

Docket No. 20210007-EI
Cross-Examination
Hearing Exhibit

Exhibit No.: OPC-2

Proffered by: Public Counsel

Short title: FPL's Response to Staff's 3rd Interrogatories Nos. 17-23

Witness(s): Sole

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 17
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed July 30, 2021, Exhibit RBD-2, page 4 of 74.

- a. For Project 21- St. Lucie Turtle Nets, please explain the 10.64 percent decrease in operational and maintenance (O&M) expenses for this project.**
- b. For Project 48 - Industrial Boiler MACT, please explain the 51.28 percent decrease in O&M expenses for this project.**

RESPONSE:

- a. The 10.64% decrease in O&M expenses for this project is primarily due to lower than projected costs associated with inspections and net cleaning of algae at the St. Lucie Plant.
- b. The 51.28% decrease in O&M expenses occurred as a result of planned additional testing at the West County Energy Center that was no longer required following modification of the plant's auxiliary boiler.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 18
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed July 30, 2021, Exhibit RBD-2, page 9 of 74.

- a. For Project 7 - Relocate Turbine Lube Oil Underground Piping to Above Ground, please explain the 203.07 percent decrease in capital investment for this project.**
- b. For Project 35 – Martin Plant Drinking Water System Compliance, please explain the 28.47 percent decrease in capital investment for this project.**
- c. For Project 123 – The Protected Species Project, please explain the 147.39 percent increase in capital investment for this project.**

RESPONSE:

- a. For Project 7, the decrease of 203.07% is due to an adjustment to depreciation expense to correct an over-collection of depreciation. A \$1,689 credit to depreciation expense for the over-collected amount was posted in March 2021.
- b. For Project 35, the decrease of 28.47% is due to the retirement of potable water system equipment assets in October 2020, which were not included in the original projections, and which reduced depreciation expense.
- c. For Project 123, the increase in capital of 147.39% is due to a timing difference of placing plant into service. In the original projections, \$203,500 was estimated to be placed in service in September, but \$125,703 was actually placed in service in January, thereby increasing plant in service and depreciation expense 8 months earlier than projected.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 19
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed July 30, 2021, Exhibit RBD-2, page 23 of 74, Project 7 – Relocate Turbine Lube Oil Underground Piping to Above Ground. Please explain why the depreciation expense went from \$132 in February 2021 to (\$1,689) in March 2021, and then to \$0 in April 2021.

RESPONSE:

- a. Project 7 – Relocate Turbine Lube Oil Underground Piping to Above Ground. The reason for the change in depreciation expense is due to an adjustment to depreciation expense to correct an over-collection of depreciation. A \$1,689 credit to depreciation expense for the over-collected amount was posted in March 2021.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 20
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed July 30, 2021, Exhibit RBD-2, page 65 of 74, Project 47 – NPDES Permit Renewal Requirements. Please explain why the depreciation expense went from \$8,427 in August 2021 to \$16,854 in September 2021.

RESPONSE:

As shown on line 1a, column 10 of the capital schedule on page 65 of RBD-2, \$2,801,208 of CWIP was placed into service in August 2021. A half month of depreciation is expensed in the month in which plant goes into service. Therefore, a half month of depreciation for the \$2.8 million plant in service was recorded in August and a full month of depreciation was recorded in September.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 21
Page 1 of 1**

QUESTION:

Please refer to FPL witness Deaton's direct testimony filed July 30, 2021, Exhibit RBD-2, page 68 of 74, Project 123 – The Protected Species Project. Please explain why the depreciation expense went from \$310 in February 2021 to \$465 in March 2021, and then back to \$310 in April 2021.

RESPONSE:

Depreciation was inadvertently not applied to the additions of \$125,703 that went into service in January until February 2021, therefore, the half-month depreciation expense was missing for the month of January. To correct this, a depreciation adjustment for the half month of depreciation expense associated with January was booked in March.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 22
Page 1 of 1**

QUESTION:

Please refer to FPL witness Sole's direct testimony filed July 30, 2021, page 7, lines 14-16. Please explain how using reclaimed water as a primary source for cooling Unit 5 will improve its resiliency.

