

Nuclear Cost Recovery:

Investing in Our Future

Nuclear cost recovery is a cost-saving financing method that enables utility companies to increase the output of existing plants and create the opportunity to build new nuclear facilities to meet future energy demand in a clean, safe and reliable way.

Over their operational lifetimes, FPL's nuclear projects will save customers more than they cost.

Extended power uprates will:

- » Save customers an estimated \$3.4 billion over the lifetime of the project
- » Reduce annual fossil fuel usage by the equivalent of nearly seven million barrels of oil or 43 trillion BTUs of natural gas annually
- » Reduce CO₂ emissions by an estimated 33 million tons over the life of the plants

The new nuclear units would:

- » Save customers an estimated \$78 billion over their operating lifetime
- » Reduce annual fossil fuel usage by the equivalent of 28 million barrels of oil or 177 trillion BTUs of natural gas
- » Reduce CO₂ emissions by an estimated 265 million tons over the life of the project

Florida Power & Light Company's important nuclear power investments that are currently underway would not be possible without this financing mechanism that both reduces upfront risk for utilities and keeps customer costs down.

- » Under Florida's nuclear cost recovery system, customers help pay for certain pre-construction costs such as licensing expenses and some financing charges during the development phase of a nuclear project
- » Because it takes billions of dollars to build a new nuclear plant, paying off some costs during development – often referred to as pay-as-you-go – prevents expensive interest charges from piling up
- » This saves customers money in the long run because these charges are not rolled into their bills later

Florida Power & Light's nuclear projects

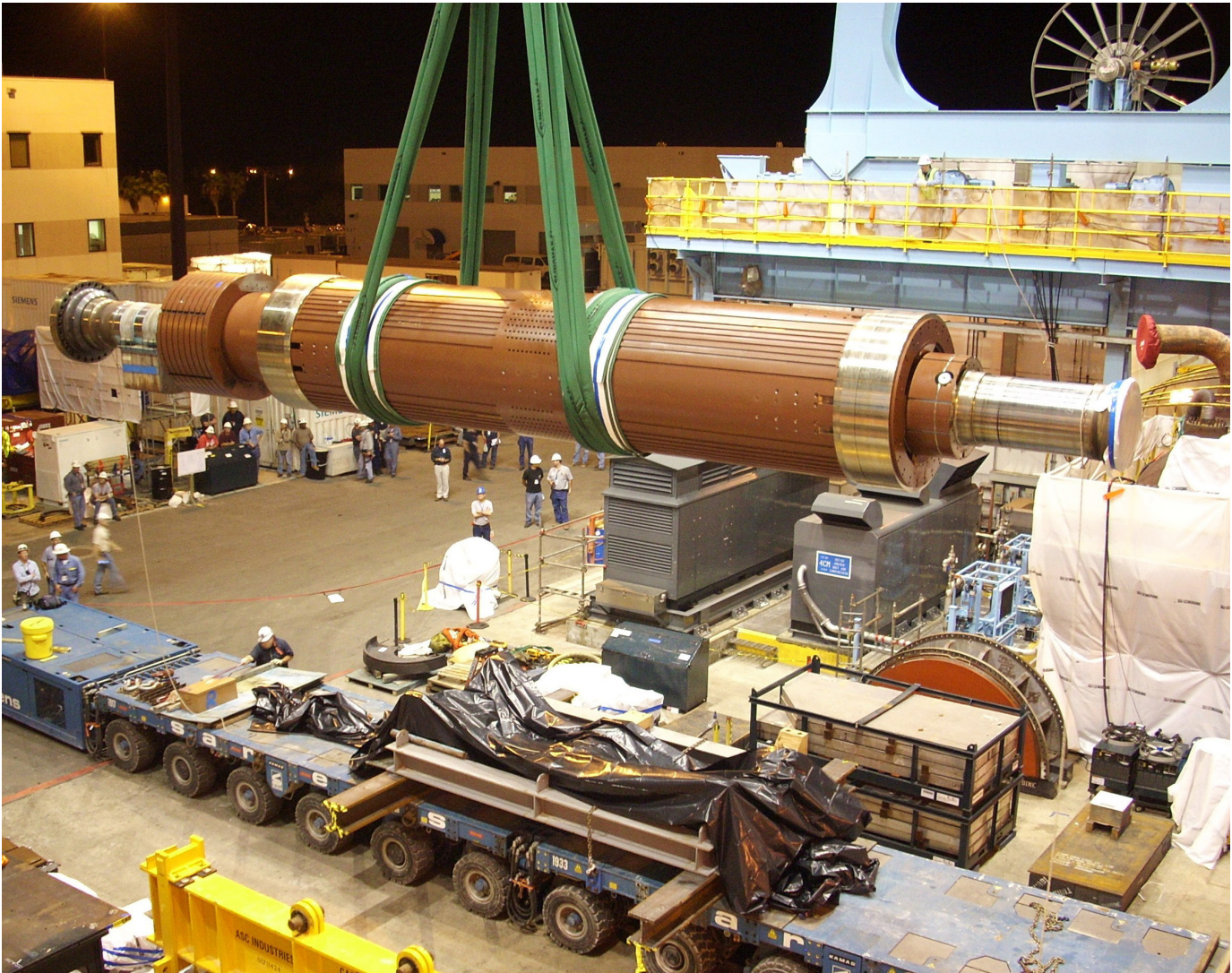
FPL has requested approximately \$43.5 million in cost recovery for 2014. This amounts to about 46 cents per month on the typical 1,000-kWh residential customer bill, which is already the lowest in the state. Compared with the \$1.65 per month in 2013, it will be a reduction of \$1.19 per month.

- » Currently, major licensing activities are centered around completing the agency reviews of the federal and state applications, obtaining local land use approvals, and activities supporting cooling systems at the project site.



Thousands of additional workers upgraded pipes, valves and other plant equipment as part of the around-the-clock Extended Power Uprate project completed in April 2013.

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During the Extended Power Uprate project, plant components of all sizes are replaced. In this photo, the 147-ton generator rotor is replaced at Turkey Point Unit 3.

Planning for the future: A brief history of nuclear cost recovery

In 2006, the Florida Legislature recognized the need for utilities to develop additional clean, reliable generation that would help keep customer bills low while meeting the future energy demands of the state. The Legislature also recognized that upgrading the efficiency of existing plants and building new plants is expensive and utilities would be unable to undertake these major projects without an incentive to do so.

Instead of providing taxpayer-funded government grants, the Legislature approved a plan – nearly unanimously – that:

- » Requires utilities to have an independent determination of need for the additional generation by the Florida Public Service Commission before the project begins
- » Requires that the Commission review any costs associated with the projects on an annual basis to ensure they are prudent
- » Requires that the Commission make a determination that the utilities' current yearly project plan and the following year's plan is reasonable
- » Protects customers from paying higher costs associated with interest on financing charges or a huge "lump sum" charge on their electric bill

Go online to learn about how these projects are:

- » Helping local businesses
- » Creating jobs for local residents
- » Benefiting customers

To view videos and learn the facts behind common nuclear myths, visit www.FPL.com/nuclearinvestments.