0	М	117,706.95	1 183675	Reviewed, negotlated, & revised FGPP contracts. (43-3/11)	
18	200612	52450	ÉCDENG	98	1493	620	620 0	М	107,285.00	1 183675	Fuel consultancy services & expenses relative to the proposed power plant (mining & geological X X > consultants (43-3/13)	(
19	200706	51450	PSDEVX	98	1632	620	620,0	М	13,650.00	1 183675	Boundary & topographic survey X X X	
20	200610	52450	ECJUNO	98	983	606	606 0	М	2,632.30	0 183520	Air fare expenses for coal meeting w/Zachry from X X Juno to Texas, Colorado, & Maryland.	
21	200609	51450	ECDENG	98	1493	620	620 0	М	25,891.00	1 183675	Subsurface soil exploration & geographical X X X sengineering evaluation.	
22	200703	50000	ECDENG	98	1493	620	620 0	М	185,383.63	0 183675	Professional surveying & mapping services of the X X X	(
23	200701	50000	JESDEV	98	835	620	620 0	М	30,000.00	0 183675	To provide an independent project clean coal alternative study (43-3/17). The work was completed X X X w/ln 2 mons. of the release of the PO (43-3/17-1 p.3)	:
24	200706	51450	ECDENG	98	1493	620	620 0	M	15,710.00	1 183675	To provide an independent project clean coal alternative study (43-3/17). The work was completed X X X w/in 2 mons. of the release of the PO (43-3/17-1 p.3)	
25	200604	50000	ECJUNO	98	982	606	606 0	М	52,029.40	0 183520	11 BLANCHETTE RELOCATION  Relocation costs - house hunting, purchasing home, X X X & temporary living. See audit finding (43-3/21).	(
26	200611	52459	ECJUNO	98	983	606	606 0	М	3,376.10	0 183520	12 External contractor for technology consultant. X X X	
27	200611	52459	ECJUNO	98	983	606	606.0	M	3,154.14	0.183520	External contractor for performance engineer. X X X	
28			CCDEVX		1473	620	620 0	М	(113,321.42)	0 183675	FPL is not seeking recovery for this amount (43-3/7) X X X	:
								i				

Attribute 1: Proper Amount

Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

item#	Date	SRC	SA	From ER	From WO	From LOC	To LOC UC	ET	Amount	Quantity W NEV	N_G		Description	1	2	7
	]	,		L		l	[]			L	_				۱ -	3
29	200603	51450	JESDEV	98	835	606	606 0	M	56,380.00	1 183520		15	Professional engineering services including hurricane			
			:					1 1					wind study, emergency spillway evaluation, canal		.,	.,
	1		:					1					evaluation, monitoring reqm'ts, broad cycling		Х	Χ.
	}					i		1 .		:			evaluation off-site groundwater levels, spillway			
20	00004.0	E1450	CCDEVX	00	1473	620	620 0		80.644.50	1 183675	4	46	channel evaluation Professional services for polling/develop		- 1	
30	200010	31430	CCDEVX	90	14/3	020	6200	М	80,644.50	1 1836/5		16	communications plan, project management support,	- 1		
	(						1				1		outreach, community coordinators, develop outreach	X	X	X
	}					1		1			- 1		collaterals, design/maintain web. (43-3/16)			- 1
31	200703	51450	CCDEVX	98	1473	620	620 0	м	124,221.35	1 183675			Services for project management support, outreach,		;	
•							1		,		1		community coordinators, design/maintain web, media	X	Χ.	Χ.
		1					1	1 :					relation. (43-3/16)			
32	200701	51450	<b>ECDENG</b>	98	1493	620	620,0	М	101,315.02	1 183675	1	17	Provided the study of demand and supply of coal,			
	-							: 1					transportation, mercury analysis. (43-3/8)	:		. :
33	200706	51450	CCDEVX	98	1473	620	620 0	M	45,000.00	1 183675		18	Strategic communications & media management	χ:	χ:	χ.
		:					li.	1		<u> </u>	<u>i</u> _		advice for FGPP project (43-3/18).		i	
34	200702	51450	<b>ECDENG</b>	98	1493	620	620 0	М	34,111.65	1 183675		19	Engineering services: develop information			•
	•							1 :		i			spreadsheet & document reviews, database review,			
								1			1		work plan development & research, review	Χ:	χ.	Χ.
								1					commercial & pricing doc's., investigations, initial report draft, final report preparation, cost evaluations,		- 1	
	•	: :						1 1			1		coal meeting w/Zachry, & cost analysis.	- 1	1	i
		i Auropaya			a sala a com			1.	77 407 60	4.400075	4	20	Advanceed coal fleet & carbon storage & capture		4	
35	200612	51450	ECDENG	98	1493	620	620 0	M	77,127.82	1 183675		20	program.	Х	Х	X .
					4400	coo	620.0	4	18,762.14	1 183675	<del>-</del> i	21	Preparation of environmental assessment (EA)	. 7	11.	
36	200706	51450	JESDEV	98	1488	620	620 0	IVI	10,702.14	1 103073			Statement of Findings (SOF) for the Glades Proj.	X.	X	X,
2.7	200303	61450	PSDEVX	ne	1632	620	620 0	М	25,576.31	1 183675			Held transmission team meeting, outreach			
37	200703	51450	PODEVA	90	1032	020	. 020:0		20,010.01				temeetings w/individual landowners, draft responses	Χ:	Χ.	Χ:
		:		)	;			1					to agency completeness questions. (43-3/9)	. 4.		
38	200706	51450	PSDEVX	98	1632	620	620 0	М	62,450.94	1 183675			Labor & expenses & engineering subcontractor from			
00				1				100			:		PowerComm Engineering, Inc. for environmental	Χ.	X	X
													permitting of Glades wetlands permitting. (43-3/9)	m h		
39	200702	51450	TLPERM	98	1652	620	620.0	М	92,853.04	1 183675	:		Labor & expenses for Glades Power Park Transmission lines & subcontractors	v :	X :	ν.
								1 :			Ė		Transmission lines & subcontractors	^	^ :	^
							1						Customer survey to response to various public			
40	200703	51450	CCDEVX	98	1473	620	620 0	M	46,368.00	1 183675	- 1	22	arguments to support coal plant project. (43-3/19)	X	X	Χ.
									22 002 40	0 183675		23 Fple chg back Apr 07FPL ENERGY	Legal services regarding land acquisition, site		:	
41	200706	52450	LAWDEV	98	1475	606	620 0	M	23,883.40	0 103073	:	23 Fpie chig back Apr 0711 c chance	certification, local & zoning approvals, negotiation of			
							1				1		engineering, procurment & construction agreements	- 1		
													for the steam turbines, boilers & air quality control	X	X .	Х
								-					system for the Glades project. The total hours were			
				1			1						146. See job descriptions of Pinnock, Rauch, &			
								٠.				1	Rubio on (43-3/20).			-
40	200702	E2450	LAWDEV	QR	1475	606	620 0	М	23,375.22	0 183675		Fple chg back Feb 07FPL ENERGY	Legal services regarding land acquisition, site			
42	200703	32430	-VAADEA	50								:	certification, local & zoning approvals, negotiation of			
				:			-						engineering, procurment & construction agreements for the steam turbines, boilers & air quality control	ν.	ν.	Y
													system for the Glades project. The total hours were	*		
			3										147.5. See job descriptions of Rauch, & Rubio on			
							:									
				1			1						(43-3/20).			

Attribute 1: Proper Amount Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

												Attribute 3: Prope	er Suppo
item #	Date	SR	SA	From ER	From WO	From LO	C To LOC	UCET	Amount	Quantity V	V_NEW_G	Vendor Description 1 2	2 3
43	20070	07 5245	O LAWDE	98	1475	606	620	0 M	43,080.85	011	83675	Fple chg back May 07FPL ENERGY Legal & administrative services regarding reviewing & analyzing Engineering Procurement Contracts, & preliminary engineering design & negotitiations of the X X major equipm't. & EPC contracts for the Glades	( : X
44	20070	5145	0 SVC011	98	1474	620	620	0 M	300,000.00	1.18	83675	project. The total hours 201.5.  Progress payment for the installation of the electric generation facility. The contract was terminated on X X	x x
45	20070	6 5145	0 EPCB01	98	1688	606	606	0 M	300,000.00	1 18	33675	6/13/07. See WP43-3/4 & 43-3/4-1. Progress payment for the Installation of the electric generation facility. The contract was terminated on X X	х
46	20070	2 5145	0 SVC011	98	1474	620	620	0 M	315,000.00	1 18	33675	6/13/07. See WP43-3/4 & 43-3/4-1. Progress payment for the installation of the electric generation facility. The contract was terminated on X X	×
47	20070	6 5145	EPCB01	98	1688	606	606	0 М	515,934.00	1:18	33675	5/13/07. See WP43-3/4 & 43-3/4-1.  Termination Fee, see WP43-3/4-1. X X	X
48	20070	6 5145	D.EPCB01	98	1688	606	606	0 M	1,000,000.00	1 18	3675	Progress payment for the installation of the electric generation facility. The contract was terminated on X X 5/13/07. See WP43-3/4 & 4.3-3/4-1.	x
49	20061	1 5145	CCDEVX	98	1473	620	620	) M	164,509.80	1 18	3675	Polling /communications plan; project management support wiparticipation in weekly team meetings; &conference cells, SCA calls, & transmission team teleconferences & meetings, & other internal conferences; updating outreach plan & project timeline & meetings, brainstorming conferences; X X coordinating universal changes to collaterals reladverse impacts to regional water source, Tri-Fold Brochure, PowerPoint presentation, press kits, evaluation form, advertising, web site, & mercury brochure.	X
							620.1 64.14 64.14	м • 7 1	(0.916.25 1. 16 46 4. 19		307 <i>1</i>	PSC CARES PWR FR VIDEO, FASAL TRULE THIS amount Will Income (FOR) \$1,698.50 belong its a second seco	
51	200612	2 51450	JESDEV	98	1482	620	620 0	M	110,011.72	1 18		Environmental permitting & licensing support for coal project sites 1 & 2: mgmt & contigency, final SCA, public outreach, air impact, water/groundwater X X Impact, storm water, aquafer impact, water supply, ecology impact, & land use. (43-3/10)  Environmental permitting & licensing support for coal	x
52	200612	51450	JESDEV	98	1476	620	620.0	M	111,233.50	1 183	3675	project sites 1 & 2: mgmt & contigency, final SCA, public outreach, air impact, water/groundwater impact, storm water, aquafer impact, water supply, ecology impact, mercury analysis & land use. (43-3/10)	x

Attribute 1: Proper Amount Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

ltem:	# Co-4	1 000	ST 0.	T	r=	Y			<del>,</del>			Attribute 3	3: Pro	per Sup	p
nem	# Date	e SRC	SA	From ER	From WO	From LOC	To LOCIL	JCIET	Amount	Quantity W_NEW_G	Vendor	Description	1	2 3	1
53	20070	2 5145	0 JESDEV	98	1482	620	620 0	М	135,451.98	1 183675	<u> </u>	Environmental permitting & licensing support for coal	ļ. l.	1	ı
	į		1		,			1	100,101.50	1,100070		project sites 1 & 2: mgmt & contigency, initial draft,			
				-			1								
				Ī.			1	-				SCA reviews, public outreach, air-baseline, air-			
							1 1	1	!			impacts, water/groundwtr-impacts, -SCA reviews, -		X X	•
			1				į (	- 1	1			storm wtr., -aquafer, -alt. wtr supply analysis,			
							1					ecological-baseline, -impacts,-alt analysis, & land			
54	20070	5 5145	JESDEV	O.A	1482	620	620 0	М	454.040.54	4.00075	Control of the Contro	use. (43-3/10)			
•	2.00		O OLODE V	30	1402	:020	020 0	IV:	151,019.54	1 183675		Environmental permitting & licensing support for coal			
	-			1 1			1 :					project sites 1 & 2: mgmt sufficiency, air-sufficiency,	x ·	x x	
							1		:			water/groundwir, ecology-suficiency, & land use. (43-	^ .	^ ^	
55	20070	C E14E4	JESDEV	60	4400							3/10)			į
55	20070	0 31431	PESDEA	90	1482	620	620.0	· M	228,144.08	1 183675		Environmental permitting & licensing support for coal		4	:
			1	1		;	1					project sites 1 & 2: mgmt sufficiency, air-sufficiency,		1 1	Ė
	į		1	1		:		- 1			•	water/groundwtr, ecology-suficiency, & land use-	X	X : X	
	;		1	1				1				sufficiency, -SCA hearing/support, -field		/	ł
= 0	00070		CODE						inne i engagaga di		The second secon	reconnaissance, (43-3/10)			į.
56	:20070	4 51450	CCDEAX	98	1473	620	620 0	М	9,707.35	1 183675	27 HAZARDOUS SUBSTANCE HAZARDOUS	Conduct research, meeting, & presentation of effect			
	1		1	1				1 :				of sulfate/sulfide on methylmercury foamation in	ν:	x x	
	:			-			;	1				Everglades, and Hg deposition to Everglades &	^ .	^ : ^ :	
		-	المستحدان	l (				ا. يازد	أحسروه والمارة		in the second se	Fisheating Creek.			i
57	20060	4 ;5000C	ECJUNO	98	983	606	606 0	M	27,168.12	0 183520	28 LE RELOCATION	Relocation cost - costs associated w/selling of home			
	ì							1 :				from Phoenix, AZ This was allocated 74.6% to Coal	Χ.	$X \mid X$	
	·	1	4	[ {				i			The second secon	Project. See audit finding (43-3/21).		1	-
58	20051	2:50000	ECJUNO	98	983	606	606.0	М	15,064.85	0.183520	LE, THUY RELOCATION	Relocation cost - costs associated loan processing:			
	•			1		į		1 .	i			for purchase a home in West Palm Bch, FL. See	Χ , :	X X	
	į			:		- 4		1 1				audit finding (43-3/21).			
59	20070	5 51450	CCDEVX	98	1473	620	620,0	M	11,462.26	1 183675		Ad for Notice of Commission Hearing & Prehearing	- 1		
	1	•	1			į		1 1				(4/16-17/2007) placed in several newspaper, bulletin,	X :	X X :	
	i		1				1.	1 .				Sunday News.	· · · · ·		
60	20041	1 51450	ECDENG	98 8	354	606	606:0	M	11,096.57	1:183520		Coal Plant Study - preliminary engineering &	<b>y</b> : 1	хх	
			1					1 1				conceptional design services. (43-3/15-1)		`	
61	20040	3 :51450	ECDDEV	98 8	324	606	606 0	М	36,767.59	1 183520		Coal Plant Study - preliminary engineering &	x :	x x	
								.i				conceptional design services. (43-3/15-1)			
62	20070	51450	PSDEVX	98 1	632	620	620 0	M	49,161.16	1:183675		Performed aerial survey services to support corridor			
	1			÷			÷	i				mapping for the Glades Power Park proposed	X : >	< X j	
				1				1				transmission line. (43-3/14)			
63	200708	51450	JESDEV	98 1	488 :	620	620 0	М	15,433.35	1 183675		Refined & conducted T&E species ecological risk	x : )	x x	
	1	1			4							assessment scope.	``.i		
64	200702	51450	ECDENG	98 1	493	620	620.0	M	51,518.50	1 183675		Rail transportation study.	x : >	K X	
	į.	1						1				<u> </u>			
65	200707	51450	CCDEVX	98 1	473	620	620 0	M	172,208.81	1 183675		Team meetings/conference calls, maintenance &			
	1			-			-					team updates coordinated paticipation &			
	ì		: :			1		ţ .				sponsorships for festivals & parades, public outreach	хх	X	
						-		1 1				presentations, coalition activities, & media relations.		- 1	
	}				:		1	1 1				(WP 43-3/5)			
66	200707	51450	CCDEVX	98 1	473	520	620 0	М	56,524.12	1 183675		Outreach: POWER coalition activities, PSC decision,			
	,			1.1			_	1		:		Glades County Land use hearing, coalition BBQ;	x v	( x	
						-						Media Relation: conference w/south & central	^ _ ^	^ :	
						1						newspaper; & project management support.	- 1		
67	200642	E1450	CCDEVX	ΩΩ 1	637 6	520	620 0	M	21,500.00	1 183675	3	Public opinion research. (43-3/16).	x x	· ·	
6/	200612	3143U	CCDEVX	JO . I	031	,20	0200		21,000.00				^ ^	. ^	

Copy of FGPP Project Costs details.xls

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	_													Attribute 3	3: Pr	oper	Suppr
Iten	n#	Date	SRC	SA	From ER	From WO	From LOC	To LOC UC	ET	Amount	Quantity W_NEW_G		Vendor	Description	1	2	3
68	3	200704	51450	CCDEVX	98	1473	620	620 0	М	24,075.33	1 183675	37		Daily media review & strategy call; & researched,		٠.	` x `
							en e		1 .					drafted, & incorporated lobbying issues. (43-3/7)	. ^	. X	Х
69	9 2	200705	52450	JESDEV	98	1476	620	620 0	M	1,795.00	0 183675	38		Principal specialist environmental, see job			
					1				1		:			description on 43-3/20 p.9. Salvador was		,	
					1				1					responsible for coordinating all licensing & permitting	įΧ	Х	, x
			:						1					activies for the 1960MW coal plant. Job allocation was 67% in 2006 & 39% in 2007.	i.	:	
70	) ;	200501	51450	ECDENG	98	854	606	606 0	M	24,475.58	1 183520	39		Coal Plant Study - preliminary engineering &	å		:
											1.00020			conceptional design services. (43-3/15-1)	X	X	X
71	2	200410	51450	<b>ECDDEV</b>	98	824	606	606 0	M	39,897.56	1 183520	)		Coal Plant Study - preliminary engineering &	•	х	v
	٠.			2	i j		i	<u>_</u>						conceptional design services. (43-3/15-1)		۸.	. ^
72	2	200609	52450	FULEMT	98	1570	606	606 0	M	42,638.75	0 183520	40		Drafted & revised contracts & terminal services			
							. 1		1					agreement for railroad transportation w/CSXT &	Х	Χ,	. X :
73	1 3	200612	52450	JESDEV	08	1486	620	620 0	M	200,000.00	0 183675	41	STATE OF FLORIDA STATE OF F	SCFE. SCA application check.			
	•	200012	02.400	00000	30	1400	020	020 0	141	200,000.00	U 103073	74	STATE OF FLORIDA STATE OF F	эсх аррікаціот спеск.	Х	Х	Х
74	1 2	200703	51450	CCDEVX	98	1473	620	620 0	M	36,978.00	1 183675	42		Customer survey to response to various public	j · · ·		
										•				arguments to support coal plant project. (43-3/19)	^	×	, х
75	5 2	200706	51450	CCDEVX	98	1473	620	620 0	М	38,217.37	1.183675	43		Daily media review & strategy call; & researched,	¥	Х	Y
							l	جوني ۽ رواد د	1					drafted, & incorporated lobbying issues. (43-3/7)	. ^ .	^	^ ;
76	. 2	200706	51450	CCDEVX	98	1473	620	620 0	М	25,925.00	1 183675			Daily media review & strategy call; & researched.	х	х	Χ.
77		00007	FOLEO	ECJUNO		983	606	606:0		840.00	0 183520	44.5	raining Conference LE T	drafted, & incorporated lobbying issues. (43-3/7) Attending Energy Research Center Annual Meeting.		,	
,,	-	200007	52450	ECTONO	98	903	006	000:0	IVI	040.00	0 103520	44 1	raining Conference LE 1	(ERC): Improving Competitiveness of Coal-Fired		×	x .
								:						Power Plants in Bethlehem, PA.	ŕ		•••
78	- 2	200612	52450	CCDEVX	98	1637	620	620 0	M	3,616.56	0 183675	45		Advanceed coal technology plant: transmission	· .	Х	
	:								1				un en	facilities outreach.		^ :	^.
79	1.2	200612	51450	JESDEV	98	1613	620	620 0	M	8,771.14	1:183675	46		Phase I Environmental Site Assessment: identify		i	
	1								1					areas of potential environmental impacts, regulatory inquiry, prior site ownership & land uses, preliminary		ν	y :
							1		1		1 1			survey of regional geology, & summarize the results	^ :	^	^ :
	3													of each task.	:		
80		00604	51450	SVC011	QR	872	606	606 0	М	142,634.58	1 183520	47		Professional engineering services, design			
•		.00004									1			procurement & optional construction management	:		
	3							*	1	:	4			services, the design, engineering, equipping, construction, installation, start-up & testing of a solid	Х ;	X	Χ.
									:					fuel fired generation facility. (WP 43-3/6)		- 1	
	1			UE				500		445 777 67	1 183520			Professional engineering services, design			1
81	2	00602	51450	SVC011	98	872	606	606.0	M	142,777.83	1 183520	1		procurement & optional construction management	- :		
							1					2		services, the design, engineering, equipping.	Х	Χ:	X
							1							construction, installation, start-up & testing of a solid			
					1		1							fuel fired generation facility. (WP 43-3/6)	- 9		:
82	2	00606	51450	SVC011	98	872	606	606 0	М	167,094.77	1 183520			Professional engineering services, design procurement & optional construction management			
	,										:			services, the design, engineering, equipping.	x	х	х -
	4				-		:							construction, installation, start-up & testing of a solid			
							4		:		:			fuel fired generation facility. (WP 43-3/6)			
						3			: :								

Attribute 1: Proper Amount Attribute 2: Proper Period Attribute 3: Proper Support Docmentation

Hom #1	Dots	TSRC	CA	IC FG	I F W/O	IE 166	T- 100'	-11	<del></del>	Latter The The State of	Attribute 3: Propr	er Supp
Item#	Date	SRC	SA	From ER	From WO	From LOC	To LOC U	CET	Amount	Quantity W_NEW_G	Vendor Description 1	2 3
83	200601	51450	SVC011	98	872	606	606 0	М	172,043.49	1 183520	Professional engineering services, design procurement & optional construction management services, the design engineering, equipping, X > construction, installation, start-up & testing of a solid	x x
84	200705	51450	ECDENG	98	872	620	606 0	М	982,023.44	1 183675	fuel fired generation facility. (WP 43-3/6) Termination fee (WP 43-3/6-1/1)  X	x x
			FULEMT		1570	606	606'0	M	25,242.29	0 183520	Review & draft railroad contract for delivery service, X X	x x
86	200706	65030	BLRX01	98	1686	606	606 0	M	(3,434,735.00)	0 183675	742949 01400 2 X >	х х
87	200706	65030	BLRX02	98	1687	606	606 0	М	(2,925,885.00)	0 183675	743141 01400 III 2 X >	<b>с</b> х
88	200512	65000	JESDEV	98	835	606	606 0	М	(10,690.00)	0 183520	MARTIN SH USE STUDY PH182 South Fla. Water Mgmt. Dept. has compensated FPL for Phase II effort prior to FPL payment of invoice to X × X	<b>с</b> х
89	200703	60000	CCDEVX	98	1473	620	620.0	M	1,792.00	0.183675	contractor performing study.  This cost was charged by the internal copy center for the printing of education materials for community outreach initiatives to share information and answer questions about the proposed Glades Power Park.	( x
90	200702	60000	CCDEVX	98	1473	620	620 0	М	2,300.00	0 183675	GLADES COLLATERAL COPIES  This cost was charged by the internal copy center for the printing of education materials for community outreach initiatives to share information and answer X X questions about the proposed Glades Power Park.	. x
91	200708	65000	UTDEVP	98	1654	620	620 0	M	2,370,70	0.183675	LEIGHTON EXP REPORT JULY Coal project support meal for 20 people. X X	. х
			CCDEVX			620	620 0		3,404.00	0 183675	COLOR COPIES-M BLANCO  This cost was charged by the internal copy center for the printing of education materials for community outreach initialities to share information and answer X X questions about the proposed Glades Power Park.	
93	200610	65000	ECJUNO	98	1492	606	620 0	M	4,148.14	0 183675	VISA-YEAGER  The primary vendor for the advanced technology considered at the FGPP project are located in Japan.  The trip to Japan was taken by Vice-president of Engineering & Construction to solicit competitive, X X favorable equipment pricing for three major pieces of equipment: the boiler, steam turbine & pollution control equipment.	X
94 2	200704	60000	CCDEVX	98	1473	620	620 0	M	4,900.00	0 183675	This cost was charged by the internal copy center for the printing of education materials for community outreach initiatives to share information and answer X X questions about the proposed Glades Power Park.	×
95 2	200512	65000	ECDENG	98 8	354	606	606 0	М	183,346.91	0 183520	Coal Plant Study - technology assessment, site x x selection, water studies, & emission permit support.	<b>x</b> :
96 2	200512	65000	SVC011	98 8	372 (	506	606 0	М	357,382.47	0 183520	Contract for preliminary engineering including review & evaluation conceptual design, engineering studies, design drawing & diagram, boiler, steam turbine X X generator, permit/license support, & managem't activities.	x

Attribute 1: Proper Amount
Attribute 2: Proper Period
Attribute 3: Proper Support Documentation

												Attribi	ite 3: Proj	per Support Docme
Item#	Date SRC	SA	From ER	From WO	From LOC	To LOC UC	ET	Amount	Quantity	W_NEW_G	Vendor	Description	1	2 3
	ergj algyle			ity.	<b>3</b>	38 <b>8</b> 5		*******				State of the community of the 18th of the community of th		
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20	0705 51450	AQCS01	98	1677	606	606 0	М	372,500.00		183675		per contract (43-3/2)	· · · · · · · · · · · · · · · · · · ·	
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••••		·	ii		······			(1.750,000.00) (250,000.00) 7,045,810.00 19,847,420.00 29,260,754.66	3-31	43-3/3-2 43-3/3-2	TERMINATION FEE TERMINATION FEE TERMINATION FEE TOTAL CONTRACT	FILE		
							-	1,684,275.00 L	_and					
								30,945,029.66			AMOUNT TESTED			
TO Fil	TAL							34,287,476.59			TOTAL COSTS			
rit.	<b>-</b> L						-	90.25%			% TESTED			

## **TOSHIBA TERMIANTATION FEE**

Water motors	er tomain . V. O				( 112 - )			
Date	SRC	EAG	From ER	From WO	Апонн	Quantity SD S	ECIV NEW (	DESCRIPTION
200702	65000	0662	98	1673	1,212,100.00	0.0	183675	TIC U1 STG INV SF(3439
200702	65000	0662	98	1674	1,188,300.00	00	183675	TIC U2 STG INV SFI3440
200703	65000	0662	98	1673	(1,212,100.00)	00	183675	AC-REV TIC U1 STG INV SFI3439
200703	51450	0662	98	1673	1,212,100.00	1,0	183675	
200703	65000	0662	98	1674	(1,188,300.00)	0.0	183675	AC-REV TIC U2 STG INV SFI3440
200703	51450	0662	98	1674	1,188,300.00	10	183675	
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		Total			3,667,840.00			
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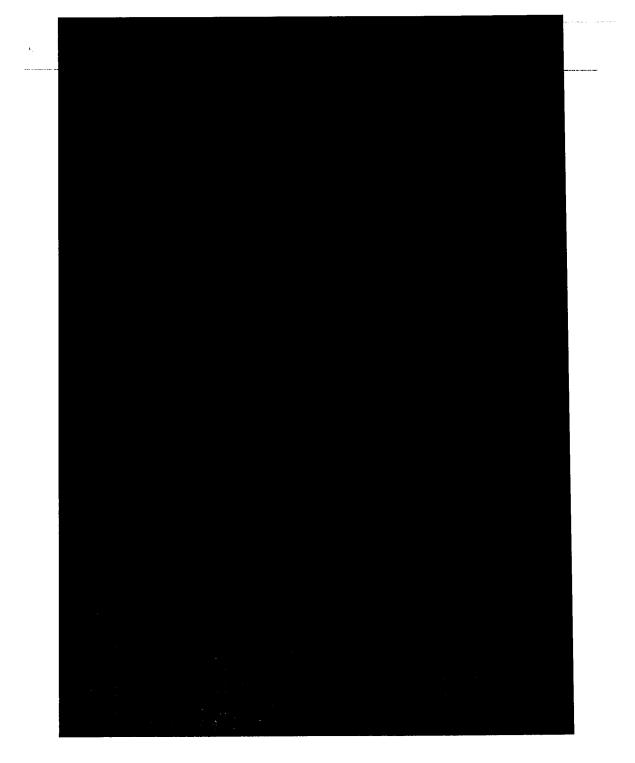
Negotiation 43-3/3-1

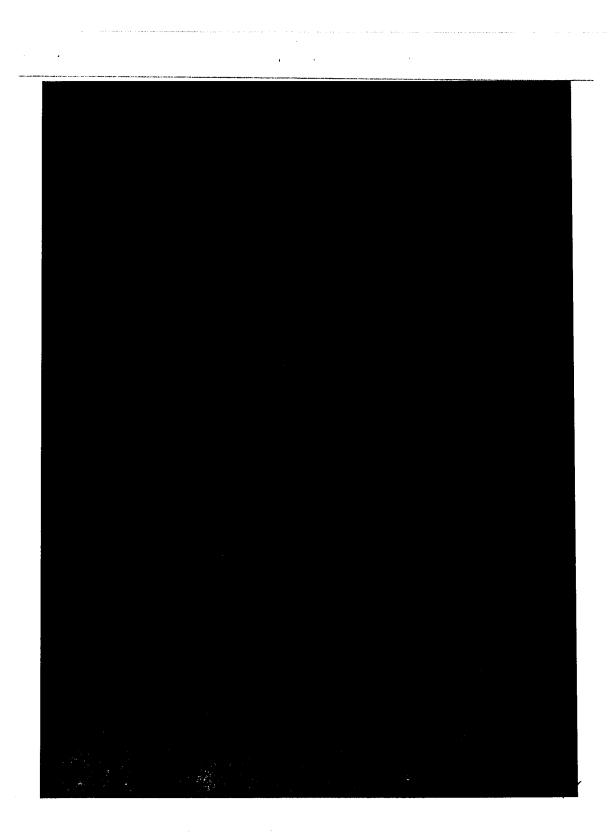
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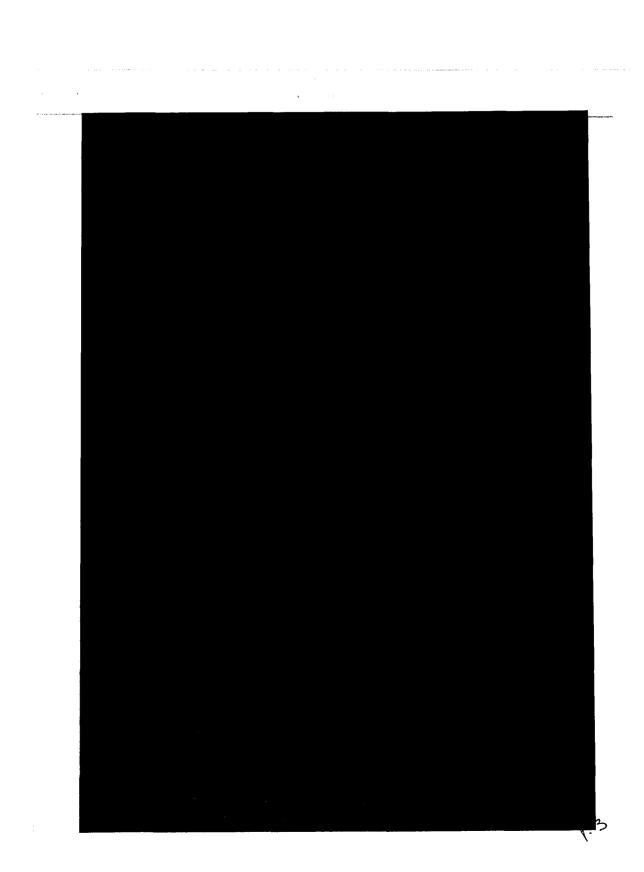
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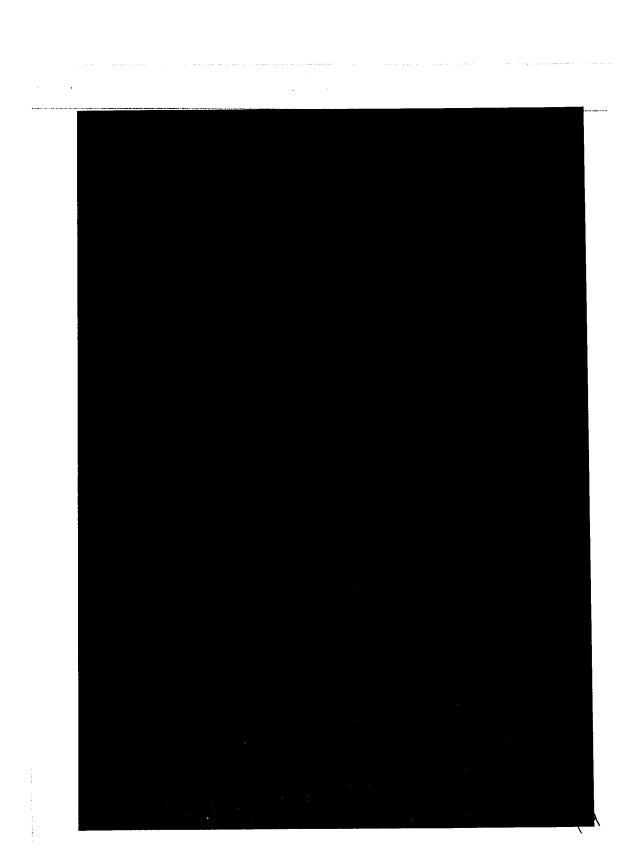
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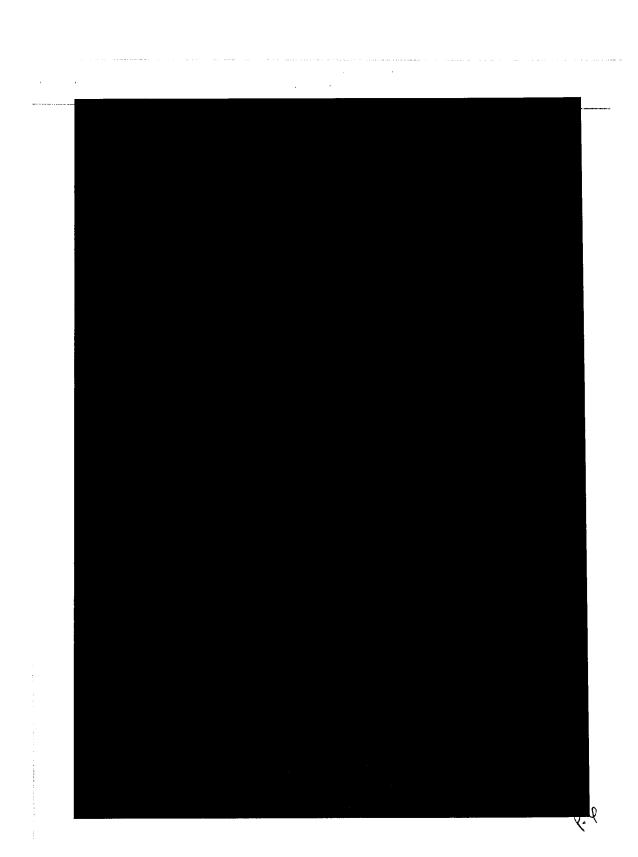
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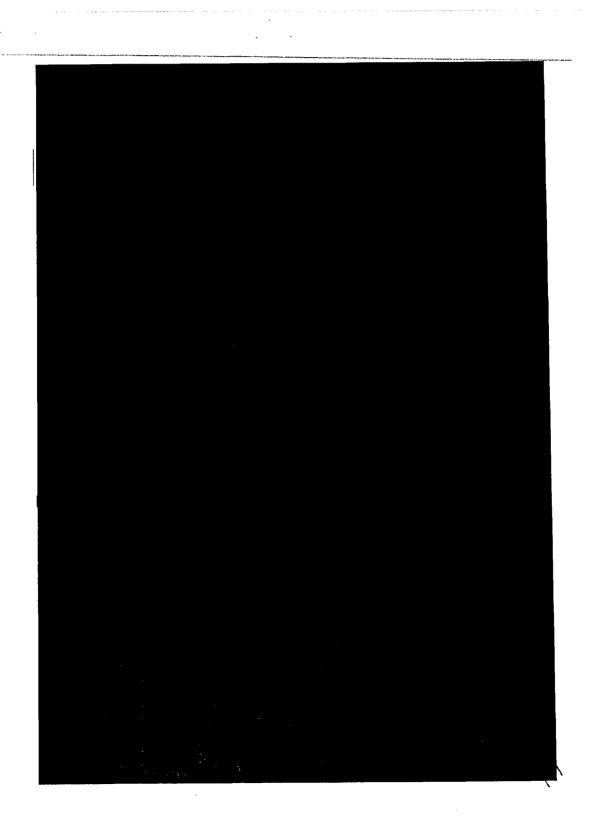


