

**REDACTED**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**DOCKET NO. 120009-EI  
FLORIDA POWER & LIGHT COMPANY**

**IN RE: NUCLEAR POWER PLANT COST RECOVERY AMOUNT  
TO BE RECOVERED DURING THE PERIOD  
JANUARY - DECEMBER 2013**

**SUPPLEMENTAL TESTIMONY & EXHIBITS OF:**

**TERRY O. JONES**

DOCUMENT NUMBER - DATE  
05176 AUG-1 2013  
FPSC-COMMISSION CLERK

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2                   **FLORIDA POWER & LIGHT COMPANY**

3                   **SUPPLEMENTAL TESTIMONY OF TERRY O. JONES**

4                   **DOCKET NO. 120009-EI**

5                   **AUGUST 1, 2012**

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

8           My name is Terry O. Jones, and my business address is 700 Universe Boulevard, Juno  
9           Beach, FL 33408.

10 **Q.     By whom are you employed and what is your position?**

11 A.     I am employed with Florida Power & Light Company (FPL) as Vice President, Nuclear  
12           Power Uprates.

13 **Q.     Have you previously filed testimony in this docket?**

14 A.     Yes. This is a supplement to my previously-filed testimony.

15 **Q.     What is the purpose of this supplement to your testimony?**

16 A.     This supplement provides the Florida Public Service Commission (Commission),  
17           Commission Staff, and all parties to this docket with an update on three matters occurring  
18           after the filing of my July 9 rebuttal testimony: (i) FPL has negotiated an agreement with  
19           Siemens related to FPL's costs for the St. Lucie Unit 2 stator core repair work incurred in  
20           2011; (ii) FPL has completed and placed into service St. Lucie Unit 1 in uprate condition  
21           with excellent results; and (iii) FPL has completed several internal audits previously in  
22           process.

23 **Q.     Are you sponsoring any supplemental exhibits to this testimony?**

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1 A. Yes. I am sponsoring the following exhibits, which are attached to my supplemental  
2 testimony:

- 3 • TOJ-28, Confidential Agreement
- 4 • TOJ-29, St. Lucie Unit 1 LAR Approval.

5 **Q. Please provide the update related to FPL's costs for the St. Lucie Unit 2 repair work**  
6 **incurred in 2011.**

7 A. Negotiations with Siemens that were in process at the time the Commission Audit Staff  
8 issued their report on June 19, 2012, have since been concluded. FPL and Siemens  
9 reached a commercial resolution which FPL believes should satisfactorily address  
10 considerations raised by the Audit Staff in their report. The specific terms of the  
11 resolution are contained in Exhibit TOJ-28, which is the confidential agreement FPL  
12 recently entered into with Siemens. This will reduce the cost of the EPU project by  
13 substantially more than the repair costs FPL incurred. FPL maintains its position that it  
14 prudently managed the generator activities.

15 **Q. Please describe the completion of the St. Lucie Unit 1 EPU.**

16 A. A short outage was completed on July 25, 2012, to complete implementation of the St.  
17 Lucie Unit 1 EPU. At the date of this supplemental testimony, the unit is operating at full  
18 uprated power. The EPU work increased the capacity of St. Lucie Unit 1 by  
19 approximately 144 megawatts – which is about 12 percent more megawatts than FPL's  
20 early 2012 estimate of approximately 129 megawatts used in FPL's 2012 feasibility  
21 analysis. The official increase in power will be determined after performance testing in  
22 late August. The final implementation work was performed after the Nuclear Regulatory  
23 Commission (NRC) approved FPL's License Amendment Request (LAR) for the St.

1 Lucie Unit 1 EPU on July 9, 2012. The NRC's cover letter transmitting the St. Lucie  
2 Unit 1 EPU LAR approval is attached as Exhibit TOJ-29.

3 **Q. Based on the performance of the first unit, is FPL expecting similar results on the**  
4 **remaining three units?**

5 Yes. In total, the EPU project is likely to add approximately 522 to 532 megawatts, as  
6 compared to the 490 megawatts previously estimated. The final Turkey Point Unit 3  
7 EPU outage is almost complete and FPL expects approximately 125.5-130.5 megawatts.  
8 FPL expects St. Lucie Unit 2 to provide approximately 127 megawatts, which is 12  
9 megawatts more than previously estimated, upon completion of the EPU outage that  
10 begins August 5, 2012. The final Turkey Point Unit 4 EPU outage scheduled to begin in  
11 November 2012 is also expected to produce approximately 125.5-130.5 megawatts.

12 **Q. Please provide the update on internal audit activities.**

13 A. The Commission Audit Staff's June 19, 2012 report listed complete and pending EPU  
14 internal and external audits and investigations for 2012. Since that time, three of the  
15 previously pending audits or investigations have been completed. The EPC Contract  
16 Audit conducted by Experis had [REDACTED]. The [REDACTED]  
17 investigation conducted by Internal Audit [REDACTED]  
18 [REDACTED]. The [REDACTED] investigation [REDACTED]  
19 [REDACTED] by the Company. Ineligible costs, if any,  
20 would be corrected in the 2013 Nuclear Cost Recovery filing.

21 **Q. Does that complete the supplement to your testimony?**

22 A. Yes.

**Redacted**



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

July 9, 2012

Mr. Mano Nazar  
Executive Vice President and  
Chief Nuclear Officer  
Florida Power and Light Company  
P.O. Box 14000  
Juno Beach, Florida 33408-0420

SUBJECT: ST. LUCIE PLANT, UNIT 1 - ISSUANCE OF AMENDMENT REGARDING  
EXTENDED POWER UPRATE (TAC NO. ME5091)

Dear Mr. Nazar:

The Commission has issued the enclosed Amendment No. 213 to Renewed Facility Operating License No. DPR-67 for the St. Lucie Plant, Unit No. 1. This amendment consists of changes to the Operating License and the Technical Specifications (TSs) in response to your application dated November 22, 2010, as supplemented by the letters listed in Attachment 1 of the enclosed safety evaluation.

This amendment increases the authorized maximum steady-state reactor core power level from 2700 megawatts thermal (MWt) to 3020 MWt, which is an increase of approximately 11.85 percent. The proposed increase in power level is considered an extended power uprate. By letter dated July 5, 2012, you requested to withdraw from consideration the associated TS change related to the Surveillance Requirement 4.8.1.1.2.e.6 for the 24-hour run of the emergency diesel generator. That TS change will be processed under separate correspondence.

The NRC staff has determined that the related safety evaluation (SE) contains proprietary information pursuant to Title 10 of the *Code of Federal Regulations*, Section 2.390, "Public Inspections, Exemptions, Requests for Withholding." Accordingly, the NRC staff has also prepared a redacted, publically-available, non-proprietary version of the SE. Copies of the proprietary and non-proprietary version the SE are enclosed.

M. Nazar

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A copy of the Safety Evaluation is also enclosed. The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Tracy J. Orf". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tracy J. Orf, Project Manager  
Plant Licensing Branch II-2  
Division of Operator Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket No. 50-335

Enclosures:

1. Amendment No. 213 to DPR-67
2. Safety Evaluation

cc w/encls: Distribution via Listserv