

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 100458-EI

In the Matter of:

PETITION FOR APPROVAL OF 2010
NUCLEAR DECOMMISSIONING STUDY,
BY FLORIDA POWER & LIGHT COMPANY.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 4

COMMISSIONERS
PARTICIPATING: CHAIRMAN ART GRAHAM
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, August 23, 2011

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: LINDA BOLES, RPR, CRR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

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3 **CHAIRMAN GRAHAM:** Item Number 4.

4 **MS. LEE:** Good morning, Commissioners. Pat
5 Lee of Staff.

6 Item 4 on today's agenda is the review of
7 FP&L's 2010 nuclear decommissioning cost study. The
8 last decommissioning cost study for FP&L was reviewed by
9 the Commission in 19 -- was part of a 1998 cost study.
10 Since that time, there have been various stipulations,
11 and the accrual, decommissioning accrual has been
12 suspended.

13 In the study before you Staff is recommending
14 a zero accrual to continue, primarily due to a decrease
15 in escalation rates, a 20-year life extension on each of
16 the units that has been approved by the NRC, and also a
17 reduction in the estimated costs to reflect
18 reimbursements from DOE as a result of a 2009 settlement
19 concerning on-site storage of spent fuel.

20 Staff is also recommending an increase in the
21 amortization of end of life material and supplies
22 inventories, as well as the last core of nuclear fuel to
23 be effective at the time of FP&L's next base rate
24 proceeding. Staff is available for questions.

25 **CHAIRMAN GRAHAM:** Thank you.

1 Mr. Butler.

2 MR. BUTLER: Thank you, Mr. Chairman. Mitch
3 Ross of FPL is also appearing on this item.

4 FPL fully supports the Staff recommendation.
5 Thank you again. Staff has thoroughly reviewed our 2010
6 decommissioning studies.

7 FPL responded to over 145 data requests in
8 support of Staff's evaluations, as has been very
9 thoroughly reviewed. Staff concluded, FPL agrees, that
10 FPL's annual decommissioning accrual for each of its
11 nuclear plants should remain at zero.

12 Just to make clear what that means, the annual
13 accruals of zero mean that FPL's customers are currently
14 not paying anything in their electric rates toward
15 decommissioning costs. And that's made possible because
16 the funds that FPL has already set aside, along with the
17 earnings on those funds, are expected to cover the
18 future decommissioning costs under current assumptions
19 about escalation rates and the earnings on the funds.
20 And, of course, those assumptions can change over time,
21 which is why we also agree with Staff that, you know,
22 FPL properly should file its next decommissioning study
23 no later than December 2015, consistent with the
24 Commission's decommissioning rule. And in short, we'd
25 ask you to approve Staff's recommendation. Thank you.

1 **CHAIRMAN GRAHAM:** Thank you, sir.

2 Commissioners. Commissioner Balbis.

3 **COMMISSIONER BALBIS:** Thank you, Mr. Chairman.

4 I just have one quick question, and it really
5 has to do with Issue 3 for Staff concerning the spent
6 nuclear fuel management costs.

7 It's stated in the recommendation that the
8 U.S. government makes payment to FPL to cover its costs
9 for the management and storage of the spent nuclear
10 fuel. I just want to confirm that the, they're getting
11 reimbursed fully for those costs or, or not?

12 **MS. LEE:** Commissioner, it's my understanding
13 that FP&L will be reimbursed for all of those costs as
14 they are incurred.

15 **COMMISSIONER BALBIS:** Okay. Maybe the
16 question for Florida Power & Light. Do you feel that
17 the reimbursement rate is, is, is enough to cover the
18 current and anticipated costs?

19 **MR. ROSS:** Yes, Commissioner Balbis. The
20 settlement agreement provides that the government is
21 required to reimburse the company for any spent fuel
22 management costs that arise because of the department's
23 delay in disposal of spent nuclear fuel.

24 Our experience so far under the settlement
25 agreement is that the company has been able to recover

1 most, if not all, of its spent fuel management costs.
2 The obligation for the government to reimburse the
3 company for those costs continues until the government
4 starts to perform its disposal obligation. So we have
5 very high confidence that most, if not all, of the spent
6 fuel disposal costs will be reimbursed by the
7 government.

8 **COMMISSIONER BALBIS:** Okay. Thank you. I
9 have no further questions.

10 **CHAIRMAN GRAHAM:** Is that a motion?

11 **COMMISSIONER BROWN:** Mr. Chairman.

12 **CHAIRMAN GRAHAM:** Commissioner Brown.

13 **COMMISSIONER BROWN:** Thank you. And I
14 apologize. I would go ahead and support the motion; I
15 just wanted to make a comment. Because this is a unique
16 item that we don't really get to see every few years, so
17 I did want to just indicate that I do support the source
18 of having a dedicated funding source for the removal of
19 spent nuclear fuel. The Yucca Mountain repository, I
20 believe that we all wish that it would come to fruition,
21 and -- but -- and it would provide some level of comfort
22 and reassurance. But there are a lot of moving parts
23 here, and I can acknowledge that, and it's hard -- it's
24 not an easy assumption to accept that there's sufficient
25 funds for this purpose. However, I do believe that

1 Staff has reviewed, excuse me, reviewed this thoroughly
2 and reviewed the data, the cost estimates, and the
3 project, projected funding, and based on the current
4 figures to date, the company's decommissioning trust
5 fund is adequate. So I would move Staff's
6 recommendation on this item.

7 **CHAIRMAN GRAHAM:** It's been moved and
8 seconded, Staff recommendation on Item Number 4. Any
9 further discussion? Seeing none, all in favor, say aye.

10 (Ayes unanimous.)

11 Any opposed?

12 (No response.)

13 By your action, you've approved Staff on Item
14 Number 4.

15 **MR. BUTLER:** Thank you, Commission.

16 (Agenda item concluded.)

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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, CRR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 20th day of August, 2011.

Linda Boles
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