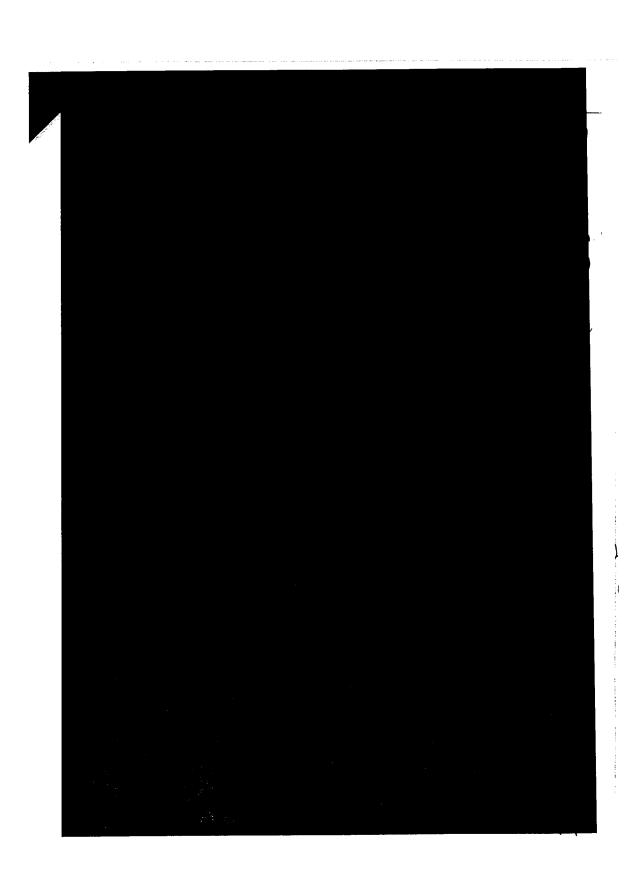


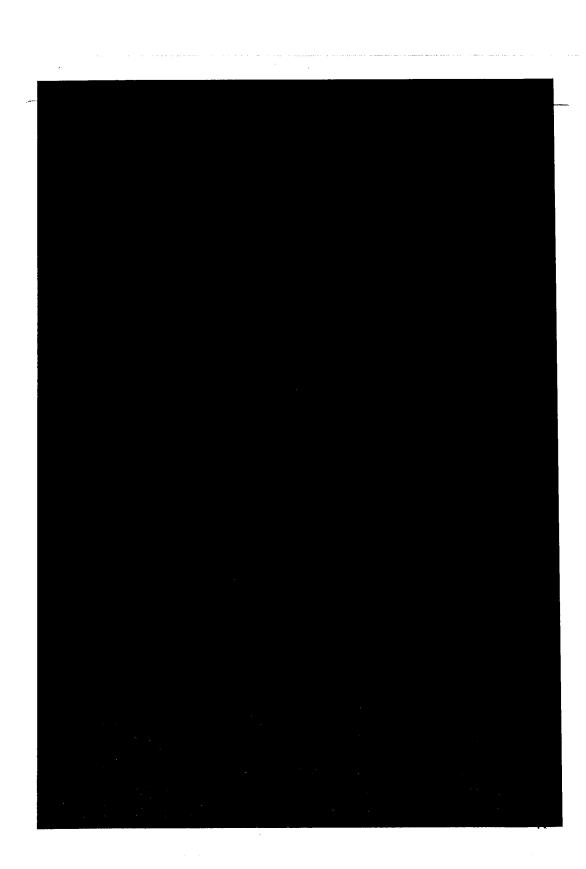




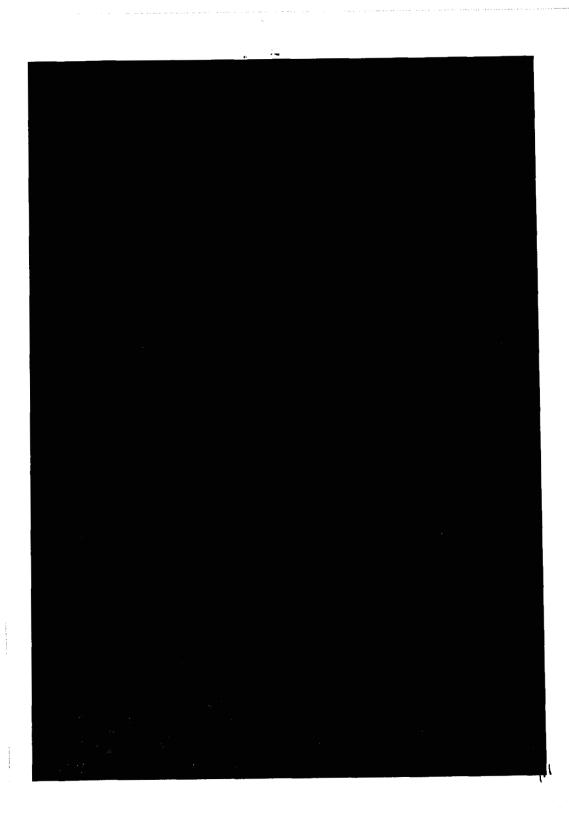






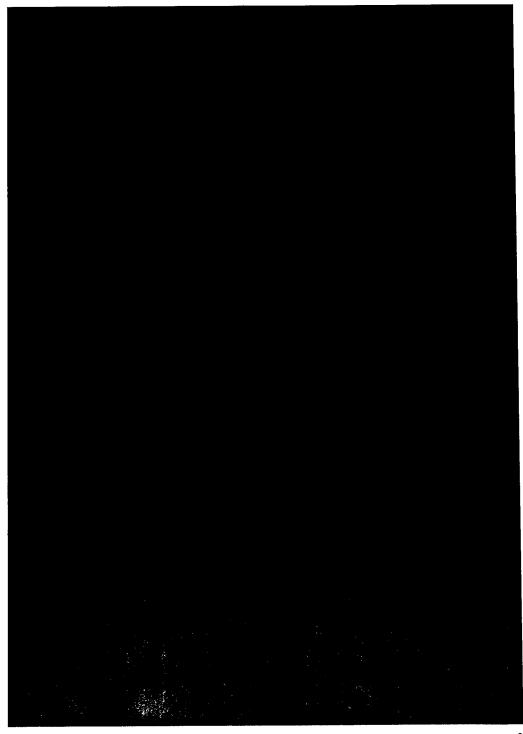


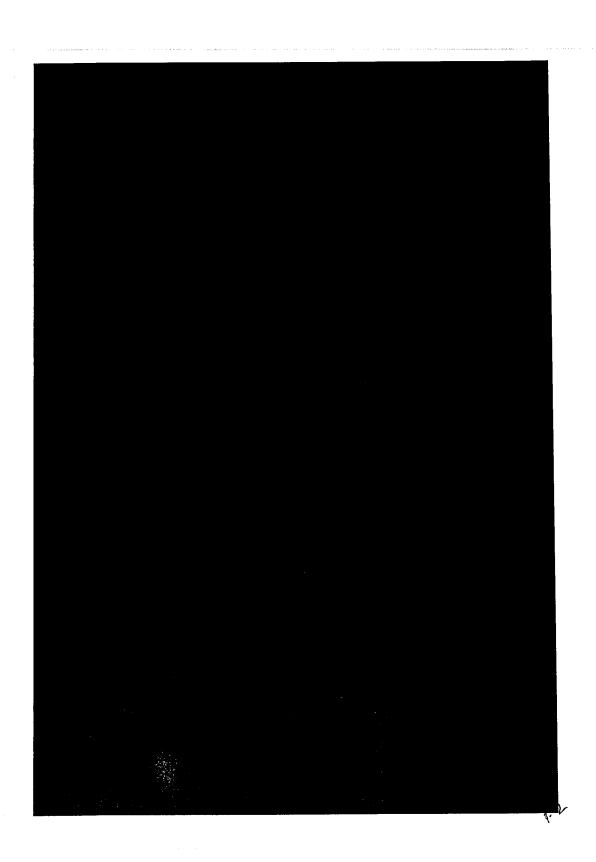
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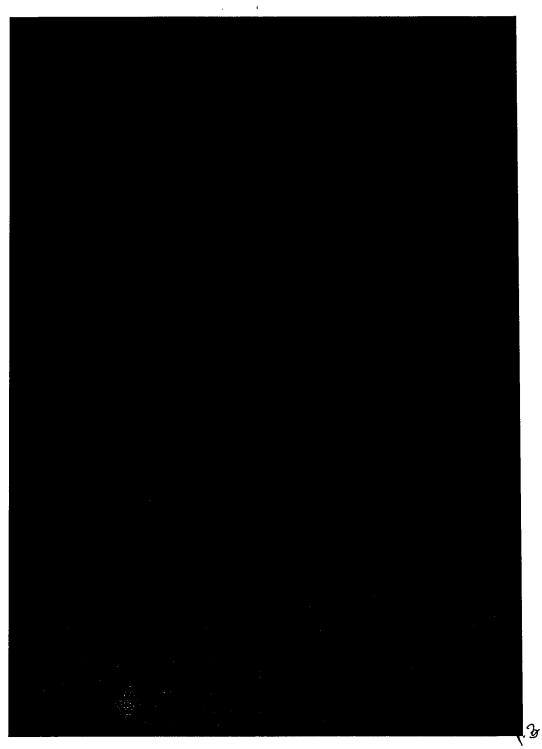


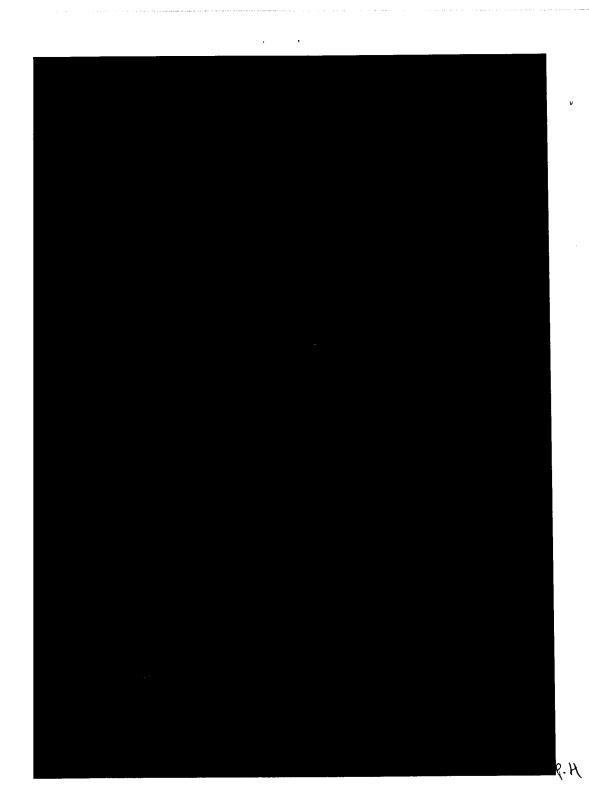
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INTEGRATE BUSINESS FORMS, INC. (647) 697-2826 FAX (647) 698-4008		

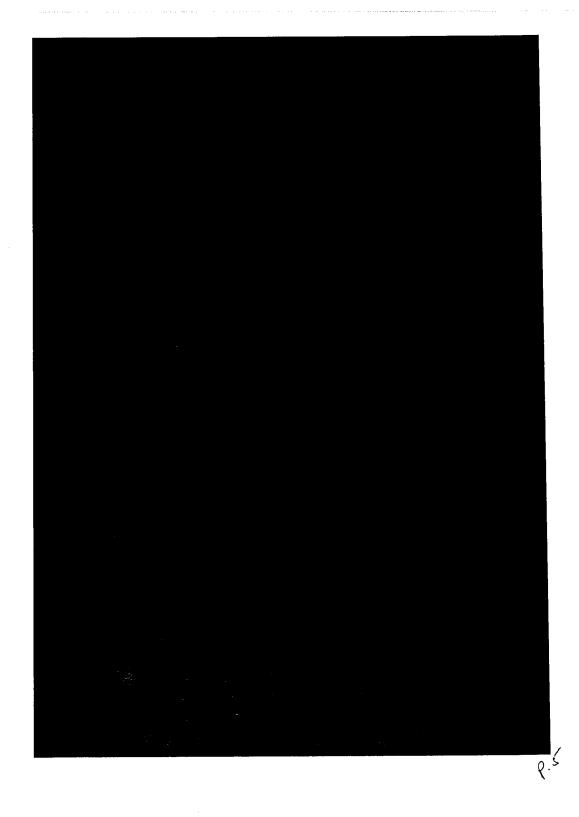
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G	<b>.</b>		Florida Power & Ligh Docket No. Docket N Staff Audit Interrogatory No. 3-2 Page 1 of 1	o. 070432-EI	6BC
F 2	007.	or RFP's for new	r steam generators at an	ny plant location	since June
		or any and a second or a second		Mar	
			Florida Power & Lig Docket No. Docket N STAFF Audit Interrogatory No. 3- Page 1 of 1	No. 070432-EI	
	2. Please provide the an work done on location.	y correspondence the Glades Stean	with and and and Generators for another	regardir er type of plant	ng use of the or another
,	A. This equipment is	s not usable for ar	ny other type of plant o	or location.	
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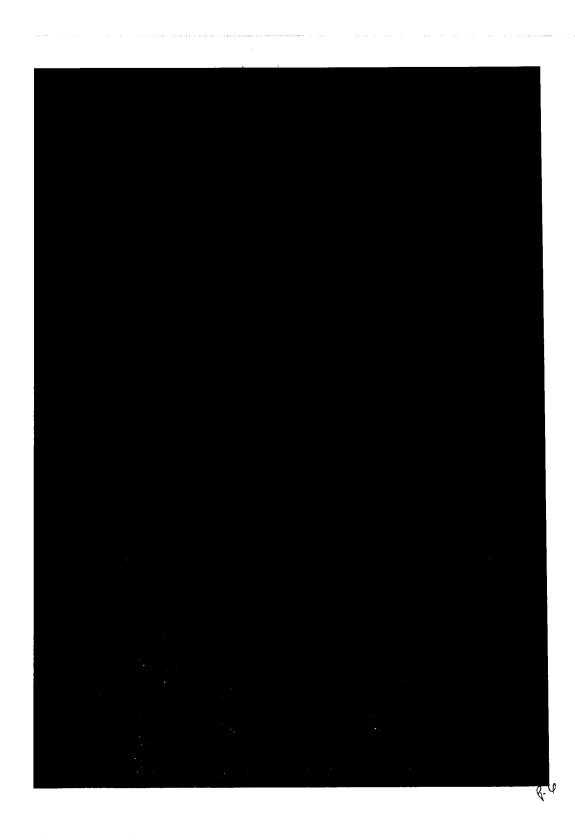


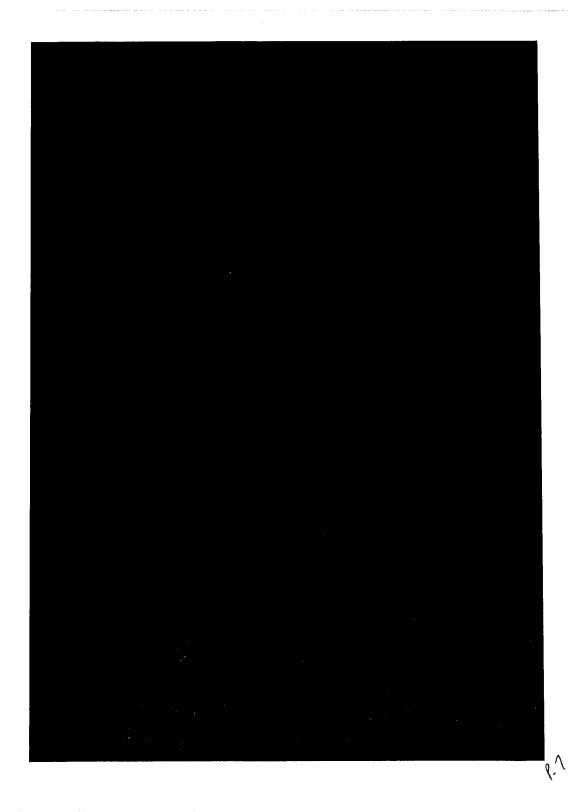


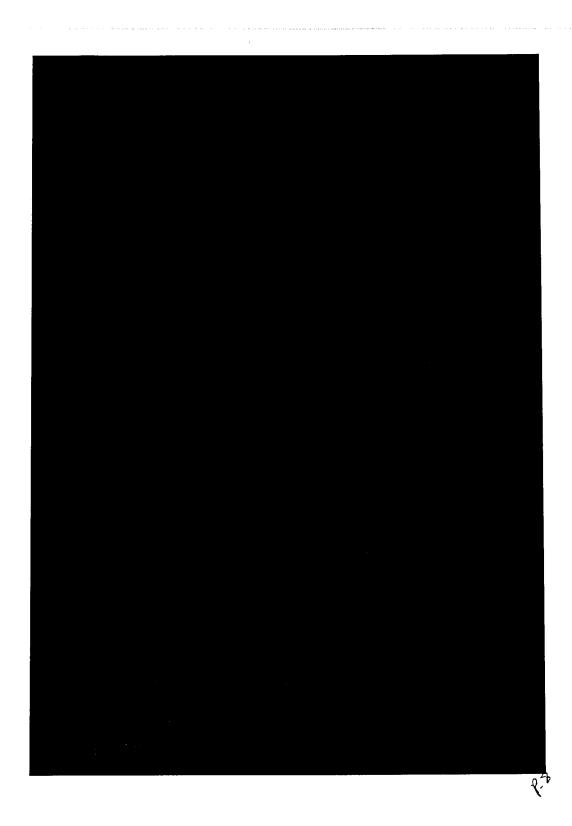


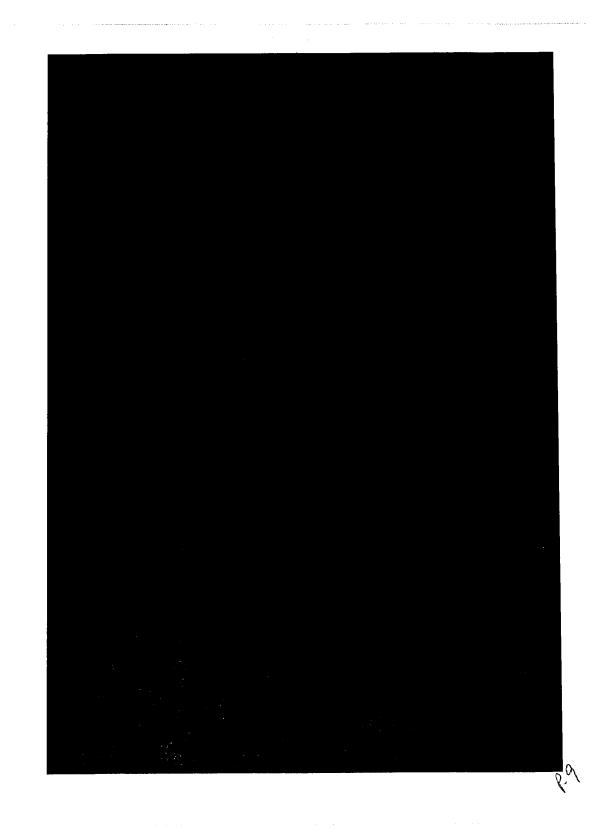


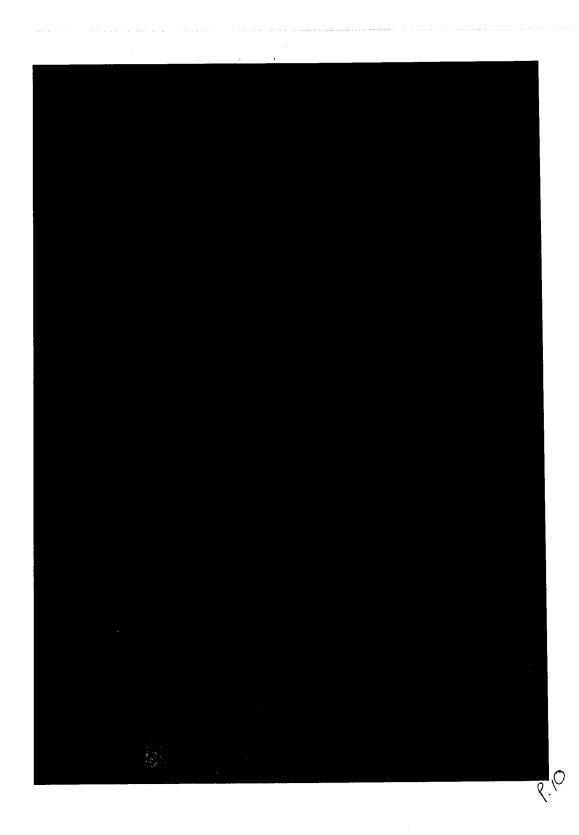


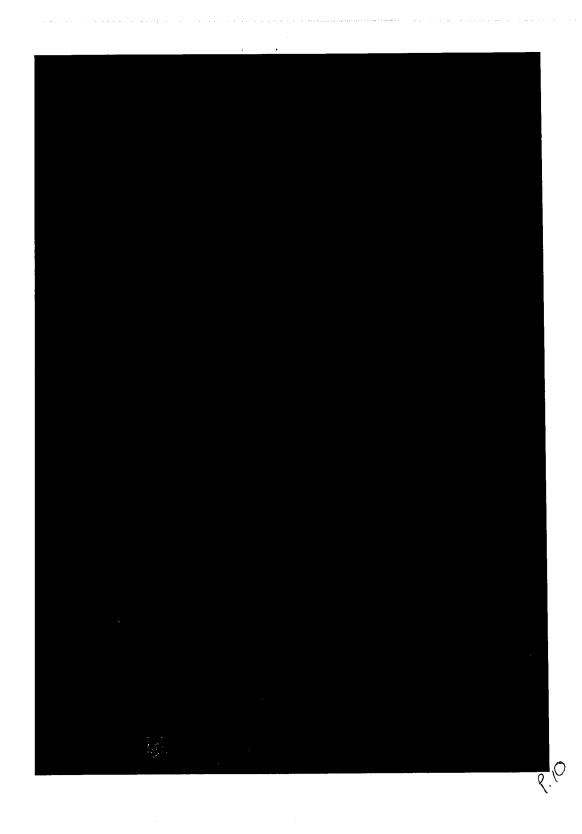


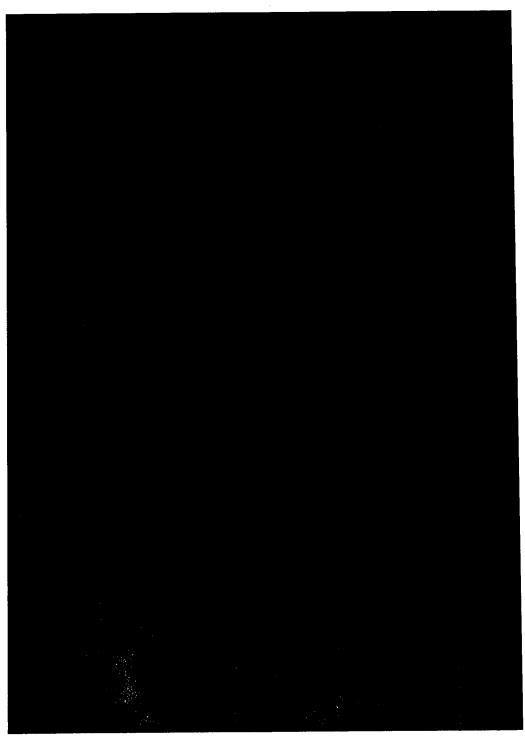


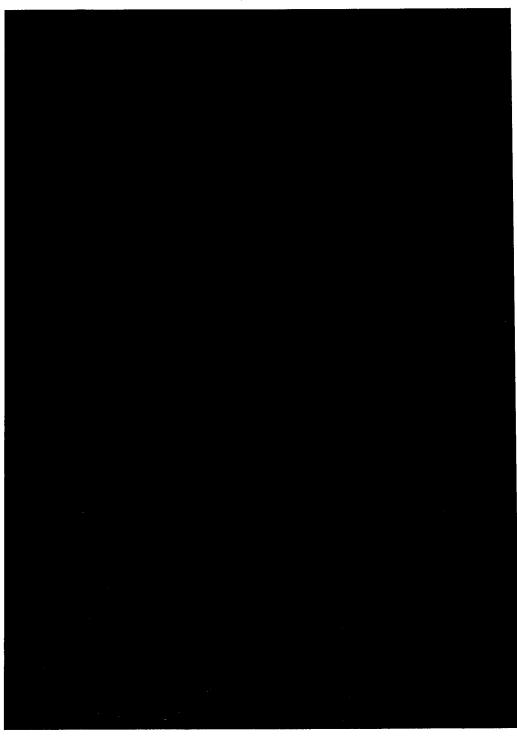


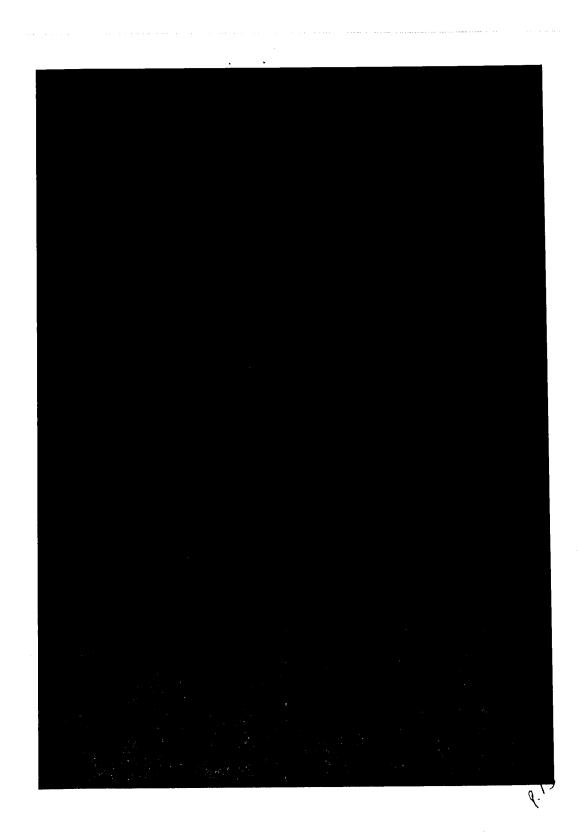


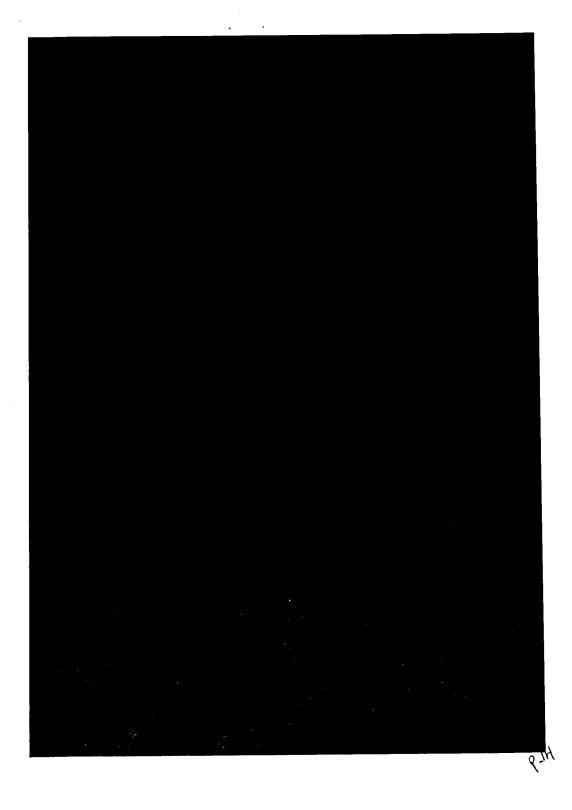


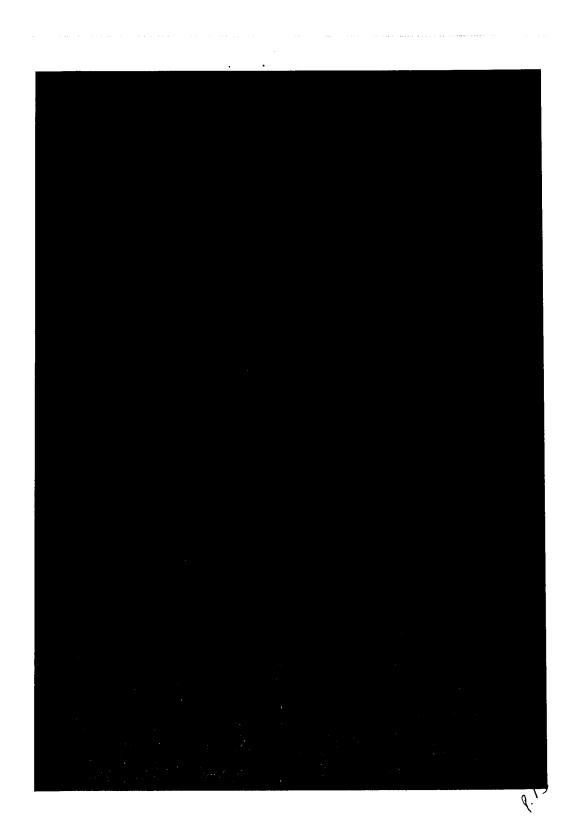










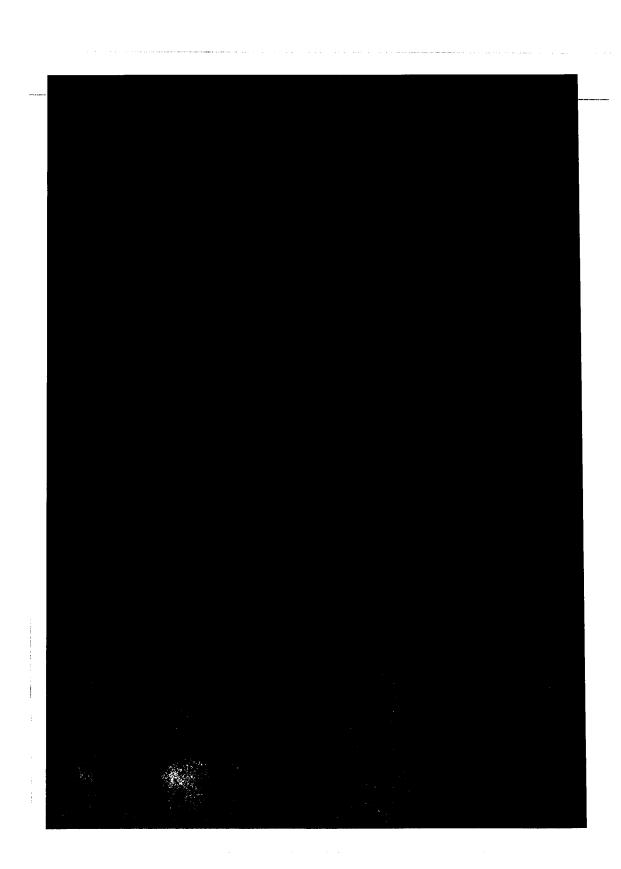


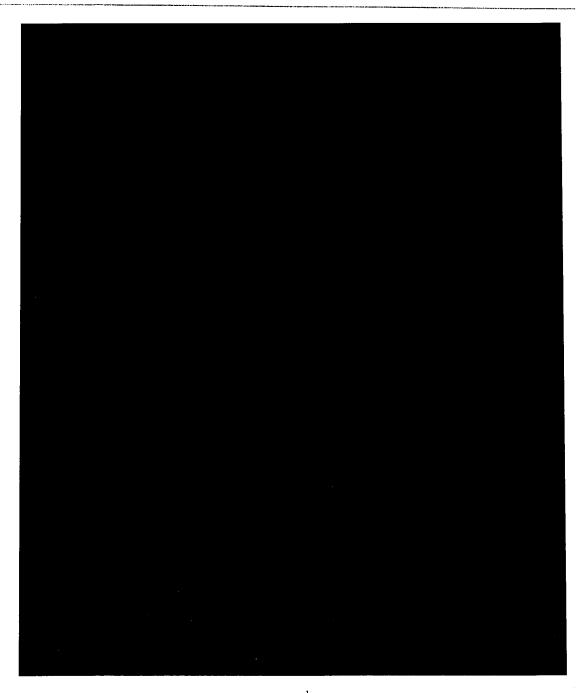
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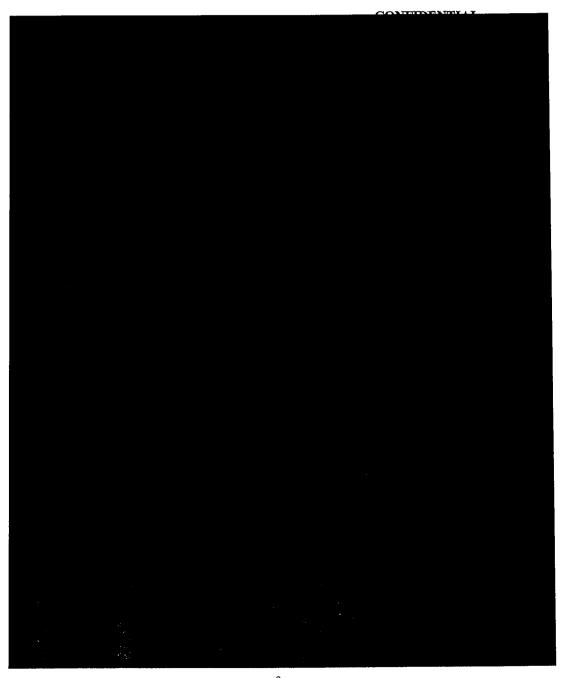
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See	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-	-EI
	Title: Yalice of Jeson	
и	The process of Section	<u> </u>
	Florida Power & Light Company, 700	Universe Bivd, Juno Beach, FL 33408-9420
		(26)
EDI		600
ATT Annu	NOTICE OF TERMINATION FOR C	ONVENIENCE
		CONFIDENTIAL
		Aniei (PATIA) IUF
Reference: T	The Contract for the Design, Fabrication, systems ("Agreement") dated April 16, 20	and Delivery of Air Quality Control
(	Company ("FPL") and	Toron Lord Power to Light
Dear Mr. DoVale	<b>3</b> ,	
In accordance wi	th Section 68.0 of the Agreement, FPL for its	convenience hereby terminates the
Agreement effect	Sincerely,	
		& LIGHT COMPANY
	William	F. Braumer
	Richard Blanchette	for
	Director - Constructi	ion
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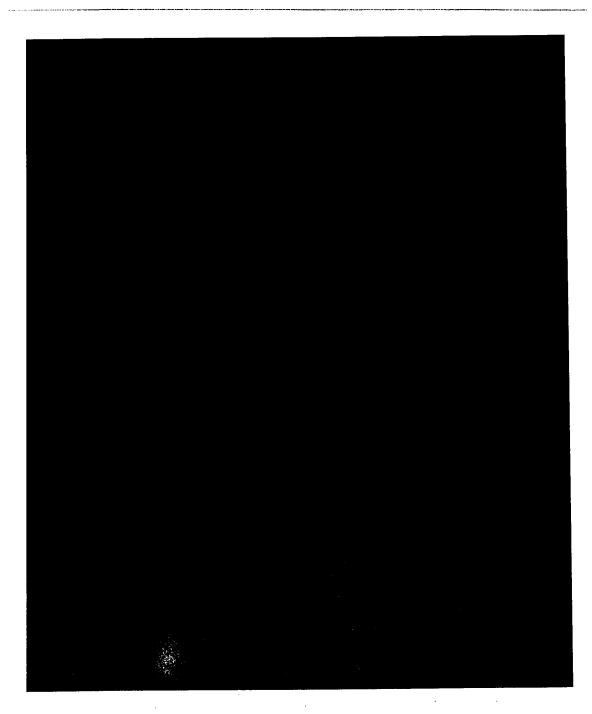
INTEGRITY BUSINESS FORMS, INC. (847) 696-2626 FAX (647) 696-4006

