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May 1, 2009

-VIA HAND DELIVERY -

Ms. Ann Cole, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

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COMMISSION
CLERK

Re: Docket No. 090009-EI

Dear Ms. Cole:

I am enclosing for filing in the above docket the original and seven (7) copies of Florida Power & Light Company's Petition for Approval of Nuclear Power Plant Cost Recovery Amount for the Period January – December 2010, with a diskette containing the electronic version of same. The enclosed diskette is HD density, the operating system is Windows XP, and the word processing software in which the documents appear is Word 2003.

Also enclosed for filing are the original and fifteen (15) copies of the prefiled testimony and exhibits of Florida Power & Light Company witnesses S. Scroggs, R. Kundalkar, W. Powers, S. Sim, and J. Reed, Concentric Energy Advisors.

If there are any questions regarding this transmittal, please contact me at 561-304-5253.

Sincerely,

to

Bryan S. Anderson
Fla. Authorized House Counsel No. 219511

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COR
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Enclosure

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cc: Counsel for Parties of Record (w/encl.)

DOCUMENT NUMBER-DATE
04122 MAY-18
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Nuclear Power Plant)
Cost Recovery Clause)

Docket No. 090009-EI
Filed: May 1, 2009

**FLORIDA POWER & LIGHT COMPANY'S PETITION
FOR APPROVAL OF NUCLEAR POWER PLANT COST RECOVERY
AMOUNT FOR THE PERIOD JANUARY – DECEMBER 2010**

Florida Power & Light Company (“FPL”), pursuant to section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code, hereby petitions the Florida Public Service Commission (the “Commission”) for approval to recover a Nuclear Power Plant Cost Recovery (“NPPCR”) amount of \$62,792,990 (jurisdictional) through the Capacity Cost Recovery (“CCR”) Clause during the period January – December 2010.

FPL’s requested NPPCR amount is detailed in accompanying Nuclear Filing Requirement (“NFR”) schedules, and is supported by the testimony of witnesses including FPL managers responsible for FPL’s nuclear power plant extended power uprate project at its existing St. Lucie and Turkey Point nuclear power plants (the “EPU” or “Uprate Project”), and for development of two additional nuclear-fueled generating units at FPL’s Turkey Point electric generation site (“Turkey Point 6 & 7”). The NPPCR amount sought for recovery through the CCR Clause in 2010 equates to a typical monthly residential bill impact of approximately \$0.67.

FPL’s requested NPPCR amount consists of (i) carrying charges on construction costs, operations and maintenance (“O&M”) costs, and base rate revenue requirements for in-service systems for the Uprate Project, and (ii) site selection costs, pre-construction costs and associated carrying charges for continued development of Turkey Point 6 & 7, all as provided for in section 366.93 and Rule 25-6.0423, Florida Administrative Code. FPL also requests that the Commission enter a finding that FPL’s 2009 actual/estimated and 2010 projected costs for the

DOCUMENT NUMBER-DATE

04122 MAY-18

FPSC-COMMISSION CLERK

Uprate Project and Turkey Point 6 & 7 are reasonable. In support of this Petition, FPL states as follows:

INTRODUCTION

1. FPL is a corporation with headquarters at 700 Universe Boulevard, Juno Beach, Florida 33408. FPL is an investor-owned utility operating under the jurisdiction of this Commission pursuant to the provisions of Chapter 366, Florida Statutes. FPL is a wholly-owned subsidiary of FPL Group, Inc., a registered holding company under the federal Public Utility Holding Company Act and related regulations. FPL provides generation, transmission, and distribution service to approximately 4.5 million retail customers.

2. Any pleading, motion, notice, order or other document required to be served upon FPL or filed by any party to this proceeding should be served upon the following individuals:

R. Wade Litchfield, Vice President of
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3. This Petition is being filed consistent with Rule 28-106.201, Florida Administrative Code. The agency affected is the Florida Public Service Commission, located at 2540 Shumard Oak Blvd, Tallahassee, FL 32399. This case does not involve reversal or modification of an agency decision or an agency's proposed action. Therefore, subparagraph (c) and portions of subparagraphs (b), (e), (f) and (g) of subsection (2) of such rule are not applicable to this Petition. In compliance with subparagraph (d), FPL states that it is not known which, if any, of the issues of material fact set forth in the body of this Petition, or the supporting

testimony, exhibits and NFR schedules filed herewith, may be disputed by others planning to participate in this proceeding.

4. By Order No. PSC-08-0021-FOF-EI, issued January 7, 2008, the Commission made an affirmative determination of need for FPL's Uprate Project. By Order No. PSC-08-0237-FOF-EI, issued April 11, 2008, the Commission made an affirmative determination of need for Turkey Point 6 & 7. These two projects qualify for cost recovery pursuant to the NPPCR process set forth in section 366.93, Florida Statutes, and Rule 25-6.0423, Florida Administrative Code (the "Rule").