RESPONSE:

The resiliency of Unit 5 operations will be improved by having two cooling water sources for the unit. Reclaimed water will serve as the primary source and groundwater will be available as a backup source should reclaimed water be unavailable in the quantity and/or quality acceptable for use in Unit 5. Utilizing reclaimed water as a primary cooling water source can provide a more reliable water source during times of drought as reclaimed water is not subject to the South Florida Water Management District's mandatory drought conservation measures as required by Turkey Point's Conditions of Certification Condition XIII.B.1 and Chapter 40E-21 Florida Administrative Code (F.A.C.). Further, use of the Upper Floridan Aquifer groundwater for cooling water is subject to mitigation measures as outlined in Turkey Point's Conditions of Certification Condition XIII.B.2, including, but not limited to, a reduction in groundwater pumping rates in the event there are impacts to existing legal uses. Use of reclaimed water is not subject to mitigation measures and provides more resiliency for Unit 5 operations.

**Florida Power & Light Company
Docket No. 20210007-EI
Staff's 3rd Set of Interrogatories
Interrogatory No. 23
Page 1 of 1**

QUESTION:

Please refer to FPL witness Sole's direct testimony filed July 30, 2021, pages 2 through 9.

- a. Does FPL return the reclaimed water used for cooling Unit 5 to Miami-Dade's South District Wastewater Treatment Plant for treatment and disposal? If not, please explain how the reclaimed water is disposed once it has been used for cooling Unit 5.**
- b. The Agreement states that FPL is responsible for designing and constructing an advanced treatment system at Turkey Point to further treat the reclaimed water for use in the cooling towers. As the reclaimed water from Miami-Dade's South District Wastewater Treatment Plant is already treated, please explain what extra treatment is needed to make the reclaimed water suitable for use in the cooling towers.**


RESPONSE:

- a. No. FPL intends to dispose of reclaimed water used for Unit 5 cooling using a new underground injection control system to be constructed at the Turkey Point site pursuant to the FPL Miami-Dade County Agreement (Exhibit MWS-9). Additionally, the FPL Miami-Dade County Agreement precludes disposal of reclaimed water to the Turkey Point cooling canals, or surface waters of surrounding wetlands, and Biscayne Bay.
- b. The CWRC facility will include biological treatment trains to reduce nutrients, secondary clarifiers and filters to reduce total suspended solids, and a chlorine contact system for disinfection. This level of treatment is required for use in the cooling towers and heat exchanger surfaces to prevent scaling and corrosion of the condenser and other power generation equipment. Further, the additional disinfection is needed to comply with Chapter 62-610.668(2)(c), F.A.C. to control biological growth in open cooling towers utilizing reclaimed water. FPL's ownership and operation of the CWRC facility will help ensure a consistent level of water quality for use in the Unit 5 cooling towers.

DECLARATION

I sponsored the answers to Interrogatory Nos. 17, 18b, 18c and 22-23 from **STAFF'S THIRD SET OF INTERROGATORIES (NOS. 17-23)** to Florida Power & Light Company in Docket No. 20210007-EI. The responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

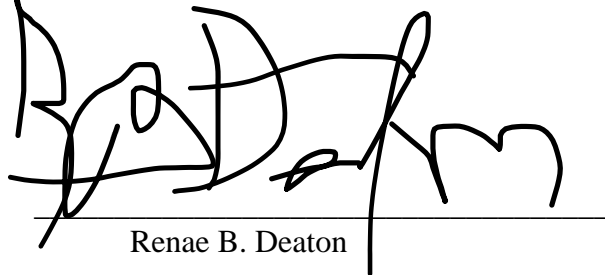

 Michael W. Sole

Date: 9/10/2021

DECLARATION

I sponsored the answer to Interrogatory Nos. 18a and 19 through 21 from **STAFF'S THIRD SET OF INTERROGATORIES (NOS. 17-23)** to Florida Power & Light Company in Docket No. 20210007-EI. The responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration and the interrogatory answers identified above, and that the facts stated therein are true.

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Renae B. Deaton

Date: 9/10/2021