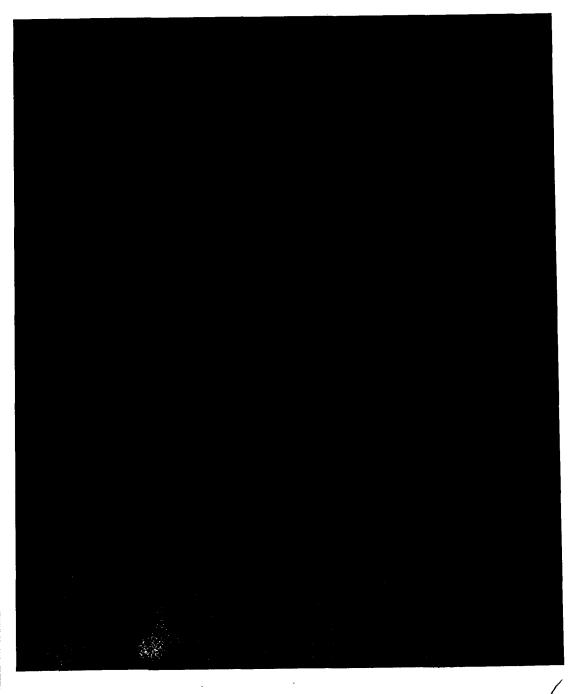




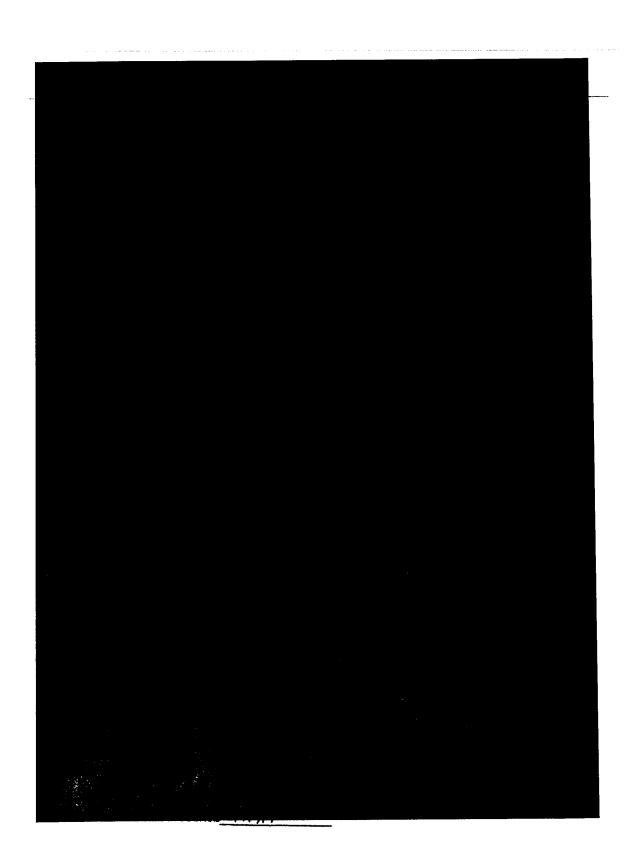


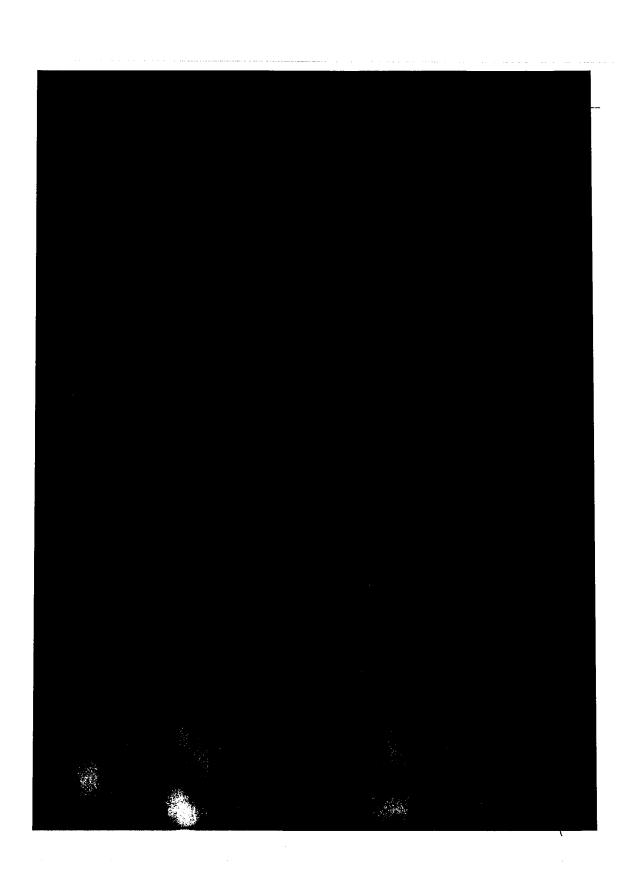
2 Appendix A

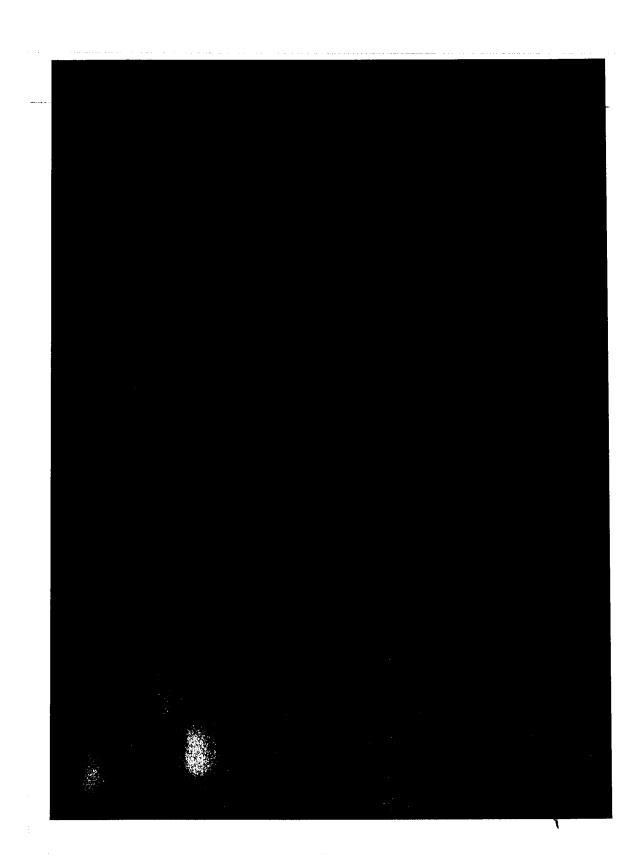


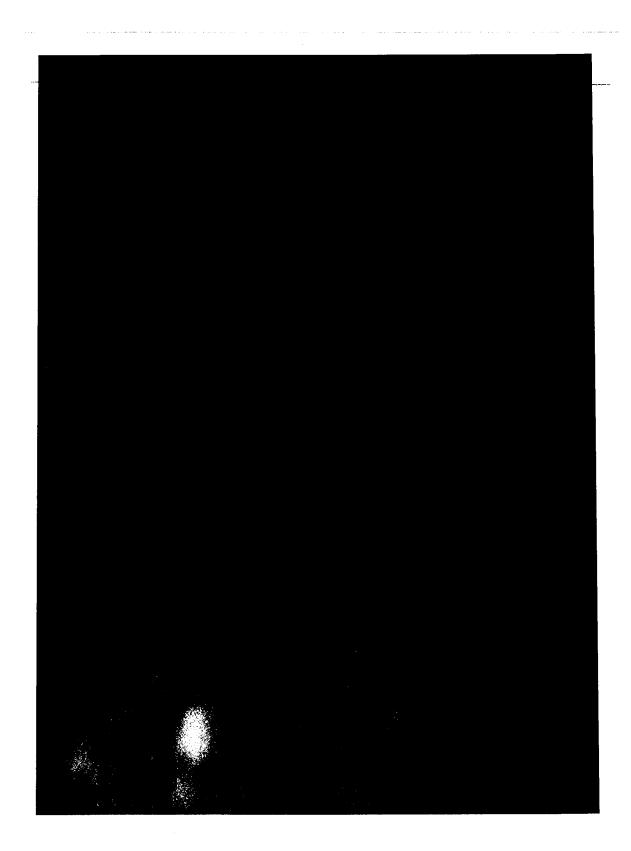


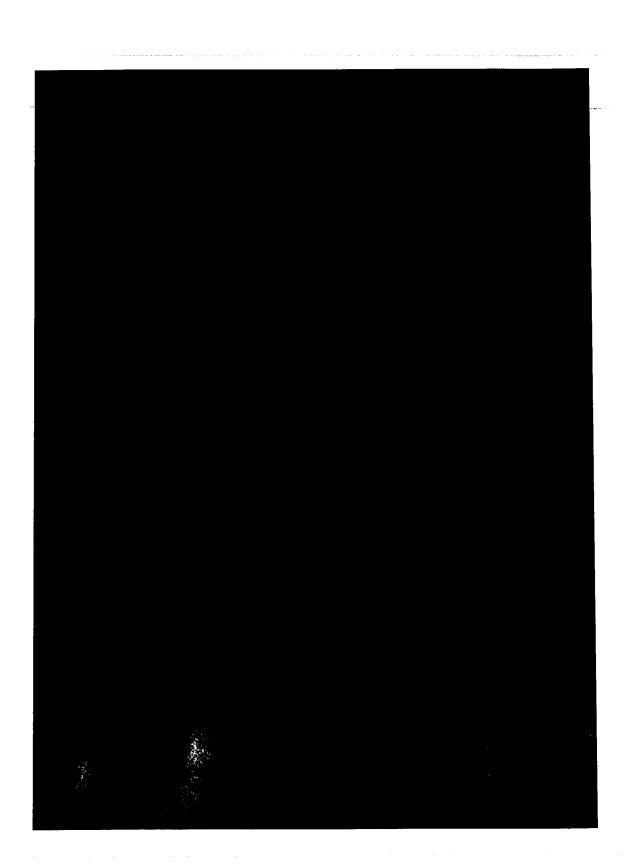
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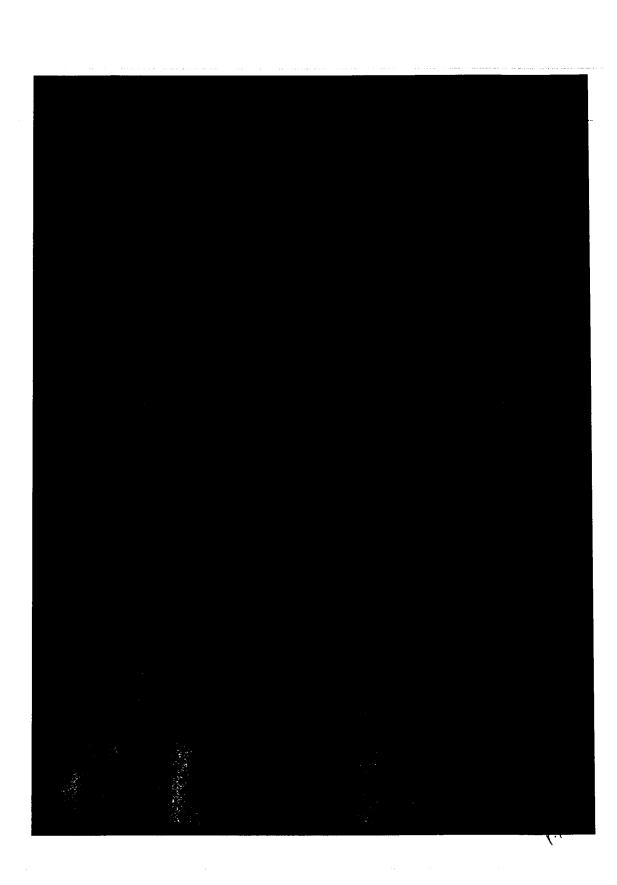












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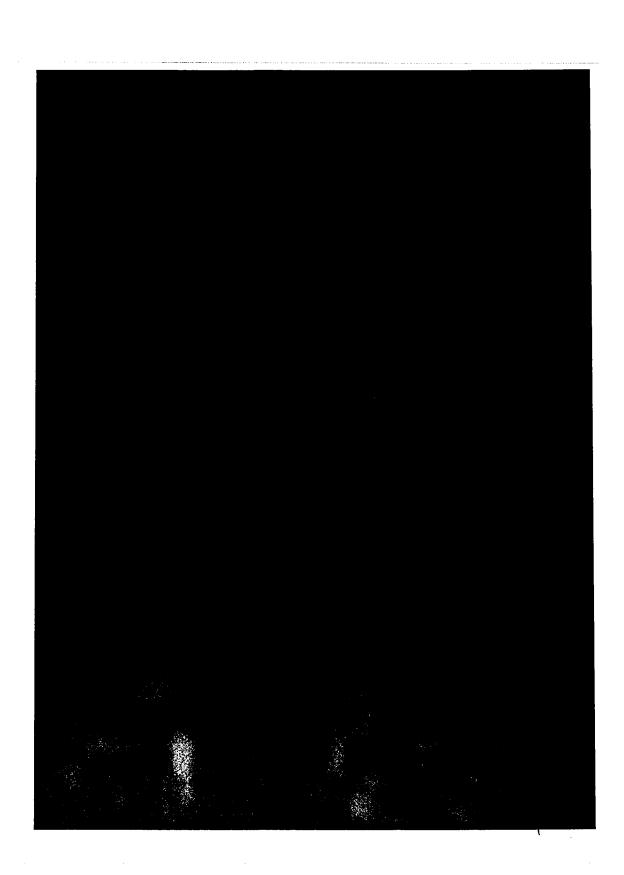
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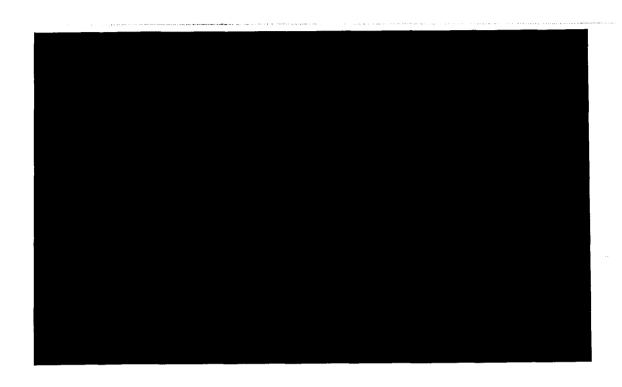
INTEGRITY BUSINESS FORMS, INC. (647) 599-2826 FAX (847) 699

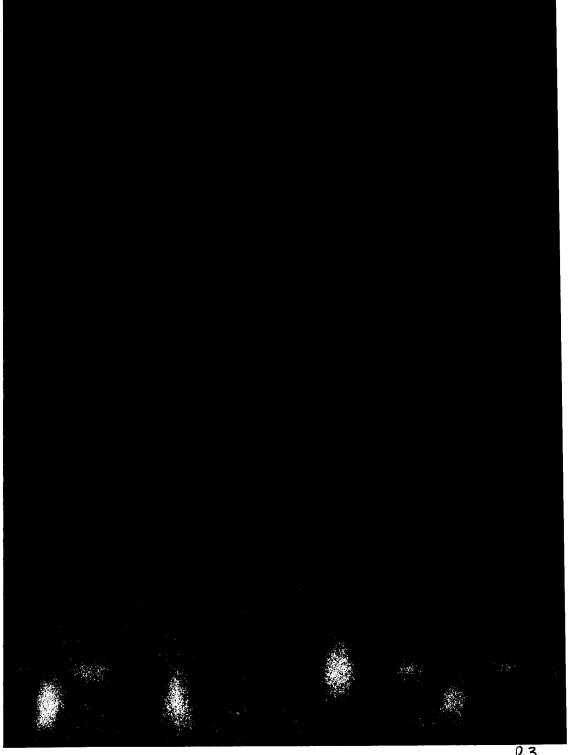
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Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07 113-3 3-1 PATE CHITY BUSINESS FORMS INC. Phone. (M7) 449-2526 Fax (M7) 996-4006 Email: integbuse oil com

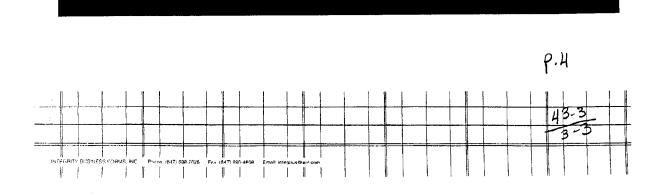
	Florida Power & Light	and or other	
No.	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07		marin
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Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07 H3 =3 3-4 PITEGELTY HUSINESS FORMS, INC. Phove (947) 668-2626. Sax (947) 698-460H. Emili integrus Saot com

N Para	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El TYE 6/30/07  Title: Joshila — Jerminatio	Walled 4N
FPL.	Florida Power & Light Company, 700 Univer	IFIDENTIAL
Tu	e Site Contract for the Design, Fabrication of the Contract for the Design of the Power & Light Control of the	("Agreement")

In accordance with Section 25.1 of the Agreement and Appendix B to the Agreement, FPL for its convenience hereby terminates the Agreement effective as of June 16, 2007.

Sincerely,

FLORIDA POWER & LIGHT COMPANY

William Brannen

Senior Director Engineering & Construction

SOURCE DR#2

on EDI Group componi



#### II. AUDIT FINDINGS

## CONFIDENTIAL

**AUDIT FINDING NO. 1** 

SUBJECT: TERMINATION FEE
AUDIT ANALYSIS: FPL entered into a contractual agreement with
Glades Power Park for the total cost of \$
SINGLE TOPONT AND INC. AND INC.
As the result of the Compission's rejection of FPL's request for the construction of the coal-fired generation units. FPL terminated its
contract with
Through
negotiations to reduce the full termination fee, the tollowing terms were agreed upon. First, agreed to reduce the termination fee hour
which would decrease the contracted termination fee by \$2,000,000 if FPL agreed to increase the contract price of the
by \$1,750,000 or an actual decrease of \$250,000. Second, agreed to adjust the cash flow of payments for
resulting in an approximate \$500,000 reduction in Allowance for Fund Used During Construction (AFUDC) for the Third, Thir
by December 31, 2012, if
is selected as the winning bidder in future competitive solicitation by any company in FPL Group company not just the utility. Even if an affiliate
the utility would receive
The settlement of the contract piece for vielded a saving benefit of \$250,000; however it also posed an inconsistency of accounting methodology as based on the re-
negotiation the termination fee would decrease the deferred loss and increase the costs application as a plant addition. This would result in a longer period of
writing off the \$1,750,000 since the plant addition is depreciated over a longer period than the deferred was would be amortized.
Although the negotiation was to transfer the \$1,750,000 between projects, FPL
adjusted their books after the filing was made to follow Generally Accepted Accounting
Principals and to only record the actual reduction of \$250,000 to the Glades Power

Project to account 182.3-Other Regulatory Assets. Therefore, the costs booked are

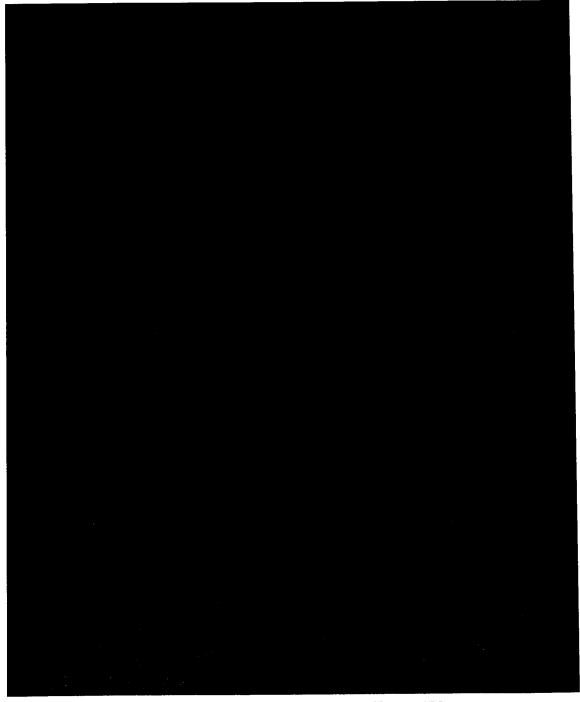
FPL will rely on the Commission authorization to determine whether the costs of the

Glades Power Park project should be reduced and the new construction for

actually \$34,287,477, which includes the reduction of \$250,000.

	Florida Power & Light	yd .
``···	Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El	9/27/07
	Title: audit finding	
=-		The state of the s
	·	
	for a period of twenty-five years instead of five years if left in the deferr.  The Commission must also take into consideration the effect of the \$5 in Allowance for Funds Used During Construction (AFUDC) the topayments for the same as a result of this re-negotiation on the contract. The \$500,000 reduction in AFUDC helps to mittake the incommendation.	nt 182.3 – Other five years. If this d be depreciated red loss account.  00,000 reduction to the change in rease in costs if result of the react account or the change in the redit of the react account or the redits because adjustment to the ording of the loss.
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PHECUITY RECINES FOR Phone (MAT) APR 2006 Fax (MAT) 698-4008 Fmail integrus 9 and com



Page 1

SOURCE DR #6

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	Page 2	Q/2
INTEGRITY BUSINESS FORMS, INC. (847) 599-2826 FAX (947) 698-4	CP CP	36

## CONFIDENTIAL

# Au**AR**<sup>R</sup>**2003** No. **037**Page 7 of 11

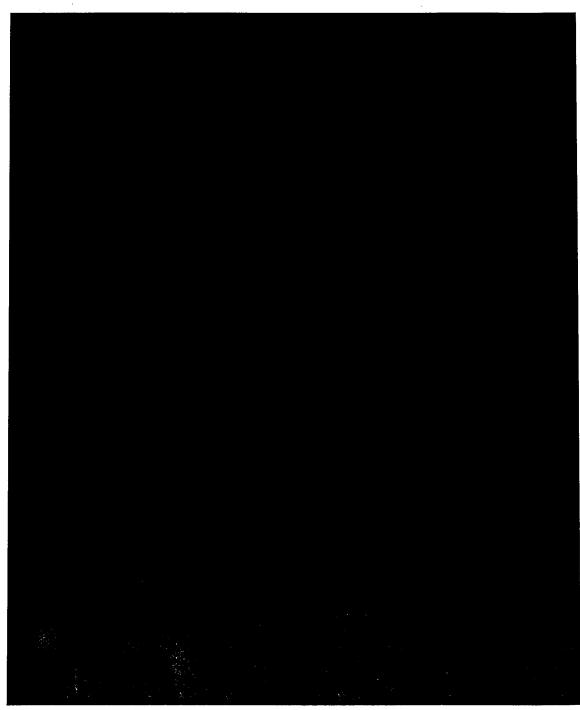
#### Accounting Research Request Form

Issue description:	Accounting for coal plant termination fee with concurrent adjustment of another contract							
Accounting Research Topic:	Contract Re	estructuring						
Requested from:	K.M. Davis	S						
Requester's contact number:	694-6250							
Company relates to:	FPL		Other:					
Date of request:	7/12/07							
Date reviewed with Beth Farr:	7/19/07	May Bex	h Jan					
Date of response:	Tony Cuba	. 7/25; K.M. Da	vis 8/2/07					
Prepared By:	Peaches Li	bkie 🔑						
Relevant GAAP:			ffects of Certain Types of Regulation angements with Multiple Deliverables					
Corporate policy amendment/addition?	no							

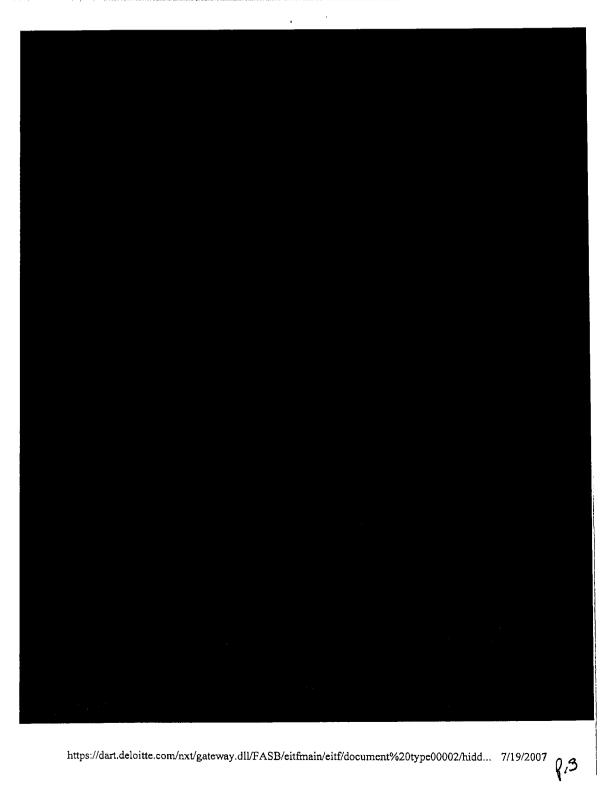
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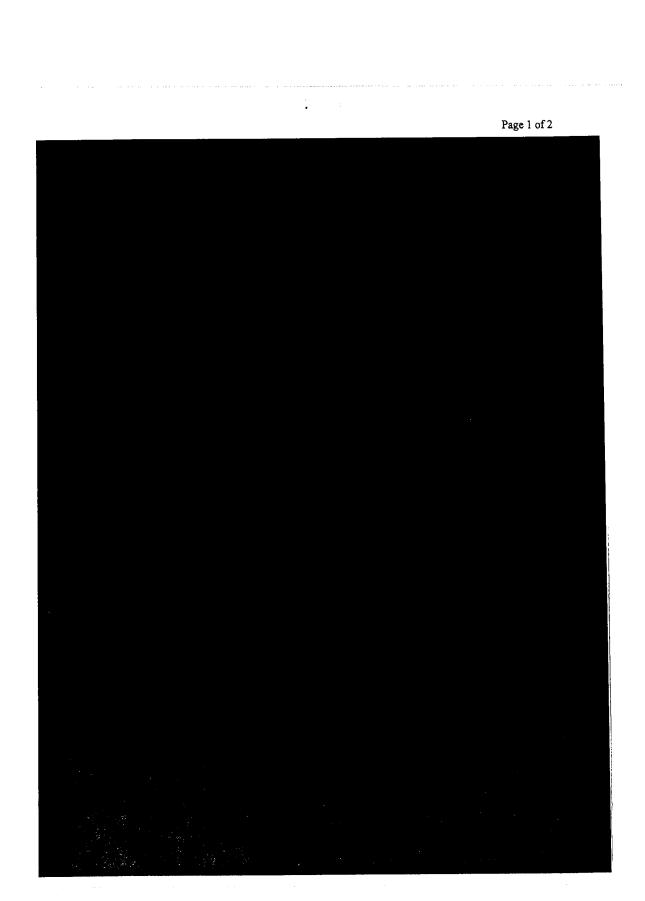
FPL has accumulated approximately \$34.5 million of costs which have been deferred related to a proposed \$5.7 billion coal-fired power plant in Glades County. In June 2007, the Florida Public Service Commission (FPSC) denied FPL's need petition for the plant stating that the proposal was not the most cost-effective alternative. The accumulated costs include accrued termination fees on major equipment contracts. FPL is negotiating to reduce these termination fees from the contracted amounts.





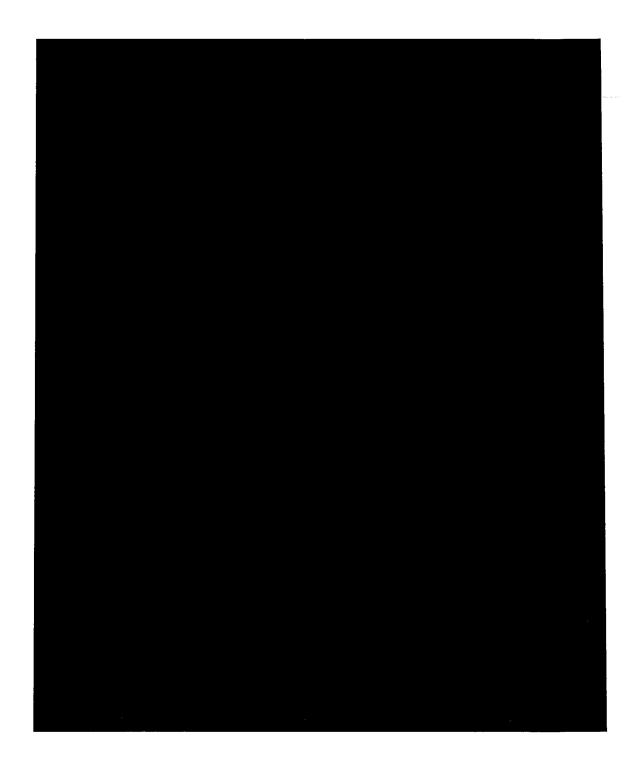
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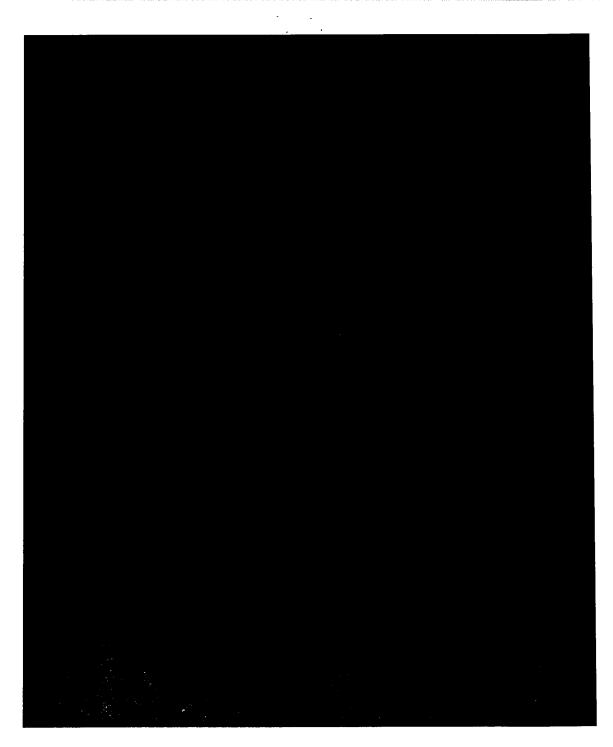


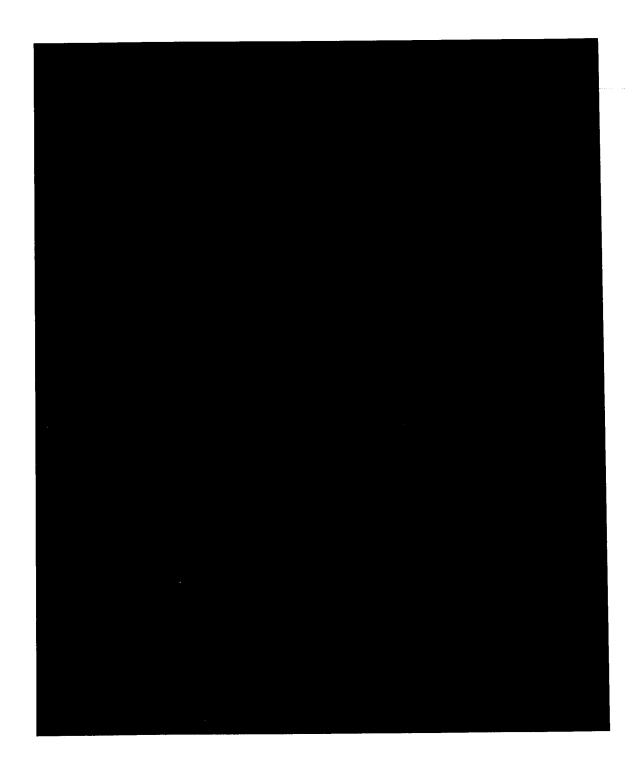


Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El

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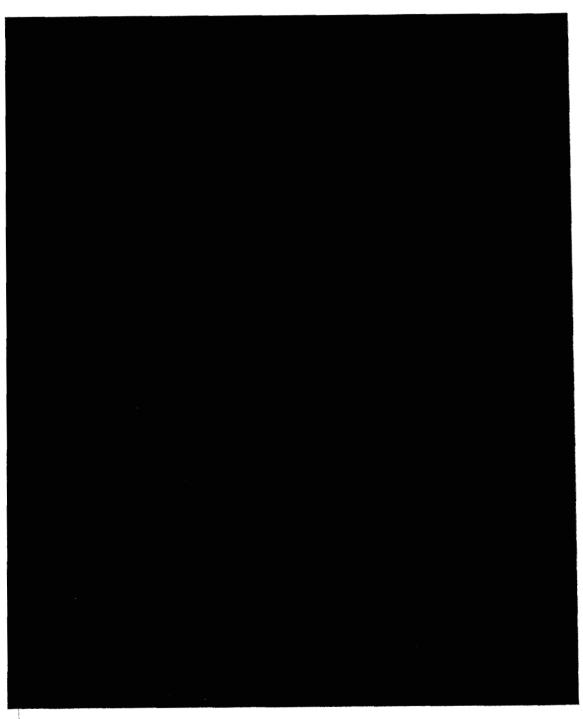






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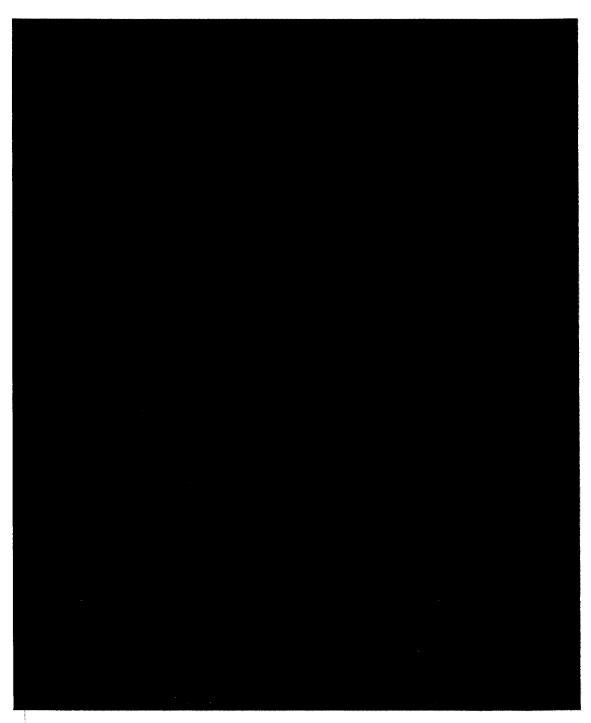
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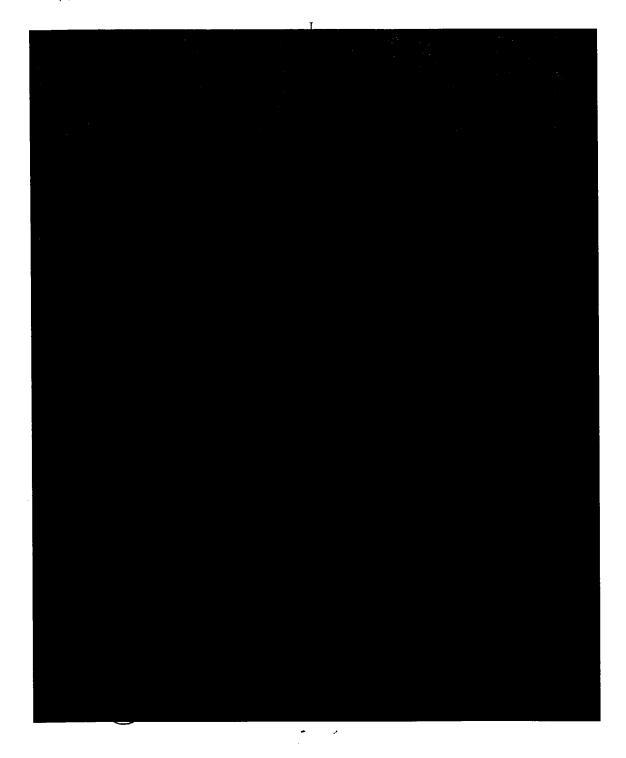
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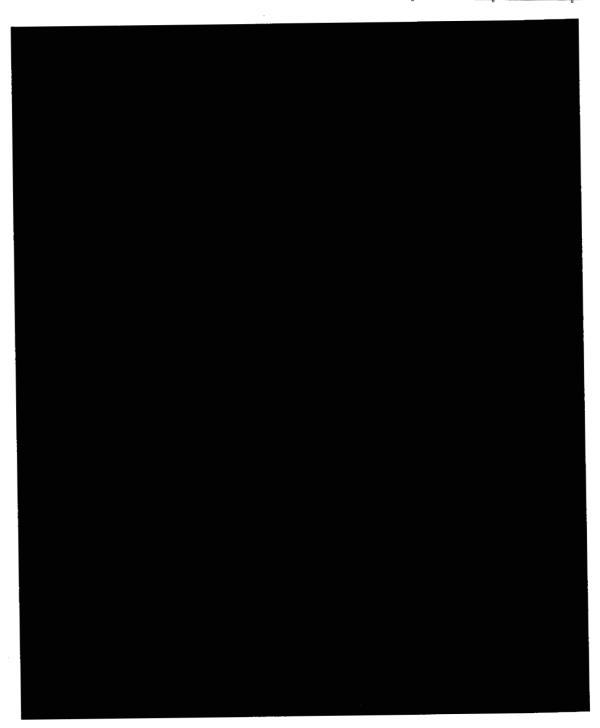
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Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

