State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE:	August 2, 2010
TO:	Ann Cole, Commission Clerk, Office of Commission Clerk
FROM:	Jennifer S. Crawford, Attorney Supervisor, Office of the General Counsel JSC Mark A. Futrell, Public Utilities Supervisor, Division of Regulatory Analysis MAF
RE:	Docket No. 100000-OT, Undocketed filings

Please file the attached correspondence in the Undocketed file.

RECEIVED-FPSC
10 AUG -2 PM 3:19
COMMISSION
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JSC

Attachments

Jennifer Crawford

From: Lewis Jr, Paul [Paul.LewisJr@pgnmail.com]
Sent: Friday, July 30, 2010 12:58 PM
To: Mark Futrell
Cc: Beth Salak; Bob Trapp
Subject: RE: Nuclear waste storage cost

Mark,

Below are our responses to your questions regarding the nuclear waste issue. Please give me a call if you have questions.

Thanks,
Paul

Paul,

Please arrange to have the answers to the following questions submitted to me by Monday, August 2nd at 12:00 p.m.

1.Has PEF received any money from the Department of Energy to help offset costs for on-site nuclear waste storage? If so, when were the funds received, how much was received, and how were these costs credited to the ratepayers? If not, has PEF requested funds from DOE and what is the status of the request?

PEF has not, to date, received any money from the U.S. government to help offset costs for on-site storage of nuclear waste. PEF commenced a damages lawsuit against the government in 2004, and a decision after a trial in that matter was issued in 2008. That proceeding, however, only involved costs incurred through the end of 2005. As of that point PEF had not yet incurred costs for dry storage activities. PEF did claim certain costs for a prior spent fuel pool racking project, but the court found that that project was necessitated by factors other than the Department of Energy's delay. Pursuant to controlling legal authorities, PEF may commence an action for post-2005 spent nuclear fuel storage costs within six years, or by the end of 2011. PEF intends to pursue recovery of its post-2005 costs from the government.

2. What is the annual cost for on-site nuclear waste storage for PEF? What rate mechanism (base rates or recovery clauses) is used to recover these costs? What is the allocation of these costs between retail and wholesale customers?

We do not break out the annual costs to maintain the nuclear spent fuel storage pool. The spent fuel storage pool expenses are considered part of the overall plant O&M expense. These expenses are recovered in base rates and the allocation in our 2010 test year rate case was 87% of total nuclear O&M to retail customers.

Additionally, the company is moving forward with planning for dry storage site development at CR3 with a potential in-service date of 2013, which is still subject to some schedule shift. The dry storage

cost would also be a base rate expense that will be allocated to retail customers based on the appropriate production demand allocation factor at that time.

If you have any questions, please contact me.

Mark Futrell
Division of Regulatory Analysis
Florida Public Service Commission
(850) 413-6692
mfutrell@psc.state.fl.us

Jennifer Crawford

From: Keith, Terry J [Terry.J.Keith@fpl.com]
Sent: Friday, July 30, 2010 3:24 PM
To: Mark Futrell
Cc: Beth Salak; Bob Trapp; HOFFMAN, KENNETH; Adams, Lynne
Subject: Nuclear waste storage cost - Questions from Staff
Attachments: FPL responses to Staff questions re SNF.pdf

Mark, attached are FPL's responses to your questions addressed to Ms. Lynne Adams per email below. Please note that FPL is still compiling its response to Question 2(a) and plans to provide it by noon Monday, August 2, 2010.

From: Mark Futrell [mailto:MFutrell@PSC.STATE.FL.US]
Sent: Thursday, July 29, 2010 1:42 PM
To: Adams, Lynne
Cc: Beth Salak; Bob Trapp
Subject: Nuclear waste storage cost
Importance: High

Lynne,

Please arrange to have the answers to the following questions submitted to me by Monday, August 2nd at 12:00 p.m.

1. Has FPL received any money from the Department of Energy to help offset costs for on-site nuclear waste storage? If so, when were the funds received, how much was received, and how were these costs credited to the ratepayers? If not, has FPL requested funds from DOE and what is the status of the request?

2. What is the annual cost for on-site nuclear waste storage for FPL? What rate mechanism (base rates or recovery clauses) is used to recover these costs? What is the allocation of these costs between retail and wholesale customers?

If you have any questions, please contact me.

Mark Futrell
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(850) 413-6692
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FPL's Responses to Questions from Florida Public Service Commission Staff Regarding Spent Nuclear Fuel Storage Costs Received on July 29, 2010

1(a) Has FPL received any money from the Department of Energy to help offset costs for on-site nuclear waste storage?

Response: Yes.

1(b) If so, when were the funds received, how much was received, and how were these costs credited to the ratepayers? If not, has FPL requested funds from DOE and what is the status of the request?

Response: Pursuant to a settlement of FPL's spent nuclear fuel (SNF) damages claims against the U.S. Government (DOE), FPL and DOE agreed to an annual claims process under which FPL will submit its claims for certain reimbursable SNF management costs to DOE, and DOE is required to render a decision on FPL's claims within 90 days of submittal.

Pursuant to this process, an initial payment by DOE to FPL in the amount of $77 million for spent fuel management costs incurred from 1998 through the end of 2007 was received by FPL in May 2009.

A subsequent payment by DOE to FPL in the amount of $17.9 million for SNF management costs incurred in 2008 was received by FPL in July 2010.

FPL's claim for $29.6 million in SNF management costs incurred in 2009 is pending.

Please also refer to FPL's response to Question No. 2(b).

2(a) What is the annual cost for on-site nuclear waste storage for FPL?

- Response: To be determined

2(b) What rate mechanism (base rates or recovery clauses) is used to recover these costs?

Response: Costs, as well as any applicable DOE reimbursements, are charged/credited to base rates.

2(c) What is the allocation of these costs between retail and wholesale customers?

Response: Nuclear costs are currently allocated between retail customers (98.8182%) and wholesale customers (1.1818%).