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FPL's Response to Staff's Fifteenth Interrogatories
Nos. 197-201.

QUESTION:

On page 15, lines 6-8, of his Direct Testimony, FPL Witness Ferguson stated that the “St. Lucie Nuclear Plant subsequent license renewal is expected to be filed with the Nuclear Regulatory Commission (“NRC”) in August 2021.”

- a. Please identify how many months it took for FPL to receive the NRC’s approval for the Turkey Point Units 3 and 4 Subsequent Nuclear Plant License Renewal (SLR) application since the Company’s filing of the application.
- b. Please explain when FPL expects to receive the NRC’s approval for the St. Lucie Units 1 and 2 SLR application which will be filed in August 2021.
- c. Please explain why FPL did not use an 80-year life span to formulate St. Lucie nuclear plant’s depreciation rates for the “without RSAM and four-year rate plan” scenario in the current rate case, given A: “the level of confidence that the license renewal will be obtained” which witness Ferguson testified to on page 15, lines 10-11, of his Direct Testimony, and B: the reasonableness of a plant’s life span estimate is not governed/affected by the RSAM or the four-year rate plan proposal.

RESPONSE:

- a. FPL received the NRC approval for the Turkey Point Units 3 and 4 SLR approximately 20 months after the amended application was complete.
- b. FPL expects to receive the NRC’s approval for the St. Lucie Units 1 and 2 SLR application in approximately 18 months after the application is docketed by the NRC which is 45 days from the submittal.
- c. The assumption that a license extension for the St. Lucie nuclear plant will be granted is reasonable to support the RSAM for the policy reasons set forth in the direct testimony of FPL witness Barrett; however, at this time, the Company is only legally able to operate the plant until the end of its current license. Because there remains uncertainty until the license extension is granted, in the absence of the four year rate plan enabled by, among other things, approval of the RSAM, FPL believes it would be premature to assume outcomes for future licensing decisions in the depreciation study sponsored by FPL witness Allis.

QUESTION:

On page 14, line 16, of his Direct Testimony, FPL Witness Ferguson proposed to increase in combined cycle (CC) generating plant lives from 40 years to 50 years.

- a. Please identify FPL's experience in operating a CC plant which has been placed in-service for more than 30 years.
- b. Please complete Table 1 below by identifying the in-service years for each generating unit within FPL's CC fleet (consolidated):

Table 1

Plant Name	Unit No.	No. of Years in Service (to date)
Ft. Myers	2	
	3	
Manatee	3	
...		
..		

- c. Based on the information witness Ferguson provided in his Direct Testimony, page 15, line 16 through page 16, line 2, and FPL's response to FIPUG's 1st Set of Interrogatories, No. 8, is it correct that FPL believes 50-years is a reasonable estimate of the life span of its CC units?
- d. If your response to Question 198(c) above is affirmative, please explain why FPL did not use a 50-year life span to formulate the CC plants' depreciation rates for the "Without RSAM and four-year rate plan" scenario in the current rate case, given that the reasonableness of a plant's life span estimate is not governed/affected by the RSAM or the four-year rate plan proposal.

RESPONSE:

- a. At the time of their retirement at the end of 2014, FPL's Putnam Units 1 and 2 were in service for 37 years. No combined cycle unit presently operating in FPL's fleet has been in service for more than 30 years because most combined cycle plants were constructed since the late 1990's or early 2000's.

b. Please see table below.

Plant Name	Unit No.	No. of Years in Service (to date*)
Ft. Myers	2	19.0
Manatee	3	16.0
Martin	3	27.3
Martin	4	27.2
Martin	8	16.0
Sanford	4	17.7
Sanford	5	19.0
Cape Canaveral	3	8.2
Okeechobee	1	2.3
Port Everglades	5	5.2
Riviera Beach	5	7.2
Turkey Point	5	14.1
West County	1	11.8
West County	2	11.6
West County	3	10.1
Lansing Smith	3	19.2

*As of June 2021

- c. Yes, in the context of the four-year rate plan and the associated RSAM as discussed by FPL witness Barrett in his direct testimony.
- d. The two sets of parameters are reasonable for their respective purposes. The RSAM parameters sponsored by FPL witness Ferguson are reasonable for use to support the RSAM for the policy reasons set forth in the direct testimony of FPL witness Barrett. They are the more reasonable parameters for that purpose as they enable the RSAM that promotes the four-year rate plan. The depreciation study sponsored by FPL witness Allis reflects the more reasonable parameters in the absence of the RSAM mechanism.

QUESTION:

On page 14, line 17, of his Direct Testimony, FPL Witness Ferguson proposed to increase in solar generating plant lives from 30 years to 35 years.