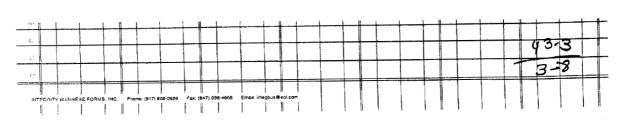
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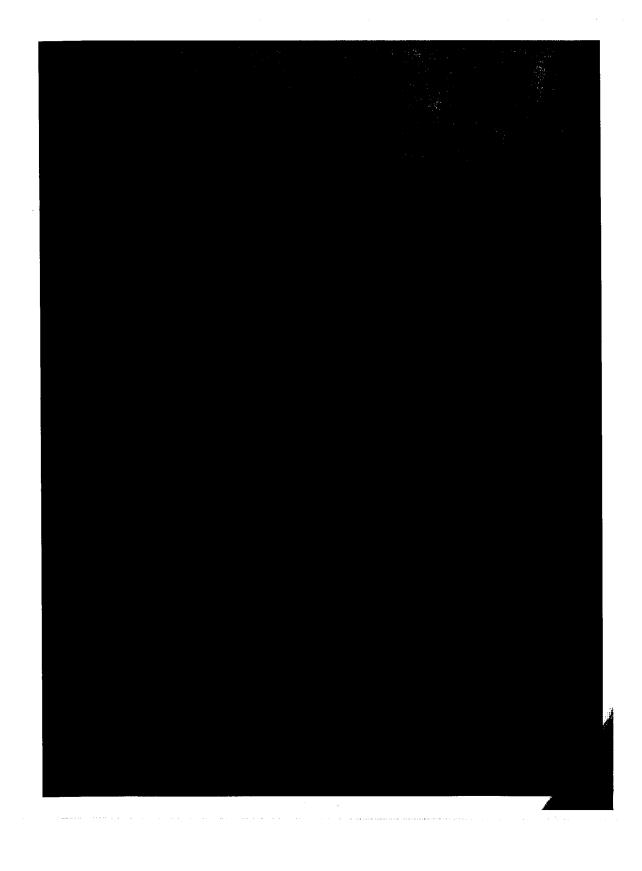
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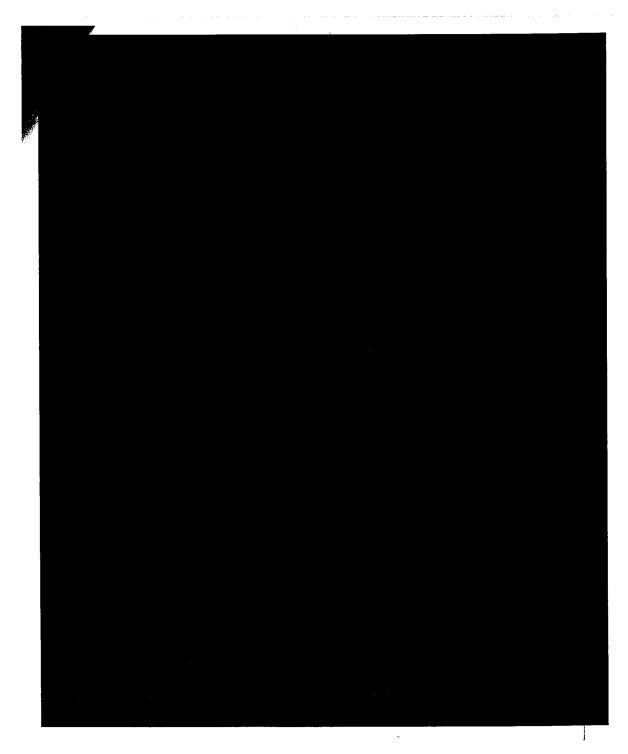


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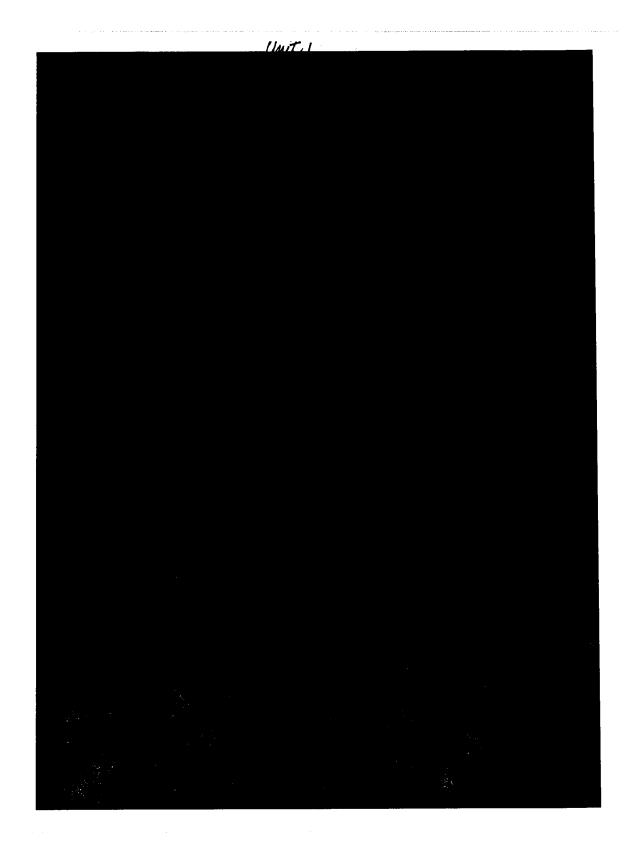


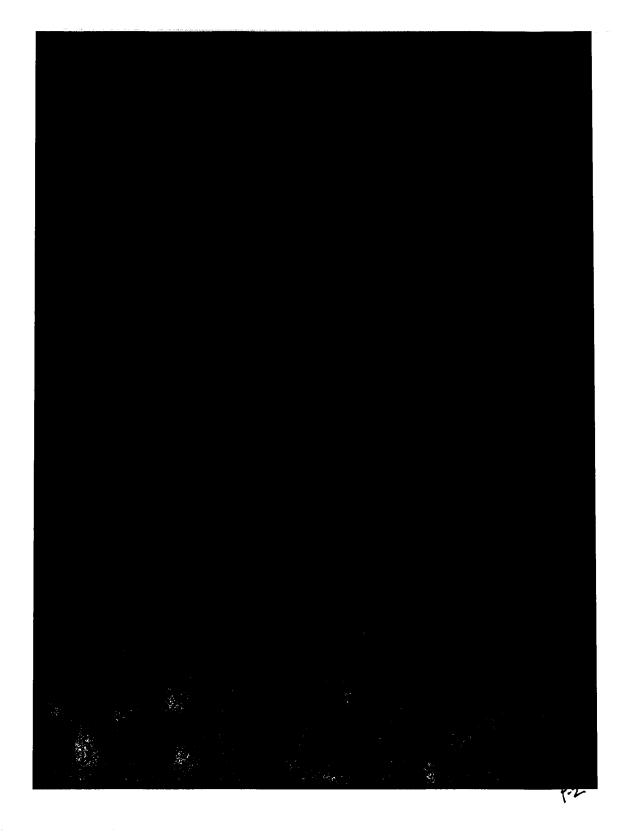


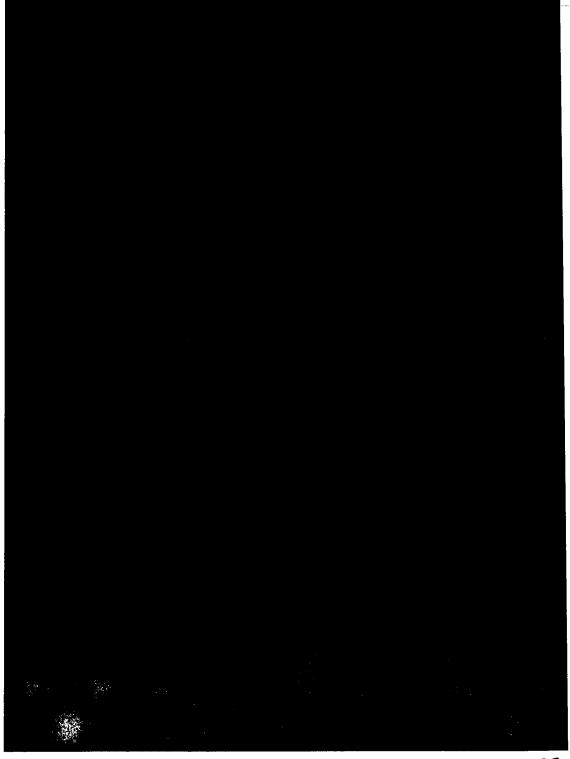
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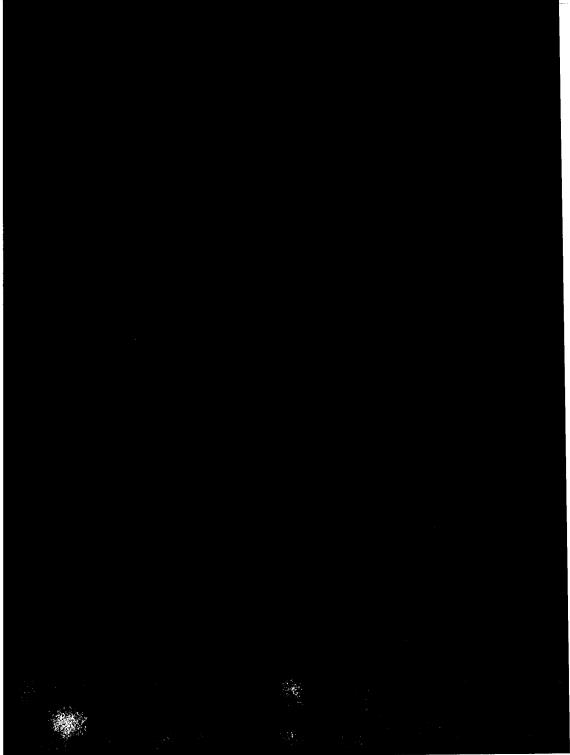
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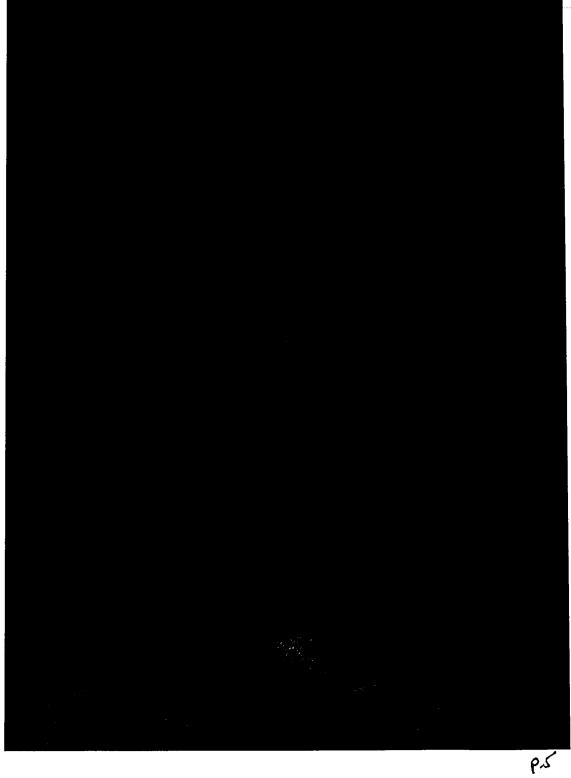
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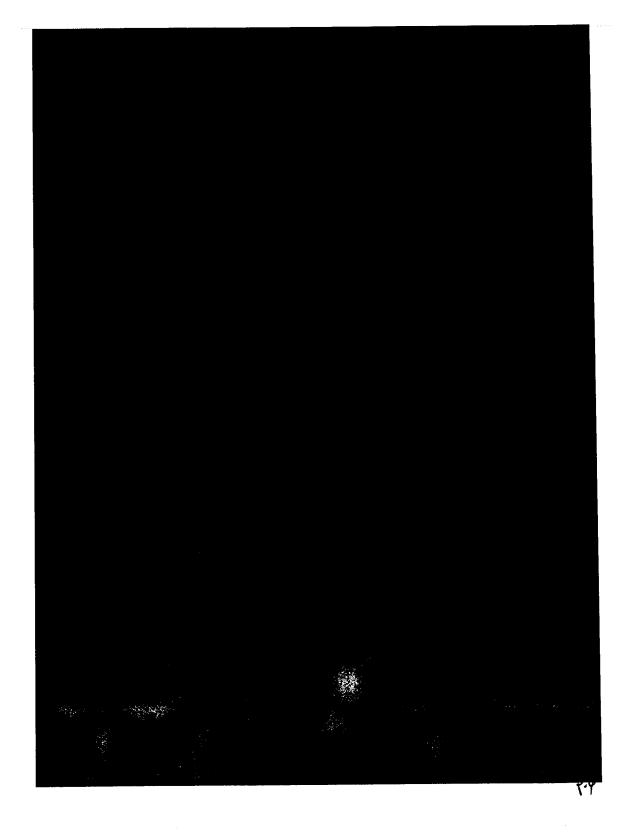


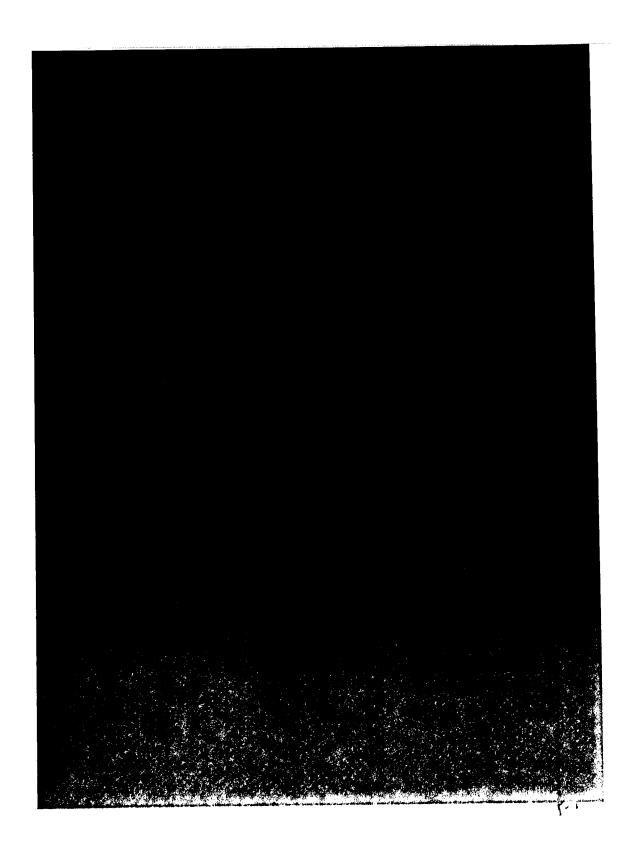




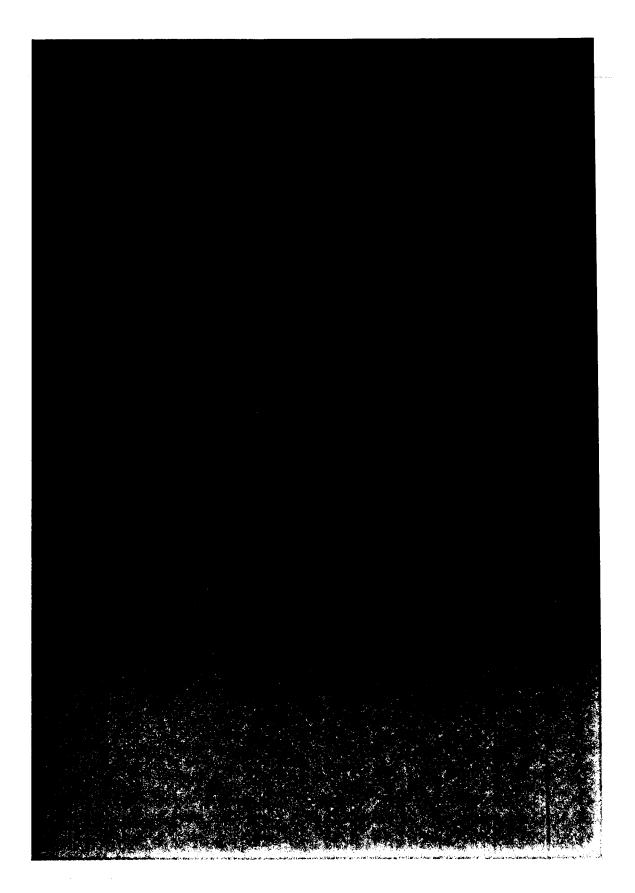


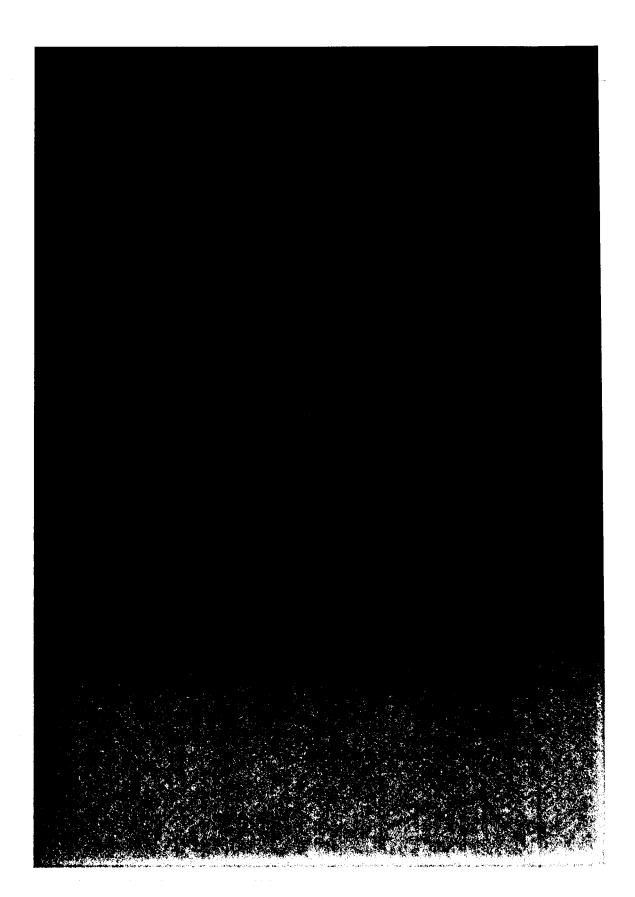


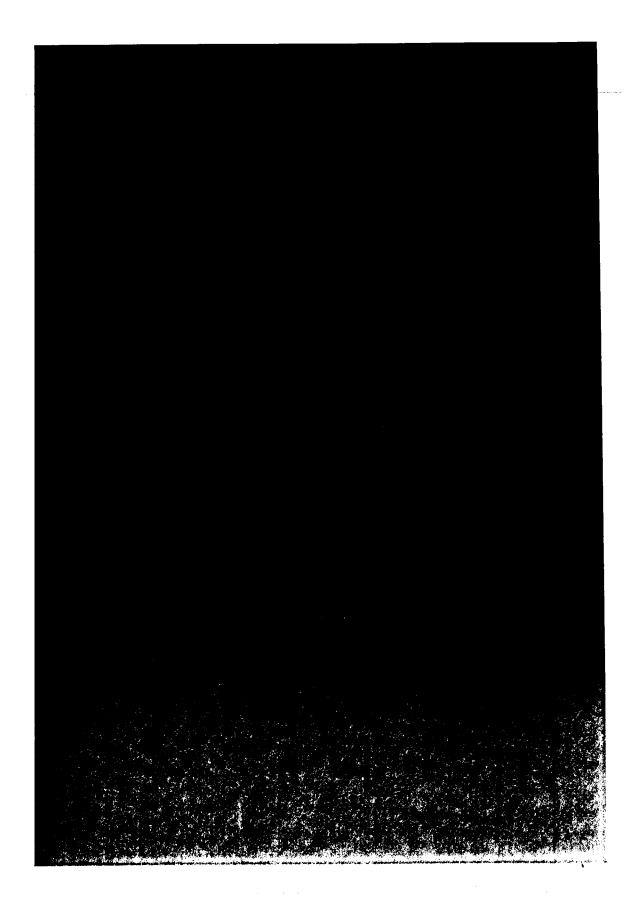


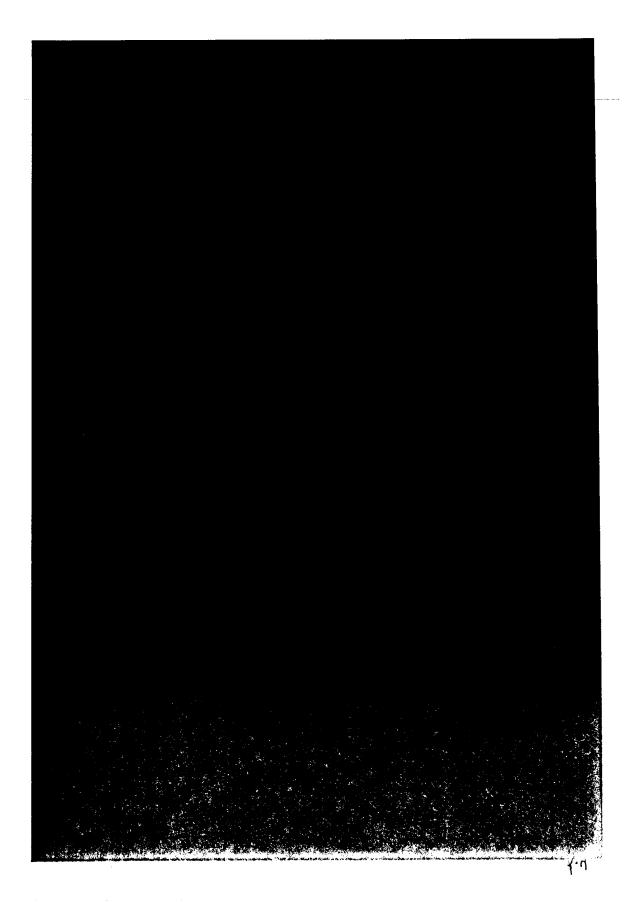


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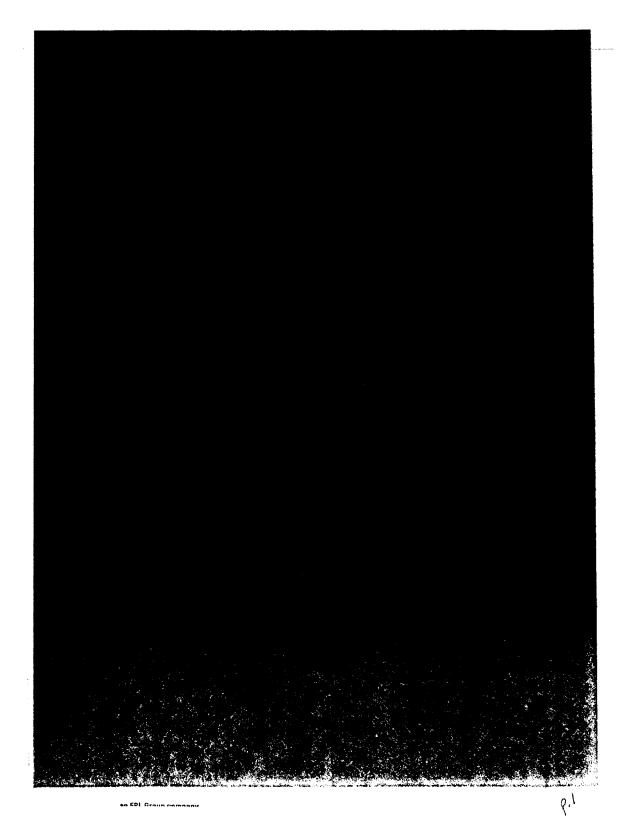






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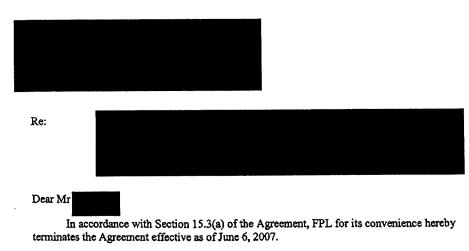
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Florida Power & Light Company, 700 Universe Blvd, Juno Beach, FL 33408-0420

## NOTICE OF TERMINATION FOR CONVENIENCE

June 6, 2007

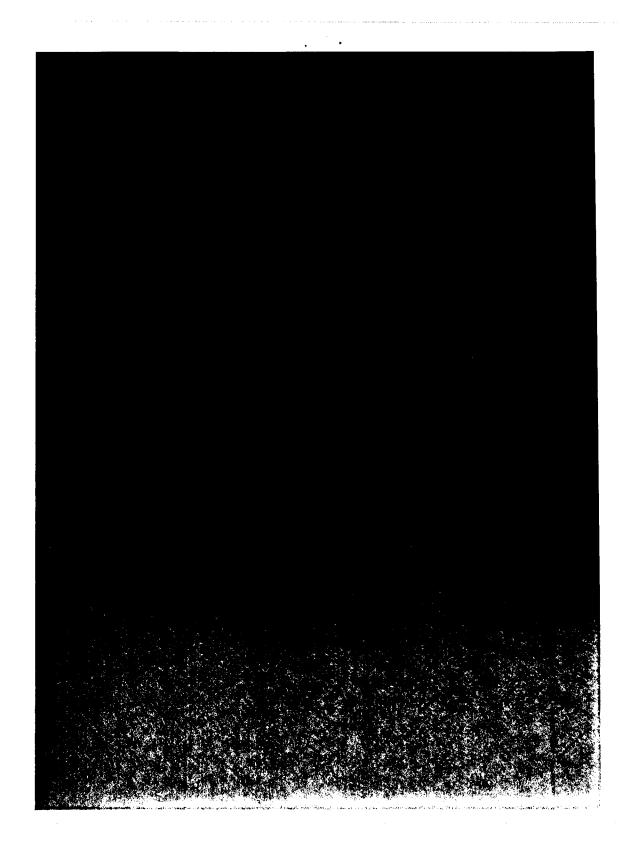


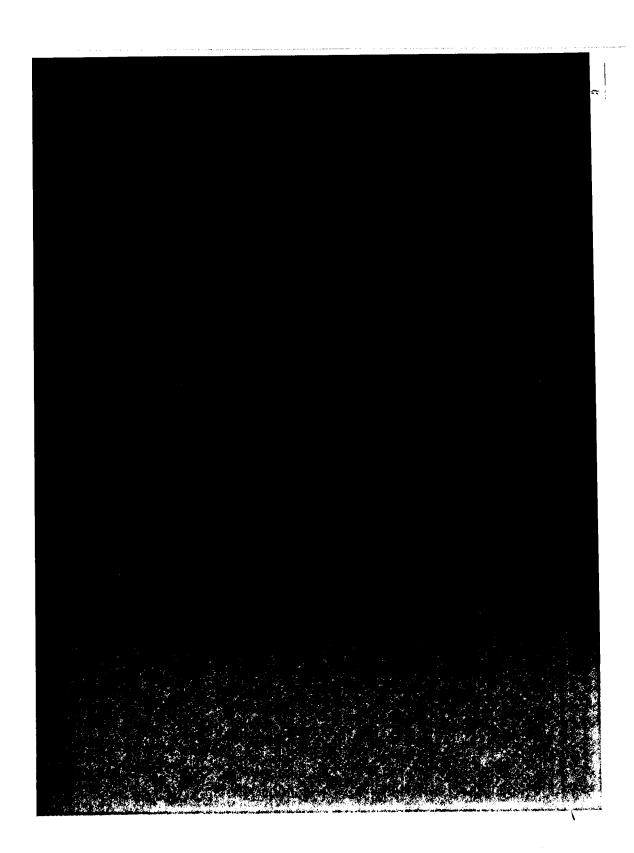
Sincerely,

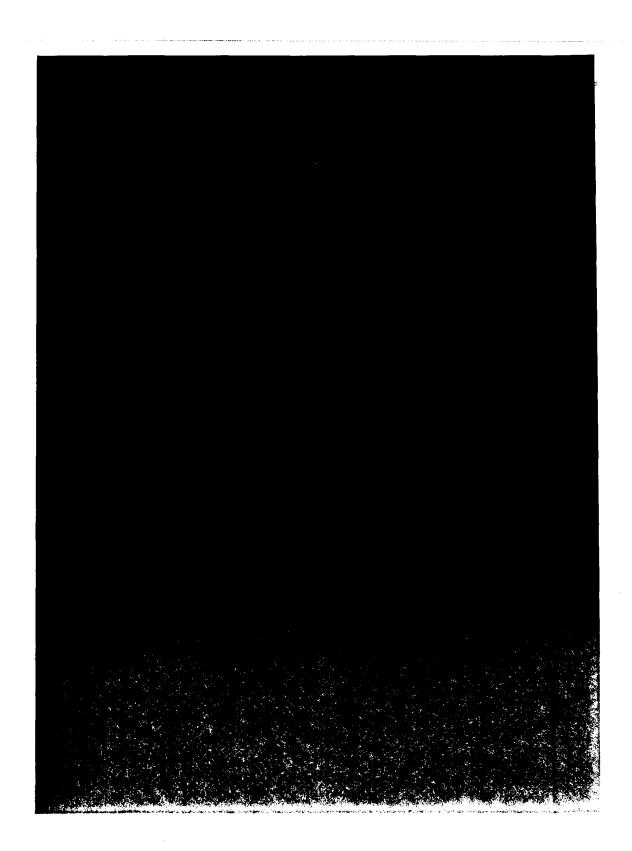
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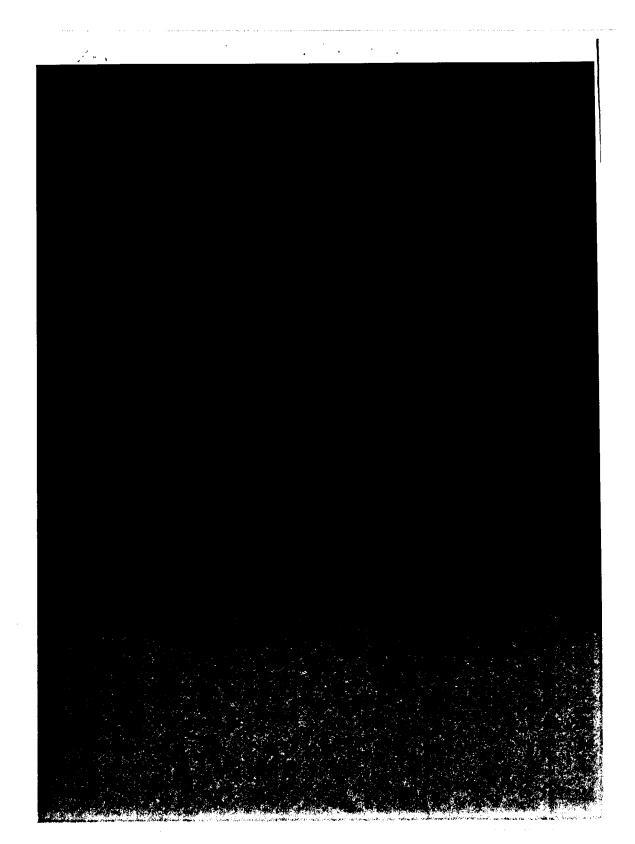
Richard Blanchette
Director - Construction

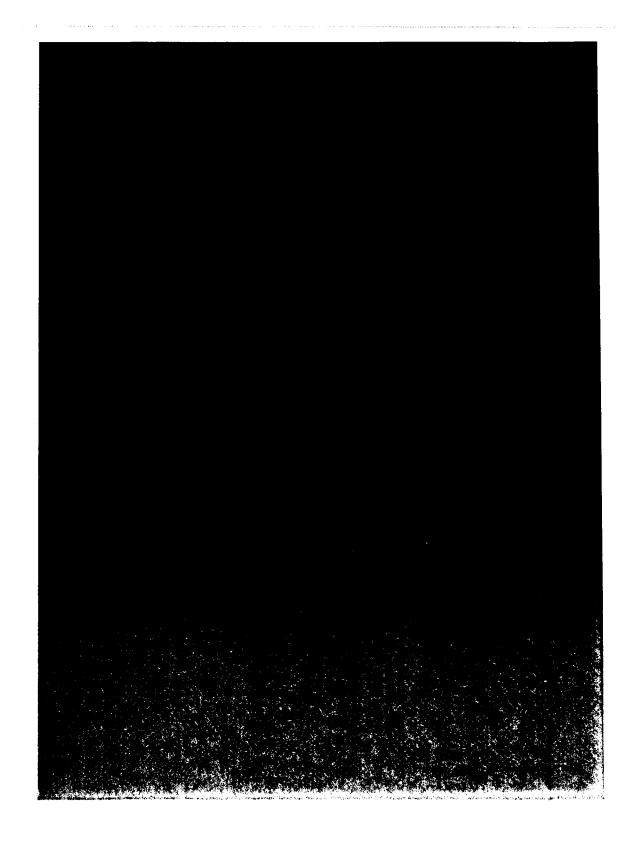
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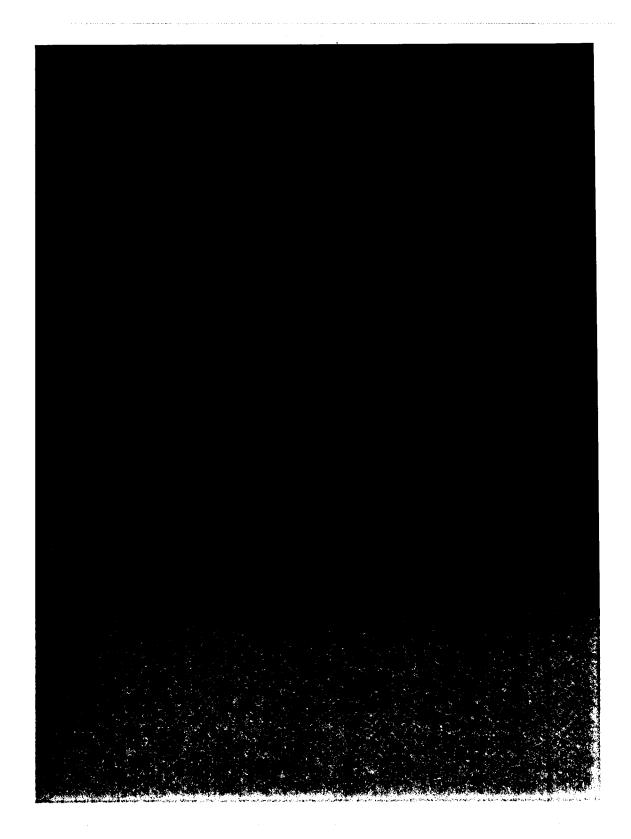