5. The NPPCR amount sought for recovery through the CCR Clause is made up of: (i) the difference between 2008 actual costs and the 2008 actual/estimated costs presented last year; (ii) the difference between 2009 actual/estimated costs and the 2009 projected costs presented last year; plus (iii) FPL's 2010 projected NPPCR recoverable costs. The true-up of FPL's 2008 actual costs was presented in the petition filed in this docket on March 2, 2009, and explained and supported in the direct testimony filed therewith. FPL's 2009 actual/estimated and 2010 projected costs are described in this Petition and supported by the accompanying testimony and exhibits, including NFRs.

6. The testimony and exhibits of FPL witnesses Winnie Powers, Rajiv Kundalkar, Steven Scroggs, and John Reed, filed with this Petition and incorporated herein by reference, describe FPL's 2009 actual/estimated and 2010 projected costs, explain the computation of the total NPPCR amount for recovery during 2010, and demonstrate that the 2009 and 2010 costs are reasonable. Exhibit RSK-1 to the testimony of FPL witness Kundalkar and Exhibit SDS-1 to the testimony of FPL witness Scroggs, both of which are co-sponsored by FPL witness Powers, consist of Appendices I, II and III, containing schedules A/E-1 through A/E-10 and P-1 through

P-10 of the NFRs as well as the True Up to Original (“TOR”) Schedules. The form of these NFR schedules was developed by the Commission Staff working with FPL, the Office of Public Counsel, Progress Energy Florida and others.¹ The “A/E Schedules” and the “P Schedules” support the 2009 actual/estimated and 2010 projected costs, respectively. Additionally, the testimony of FPL witness Sim demonstrates the continued economic feasibility of proceeding with both the Uprate Project and development of Turkey Point 6 & 7 and provides the annual long-term feasibility analyses required by 25-6.0423(5)(c)5, Florida Administrative Code. Each project continues to be cost-effective when compared to the addition of other base load generation options.

2009 ACTUAL/ESTIMATED COSTS

Uprate Project

7. FPL’s Uprate Project is progressing on schedule and within budget. FPL is currently in the final design phase and will begin the planning stage for implementation of the engineered modification packages necessary to uprate the units. Additionally, FPL will continue to prepare its License Amendment Requests (“LARs”) for Nuclear Regulatory Commission approval, will install certain equipment during outages in 2009, and has begun the process of performing “constructability reviews” for equipment removal, modification, or replacement. For these and other related activities, FPL has incurred or expects to incur during 2009 approximately \$258,926,772 in construction costs (\$252,317,529 jurisdictional, net of participant credits) and \$544,467 in O&M costs (jurisdictional, net of participant credits). All of FPL’s

¹ The NFRs consist of T, AE, P and TOR Schedules. The T Schedules are to be filed each March and provide the true-up for the prior year. In May, there are three sets of schedules to be filed: the AE Schedules provide the actual/estimated cost information for the current year, the P Schedules provide the projected expenditures for the subsequent year and the TOR schedules provide a summary of the actual and projected costs for the duration of the project.

uprate costs are separate and apart from other nuclear plant expenditures, would not be incurred but for the Uprate Project, and are reasonable. The carrying charges on the 2009 construction costs are estimated to total \$20,297,390. Pursuant to the Rule, FPL requests recovery of these carrying charges and its O&M costs in the 2010 NPPCR amount.

8. FPL will be placing one system associated with the Uprate Project into service in 2009. FPL is scheduled to place into service its St. Lucie Unit 2 gantry crane modifications during October 2009. The gantry crane modifications will permit FPL to lift, move and install massive St. Lucie Unit 2 power plant components for the Uprate Project. Accordingly, the associated costs on FPL's books will be transferred into plant in service at that time. The approximate amount of \$2,449,426 will be placed into service, resulting in base rate revenue requirements of \$70,566 through the end of 2009. Consistent with the applicable statute, Rule and the Commission's Order No. PSC-08-0749-FOF-EI in Docket No. 080009-EI, carrying charges on construction costs related to the gantry crane modifications have been included in FPL's NPCCR amount up to the in-service date, followed by the related base rate revenue requirements through the end of the year. Consistent with subsection 7(a) of Rule 25-6.0423, FPL will file a separate petition for Commission approval of the base rate effect associated with the gantry crane modifications, which is expected to be so minimal that no customer bill impact is anticipated.

