

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF STAFF WORKSHOP

TO

FLORIDA POWER CORPORATION
FLORIDA POWER & LIGHT COMPANY

AND

ALL OTHER INTERESTED PERSONS

RE: UNDOCKETED

ESCROW OF NUCLEAR WASTE DISPOSAL FEES

ISSUED: October 15, 1998

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a workshop to which all persons are invited, at the following time and place:

2:00 p.m., Monday, November 2, 1998
Room 171, Betty Easley Conference Center
4075 Esplanade Way
Tallahassee, Florida

PURPOSE

The purpose of this workshop is to discuss the escrow of nuclear waste disposal fees. These fees are paid by ratepayers who receive power generated by one of the five nuclear plants in Florida. The utilities collect these fees and relay them to the federal government in return for the Department of Energy's obligation to accept, move, and dispose of spent nuclear fuel. Due to the Department of Energy's default of its contractual and statutory obligation to accept the nuclear waste by January 31, 1998, the Florida Public Service Commission would like to gather information concerning the potential escrow of the funds collected from ratepayers until such time as the Department of Energy begins to move the waste from the state's nuclear power plants.

DOCUMENT NUMBER-DATE

11518 OCT 15 88

THE RECORDS/REPORTING

Notice of Staff Workshop

Undocketed: Escrow of Nuclear Waste Disposal Fees

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A copy of the agenda for this workshop is attached.

Any person requiring some accommodation at this workshop because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least 48 hours prior to the workshop. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by using the Florida Relay Service, which can be reached at 1-800-955-8771 (TDD).

JURISDICTION

Jurisdiction is vested in this Commission pursuant to Chapter 366, Florida Statutes. The workshop will be governed by the provisions of that Chapter and Chapters, 25-6, 25-22 and 28-106, Florida Administrative Code.

By DIRECTION of the Florida Public Service Commission, this 15th day of October, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

RVE

Staff Workshop Agenda
Escrow of Nuclear Waste Fund (NWF) Payments

The purpose of this workshop is to explore issues relating to the Florida Public Service Commission's evaluation of the concept of escrowing nuclear waste disposal fees. These fees are paid by ratepayers who receive power generated by one of the five nuclear plants in Florida. The utilities collect these fees and relay them to the federal government in return for the Department of Energy's obligation to accept, move, and dispose of spent nuclear fuel. Due to the Department of Energy's default of its contractual and statutory obligation to accept the nuclear waste by January 31, 1998, the Florida Public Service Commission (FPSC) would like to gather information on the pros and cons of escrowing the funds collected from ratepayers until such time as the Department of Energy (DOE) begins to move the waste from the state's nuclear power plants.

- I. Welcome & introduction of participants

- II. Funding mechanism as it presently works
 - A. Collection of fees from ratepayers
 - B. Disbursement of fees to federal government
 - C. Appropriation of fees by Congress to federal waste program
 - D. DOE waste program expenditures and activities to date

- III. Prior attempts to escrow NWF payments
 - A. Remedy sought in lawsuit
 - B. Attempts by other states
 - C. Nuclear Waste Strategy Coalition letter to DOE

IV. Escrow: pros & cons

A. Financial implications of escrow

1. Funding for possible disposal alternatives
2. Funding for costs of delay - on-site storage costs, premature shutdown costs, increased decommissioning costs
3. Penalty assessed for late payment of fees (6%)
4. Tax implications
5. Risk/return tradeoff - interest implications

B. Regulatory/legal implications of escrow

1. FPSC authority to require escrow of NWF payments
2. Nuclear Regulatory Commission operating licenses (NRC Waste Confidence Rule)
3. Utility breach of contract - reciprocity issue - shift in responsibility

C. Other implications of escrow

1. Loss of place in the queue
2. Increased likelihood of DOE meeting its obligations
3. Opportunity to establish criteria for release of funds
4. Responsibility for management of account
5. Utility shareholder payment of NWF fees
6. Ratepayer protection

V. Adjourn workshop