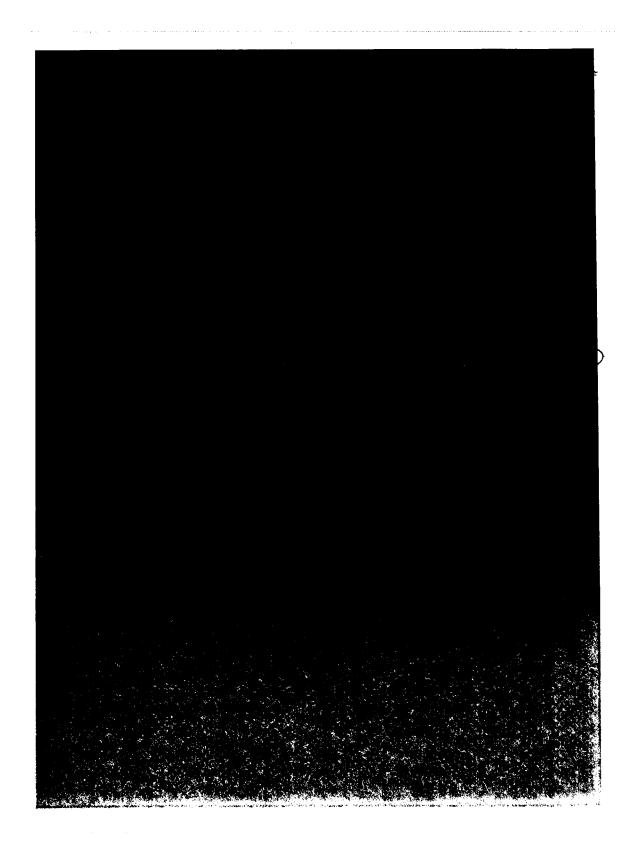


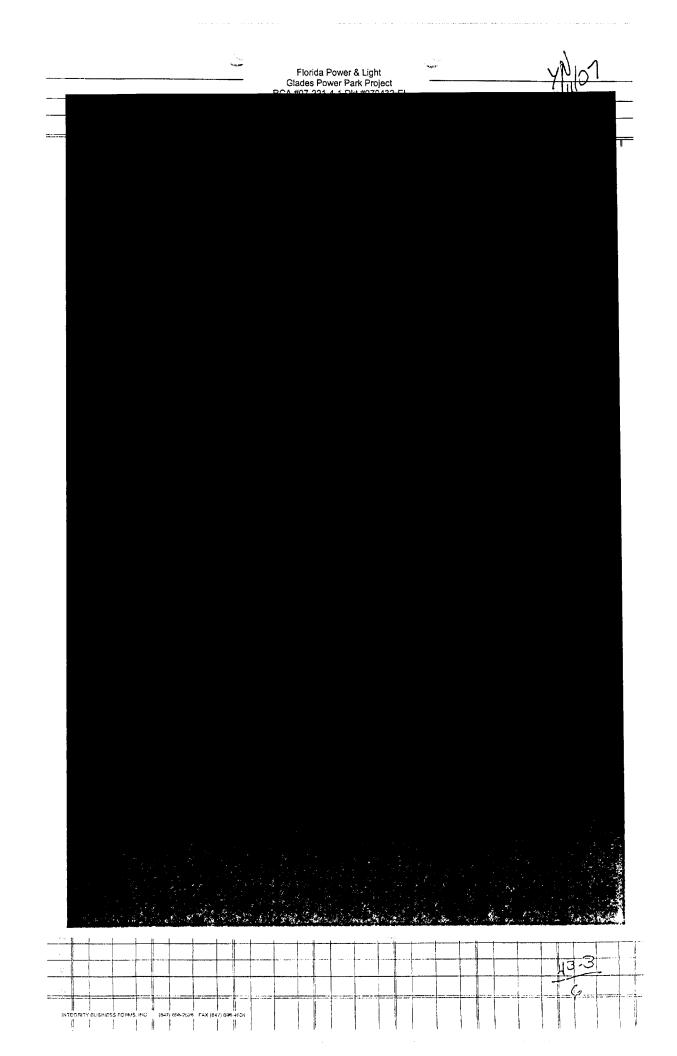


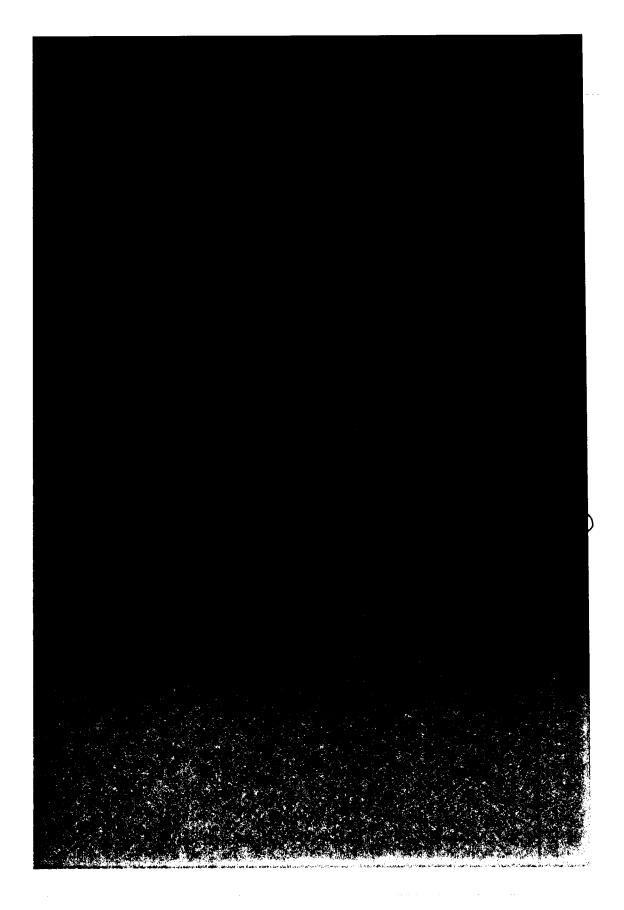


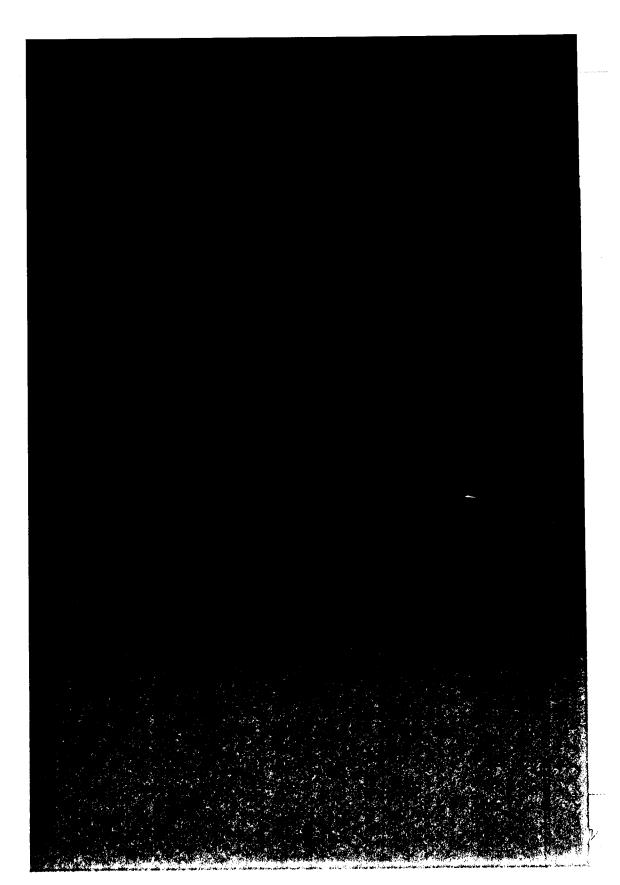


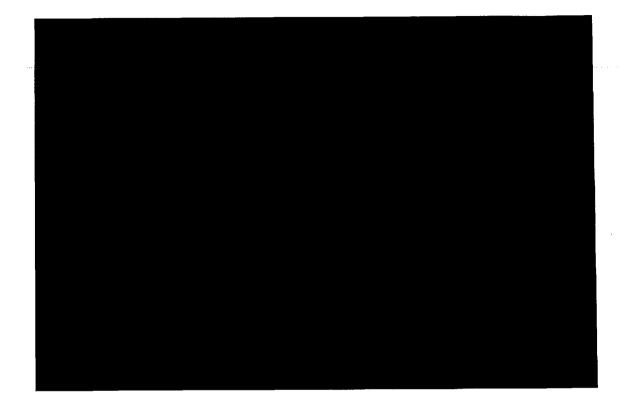




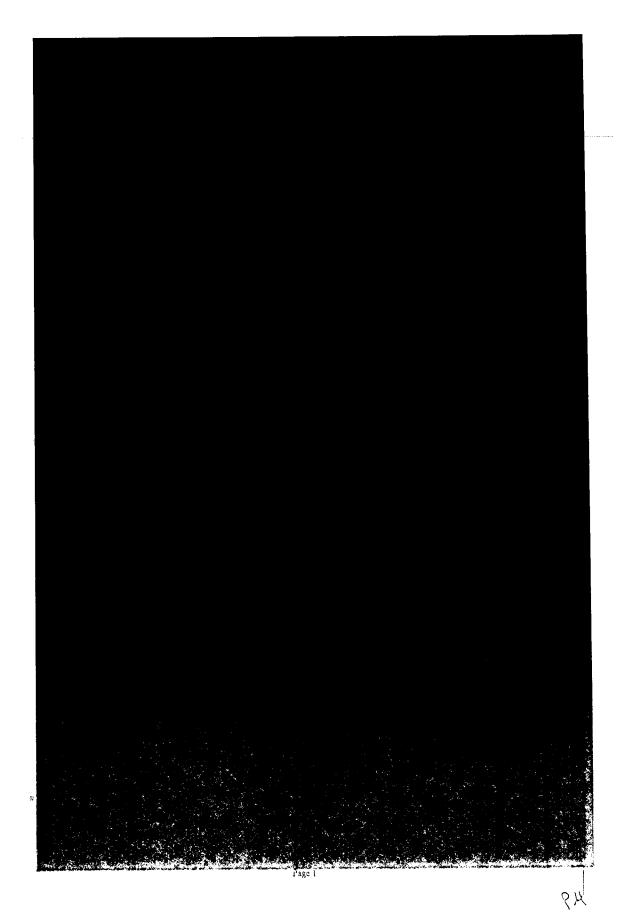


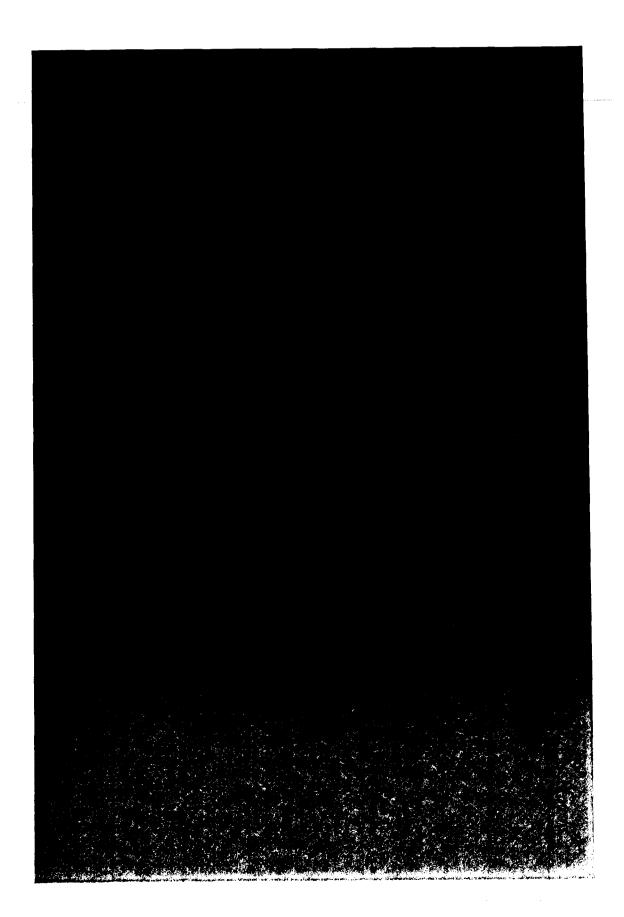


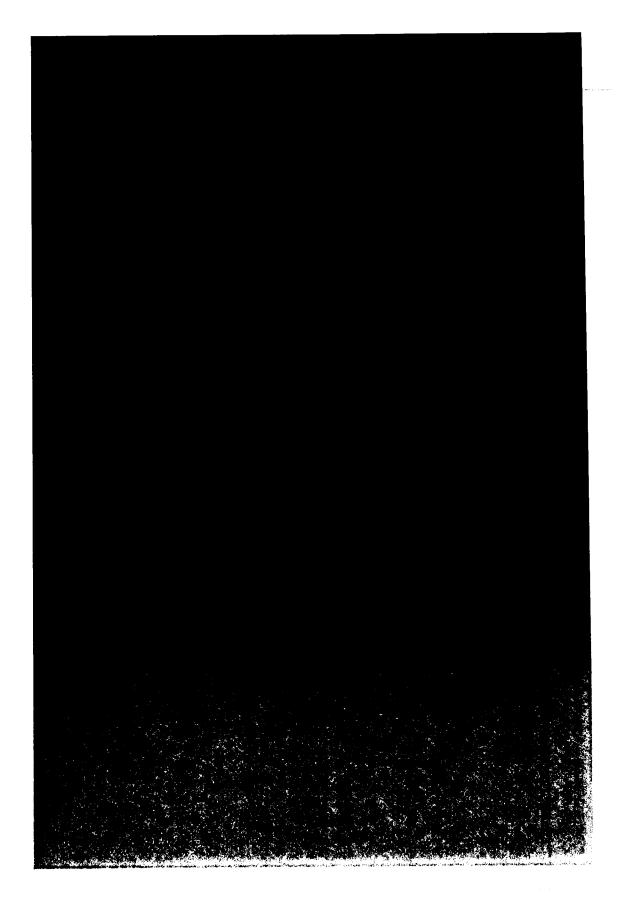


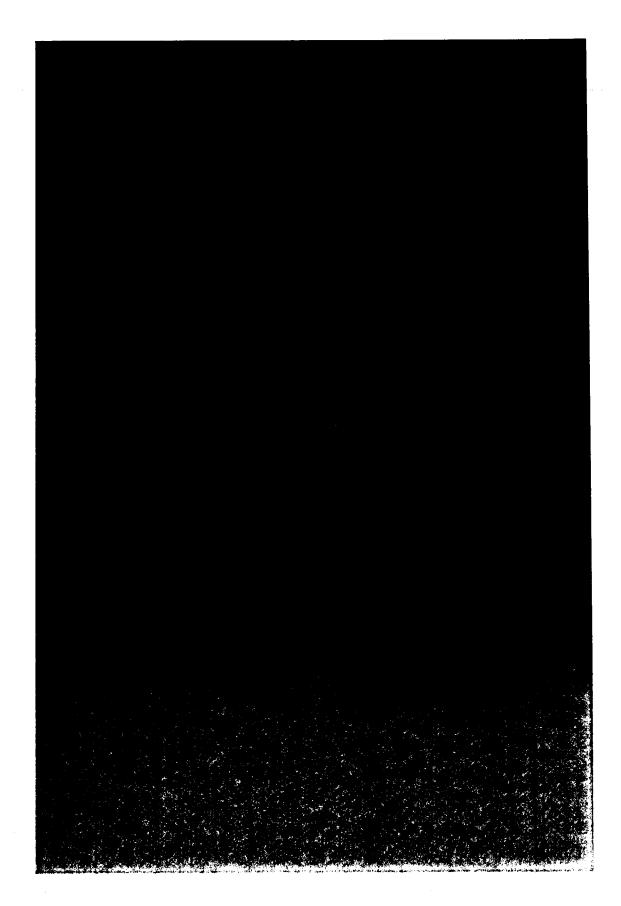


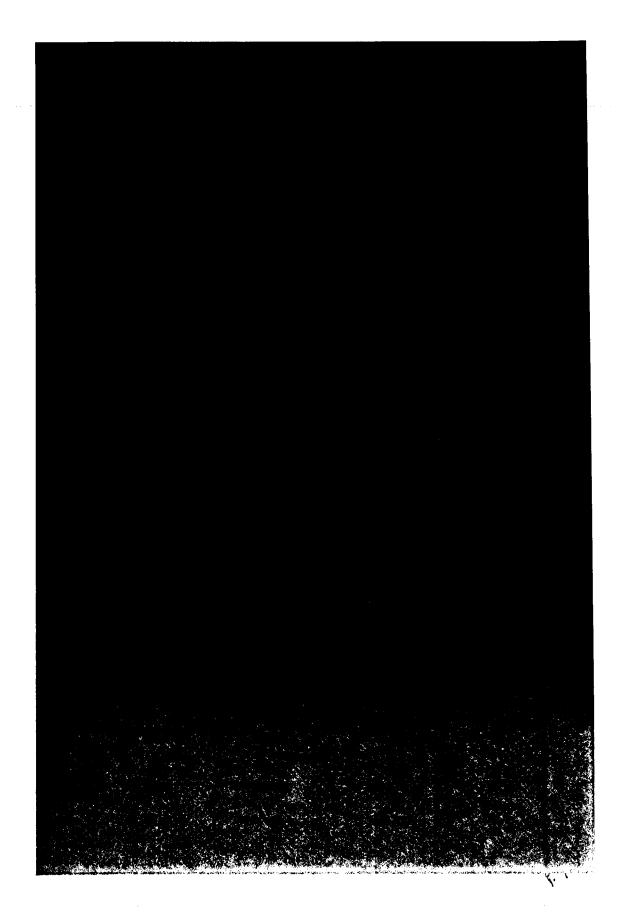
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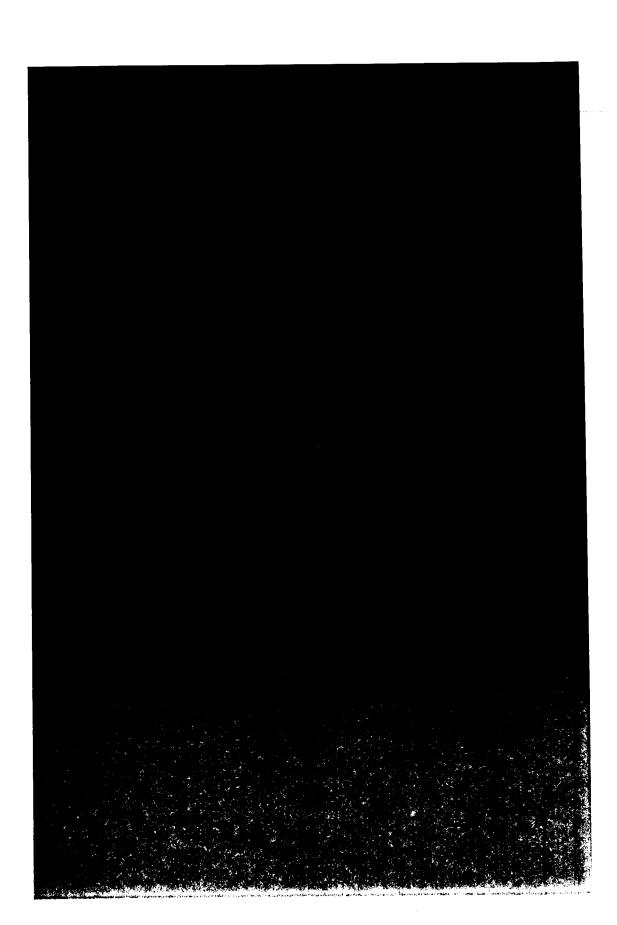


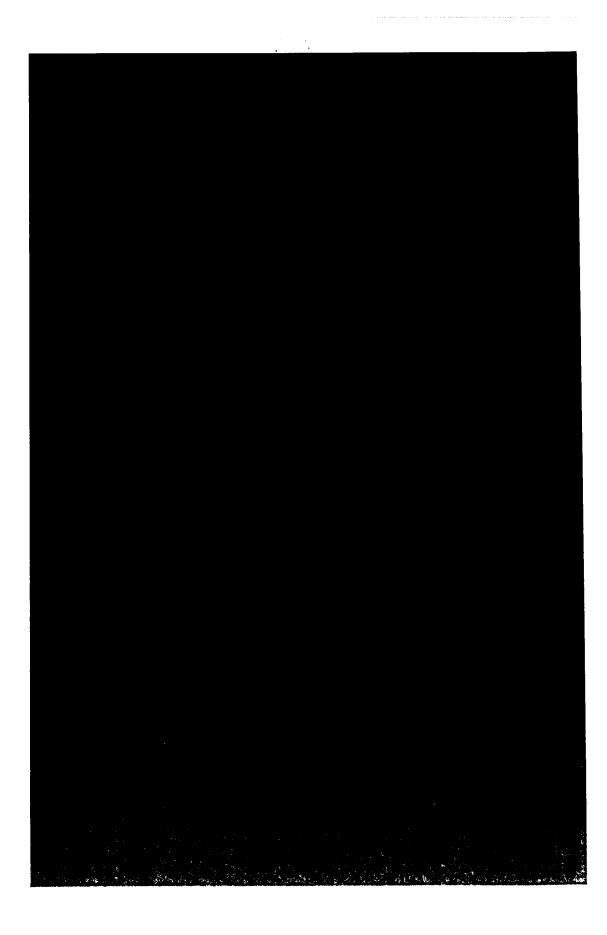


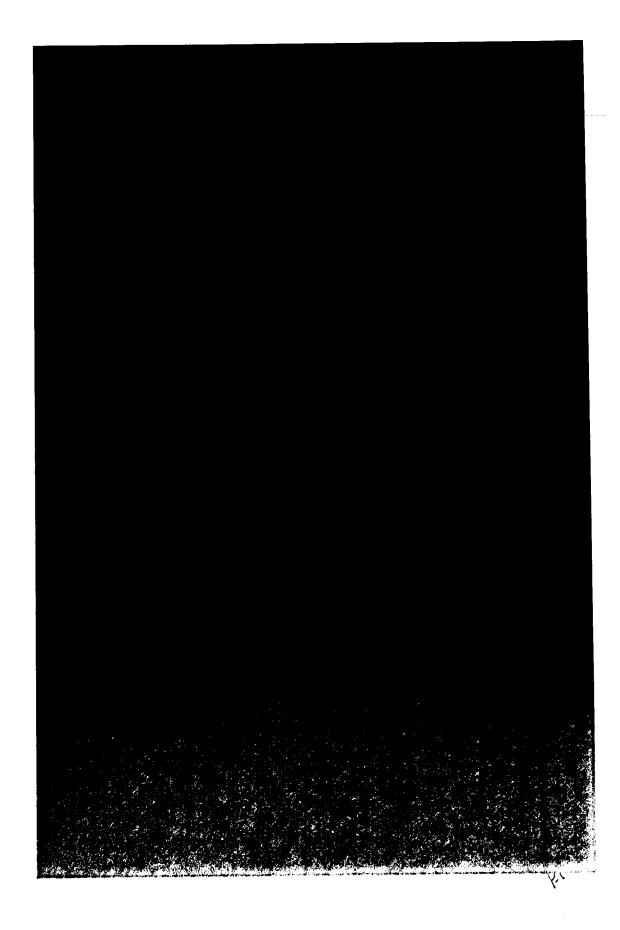




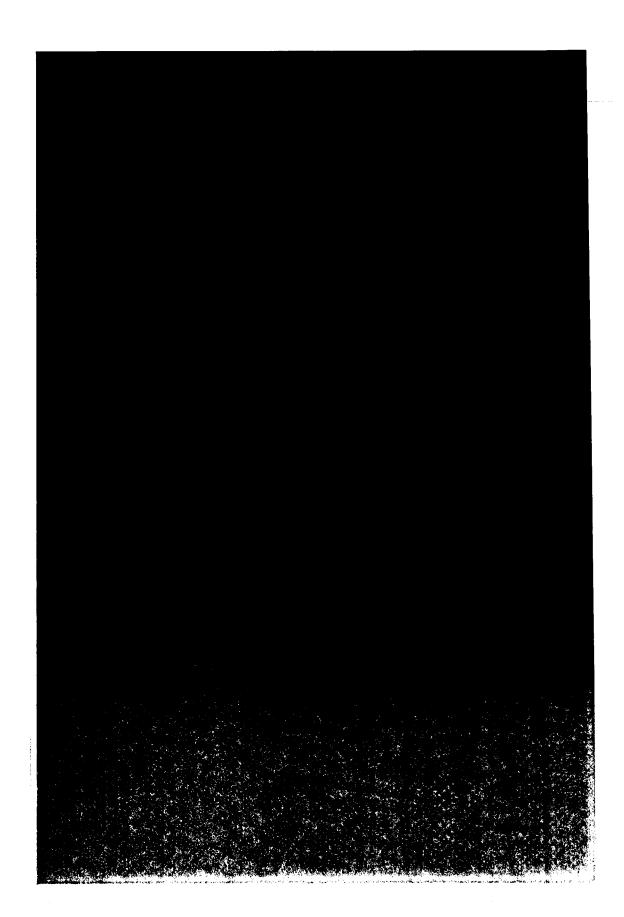


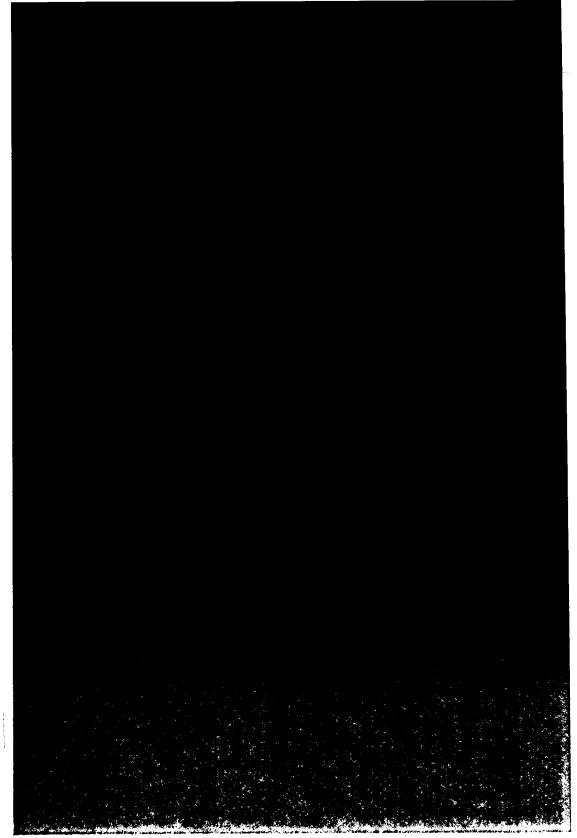


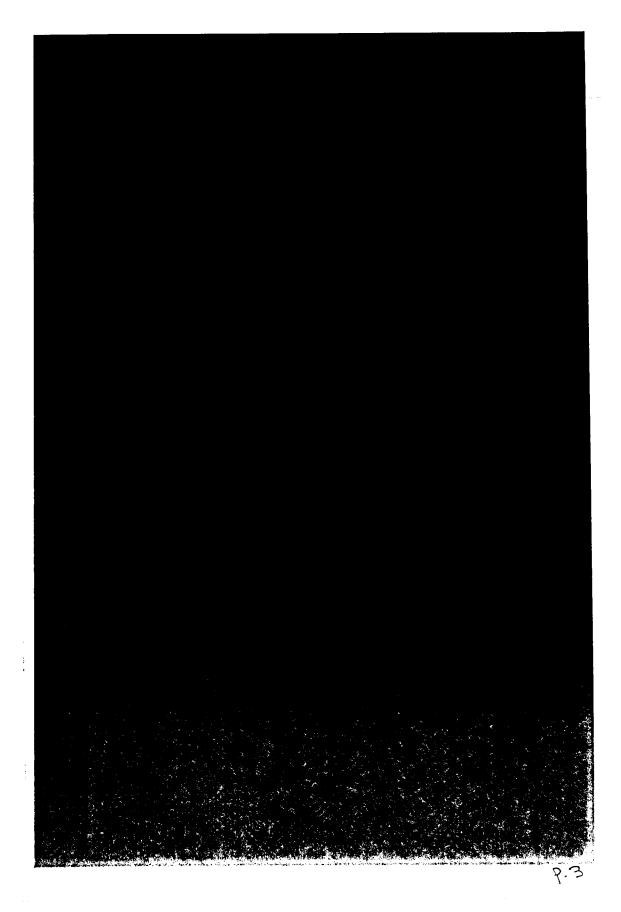




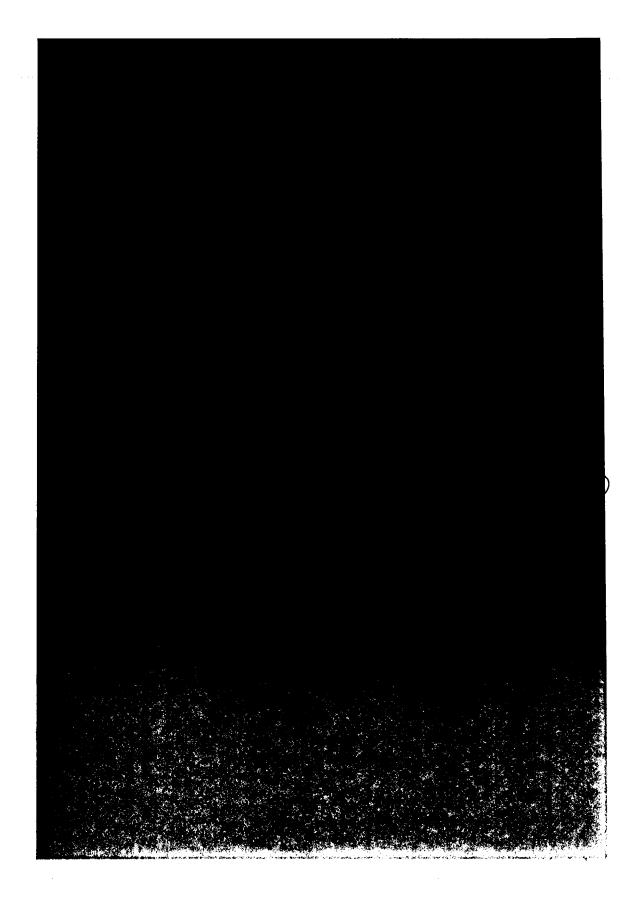
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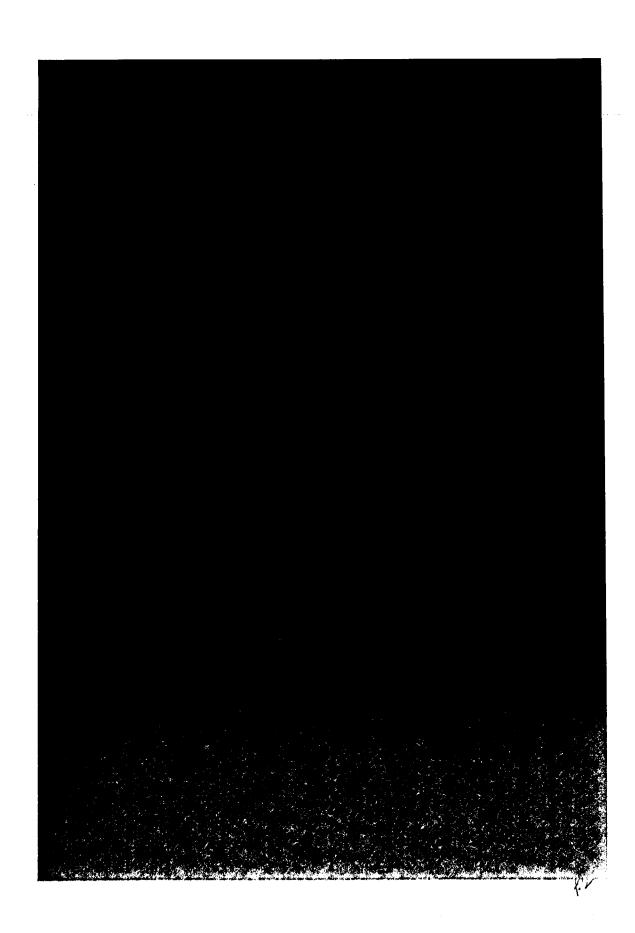


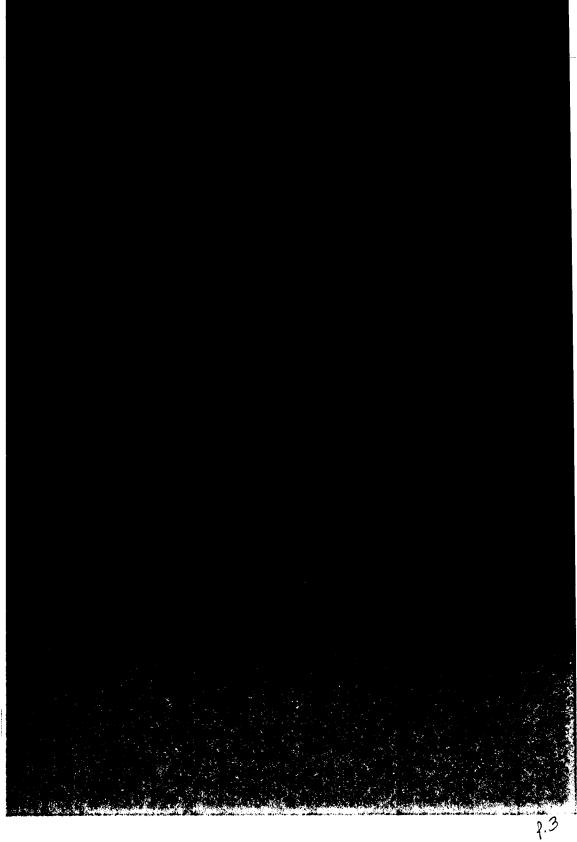


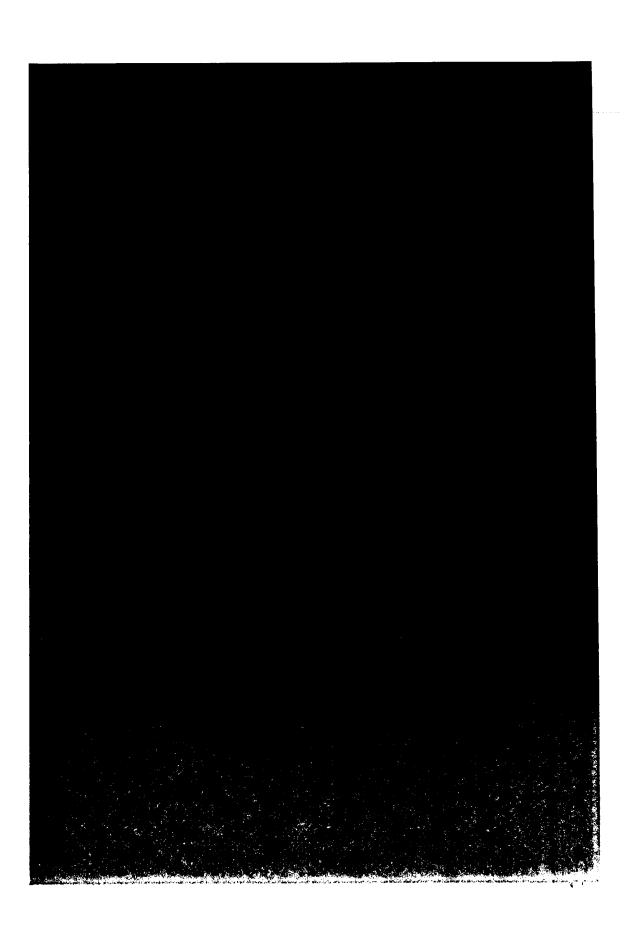


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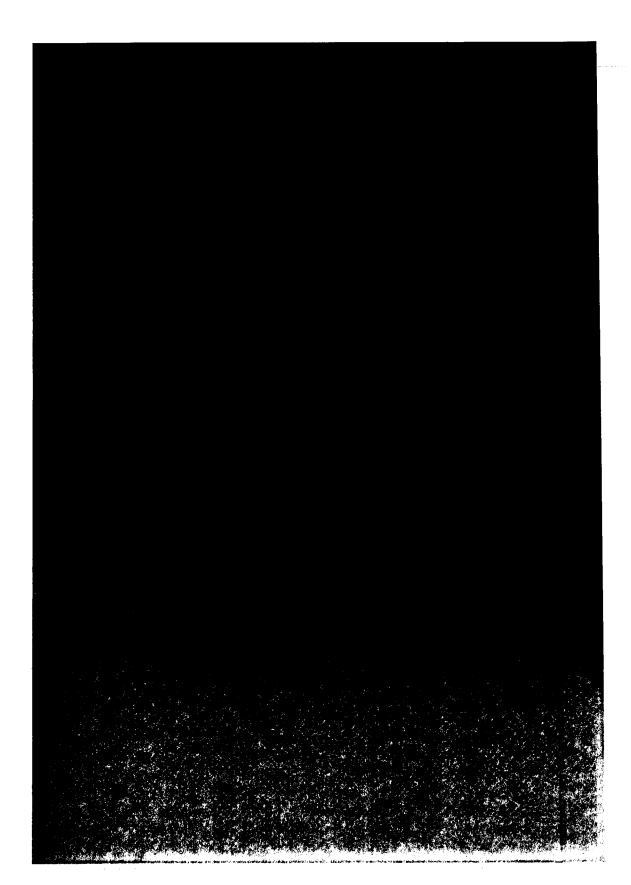