- a. Does FPL have experience in operating a solar plant which has been placed in-service for more than 15 years? If so, please describe the experience and the associated solar plant(s).
- b. Out of FPL's entire solar generating fleet, please identify the percentage of the plants that have been in-service for more than 10, 15 and 20 years, respectively.
- c. On page 16 of his Direct Testimony, witness Ferguson proposed a 35-year life span for FPL's solar plants and identified a survey to support his proposal. Please explain why FPL did not use a 35-year life span to formulate solar plants' depreciation rates for the "Without RSAM and four-year rate plan" scenario in the current rate case, given that the reasonableness of a plant's life span estimate is not governed/affected by the RSAM or the four-year rate plan proposal.

RESPONSE:

- a. No. None of FPL's solar plants have been in service for more than 15 years. This is the case industry-wide as most solar plants have been built in the last 10 years.
- b. Approximately nine percent (i.e., three) of FPL's 34 total operating solar plants were in-service for more than 10 years at the time of FPL's March 2021 Rate Case direct testimony filing, and none for more than 15 years.
- c. Please refer to FPL's response to subparts c and d of Staff's 15th Set of Interrogatories No. 198.

QUESTION:

Please refer to FPL witness Kopp's Direct Testimony, Exhibit JTK-1 (corrected), page 6 of 171, which reads "[t]he estimated retirement dates contained in the current dismantlement study are based on the retirement dates estimated in the 2021 depreciation study prepared by FPL witness Allis."

Please also refer to FPL witness Ferguson's Direct Testimony and Corrected Exhibit KF-5. On pages 14 -15 of his testimony, witness Ferguson proposed a 50-years life span for Combined cycle (CC) plants and a 35-years life span for solar plants.

Assuming the retirement dates corresponding to witness Ferguson's proposed life spans of CCs and solar plants, what would be the resulting necessary edits to Sections 3 and 5.1 of Exhibits JTK-1 (corrected) and the Corrected Exhibit KF-4, page 1? Please show modified pages to these sections as well as a MS Excel spreadsheet, with formulas intact, showing all related calculations.

RESPONSE:

Please note that the last paragraph of the question contains the wrong reference to the dismantlement study accrual exhibit. This should be "Corrected Exhibit KF-5."

Please refer to the following attachments:

- Attachment 1 - Section 3 and 5.1 of Exhibit JTK-1 (RSAM)
- Attachment 2 – Dismantlement accrual workbook (RSAM)
- Attachment 3 - Exhibit KF-5 (Pg.1) Dismantlement company adjustment (RSAM)

QUESTION:

Referring to FPL witness Ferguson's Direct Testimony, pages 22 - 24, please elaborate on the method FPL used to determine the escalation rate for converting the current estimated dismantlement cost to future estimated dismantlement cost (Dismantlement Cost Escalation, or DCE Method). Please clarify whether such method is the same as the method used in previously Commission-approved dismantlement studies and is consistent with the guidance set forth in Rule 25-6.04364, F.A.C.

RESPONSE:

As a point of clarification, FPL does not use any calculation to determine its escalation rate(s) when inflating current estimates to future estimates. As stated in FPL witness Ferguson's direct testimony, Page 26 Lines 3-4: "FPL utilized the August 2020 Global Insight escalation rates in developing the 2021 Dismantlement Study accrual calculations."


As described in FPL witness Ferguson's direct testimony, pages 22 – 24, 1898 & Co developed current dismantlement cost estimates into several cost categories. Further illustrated within Section 7 Appendix A & B of the 2021 Dismantlement Study (Original & Corrected), these cost categories are Labor, Materials and Equipment, Disposal, and Salvage. FPL then inflates the current costs estimates, by cost category, into future costs using the applicable indices provided in Section 4 of the 2021 Dismantlement Study and referenced above. The summation of each individual cost category is then presented as singular total future estimated dismantlement cost on a unit by unit basis.

The methodology of breaking the costs estimates down and inflating those costs by specific inflation factors is consistent with FPL's previously Commission-approved dismantlement studies, complies with Rule 25-6.04364 Dismantlement Rule, Florida Administrative Code, and adheres to the more detailed FPSC commission Order No. 24741 (Docket No. 890186-EI).

DECLARATION

I, Thomas Broad, co-sponsored the answers to Interrogatory Nos. 198-199 from Staff's Fifteenth Set of Interrogatories to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty 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.



Thomas Broad
Date: 7/28/21

DECLARATION

I, Robert Coffey, co-sponsored the answer to Interrogatory No. 197 from Staff's Fifteenth Set of Interrogatories to Florida Power & Light Company in Docket No. 20210015-EI, and the response is true and correct based on my personal knowledge.

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

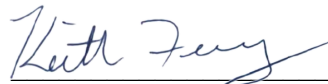
Robert Coffey

Date: _____

DECLARATION

I, Keith Ferguson, sponsored the answers to Interrogatory Nos. 200-201 and co-sponsored the answers to Interrogatory Nos. 197-199 from Staff's Fifteenth Set of Interrogatories to Florida Power & Light Company in Docket No. 20210015-EI, and the responses are true and correct based on my personal knowledge.

Under penalty 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.

A handwritten signature in blue ink that reads "Keith Ferguson". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Keith Ferguson

Date: July 30, 2021