



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

**DATE:** September 1, 2000  
**TO:** J. Terry Deason, Chairman  
**FROM:** Pat Lee, Division of Economic Regulation *PL*  
 Wm. Cochran Keating, Division of Legal Services *WCK* *QUE*  
**RE:** Docket No. 991931-EG - Determination of Appropriate Method  
 of Recovery for the Last Core of Nuclear Fuel for Florida  
 Power & Light Company and Florida Power Corporation.

On August 24, 2000, staff filed its recommendation in the above-referenced docket for consideration at the Commission's September 5, 2000, Agenda Conference (Item 22). The recommendation concerns the appropriate method for recovery of costs associated with the last core of nuclear fuel for Florida Power & Light Company (FPL) and Florida Power Corporation (FPC). FPL and FPC both requested cost recovery through the fuel adjustment clause. Staff recommended recovery through an unfunded reserve of nuclear decommissioning. This morning, we received a request from FPL to defer this item until the conclusion of FPL's nuclear decommissioning accrual study update at the end of this year. A copy of FPL's request is attached hereto. FPC has indicated that it does not object to deferral of this item. Both FPL and FPC have indicated that they will not seek recovery for any last core costs through the fuel clause for the 2001 recovery period.

In light of FPL's request, staff requests approval to withdraw its recommendation. Staff notes that FPL will file a nuclear decommissioning study at the end of this year, but the conclusion of that study will not occur until the fourth quarter of 2001. Staff would like the opportunity to bring this issue to the Commission if it appears appropriate to do so upon review of FPL's decommissioning study, rather than wait for the conclusion of that study at the end of 2001.

- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_ Attachment
- ECR \_\_\_\_\_ WCK
- LEG \_\_\_\_\_ 991931m1.wck
- OPC \_\_\_\_\_
- PAI \_\_\_\_\_
- RGO \_\_\_\_\_
- SEC \_\_\_\_\_
- SER \_\_\_\_\_
- OTH \_\_\_\_\_

cc: All Commissioners  
 William D. Talbott, Executive Director  
 Dr. Mary A. Bane, Deputy Executive Director/Technical

*Recommend approval*  
*MAB*  
*9/1/00*  
*OK. WAB*

DOCUMENT NUMBER-DATE  
**10924 SEP-58**  
 FPSC-RECORDS/REPORTING



Florida Power &amp; Light Company, 216 S. Monroe St., Suite 810, Tallahassee, FL 32301

September 1, 2000

Fax: 413-6401

Mr. Tim Devlin, Director  
Auditing & Financial Analysis  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Mr. Devlin:

Re: Life Extension, Entombment

Regarding the issue of "last core" nuclear fuel and FPL's proposed cost recovery through the fuel adjustment clause, we would suggest that this issue be deferred until the conclusion of our nuclear decommissioning accrual study update due at the end of this year.

FPL will not request recovery of these costs in the fuel clause for the year 2001. The decommissioning study may present other alternatives to deal with these costs.

Please let me know if this approach is acceptable to you.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. G. Walker, III', written over a horizontal line.

for  
W. G. Walker, III  
Vice President  
Regulatory Affairs

WGW:vlf