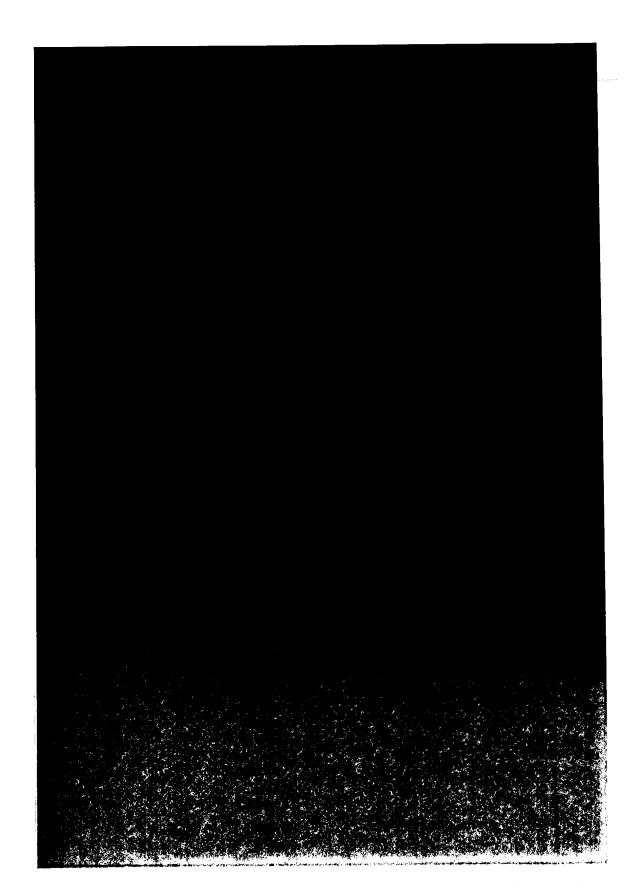


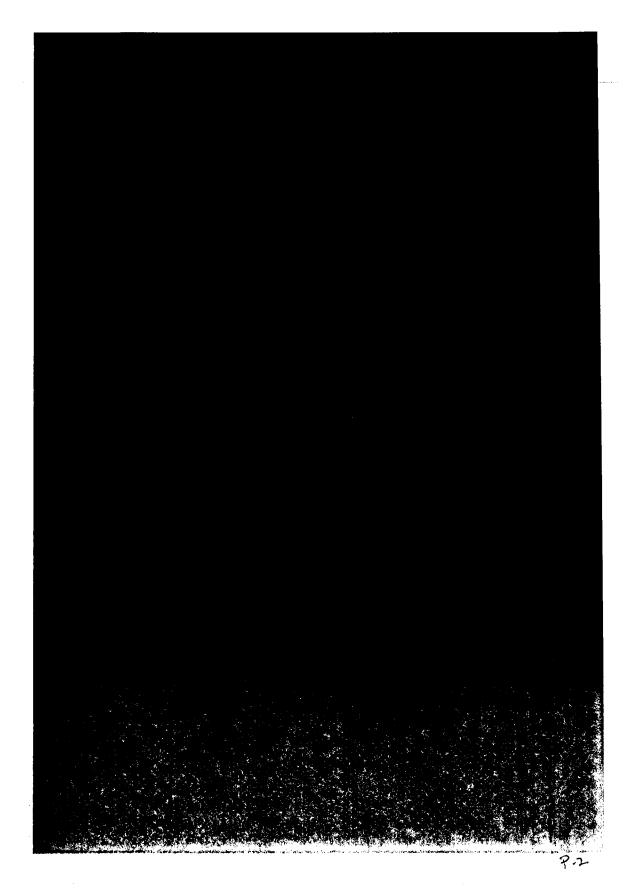


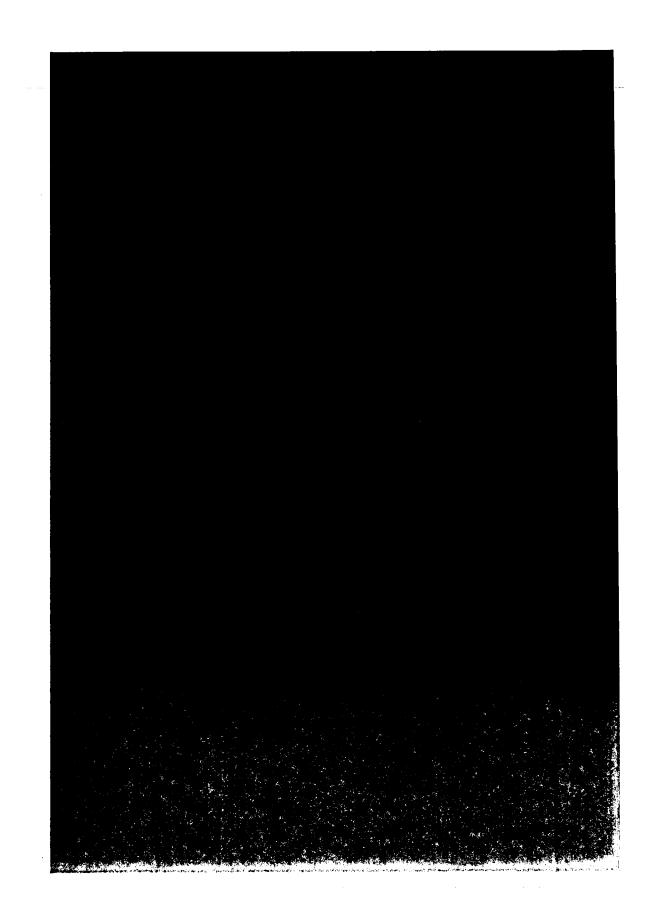
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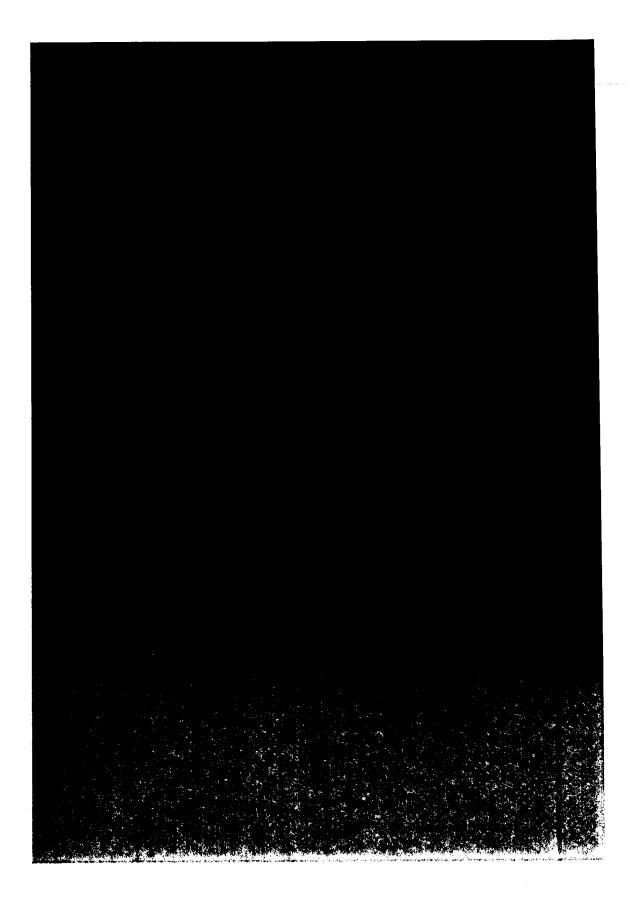


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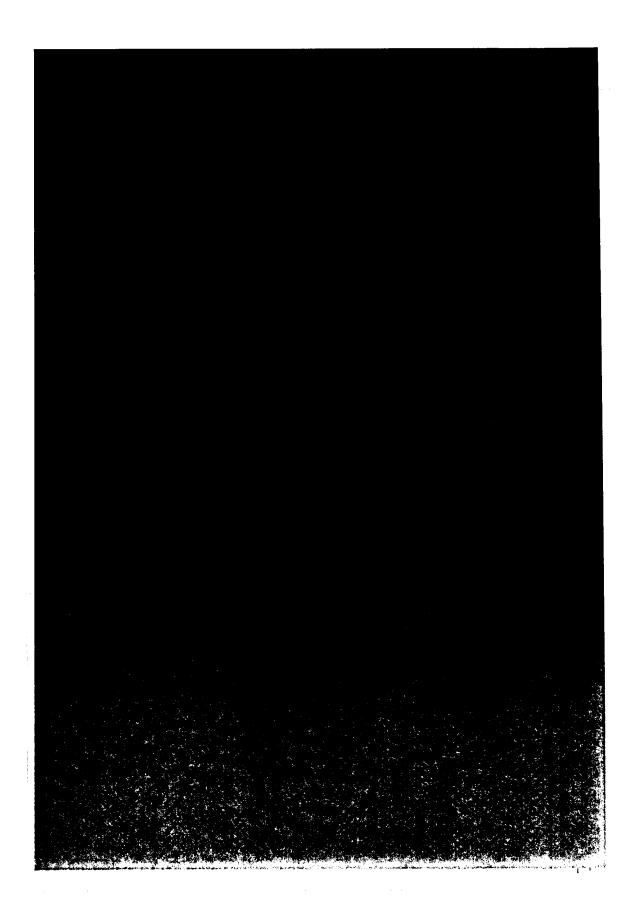


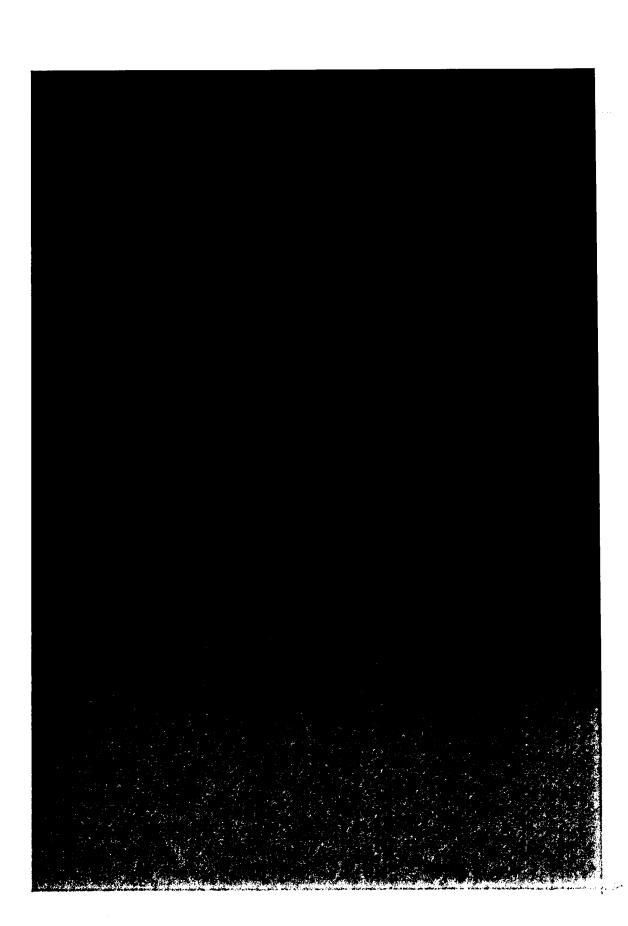


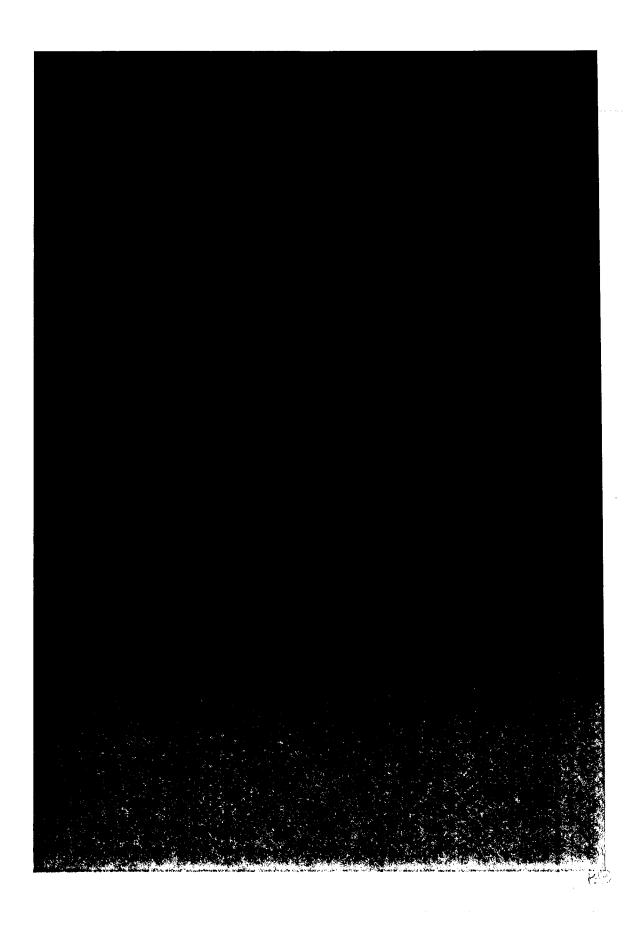




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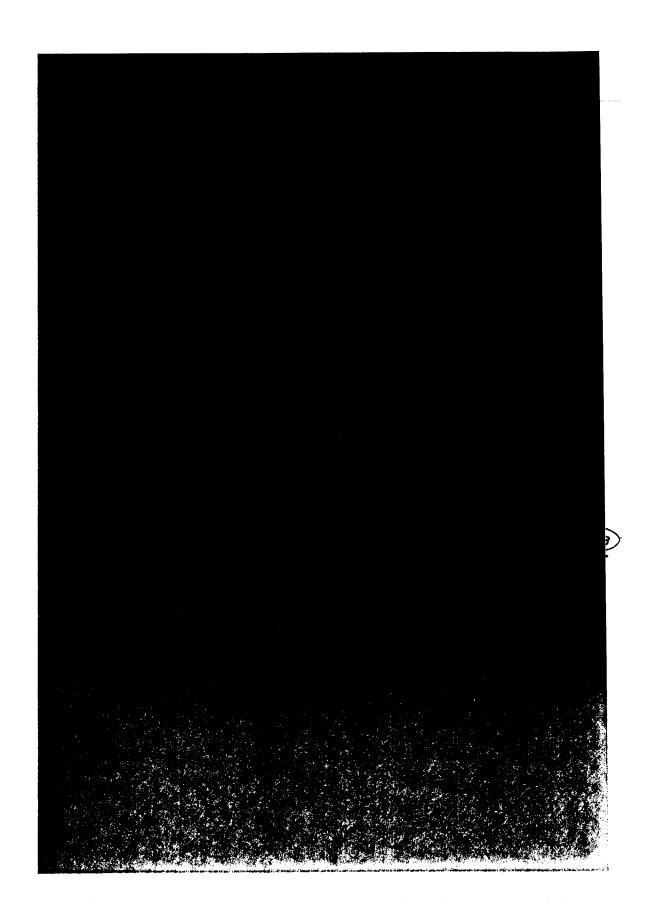






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Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-Ei 1,3-3



August 11, 2006

Aample # 14, 15, \$ 16



Re:

CONFIDENTIAL

Glades County (SFSFP) Matter # 053970

Dear Peter:

While we do not wish to be overly formal in our engagement of outside counsel, we want to inform of our policies concerning the engagement of the Firm, fees and billing arrangements, and to otherwise confirm our understanding as to the terms and conditions under which the Firm will provide legal services, as requested, for Florida Power & Light Company, ("FPL") relating to the above matter.

As a condition to its engagement by FPL, the Firm agrees to perform the requested legal services in accordance with the FPL Policies and Procedures for Outside Counsel (as of May 1, 2006) and attached hereto as Exhibit A (the "Policies and Procedures") and as the same may be revised and issued periodically in the future. Charges for all professional services, including representation initiated in prior years, will be based on the new Policies and Procedures as of its effective date. The undersigned has been designated as FPL's "responsible legal staff member" for purposes of supervising your Firm's engagement and assuring the Firm's compliance with the Policies and

Please complete the Firm's Proposed Rate Schedule (using the form attached hereto as Exhibit B) listing the attorneys and paralegals who you propose will work on this matter and indicating their respective proposed hourly rates. No other attorneys or paralegals shall work on this matter without approval of the undersigned. Our expectation is that your quoted rates are for the duration of the matter assigned. Any request for permission to change hourly rates or billing structure prior to the conclusion of a matter must be made in writing to me along with a revised Proposed Rate Schedule. [For new outside counsel only: Also, a Form W-9 is attached for your completion and return to me.]

All services should be billed on a monthly basis and the bills sent to the following address:

Jack Leon, Senior Attorney Florida Power & Light Company P.O. Box 029100 Miami, FL 33102-9100

SOURCE PRAY

August 11, 2006 Page 2

Bills should provide a concise description of services for which time is billed, the lawyer or other professional at your Firm performing the services (initials and a key is sufficient), and the time expended on that task, all in accordance with the attached Policies and Procedures. Also, all invoices must show the above-referenced matter name and Project or Cost Center number. Please do not use a general matter number to lump together matters that are for different affiliate entities. If you have more than one mailer representing FPL and/or its affiliates, please submit separate invoices for each matter and for each company.

We also request you provide within one week a monthly budget of your expected fees and expenses to be incurred during your engagement in this matter. We will also be requesting, on a quarterly basis, that you provide us with a listing of any outstanding invoices as of the close of any calendar quarter.

If you have any questions regarding the terms of your engagement, please call me. We will appreciate your signing and returning a copy of this letter and the Proposed Rate Schedule at your earliest convenience.

We are pleased to establish this relationship with the Firm and look forward to working with you.

Very truly yours,

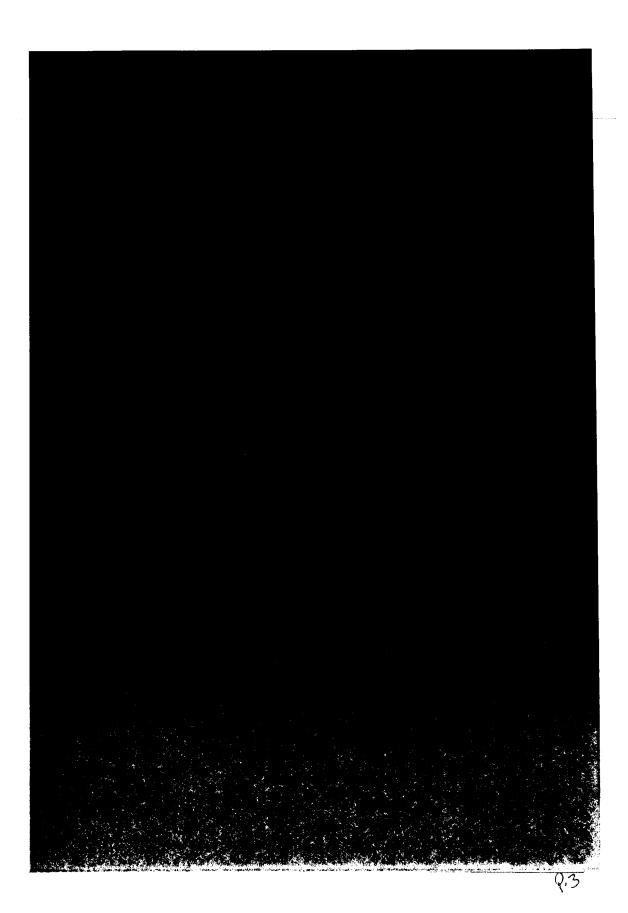
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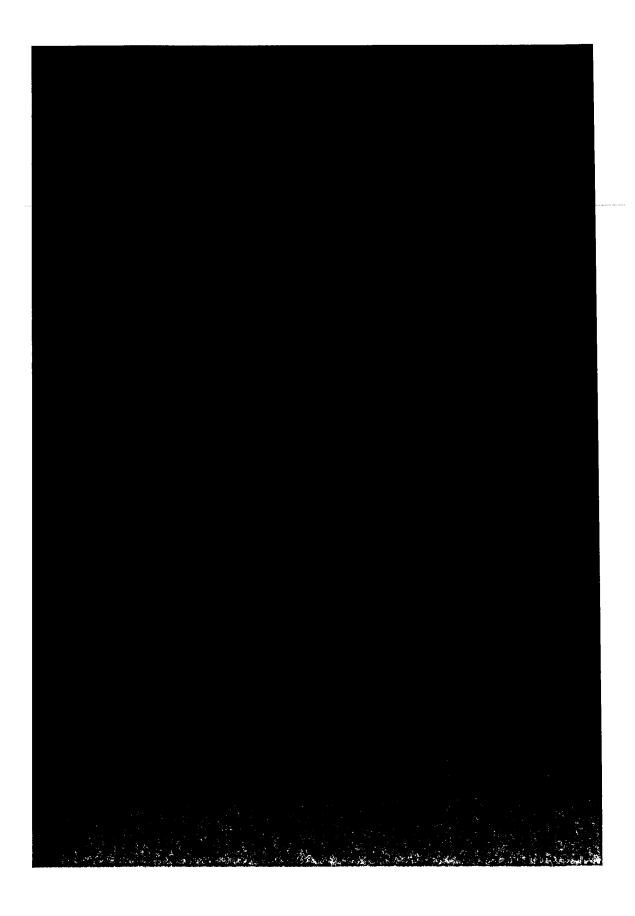
AGREED and ACCEPTED by:

Attachments

FPL - ENGAGEMENT LETTER FOR OUTSIDE COUNSEL

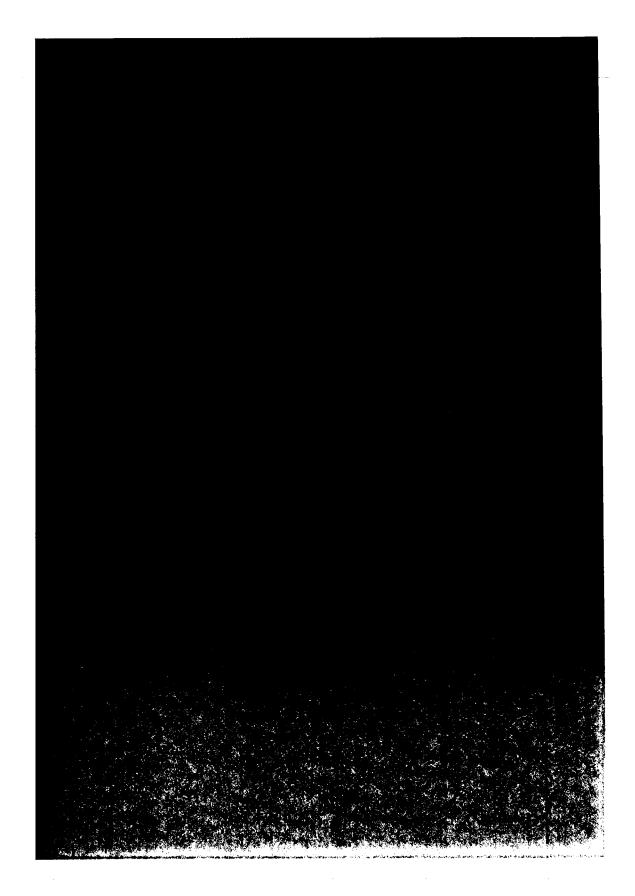


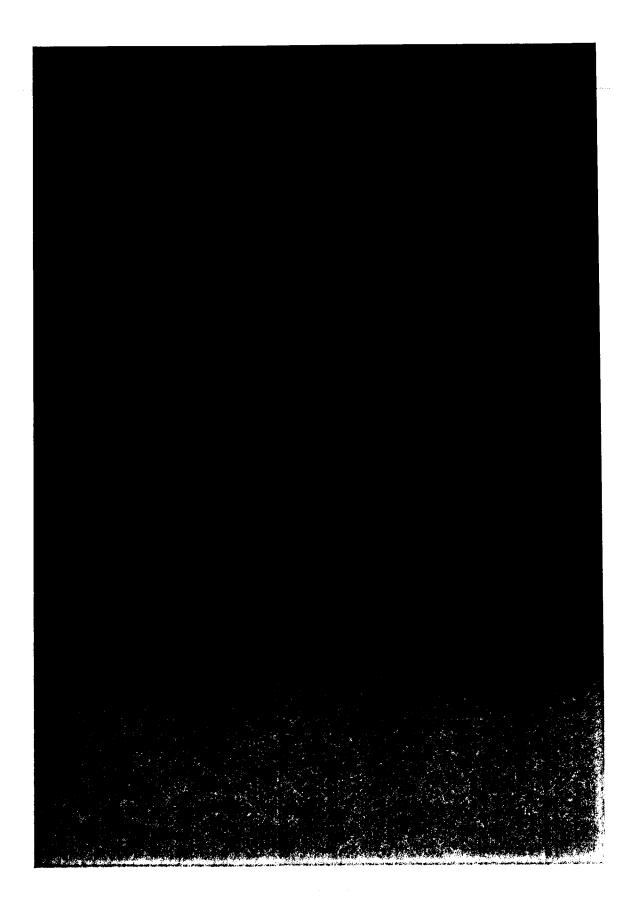


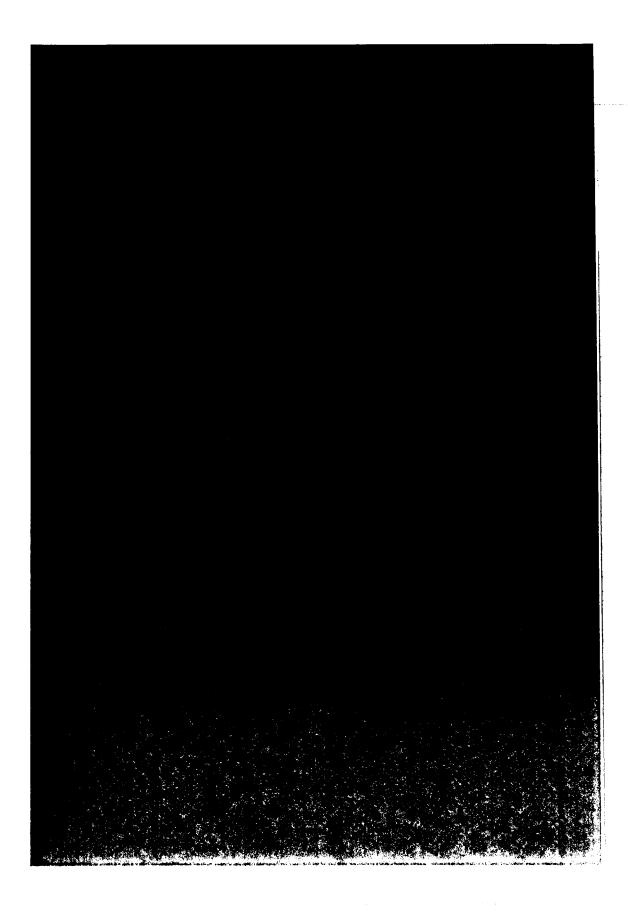


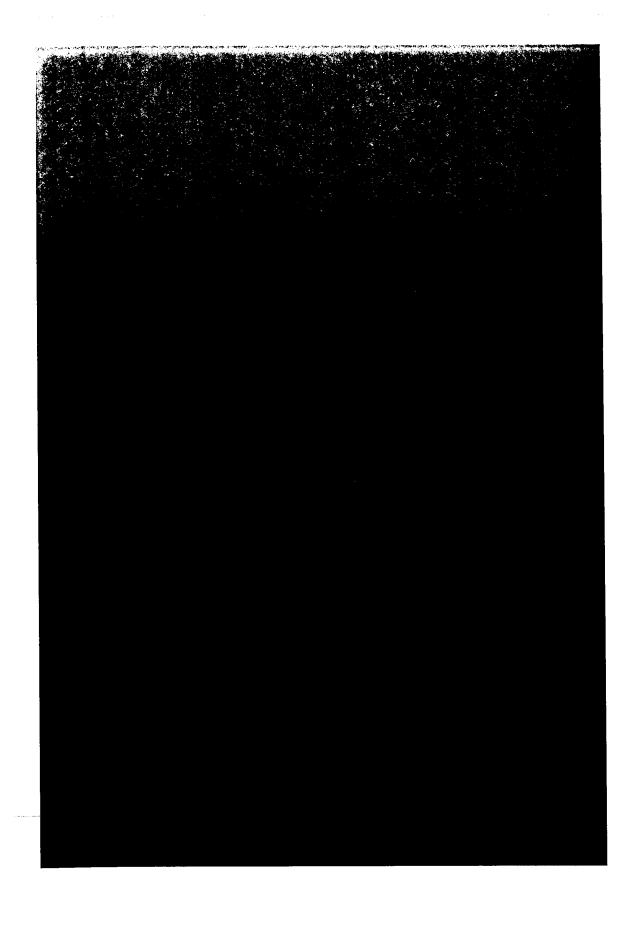
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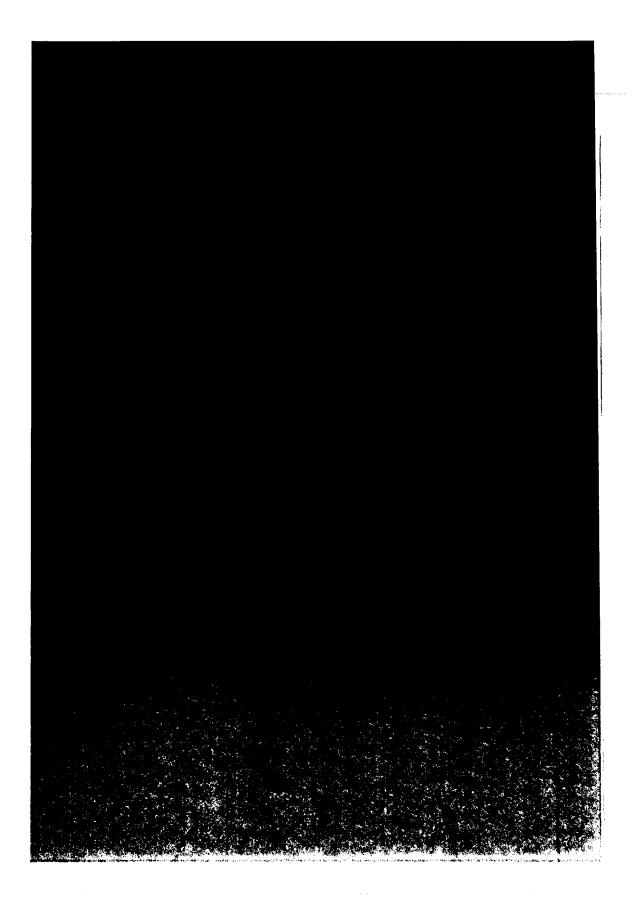
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	Title: Hopping Green & Same	
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	Attorneys and Counselors	
	October 19, 2006	
	October 19, 2000	•
	Pamela Rauch Florida Power & Light Company	
	700 Universe Boulevard Juno Beach, FL 33408-0420	
	Re: Engagement Letter for Glades County Project - Matter No. 053970  Dear Pam:	
	Enclosed please find the engagement letter that Harris Rosen sent to me regarding referenced matter. I have signed the letter reflecting our firm's agreement to perform the legal services in accordance with the FPL Law Department's Policies and Procedures for	requeste.1
	Counsel. We have added Carolyn Raepple and David Powell as authorized attorne	vs on the
	"Proposed Rate Schedule" (Hybibit R) for this matter in accordance with Army	
	"Proposed Rate Schedule" (Exhibit B) for this matter, in accordance with discussions w	ith Harris.
	"Proposed Rate Schedule" (Exhibit B) for this matter, in accordance with discussions w  Please note that our firm has traditionally adjusted hourly attorney billing rates a anticipate that the rates reflected in your letter of engagement will remain in effect through of 2006. At that time, the firm may request an adjustment consistent with our then-applica rates.	ith Harris.  nnually. I
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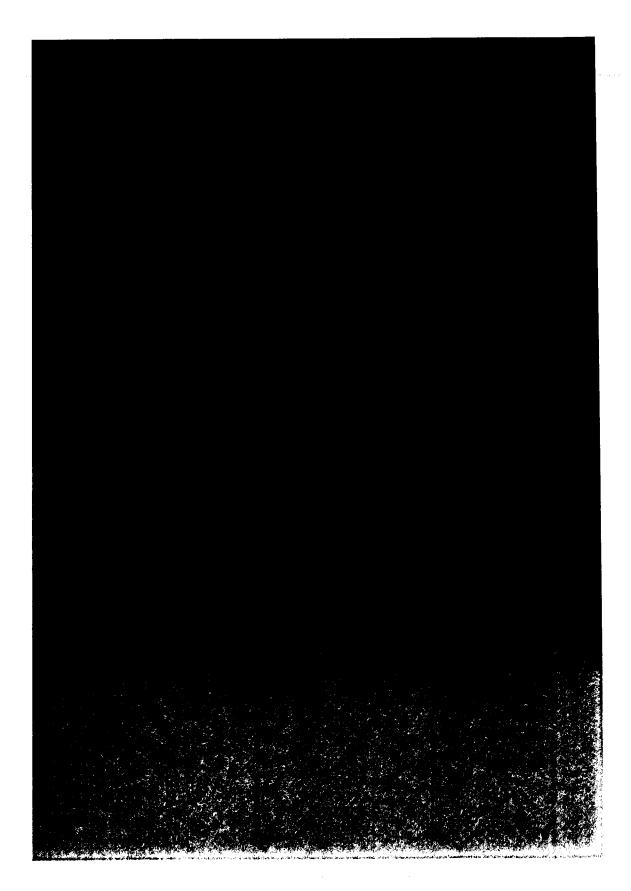


