

Ann Cole

From: Marshall Willis
Sent: Friday, October 21, 2011 2:09 PM
To: Ann Cole; Jim Varian; Roberta Bass; Baldwyn English; Cayce Hinton; Katherine Fleming
Cc: Cheryl Bulecza-Banks; Braulio Baez
Subject: FW: Docket No. 110009-EI, NCRC Recommendation - Request for Oral Modification
 FYI

From: Braulio Baez
Sent: Friday, October 21, 2011 1:37 PM
To: Marshall Willis
Cc: Chuck Hill; Mark Laux; David Dowds; Stephen Garl; Phillip Ellis; Keino Young; Cheryl Bulecza-Banks; Jim Breman; Keino Young
Subject: RE: Docket No. 110009-EI, NCRC Recommendation - Request for Oral Modification

Approved.

From: Marshall Willis
Sent: Friday, October 21, 2011 1:34 PM
To: Braulio Baez
Cc: Chuck Hill; Mark Laux; David Dowds; Stephen Garl; Phillip Ellis; Keino Young; Cheryl Bulecza-Banks; Jim Breman; Keino Young
Subject: Docket No. 110009-EI, NCRC Recommendation - Request for Oral Modification

Staff requests permission to make an oral modification to Item 1, Docket 110009-EI, Nuclear Cost Recovery Clause on the October 24, 2011 Special Agenda. The decision on this item will be reflected in the November Capacity Cost Recovery Clause amounts and 2012 factors. Therefore, the item can not be deferred.

After staff issued the recommendation, staff became aware of certain errors. The errors do not change the recovery amount in any issue.

Issue 3: In the body of staff analysis there are four typographical errors.

The last paragraph on page 17 should be changed as follows:

FPL's current non-binding estimated range of capital cost is \$3,483 to \$5,063 per kilowatt in overnight costs. Adding carrying costs of \$2.3 billion to \$3.4 billion, and sunk costs, \$0.1 billion, yields a total cost range of \$12.8 ~~\$12.9~~ billion to \$18.7 ~~\$18.8~~ billion. The estimated capital cost range represents an 11.5 percent increase from FPL's estimated maximum cost in the 2007 need determination proceeding and a 12.1 percent increase in the minimum cost. The history of cost estimates is shown in the chart below.

Page 21, last sentence of the first full paragraph should be changed as follows:

Staff notes that the reported sunk costs were 1.0 to 0.7 percent of the total cost range in 2011, \$12.8 ~~\$12.9~~ billion to \$18.7 ~~\$18.8~~ billion, respectively. (TR252-255)

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Figure 3-3, on page 21, the 2011 break-even amounts should be changed as follows:

8,679 ~~8,678~~ (the High Break-even amount adjacent to the 2011 solid line)
4,907 ~~4,910~~ (the Low Break-even amount adjacent to the 2011 dashed line)

Issue 4: In the recommendation there are two typographical errors which should be changed as follows:

Recommendation: The Commission should accept FPL's estimated range of \$3,483/kW (\$12.8 ~~\$12.9~~ billion) to \$5,063/kW (\$18.7 ~~\$18.8~~ billion) as the cost of the Turkey Point 6 & 7 project.

Issue 8: The last paragraph on page 41 in the body of staff analysis there is one typographical error.

In Exhibit 19, FPL witnesses Powers and Scroggs identified 2011 TP67 preconstruction capital costs of \$37,955,536 (\$37,506,973 jurisdictional). Exhibit 19 also indicated that the estimated 2011 preconstruction carrying costs were negative \$812,681. In Exhibit 20, witnesses Powers and Scroggs identified additional carrying costs on site selection costs of \$171,052 due to tax

Issue 12: The second paragraphs of the recommendation statement (page 76) and conclusion section (page 80) contain a typographical error.

For 2010, staff recommends that the Commission approve as prudently incurred EPU project capital costs of \$309,982,999 (\$289,147,514 jurisdictional net of joint owners and other adjustments) and O&M costs of \$7,176,395 (\$7,067,402 ~~\$7,061,419~~ jurisdictional net of joint owners). The recommended final 2010 true-up amount, net of prior recoveries, is \$1,531,532, and should be used in determining the net total 2012 NCRC recovery amount.

Issue 13: In the body of staff analysis, on page 83, in the first paragraph there is a typographical error.

block engineering and procurement of \$5,975,515. (TR 749) Transmission expenses of \$18,066,007 were estimated for activities related to main transformer, transformer cooler, and plant electrical yard upgrades. (TR 753-754) The 2011 estimated O&M expenses of \$12,706,916 ~~\$12,701,007~~ for feedwater heater inspection costs, for expensing obsolete materials, and for costs that do not meet FPL's capitalization policy. (TR 754) The estimated items going into service during 2011 include feedwater drain valves, main generators, isophase bus duct modifications, and main transformer and transformer cooler upgrades. (Jones TR 754-755; Powers EXH 37, pp. 1-11) FPL's estimated base rate revenue requirement associated with completing these activities was \$16,585,797.