

approvals necessary to construct and operate TP67 from both state and federal governments. FPL has maintained its reservations with the manufacturers of long-lead material by negotiating several extensions. In 2009 and 2010, FPL continued negotiations for a land exchange agreement with the Everglades National Park and for approval of a Comprehensive Development Master Plan amendment for roadway improvements needed for construction activities. Also during that time, FPL sought approval and execution of a Joint Participation Agreement for reclaimed water from Miami-Dade County for the TP67 project's cooling water needs. Therefore, we find that FPL has demonstrated its intent to build the TP67 nuclear power plant through 2010. FPL's activities related to TP67 qualify as siting, design, licensing, and construction of a nuclear power plant as contemplated by Section 366.93, F.S.

III. 2010 and 2011 Annual Detailed Analyses of the Long-term Feasibility of Completing the Turkey Point 6 & 7 Project

This issue addresses review and approval of FPL's detailed long-term feasibility analysis of continuing construction and completing the TP67 project as required by Rule 25-6.0423, F.A.C., and Order No. PSC-08-0237-FOF-EI.

In an effort to mitigate the economic risks associated with the long lead-time and high capital costs associated with nuclear power plants, the Florida Legislature enacted Sections 366.93 and 403.519(4), F.S., during the 2006 legislative session. Section 366.93(2), F.S., requires us to establish, by rule, alternative cost recovery mechanisms for the recovery of costs incurred in the siting, design, licensing, and construction of a nuclear power plant. We adopted Rule 25-6.0423, F.A.C., to satisfy the requirements of Section 366.93(2), F.S. Rule 25-6.0423(5)(c)5, F.A.C., states:

By May 1 of each year, along with the filings required by this paragraph, a utility shall submit for Commission review and approval a detailed analysis of the long term feasibility of completing the power plant.

In Order No. PSC-08-0237-FOF-EI, we provided specific guidance regarding the requirements necessary for FPL to satisfy Rule 25-6.0423(5)(c)5, F.A.C. The Order reads as follows:

FPL shall provide a long-term feasibility analysis as part of its annual cost recovery process which, in this case, shall also include updated fuel forecasts, environmental forecasts, breakeven costs, and capital cost estimates. In addition, FPL should account for sunk costs. Providing this information on an annual basis will allow us to monitor the feasibility regarding the continued construction of Turkey Point 6 and 7.¹¹

We find that FPL satisfied the requirements of Order No. PSC-08-0237-FOF-EI through various means. FPL's feasibility analysis for completion of TP67 project remained consistent with the methodology it used in the need determination and each subsequent NCRC proceeding.

¹¹ Order No. PSC-08-0237-FOF-EI, issued April 11, 2008, in Docket No. 070650-EI, In re: Petition to determine need for Turkey Point Nuclear Units 6 and 7 electrical power plant, by Florida Power & Light Company.