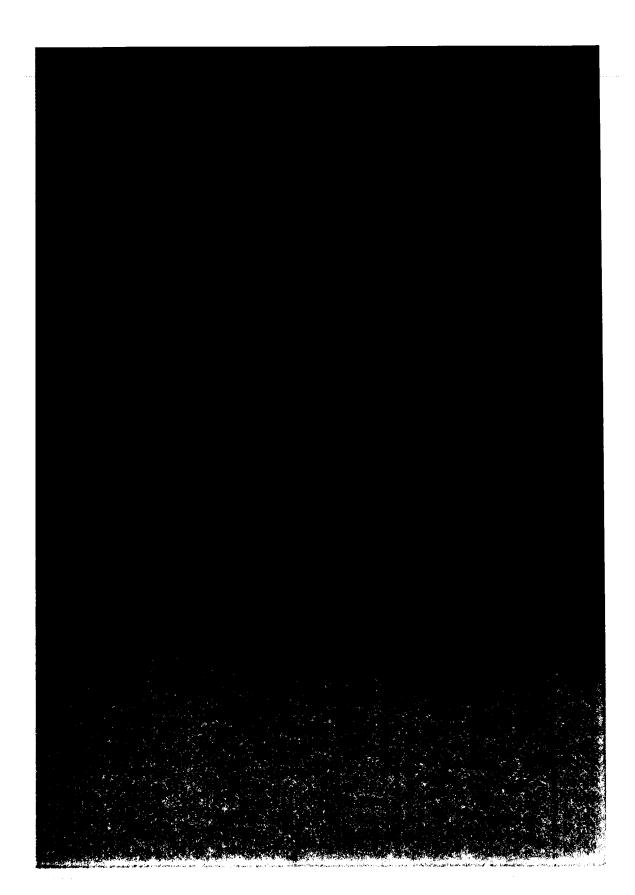


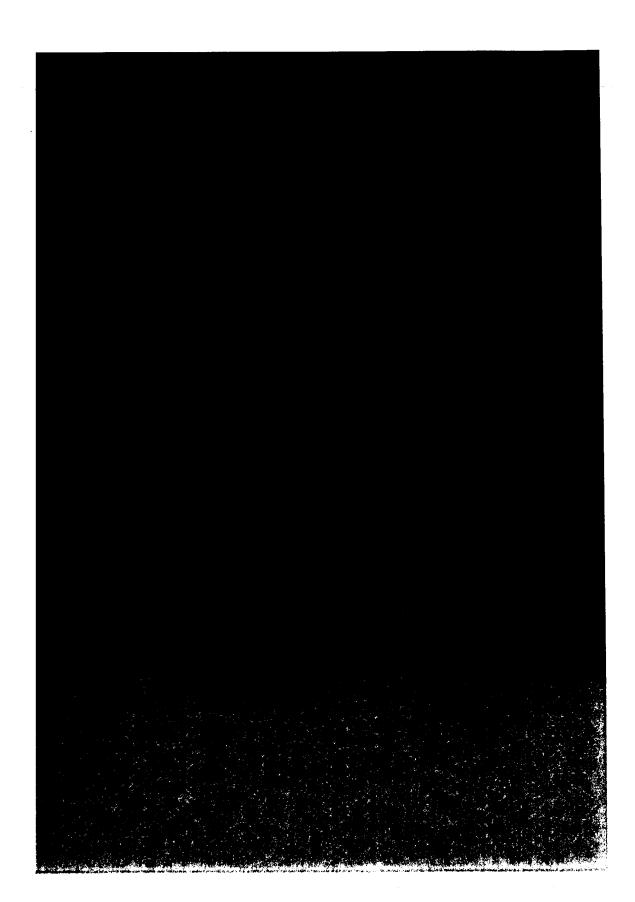


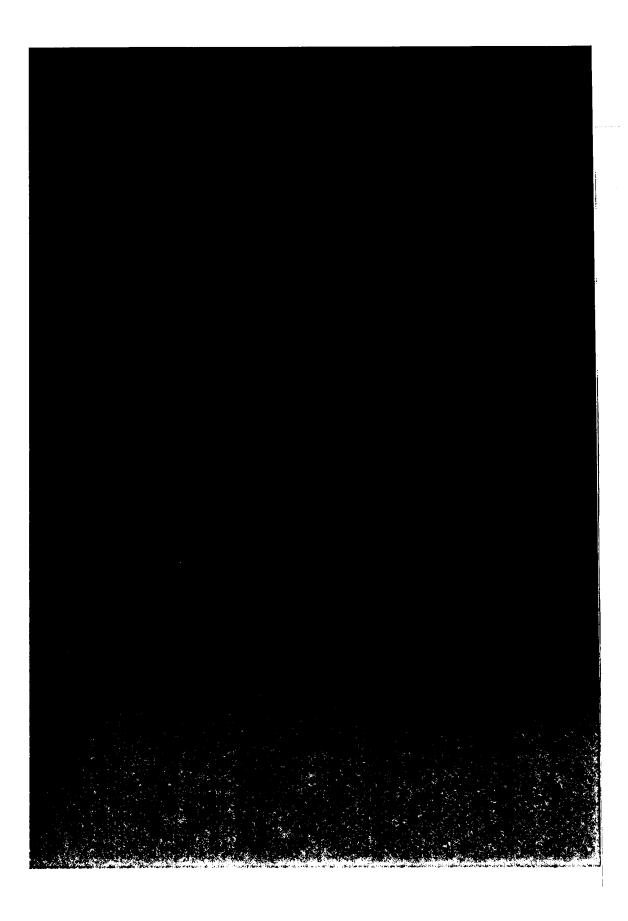


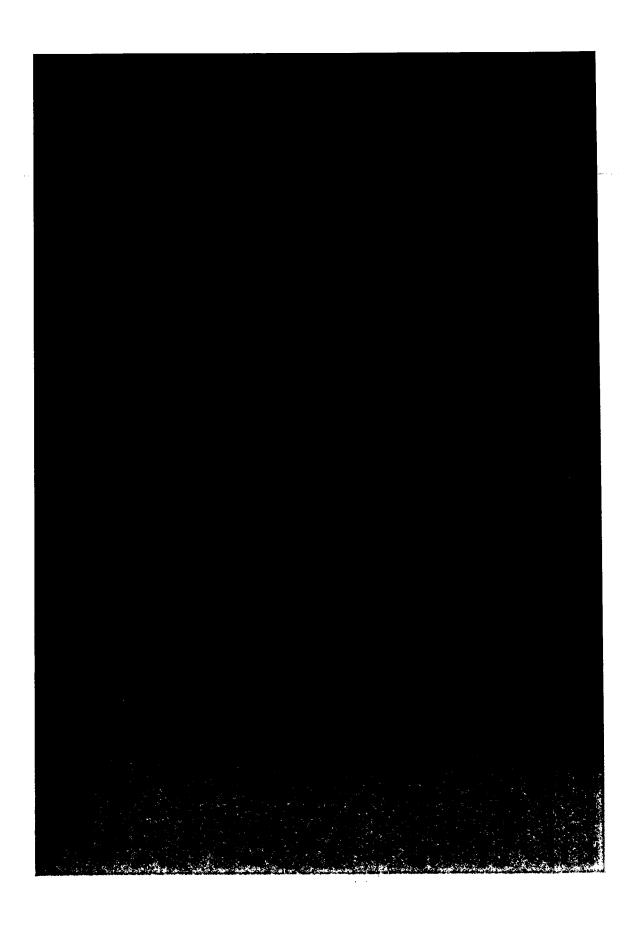


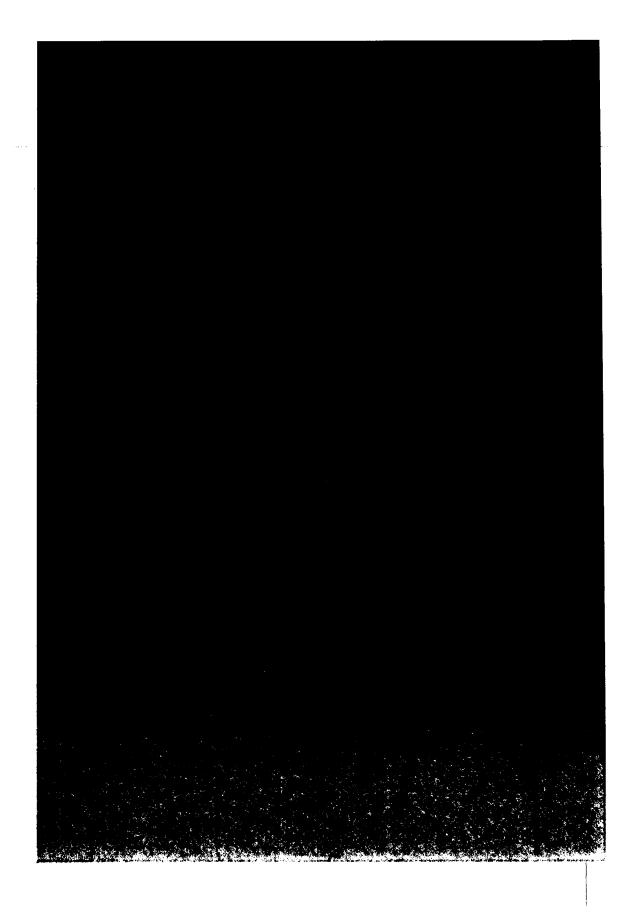


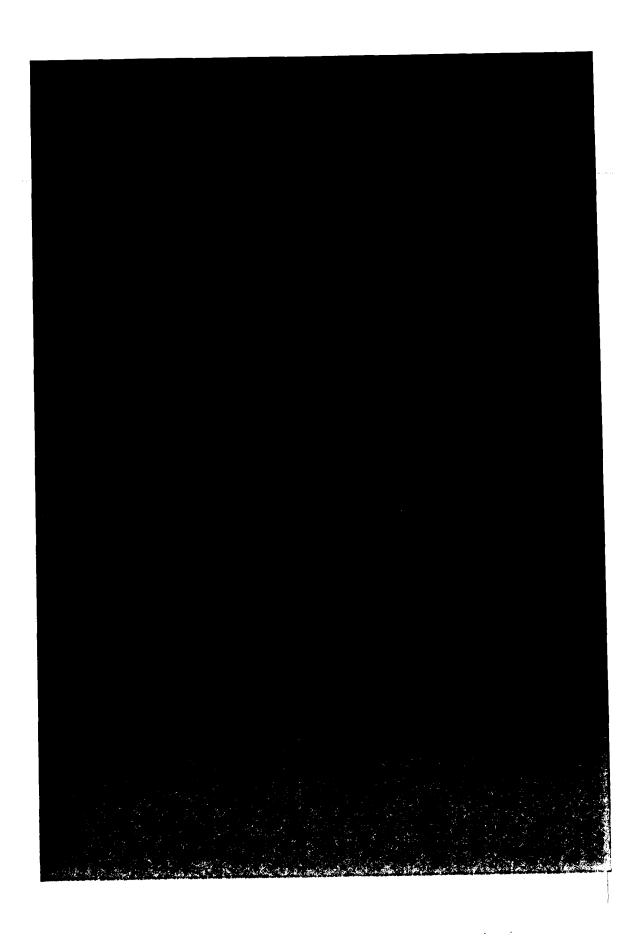




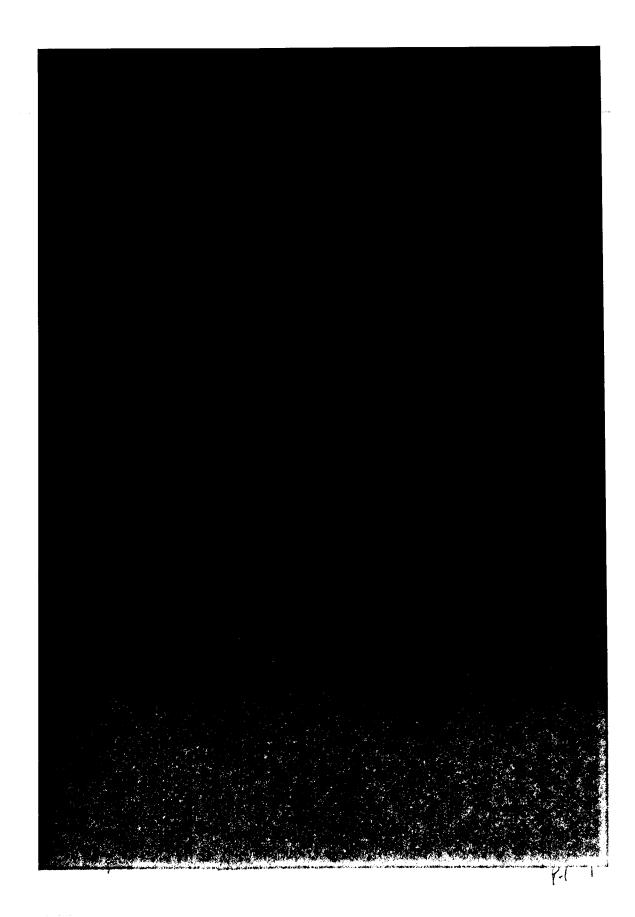


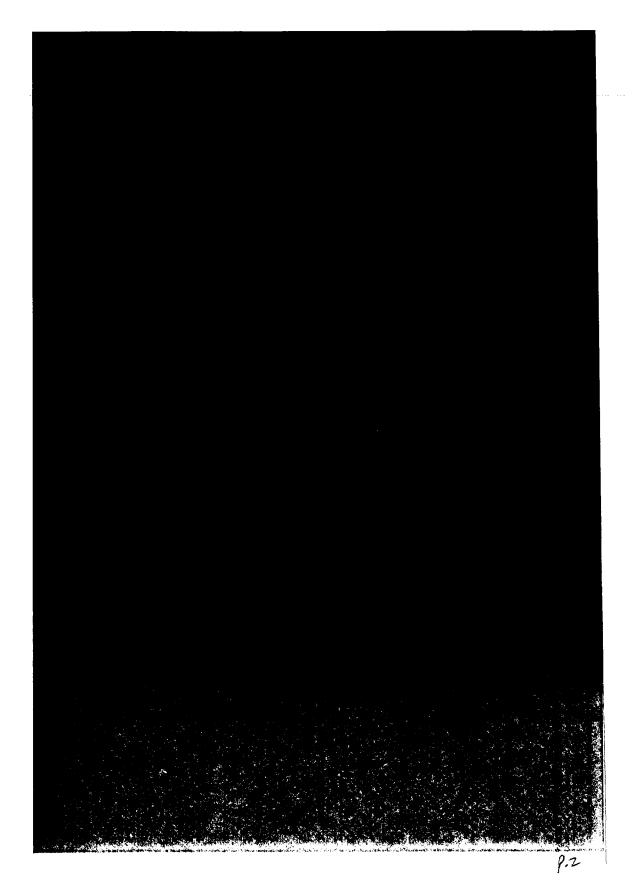


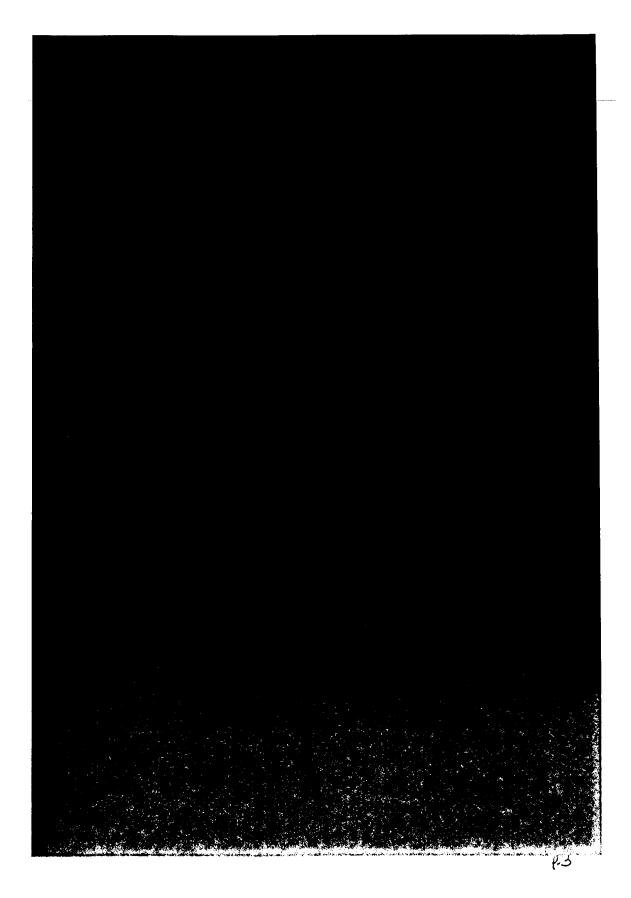


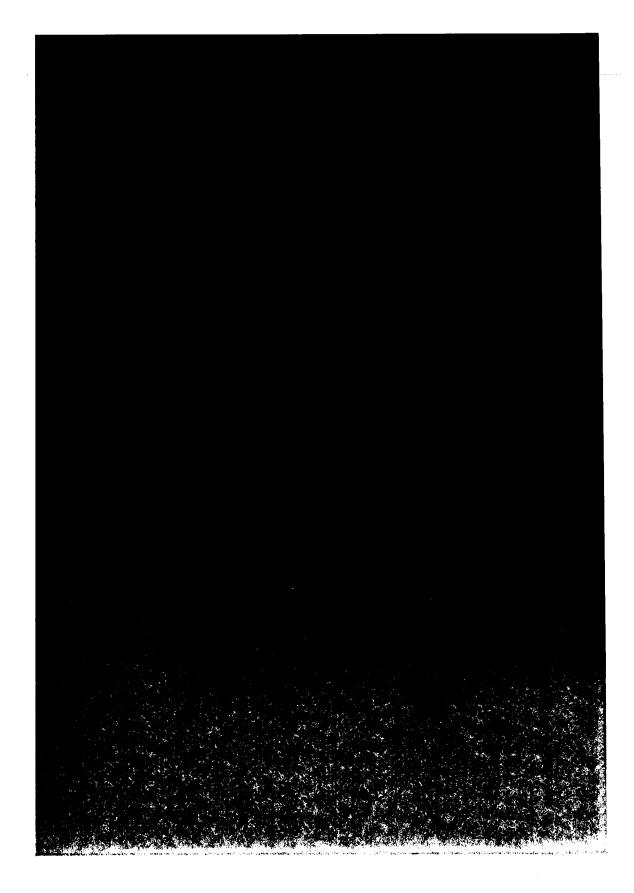


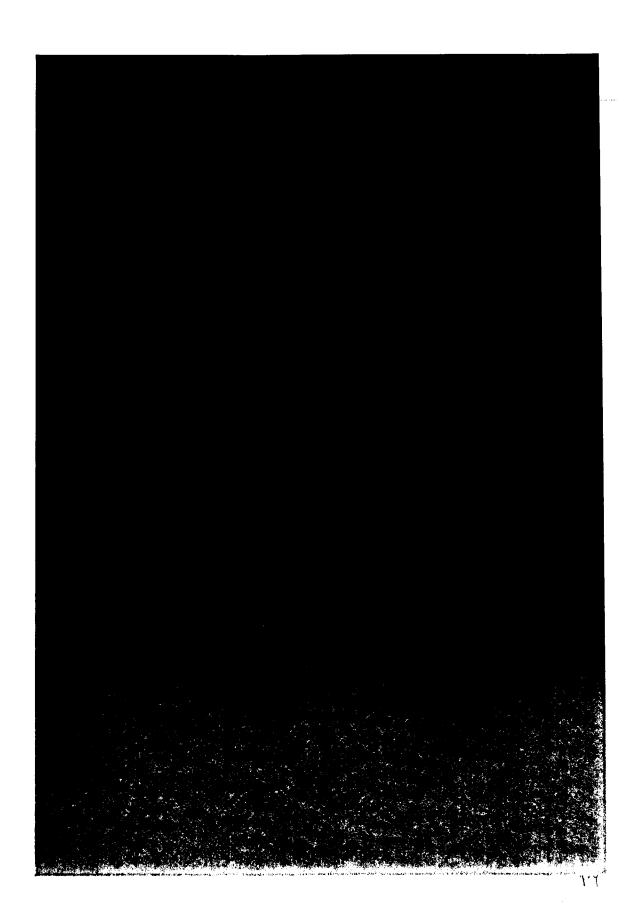
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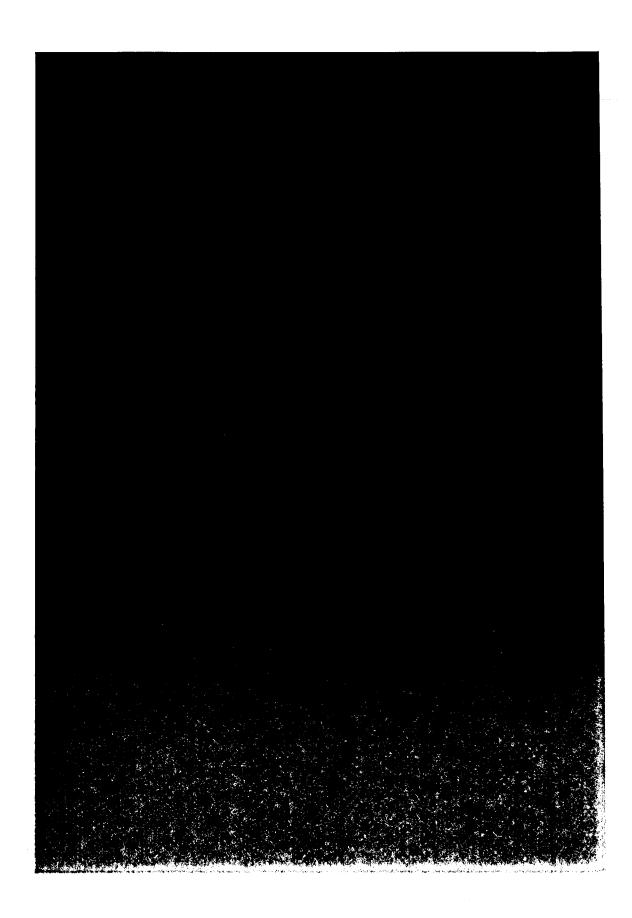


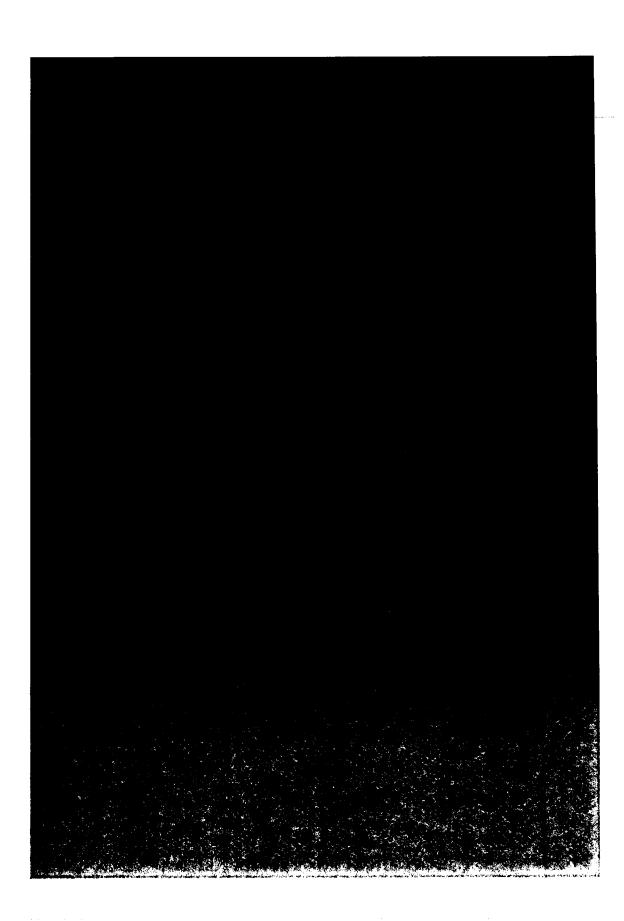


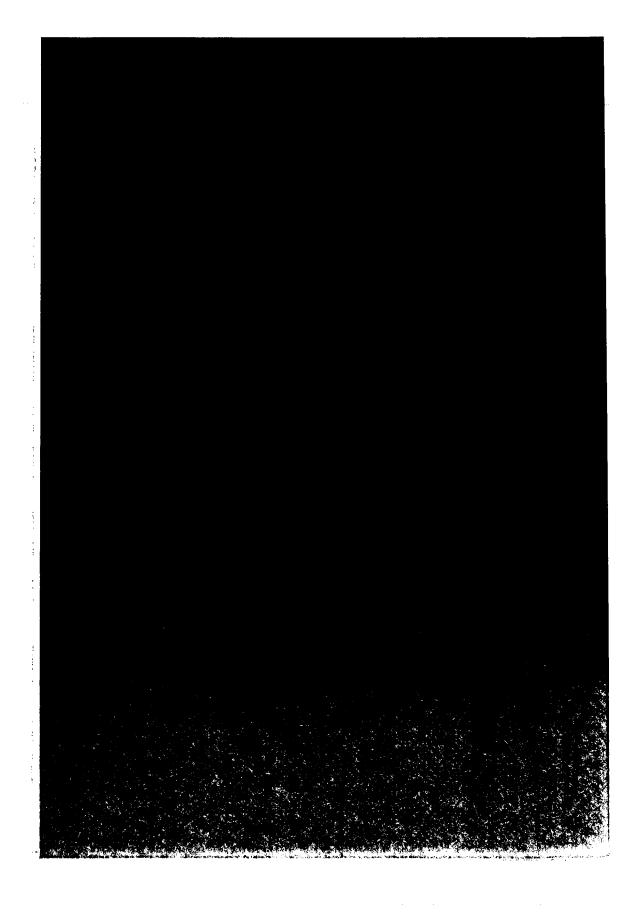


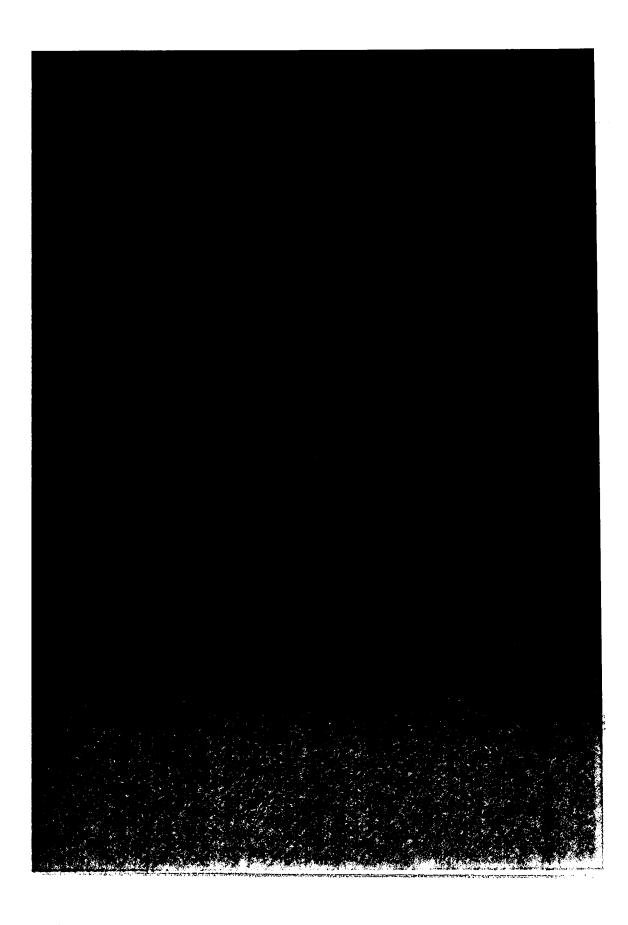


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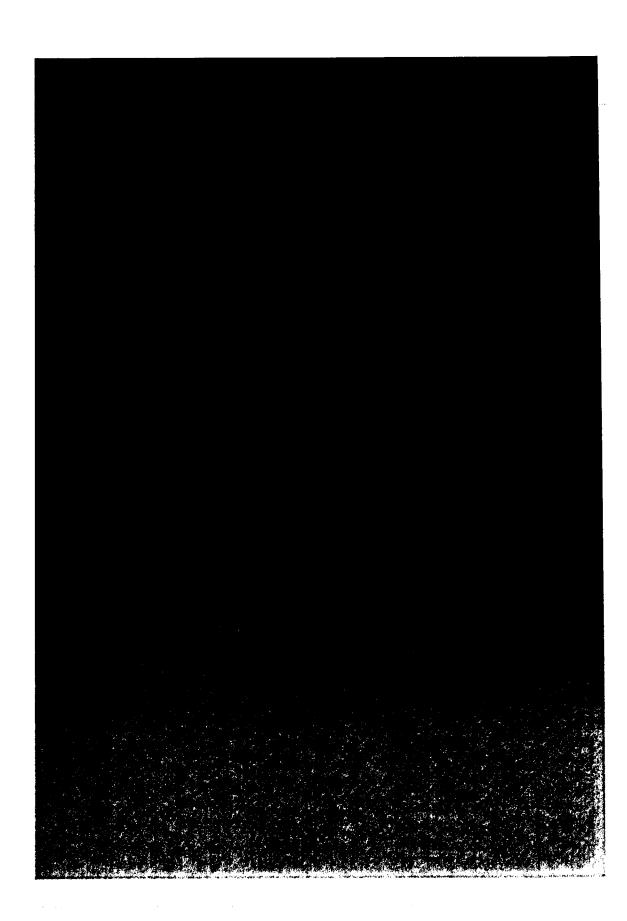


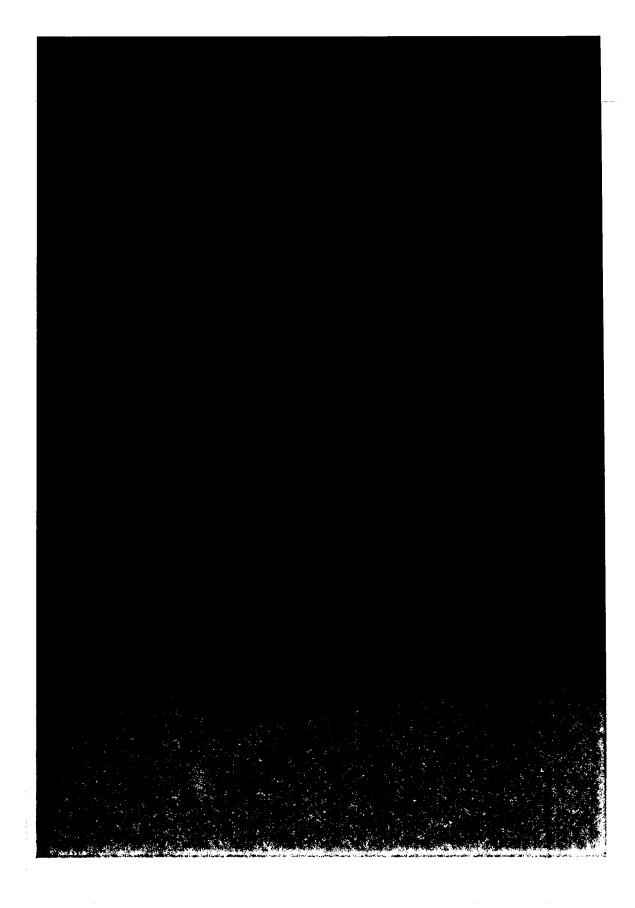


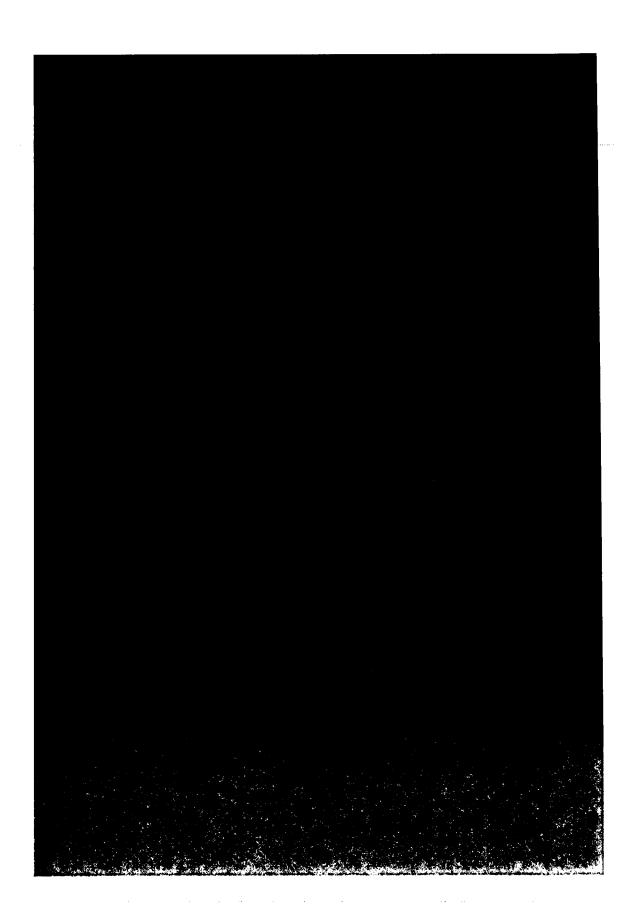


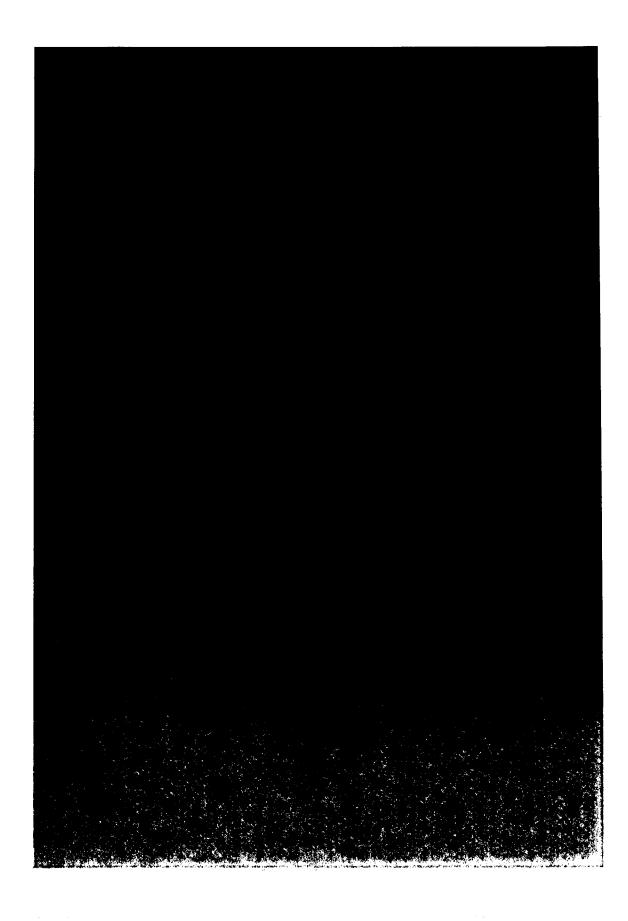


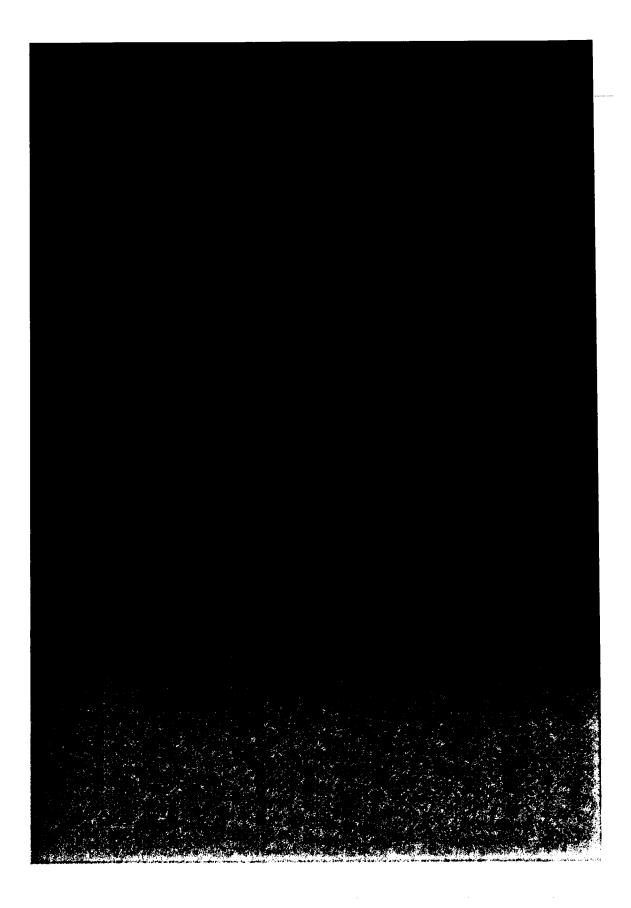
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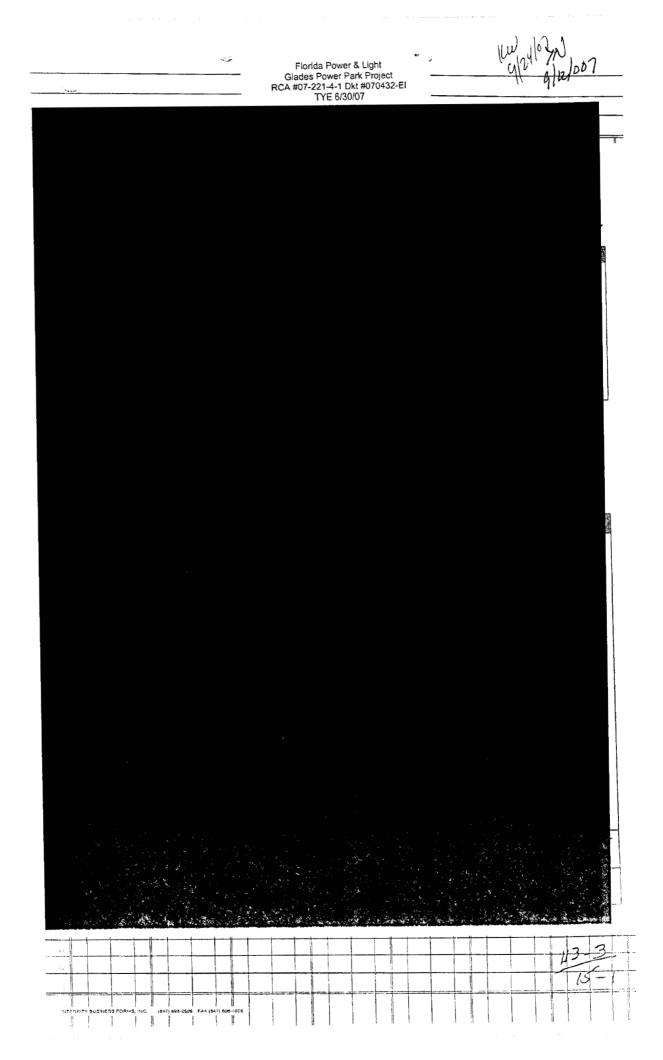