Turkey Point 6 & 7 Project

9. FPL is applying a thoughtful step-by-step approach to the development of its Turkey Point 6 & 7 new nuclear generation units. At present, the primary focus of the project is completing and presenting the license and permitting applications necessary for project approval and construction. Due to uncertainties with respect to commercial negotiations, permitting

processes and state-wide energy policy considerations, FPL is deferring some of its previously planned 2009 Engineering and Procurement expenditures to allow further information to be developed. FPL has incurred or expects to incur \$45,640,661 of pre-construction costs (\$45,444,468 jurisdictional), including carrying charges of \$3,560,771; and \$472,938 of site selection costs for Turkey Point 6 & 7 in 2009. The pre-construction costs are related to licensing and permitting activities, engineering and design work and long lead procurement. The site selection costs consist only of carrying charges accrued on the unrecovered balance of costs incurred prior to FPL's request for a determination of need for Turkey Point 6 & 7. All of these costs are related to or resulting from the project and are reasonable. Pursuant to subsection (5)(a) of the Rule, FPL requests recovery of the jurisdictional costs in the 2010 NPPCR amount.

2010 PROJECTED COSTS

Uprate Project

10. During 2010, FPL will begin implementing Uprate Project engineered modification packages during three scheduled outages. FPL will also prepare modification packages to be implemented during outages scheduled to be conducted during 2011. FPL projects that it will incur \$391,614,248 in construction costs (\$376,703,895 jurisdictional, net of participant credits) and \$2,147,983 in O&M costs (jurisdictional, net of participant credits) in 2010. All of FPL's uprate costs are separate and apart from other nuclear plant expenditures, would not be incurred but for the Uprate Project, and are reasonable. The carrying charges on the 2010 construction costs are estimated to total \$41,594,197. Pursuant to the Rule, FPL requests recovery of these carrying charges and its O&M costs in the 2010 NPPCR amount.

11. FPL also plans to place nine systems associated with the Uprate Project into service during 2010, as described in the testimony and exhibits of FPL witness Kundulkar. The

projected \$307,405,281 of associated costs will be transferred to plant in service at various times throughout the year as systems are placed into service, resulting in base rate revenue requirements of approximately \$16,007,584 through the end of 2010. Carrying charges on construction costs related to these systems have been included in FPL's request up to each system's in-service date, followed by the related base rate revenue requirements through the end of the year, consistent with the applicable statute, Rule and the Commission's Order No. PSC-08-0749-FOF-EI in Docket 080009-EI. Consistent with subsection 7(a) of Rule 25-6.0423, FPL will file a separate petition for Commission approval of the base rate increase associated with these systems.

Turkey Point 6 & 7 Project

12. During 2010, FPL plans to continue with project planning, procurement, and detailed engineering activities. FPL projects that it will incur \$91,730,615 of pre-construction costs (\$90,654,124 jurisdictional), including carrying charges of \$973,735; and \$233,136 of site selection costs for Turkey Point 6 & 7 in 2010. These pre-construction costs are primarily related to licensing and permitting activities, and detailed engineering and design activities. The site selection costs consist only of carrying charges accrued on the unrecovered balance. All of the costs are related to or resulting from the project and are reasonable. Pursuant to subsection (5)(a) of the Rule, FPL requests recovery of these jurisdictional costs in the 2010 NPPCR amount.

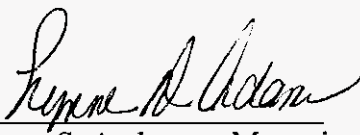
CONCLUSION

13. FPL's 2009 actual/estimated and 2010 projected costs for the Uprate Project and for Turkey Point 6 & 7 consist of reasonable amounts that are expected to be expended for the Uprate Project and Turkey Point 6 & 7 during these years. FPL's planned expenditures are

subject to a rigorous budgeting process, and key decisions affecting those expenditures receive the benefit of informed, thorough and multi-disciplined assessment as well as executive management review, all as described and shown in FPL's testimony and exhibits including NFRs. For all the foregoing reasons, as discussed in the testimony of FPL's witnesses, FPL's 2009 actual/estimated and 2010 projected costs are reasonable.

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission enter an order (i) approving recovery of an NPPCR jurisdictional amount of \$62,792,990 through the CCR Clause during the period January – December 2010, which reflects carrying charges on construction costs, O&M costs, and base rate revenue requirements for the Uprate Project and site selection costs, pre-construction costs and associated carrying charges incurred for the construction of Turkey Point 6 & 7; and (ii) determining that FPL's 2009 actual/estimated and 2010 projected costs for the Uprate Project and Turkey Point 6 & 7 are reasonable.

Respectfully submitted this 1st day of May, 2009,

By: 
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**CERTIFICATE OF SERVICE
DOCKET NO. 090009-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by hand delivery* or U.S. Mail this 1st day of May, 2009, to the following:

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