State of Florida

Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: December 13, 2001
TO: Division of the Commission Clerk and Administrative Services (Bayó)
FROM: Division of Economic Regulation (Devlin)
RE: Recommendation in Docket Nos. 981246-EI, 001835-EI, 991931-EI, 990324-EI, Item 24 , December 17 Agenda Conference

Attached is the revised recommendation for the above-referenced Dockets. The revised pages are 18, 19, 23, 26, 28, 29, 38, 47, and 52. The recommended annual accrual for FPC, as shown on page 18, should be revised to $18,144,708, representing a $9.5 million increase over the amount requested by FPC and a decrease of $2.1 million compared to its currently approved annual accrual. FPC's decommissioning base costs in 2000 dollars, as shown on page 19, should be revised to $534,898,000; future costs on page 23 should be revised to $1,751,133,363. The fund earnings rate under the 4.7% scenario on page 26 should be revised to $18.1 million; the 5.2% scenario should be $13.5 million; and, the 6.0% scenario should be $7.0 million. Again, the recommended accrual for FPC shown on page 28 should be revised to $18.1 million, reflecting a 11.7% reduction from its currently approved annual accrual (page 29). Page 38 should be revised to reflect the $18.1 million annual decommissioning accrual with a total expense, inclusive of the amortization of EOL M&S and Last Core, of $20.7 million. Finally, pages 47 and 52 have been revised to show the correct inflation rate for 2000, and the recalculation of FPC's annual decommissioning accrual of $18,144,708 reflecting the 2000 base cost of $534,898,000, respectively.

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State of Florida

Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: December 13, 2001
TO: Mary Bane, Deputy Executive Director/Technical
FROM: Tim Devlin, Director, Division of Economic Regulation TD
RE: Item 24, December 17 Agenda

It has come to staff's attention that an input error occurred in the calculation of the recommended annual decommissioning accrual for Florida Power Corporation (Issue 4). This error does not effect any policy decisions, but does have a ripple effect in the fall-out numbers for the recommended accrual, decommissioning base costs, future costs, and fund earnings rate. We request that this item not be deferred as it resolves several issues that impact FPL's and FPC's rate cases. Additionally, the effective date for FPC's revised nuclear decommissioning accrual is January 1, 2001.

The revised recommendation pages are 18, 19, 23, 26, 28, 29, 38, 47, and 52. The recommended annual accrual for FPC, as shown on page 18, should be revised to $18,144,708, representing a $9.5 million increase over the amount requested by FPC and a decrease of $2.1 million compared to its currently approved annual accrual. FPC's decommissioning base costs in 2000 dollars, as shown on page 19, should be revised to $534,898,000; future costs on page 23 should be revised to $1,751,133,363. The fund earnings rate under the 4.7% scenario on page 26 should be revised to $18.1 million; the 5.2% scenario should be $13.5 million; and, the 6.0% scenario should be $7.0 million. Again, the recommended accrual for FPC shown on page 28 should be revised to $18.1 million, reflecting a 11.7% reduction from its currently approved annual accrual (page 29). Page 38 should be revised to reflect the $18.1 million annual decommissioning accrual with a total expense, inclusive of the amortization of EOL M&S and Last Core, of $20.7 million. Finally, pages 47 and 52 have been revised to show the correct inflation rate for 2000, and the recalculation of FPC's annual decommissioning accrual of $18,144,708 reflecting the 2000 base cost of $534,898,000, respectively.

cc: Harold McLean
Bob Elias
Joe Jenkins
Chuck Hill
Dale Mailhot
Connie Kummer
Andrew Maurey
Pat Lee

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OK
MBB
12/13/2001
OK to revise without deferral of item.