

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**DOCKET NO. 170009-EI
FLORIDA POWER & LIGHT COMPANY**

MAY 1, 2017

**IN RE: NUCLEAR POWER PLANT COST RECOVERY
FOR THE YEAR ENDING
DECEMBER 2018**

**TESTIMONY & EXHIBITS OF:
JENNIFER GRANT-KEENE**

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **DIRECT TESTIMONY OF JENNIFER GRANT-KEENE**

4 **DOCKET NO. 170009-EI**

5 **May 1, 2017**

6

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

8 A. My name is Jennifer Grant-Keene. My business address is 700 Universe
9 Boulevard, Juno Beach, FL 33408.

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

11 A. I am employed by Florida Power & Light Company (“FPL” or “the
12 Company”). My current title is Accounting Project Manager, Clause
13 Accounting.

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

15 A. Yes.

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to present the final true-up calculation of the
18 2018 revenue requirements. These revenue requirements are summarized in
19 my Exhibit JGK-3 and shown in FPL’s Nuclear Filing Requirement Schedules
20 (NFRs) filed in this docket on March 1, 2017. Included in these revenue
21 requirements are FPL’s final true-up from the 2015 True-Up (T) Schedules
22 and the final true-up from the 2016 T Schedules, both filed in this docket on
23 March 1, 2017. Unless otherwise noted, the costs I discuss are retail

1 jurisdictional costs. I also offer testimony to describe the manner in which
2 costs incurred beginning in 2017 will be recorded while FPL defers the cost
3 recovery it would otherwise be allowed to seek.

4 **Q. Please summarize your testimony.**

5 A. FPL is requesting the Florida Public Service Commission (FPSC or
6 “Commission”) approve as prudent its 2015 and 2016 costs and the resulting
7 overrecovery of revenue requirements of \$7,305,202 which will reduce the
8 Capacity Cost Recovery Clause (CCRC) charges to customers in 2018. These
9 revenue requirements are based on: (1) the final true-up of 2015 costs
10 resulting in an over-recovery of \$1,306,211; and 2) the final true-up of 2016
11 costs resulting in an over-recovery of \$5,998,991. FPL is not seeking
12 recovery of 2017 actual/estimated or 2018 projected costs at this time.
13 Therefore, I have not included 2017 Actual/Estimated (A/E) or 2018 Projected
14 (P) Schedules with my testimony. Instead, FPL is seeking approval to defer
15 these costs incurred for future review by the Commission and future recovery
16 through the clause.

17 **Q. Are you sponsoring or co-sponsoring any exhibits in this case?**

18 A. Yes. I am sponsoring the following exhibit:

- 19 • Exhibit JGK-3, 2018 Revenue Requirements which summarizes the
20 revenue requirements requested to be reflected in the 2018 CCRC charge
21 to customers. These amounts include the results of the 2015 T NFRs and
22 2016 T NFRs filed in this docket on March 1, 2017.

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REVENUE REQUIREMENTS OVERVIEW

Q. What is the total amount FPL is requesting to recover in its 2018 CCRC factors for the TP 6 & 7 Project?

A. FPL is requesting to include in its 2018 CCRC charge an overrecovery of \$7,305,202 of revenue requirements. This total amount represents an overrecovery from the final true-up of 2015 costs of \$1,306,211 and an overrecovery of \$5,998,991 resulting from the final true-up of 2016 costs as described in my March 1, 2017 testimony.

ACCOUNTING FOR PROJECT COSTS BEGINNING IN 2017

Q. Has FPL included A/E or P schedules for the years 2017 and 2018, respectively?

A. No. Because FPL is not seeking the Commission’s review or the recovery of 2017 or 2018 activities and costs at this time, FPL is not filing the AE or P Schedules associated with those years.

Q. How does FPL intend to account for TP 6 & 7 Pre-construction and Site Selection Project costs beginning in 2017?

A. Assuming the Commission finds that the Company’s decision to complete licensing activities (and maintain approvals received) is appropriate and reasonable as described in the testimony of witness Scroggs, FPL will continue to account for its Project costs consistent with the treatment afforded

1 under the NCR Rule, but defer recovery of those costs. FPL will continue to
2 capitalize these TP 6 & 7 project costs as incurred and accrue allowance for
3 funds used during construction (AFUDC). FPL also will continue to record a
4 return on the related Deferred Tax Asset. All current methods of computing
5 carrying costs will continue to be followed, as presently represented in FPL's
6 NFRs.