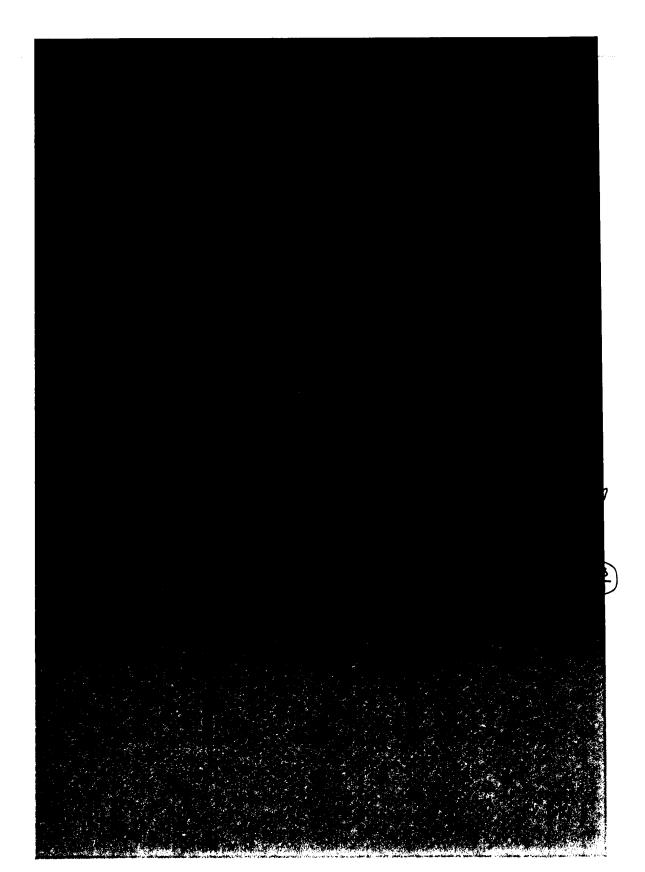


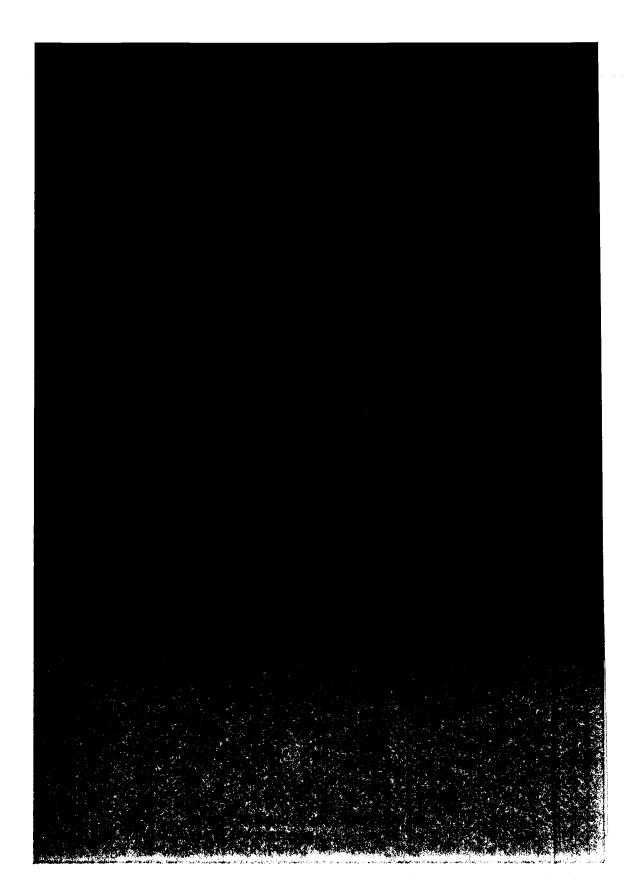


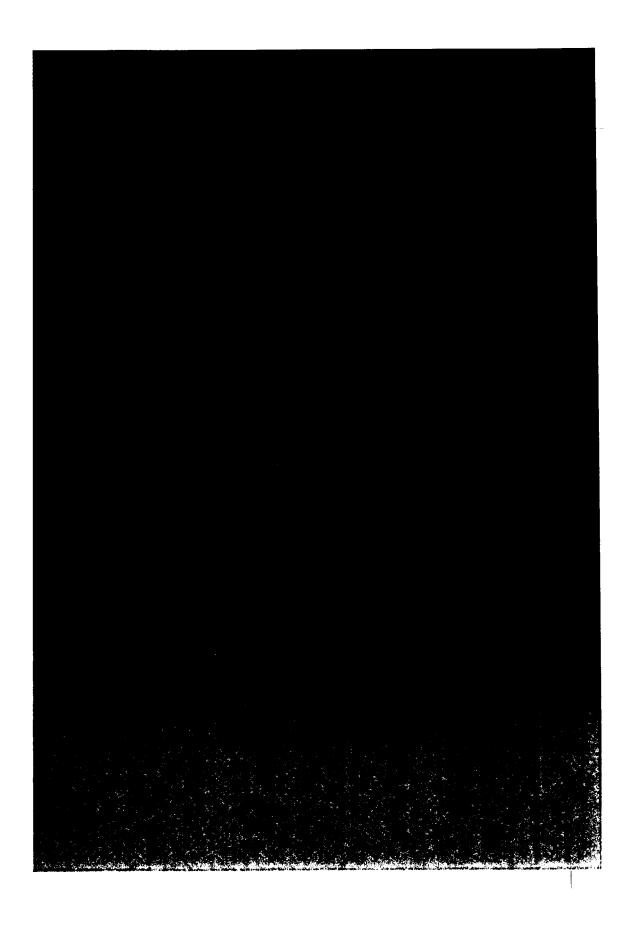


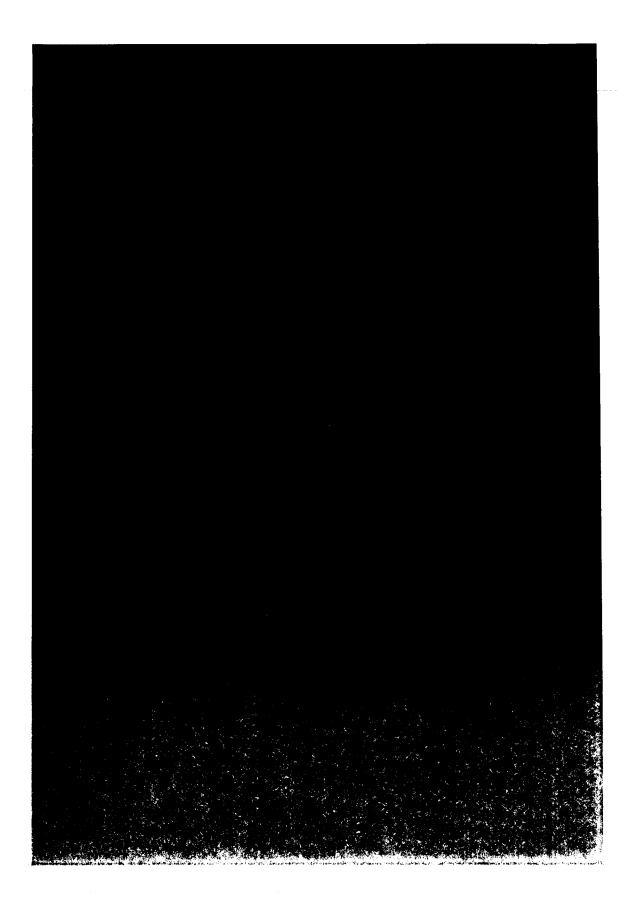




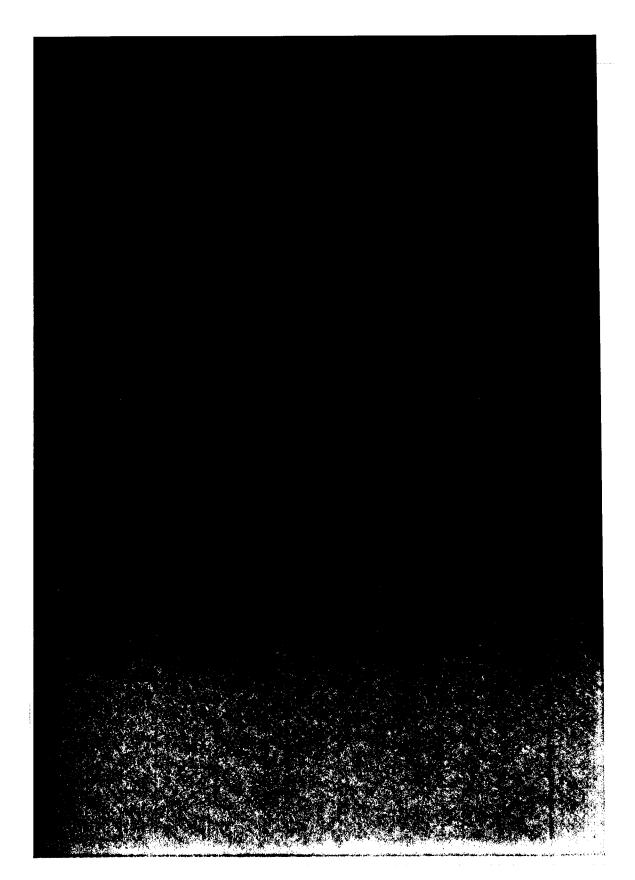


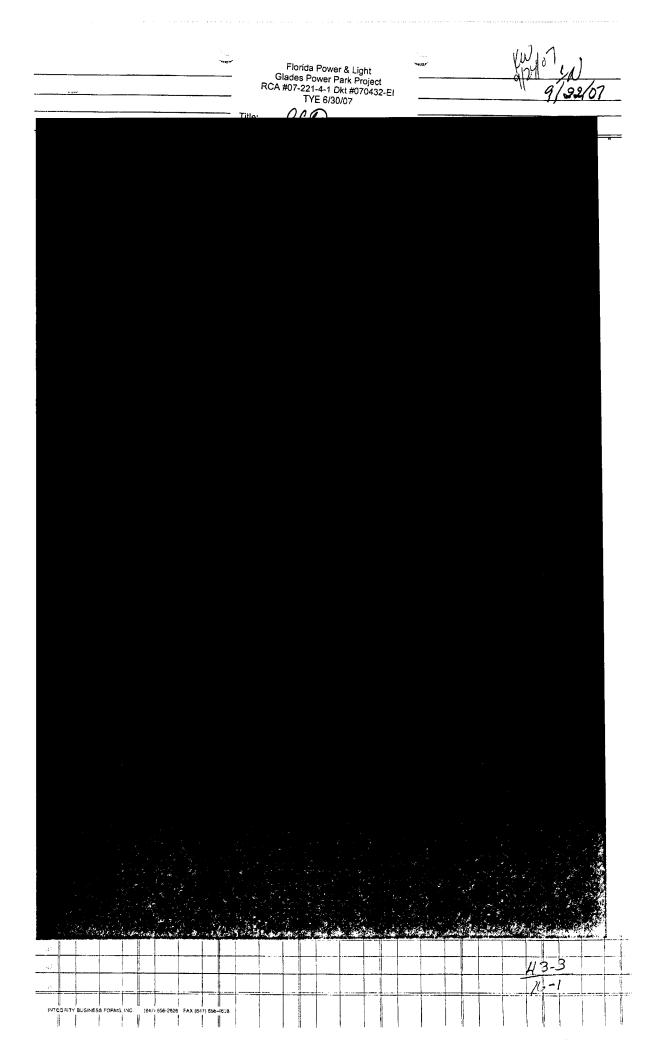


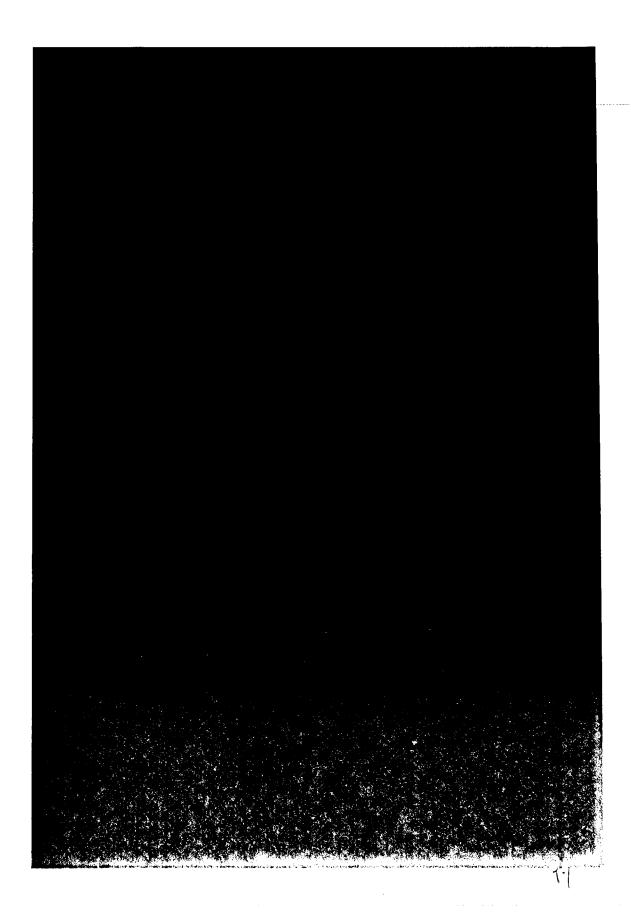




7N 9/12/07 Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-El TYE 6/30/07 13-3 INTEGRAT BUSINESS FORMS, PM. 1847, 093-0826 FAX (647) 6:66-6538

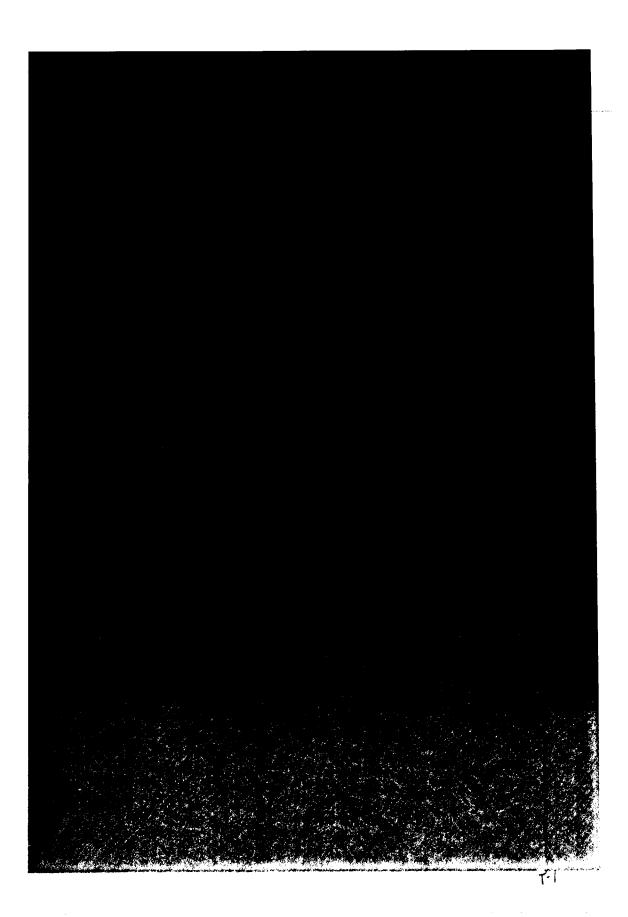




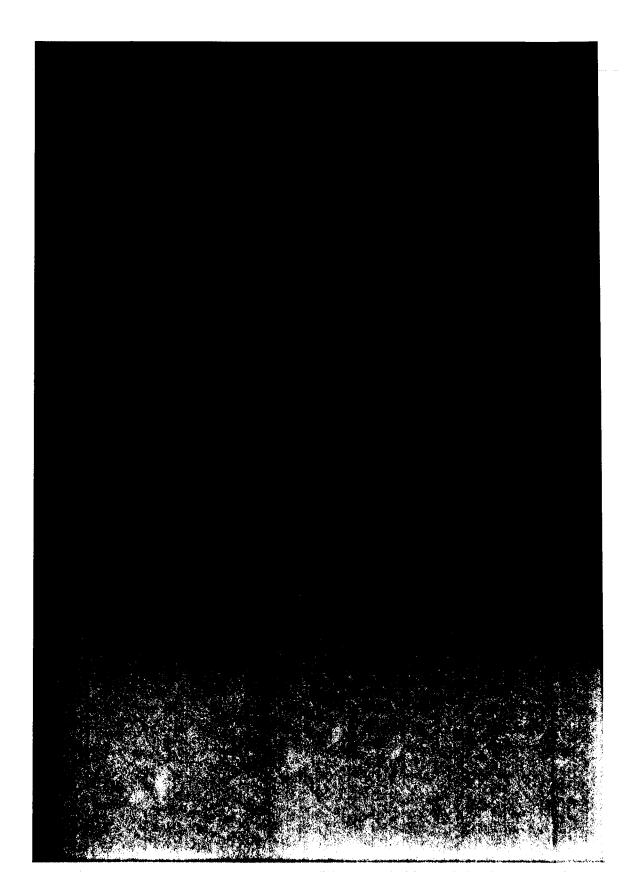


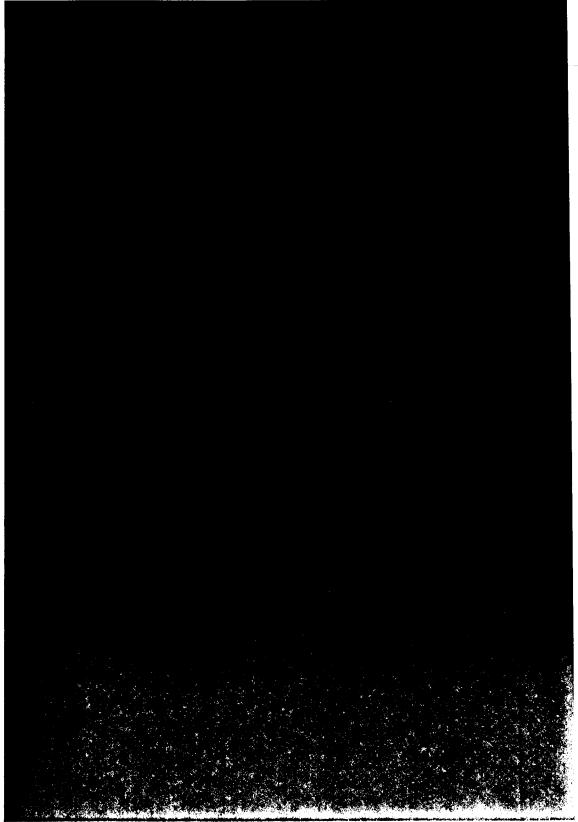
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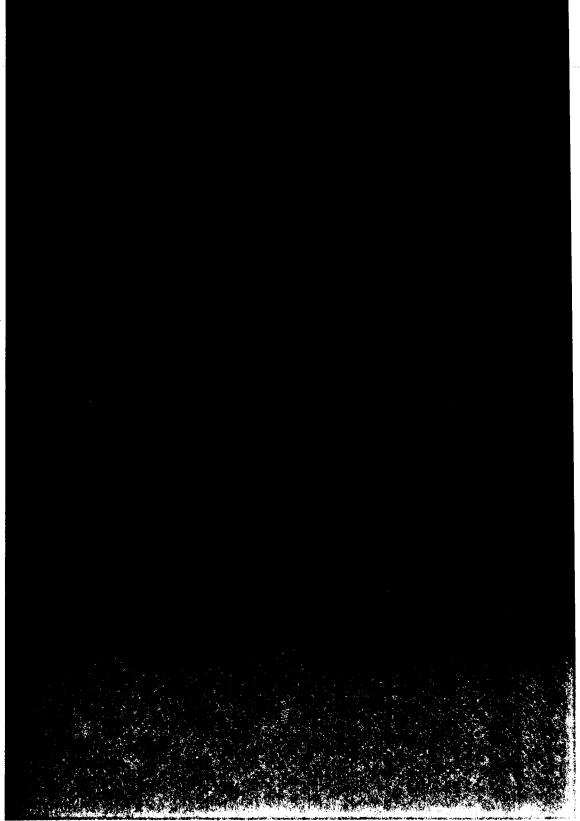
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Title: DC Mavigatous LC

Audit Request #5 Item 33 Page 4 of 18



## **MEMORANDUM**

To:

Jon Wadsworth, Bracewell & Giuliani, LLP

On behalf of Florida Energy Partnership

From:

Sarah Bascom, Navigators

Re:

Proposal

Date:

January 26, 2007

Thank you for the opportunity to present this preliminary proposal to you on behalf of the coalition, Florida Energy Partnership.

As we have discussed, we believe that we are uniquely suited to partner with your existing team to serve as strategic communications and media management advisors, as well as to serve as the on the ground daily contact for your effort. Having served as communications advisors and spokespersons for numerous corporations, associations, lawmakers and various goal-driven projects, we believe we have the experience and expertise the Florida Energy Partnership is looking for in Florida.

Please note that the attached proposal is pertaining to contract work for Navigators, and in no way proposes or allows for Navigators or Sarah Bascom to serve as an officer or official with the incorporated coalition. Navigators and/or Sarah Bascom cannot be listed on any legal or filed documents and will not be liable or responsible for the coalition or its efforts. If you decide to retain Navigators for the services listed in this proposal, this provision will be listed in the contract provided from Navigators, LLC.

Should you have any questions, please do not hesitate to contact Sarah Bascom at 850-222-2140 or via cell phone at 850-294-6636. Additionally, I can be reached via email at <a href="mailto:sarah@dcnavigators.com">sarah@dcnavigators.com</a>.

We look forward to discussing our proposal with you.

Jederal lobbejisto, political strategisto, communication consultantes; public relation experts. Managemit : Strategic consulting firm. Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07 43.4

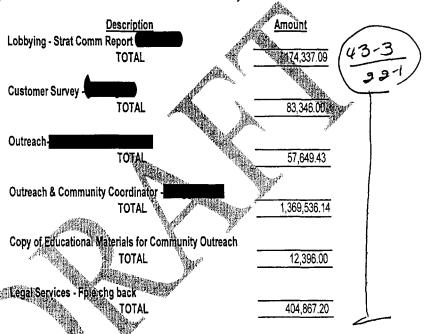
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Mar	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07	76	27/03
	Title: Oudit Finding		

U<sup>3</sup>ρ<sup>Λ</sup>)
AUDIT FINDING NO. 3

## CONFIDENTIAL

SUBJECT: LEGAL SERVICES, LOBBYING, COMMUNITY OUTREACH, & PUBLIC RELATION

**AUDIT ANALYSIS:** Florida Power & Light incurred legal services, lobbying, community outreach, & public relation for the Glades Power Park Project.



Community outreach and customer surveys are image enhancing. Lobbying has not been allowed by the Commission in prior rate cases.

EFFECT ON LEDGER. This finding is for informational purpose only.

EFFECT ON THE FILING: This finding is for informational purpose only.

Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

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H3-3 Item # 25 CD CD CD 57 58	Relocation Costs Description  Blanchett Relocation Blanchett Relocation Blanchett Relocation Blanchett Relocation Thuy Le Relocation Thuy Le Relocation	Amount 52,029.40 14,059.50 12,000.00 5,992.96 27,168.12 15,064.85 126,314.83	CONF 43-2/1	IDENTIAL
(A) 1tem # 93	Vice President of Engineer Travel Expense The primary vendor for the advanced technology considered at the FGPP project are located in Japan. The trip to Japan was taken by Vice-	4,148.14	43-3 (A	3-3/20-2
94	president of  Engineering & Construction to solicit competitive, favorable equipment pricing for three major pieces of equipment: the boiler steam turbine & pollution control equipment.	<del>4,900:</del> 00	43-4	
_	TOTAL	9,048.14		
A Dec	audit sinding 2 (43-3/21)			
<u>ltem #</u>	Outreach, Public Relations, & Lobbying  Description	Amount	Ref	
68	Lobbying	24,075.33	43-3/7	
75		38,217.37	43-3/7	
76		25,925.00	43-3/8	
CD		10,000.00		
CD		5,000.00		
CD CD		15,126.66		
CD		23,116.84 12,785.22		
CD		10,090.67		
CD		10,000.00		
	TOTAL	174,337.09	43-3/22-2	
	Customer Survey			
32	COLUMN SULVEY	101,312.02	43-3/8	
	TOTAL	101,312.02	43-3/22-2	
	Customer Survey			
40	Customer Survey	46,368.00	43-3/19	
74		36,978.00	43-3/19	
	TOTAL	83,346.00	43-3/22-2	
	Outreach			
78		3,616.56		
CD		26,599.50		. 10
CD		5,511.29	SOURCE	DR #1 = (43-3)
CD		4,698.57	_	
CD CD		840.00		
CD		8,363.10 6,340.41		
CD		1,680.00		
	TOTAL	57,649.43	43-3/22-2	
	Outreach & Community Coordinator	,		~
30	Consequence of Community Coordinator	80,644.50	43-3/6	
31		124,221.35	43-3/6	
50		11,462.26	43-3/6	.12-3.
(B)	Dee audit tinding # 3 (49-3/95		مست	432-1
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	Outreach & Community Coordinator		
30		80,644.50	43-3/6
31		124,221.35	43-3/6
59		11,462.26	43-3/6
65		172,208.81	43-3/6
66		56,524.12	43-3/6
67		21,500.00	43-3/6
CD		138,841.14	
CD		150,468.93	
CD		122,776.47	
CD		53,322.27	
CD		101,814.24	
CD		82,253.71	
CD		73,121.98	
49		164,509.80	
CD		3,616.56	
CD		12,250.00	
	TOTAL	(B) 1,369,536.14	43-3/22-2
	Copy of Educational Materials for Community Outreach		
89	Color Copies-K DEPP	1,792.00	43-3 p.7
90	Glades Collateral Copies	2,300.00	43-3 p.7
92	Color Copies-K DEPP	3,404.00	43-3 p.7
94	Glades Collateral Copies	4,900.00	43-3 p.7
<del></del> .	TOTAL	<b>73</b> 12,396.00	
	· · · · -		
	Legal Services,		
41	Legal Services	23,883.40	43-3/20
42	Legal Services	23,375.22	43-3/20
43	Legal Services	43,080.85	43-3/20
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CD	Fple chg back Mar 06FPL ENERGY	3,490.37	
CD	Fple chg back Aug 06FPL ENERGY	3,492.25	
CD	Fple chg back Jun 06FPL ENERGY	4,050.77	
CD	Fple chg back Sep 06FPL ENERGY	4,237.55	
CD	Fple chg back Jan 07FPL ENERGY	4,505.19	
CD	Fple chg back Oct 06FPL ENERGY	5,239.65	
CD	Fple chg back June OFPL ENERGY	5,406.34	
CD	Fple chg back Feb 07FPL ENERGY	5,412.31	
CD	Fple chg back May 07FPL ENERGY	5,723.78	
CD	Fple chg back Apr 06FPL ENERGY	6,308.03	
CD	Fple chg back Aug 06FPL ENERGY	6,980.56	
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CD	Fple chg back Apr 07FPL ENERGY	8,679.57	
CD	Fple chg back Jul 06FPL ENERGY	9,175.95	
CD	Fple chg back Dec 06FPL ENERGY	9,966.28	
CD	Fple chg back Mar 06FPL ENERGY	10,274.40	
CD	Fple chg back Jan 07FPL ENERGY	10,389.00	
CD	Fple chg back Nov 06FPL ENERGY	11,025.11	
CD	Fple chg back Mar 07FPL ENERGY	11,348.77	
CD	Fple chg back Jun 06FPL ENERGY	12,111.00	
CD	Fple chg back June 0FPL ENERGY	12,149.62	
CD	Fple chg back Sep 06FPL ENERGY	12,985.00	
CD	Fple chg back Feb 07FPL ENERGY	13,063.57	
CD	Fple chg back Nov 06FPL ENERGY	13,171.10	
CD	Fple chg back Jul 06FPL ENERGY	14,012.17	
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		1,112.00	

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CD	Fple chg back May 07FPL ENERGY
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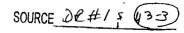
## Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07

Title: Audit Finding

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200706 51450	CCDEVX	00148	0692	98	1473	620	** 7	0	0	620.0	М		38,217.37	1:0			SAO		man and a second
200706 51450	CCDEVX	00148	0692	98	1473	620		0	0	620 0	м		15,126.66	1 0			540		error or the
200706 51450	CCDEVX	00148	0692	98	1473	620		0	0	620.0	м		23,116.84	1.0			iAO		
200706 51450	CCDEVX	00148	0692	98	1473	620		0	0	620 0	М		12,785.22	1.0			GAO		000
00706 51450	CCDEVX	00148	0692	98	1473	620		0	0	620 0	М		25,925.00	1.0		7.	:AO		000
30706 51450	CCDEVX	00148	0692	98	1473	620		0	0	620 0	M		10,090.67	10			:A0		
200706 51450	CCCLVX	00148	0692	98	1473	620		0	0	620 0	М.	:	10,000.00	1.0			:00	062	000
	2,22.71					,				TOTAL			174,337.09	43-5	1-60/2	-	**************************************		
200610-65000	FCJUNO	00148	0903	98	1492	606	:	0	0	620,0	М		4,148.14	43-3	1-66/	(	836	75	
	TATEWIDE SU	OVEY MCLA	ICH! IN	4															
00703 51450	CCDEVX	00148	0692	98	1473	620		0	0	620 O	м		46,368.00	10	1838	5	A01	0620	OD F
00703 51450	CCDEVX	00148	0692	98	1473	620	- 1	0.		620 0	м		36,978.00	10	1836		AD1		000 1
60103/31430	CODEAN		3032	u.	,1770	020		7	. 7	TOTAL			83,346.00		1-66/				
										IOIAL			50,010.00	43-3	122-1				
•	CCDEVX	00148	0692	98	1637	620		0	0	620 0	M		26,599.50	1.0	1836	5 CON	SA01		* · · · mark
00704 51450				100									F F44 00	10	1836	5 CON	SA01	0620	OO - M
		CO148	0692	98	.1473	620		0	0	620 0	м		5,511.29	10	1000	5 0011			The state of the s
00704 51450 00706 51450 00704 51450	CCDEVX	00148 00148	0692	98 98	.1473 1637	620 620		0, 0:	0	620 0 620 0	M		4,698.57	10	1836		SA01	0620	The state of the s





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Date SRC 00704 51450	CCDEVX	00148	0692	98			rod to	FK HER	44	o Loc   UC					G DESCRIPTION			REF1
612 65900	CCDEVX	00148	0692	man compare a second	1637	620		0	0	620 0	M	8,363.10	1.0	183675		SA01	062000	TOURS IN WHITE WELLING
704 51450	CCDEVX	00148		98	1637	620		0		620 0	M	6,340.41	0.0	183675		CA01	062000	000
0612 52450	CCDEVX	00148	0692	98	1637	620	4	0.	0	620 0	M	1,680.00	1.0	183675	CON	SA01	062000	MONEY, CONOUNTING
0012 32433	CODEVA	00148	0692	98	1637	620		. a.	0.	620 0	М	3,616.56	00	183675	CON	SA01	062000	
										TOTAL		57,649.43	H3-3/23	- X				<del></del>
	Fple ch	g back FPL	ENERGY								the second				Control of the Contro	4000	19.3	
0602 52450	ECJUNO	00898	0831	98	983	606		0	0	606 0	м	2,811.02	0.0	183520	Fple chg back Jan 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
0604 52450	ECJUNO	00598	0831	98	983	608		0	0	606.0	M	3,490.37	0.0	183520	Fple cho back Mar 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
0609 52450	ECJUNO	86800	0831	-98	983	606		0	0	606 0	M	3,492.25	00	183520	Fple chg back Aug 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
0607 52450	ECJUNO	C0898	0831	98	983	606	:	0	0:	606 0	M	4,050.77	0.0	183520	Fple chg back Jun 06FPL ENERGY	SA01	080600	FPL ENERGY LLC
0510 52450	ECJUNO	00898	0831	.98	983	606		0	a	606 0	M	4,237.55	0.0	183520	Fple chg back Sep 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
0703 52450	LAWDEV	00148	0831	98	1475	606		0	0.	620 0	M	4,505,19	0.0	183675	Fple chg back Jan 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
0511 52450	LAWDEV	00148	0831	98	1475	606	1 1 1	0	0	620 0	м	5,239.65	00	183675	Fple chg back Oct 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
0707 52450	ECJUNO	00148	0831	98	1492	806	1.77	0	0.	620 0	M	5,406.34	0.0	183675	Fple chg back June 0FPL ENERGY	SA01	062000	FPL ENERGY LLC
2703 52450	ECJUNO	C0148	0831	98	983	620		0	0	606.0	M	5,412.31	0.0	183675	Fple che back Feb 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
0707 52450	ECJUNO	00148	0831	98	983	620		0	0	606 0	м	5,723.78	0.0	183675	Fple chg back May 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
606 52450	ECJUNO	00898	0831	98	983	606		0	0:	606 O	- M	6,308.03	0.0	183520	Fple chg back Apr D6FPL ENERGY	SA01	060600	FPL ENERGY LLC
609 52450	LAWDEV	00148	0831	98	1475	606		0	D.	620 0	M	6,980.56	0.0	183675	Fple chg back Aug 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
706 52450	ECJUNO	00148	0831	98	1492	506		0	0	620 0	M	7,072.40	0.0	183675	Fple chg back Apr 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
604 52450	ECJUNO	00898	0831	.98	983	606		0	0.	606 0	M	7,223.43	00	183520	Fple chg back Feb 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
704 52450	ECJUNO	00148	0831	98	983	620		0:	0:	606 0	M	7,992.38	0.0	183675	Fple chg back Mar 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
0764 65000	ECJUNO	-00148	0831	98	983	620		0	D	606 0	M	8,599,54	0.0	183675	FPLE CHG BACK ACCRUAL	CA01	062000	000
0706 52450	ECJUNO	C0148	0831	98	983	620		0	0	606 0	M	8,679.57	0.0	183675	Fple chg back Apr 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
608 52450	ECJUNO	00898	0831	98	983	606		0.	0	606.0	M	9,175.95	0.0	183520	Fple chg back Jul 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
701 52450	LAWDEV	00148	0831	98	1475	606		0	0	620 0	M	9,966.28	0.0	183675	Fple chg back Dec 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
604 52450	ECJUNO	86800	0684	98	983	606	1	0	0	606 0	м	10,274.40	0.0	183520	Fple chg back Mar 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
703 52450	ECJUNO	C0148	0831	98	1492	606		0		620 0	M	10,389.00	00	183675	Fole chg back Jan 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
612.52450	LAWDEV	00148	0831	98	1475	606		0	0	620 0	M	11,025,11	0.0	183675	Fple cho back Nov 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
704 52450	ECJUNO	00148	0831	98	1492	606		0	0	620 0	M	11,348.77	0.0	183675	Fple chg back Mar 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
607 52450	LAWDEV	00148	0831	98	1475	606		0	V O:	606.0	.м	12,111,00	0.0	183675	Fple chg back Jun 06FPL ENERGY	SA01	060600	FPL ENERGY LLC
		1 77 7	0831	98	1475	606		n	0	620.0	M	12,149.62	0.0	183675	Fple chg back June 0FPL ENERGY	SA01	062000	FPL ENERGY LLC
707 52450	LAWDEV	00148	1 1					×	V	620 0	M	12,985.00	0.0	183675	Fple chg back Sep 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
610 52450	LAWDEV	G0148	0831	98	1475	606	100	υ,	0			12,965.00	0.0	183675	Fple chg back Feb 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
703 52450	ECJUNO	00148	0831	98	1492	606		υ,		620 0	M				and the second s	SA01	062000	FPL ENERGY LLC
612 52450	COULO	00148	0831	98	1492	606		0	Ο,	620 0	M	13,171.10	00	183675	Fple chg back Nov 06FPL ENERGY	SAU1	062000	FPL ENERGY LLC
508 52450	LAWDEV	00148	0831	98	1475	608		0	0	606 0	М	14,012.17		183675	Fple chg back Jul 06FPL ENERGY	A		See a Same of the second of the Same
704 52450	LAWDEV	00148	0831	98	1475	608		O,	0	620 0	M	14,502.95	ó.0	183675	Fple chg back Mar 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
707 52450	ECJUNO	00148	0831	98	983	620		0	0	606 0	M	17,250.00	0.0	183675	Fple chg back June 0FPL ENERGY	SA01		FPL ENERGY LLC
701 52450	ECJUNO	00148	0831	98	1492	606		0:	0	620 0	M	20,321.94	0.0	183675	Fple chg back Dec 06FPL ENERGY	SA01	062000	FPL ENERGY LLC
703 52450	LAWDEV	C0148	0831	98	1475	606	7	0	0	620 0	M	23,375.22	0.0	183675	Fple chg back Feb 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
706 52450	LAWDEV	00148	0831	98	1475	606		0	0	620 D	M	23,883.40	0.0	183675	Fple chg back Apr 07FPL ENERGY	SA01	082000	FPL ENERGY LLC
707 52450	ECJUNO	001148	0831	98	1492	606		0	0	620 0	М	25.555.73	0.0	183675	Fple chg back May 07FPL ENERGY	SA01	062000	FPL ENERGY LLC



Date SRC	SA:	BA .	EAC	From	ER From V	OFrom LO	C TO ER 1 To	Wo [ 1	oLOC   U	Ç ] E	T Amount	Quantity   SD S	CV NEW	G DESCRIPTION	EEDER	W BRC	REF I
200707 52450	LAWDEV	00148	C831	98	1475	606	0	0	620 0	М	43,080.85	0.0	183675	Fple chg back May 07FPL ENERGY	SA01	062000	FPL ENERGY LLC
									TOTA	AL.	404,867.20	43-3/2	2-1				

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	Florida Power & Light Glades Power Park Project RCA #07-221-4-1 Dkt #070432-EI TYE 6/30/07	9/18/	67
Title:	Lumination Costs =		
Audit Request 2			·
CONFIDENTIAL	Florida Power & Light Com Docket No. Docket No. 070 Staff's First Set of Interrog Interrogatory No. 4 Page 1 of 1	432-EI	
Q. Please explain how each of th	ne termination costs was determined	đ.	
and Engineering, Procurement agreements is normal and custo Glades Power Park (FGPP) Pro EPC Contract, and the Agreement	ents for the supply, fabrication and del urbine Generators (STGs) and Air Qua	pon termination of y. In the case of the FPL nination provisions were the livery of the Steam	
amount of time to design, purel Notice To Proceed (NTP) with shops for fabrication, and they forgings for turbines, tube and components such as high alloy reserving shop space and placing suppliers make cash commitmed begin making large payments to Because of this, the suppliers frevenues until much of the equation to cancellation by negotiating to	and equipment, being highly complex, hase, fabricate and deliver the work. A the work, they begin design activities begin ordering commodity materials sheader material for boilers and long le content steel commodity materials. Peng orders for equipment and commodients. Normally, the purchasers of powers to suppliers until major pieces of the world themselves in a situation where the hipment is delivered. Suppliers protect termination provisions that allow them inated before the work is delivered an	After a supplier receives a state that the reservation work, and the receives a steel for rotor and high demand erforming engineering work, ity materials requires that the regeneration work do not work are delivered to the site. The receives from exposure in to recover their costs	
values that increased over time analysis of what their expenses supplier has different work loa sub-suppliers. Therefore, the re	Glades Power Park project included a c. They determined their schedules of s would be and their view of what the ids, capabilities, inventories, shop space ange of termination provisions among uppliers, FPL endeavored to protect it	values based on a balanced market would allow. Each ce and agreements with sst the suppliers can differ.	
	al termination provisions given project		
date, the EPC Contractor and t Limited Notice To Proceed (L Termination exposure began o	ivered to the site in time to meet the rethe STG, Boiler and AQCS equipmen NTP) be issued once the successful sunce a notice to proceed was issued.  43-3/15	t suppliers required that a upplier was selected.	
SOURCE DR #3	<del></del>		
INTEGRITY DUSINESS FORMS, INC. (847) 698-2026 FAX (847) 989-4008		A A	0-4