

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 110270-EI

PETITION FOR APPROVAL OF BASE RATE  
INCREASE FOR EXTENDED POWER UPRATE  
SYSTEMS PLACED IN COMMERCIAL SERVICE,  
PURSUANT TO SECTION 366.93(4), F.S.,  
AND RULES 25-6.0423(7) AND 28-106.  
201, F.A.C., BY FLORIDA POWER &  
LIGHT COMPANY.



PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 6

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER RONALD A. BRISÉ  
COMMISSIONER EDUARDO E. BALBIS  
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, November 22, 2011

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6734

DOCUMENT NUMBER 110270-EI

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FPSC-COMMISSION CLERK

## P R O C E E D I N G S

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2           **CHAIRMAN GRAHAM:** The next item will be Item  
3 Number 4.

4           I have -- sorry, I have a request to do Item  
5 Number 6, so that we can close that out. I hate to do  
6 musical chairs to you like that. If we can close out  
7 Item Number 6, please.

8           **MR. SLEMKEWICZ:** Commissioner, Item Number 6  
9 is FPL's request to increase base rates for plants going  
10 into service, nuclear plants going into service for year  
11 end 2011. Staff has prepared its recommendation and  
12 filed it. We can address your questions issue-by-issue  
13 or whatever questions you may have.

14           **CHAIRMAN GRAHAM:** I think we'll just address  
15 whatever specific questions there are.

16           **MR. ANDERSON:** Good morning, Chairman Graham.  
17 Thank you for your service, and  
18 congratulations, Future Commissioner Brisé.

19           Brian Anderson for Florida Power and Light  
20 Company. Our company supports the staff recommendation.

21           **CHAIRMAN GRAHAM:** Thank you.

22           Commissioner Balbis.

23           **COMMISSIONER BALBIS:** Thank you, Mr. Chairman,  
24 and I'll be brief.

25           I pulled this item just to make a few brief

1 comments and ask staff a few questions. There has been  
2 a lot of discussion concerning nuclear facilities in  
3 Florida and the likelihood of them coming on-line, and I  
4 think this is a great example of additional nuclear  
5 generation that's coming on-line now so that the  
6 customers can receive the benefit.

7 The question for staff is, how much additional  
8 capacity will this portion of the project provide?

9 **MR. BREMAN:** Twenty-nine megawatts went into  
10 service this year. There is additional plant being  
11 placed into service that will facilitate additional  
12 megawatts going into service in future years.

13 **COMMISSIONER BALBIS:** Okay. But the addition  
14 of \$20 million into base rates is for the 29 megawatts  
15 of additional generation, correct?

16 **MR. BREMAN:** Yes, sir, and additional support  
17 assets that will support the upgrades that are still in  
18 progress. So the \$20 million increase, for example,  
19 some of it is for cranes, cranes at Turkey Point. And  
20 the asset that is generating 29 megawatts in savings  
21 this year is actually at St. Lucie. So this is little  
22 by little as the project is completed, wherever it is  
23 completed, whether it be at St. Lucie or Turkey Point,  
24 it goes into service, and we increase base rates to  
25 recognize that on a total project basis.

1                   **COMMISSIONER BALBIS:** Okay. And then the  
2 29 megawatts of additional generation, obviously, that  
3 is at a lower cost to operate than traditional fossil  
4 fuels. What is the savings to customers in the next  
5 year?

6                   **MR. BREMAN:** On an annualized basis, using  
7 information in the 01 docket that I was aware of as of  
8 Friday, that would be in the range of \$35 per megawatt  
9 hour for the 29 megawatts. That's somewhere between  
10 6 and \$7 million a year.

11                   **COMMISSIONER BALBIS:** That is 6 or \$7 million  
12 in savings to the customers beginning immediately.

13                   **MR. BREMAN:** Yes, sir.

14                   **COMMISSIONER BALBIS:** Okay. Thank you.

15                   And then a quick question for Florida Power  
16 and Light, and I'll be finished. In one of the news  
17 clips -- the recent news clips that indicated that, I  
18 believe it was the Miami Herald, indicated the number of  
19 temporary jobs created associated with this project.  
20 Can you briefly discuss how many jobs are created for  
21 this 29 megawatts of additional generation?

22                   **MR. ANDERSON:** I think you're referring to the  
23 fact that for both of our nuclear stations when we do  
24 these EPU outages, we employ many, many, many more  
25 people than we ordinarily staff with. My recollection

1 is that currently down at Turkey Point it's literally in  
2 the low thousands of jobs associated with the outage  
3 work. A good portion of that is EPU work. Because,  
4 remember, these outages are much greater in extent to  
5 replace all of this work. So we really do have a very  
6 direct impact, we feel, on the local economies as well  
7 as these projects being very good for our customers in  
8 terms of long-term fuel cost savings and environmental  
9 benefits.

10 **COMMISSIONER BALBIS:** Okay, thank you. And  
11 just to close out, again, I just wanted to point out  
12 that here we have 29 megawatts of additional nuclear  
13 generation. Customers are receiving benefits  
14 immediately, and I just wanted to point that out and not  
15 pass it on Move Staff. I think we should focus on  
16 projects that are positive to help the economy, produce  
17 clean energy, and customers can realize benefits  
18 immediately.

19 And so with that, I move to support staff's  
20 recommendation on all issues with this item.

21 **CHAIRMAN GRAHAM:** It has been moved and  
22 seconded, staff recommendations on Item Number 6.

23 Any further discussion?

24 Seeing none, all in favor say aye.

25 (Vote taken.)

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**CHAIRMAN GRAHAM:** Any opposed?

By your action, you have approved staff  
recommendation on Item Number 6. Thank you very much.

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STATE OF FLORIDA )

: CERTIFICATE OF REPORTER

COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 29th day of December, 2011.

  
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JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
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