7 **Q. When does FPL anticipate it will seek Commission review and recovery**
8 **of the costs incurred beginning in 2017?**

9 A. FPL anticipates it will seek Commission review and recovery when it makes a
10 decision regarding initiation of pre-construction work. At that time, it will
11 provide the requisite information for costs incurred for the Commission's
12 prudence review and for recovery through the NCR process.

13 **Q. Please discuss the application of FPL's accounting controls to project**
14 **costs in 2017 and the years that follow.**

15 A. As discussed in my March 1, 2017 testimony, FPL has a robust system of
16 accounting controls that apply to this Project. FPL will continue to utilize and
17 apply these controls during the time in which FPL is deferring review and
18 recovery of Project costs.

19 **Q. Does this conclude your testimony?**

20 A. Yes.

Florida Power Light Company
2018 Revenue Requirements (In Jurisdictional \$)
Exhibit JGK-3

	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)=(3)+(6)
	Dkt. # 150009 2015 Actual/Estimated Costs	Dkt. # 170009 2015 Actual Costs	Dkt. #170009 2015 (Over)/Under Recovery	Dkt. # 150009 2016 Projected Costs	Dkt. # 170009 2016 Actual Costs	Dkt. # 170009 2016 (Over)/Under Recovery	Net Costs to be Recovered/(Returned) in 2018
Line No.	Turkey Point 6 & 7 Site Selection						
1							
2	Site Selection Costs	\$0	\$0	\$0	\$0	\$0	\$0
3							
4	Carrying Costs (b)	\$158	\$158	\$0	\$27	(\$183)	(\$210)
5	Carrying Costs on DTA/DTL (c)	\$159,586	\$159,930	\$344	\$159,561	\$159,578	\$17
6	Total Carrying Costs	\$159,744	\$160,088	\$345	\$159,588	\$159,395	(\$193)
7							
8	Recovery of Costs & Carrying Costs	<u>\$159,744</u>	<u>\$160,088</u>	<u>\$345</u>	<u>\$159,588</u>	<u>\$159,395</u>	<u>(\$193)</u>
9							
10							
11	Turkey Point 6 & 7 Preconstruction						
12							
13	Pre-Construction Costs (a)	\$18,638,220	\$17,309,494	(\$1,328,727)	\$21,057,310	\$15,673,982	(\$5,383,328)
14							
15	Carrying Costs (b)	(\$62,774)	(\$57,109)	\$5,665	\$246,400	\$26,460	(\$219,940)
16	Carrying Costs on DTA/DTL (c)	\$6,709,332	\$6,725,838	\$16,505	\$7,376,121	\$6,980,591	(\$395,530)
17	Total Carrying Costs/ O&M and interest	\$6,646,558	\$6,668,729	\$22,171	\$7,622,521	\$7,007,051	(\$615,469)
18							
19	Recovery of Costs & Carrying Costs (d)	<u>\$25,284,779</u>	<u>\$23,978,223</u>	<u>(\$1,306,556)</u>	<u>\$28,679,830</u>	<u>\$22,681,033</u>	<u>(\$5,998,797)</u>
20							
21	Total Turkey Point 6 & 7	<u>\$25,444,523</u>	<u>\$24,138,311</u>	<u>(\$1,306,211)</u>	<u>\$28,839,419</u>	<u>\$22,840,428</u>	<u>(\$5,998,991)</u>
22							
23							
24							
25	Total Recovery	<u>\$25,444,523</u>	<u>\$24,138,311</u>	<u>(\$1,306,211)</u>	<u>\$28,839,419</u>	<u>\$22,840,428</u>	<u>(\$5,998,991)</u>
26							
27							
28							
29	Notes:						
30	(a) Pre-construction Costs are expenditures on major tasks performed.						
31	(b) Carrying Costs are costs calculated on the average of the sum of CWIP Charges, Adjustments and Unamortized Carrying Costs from prior years less Monthly Amortization at the most recent effective AFUDC Rate.						
32	(c) Current Year Carrying Costs on Deferred Tax Asset/Deferred Tax Liability are costs calculated on the average recovered costs excluding AFUDC/Transfer to Plant at the most recent AFUDC Rate.						
33	(d) FPL is not seeking FPSC review or recovery of 2017 and 2018 costs at this time.						
34							
35							
36							
37	*Totals may not add due to rounding						

**CERTIFICATE OF SERVICE
DOCKET NO. 170009-EI**

I HEREBY CERTIFY that a true and correct copy of FPL's Testimony and Exhibits of Jennifer Grant-Keene was served electronically this 1st day of May, 2017, to the following:

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