

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Increase in) DOCKET NO. 941350-EI
Annual Accrual for Turkey Point)
and St. Lucie Nuclear Unit)
Decommissioning Costs by Florida)
Power & Light Company)
_____)
In Re: Petition for Approval of) DOCKET NO. 941352-EI
Increase In Accrual for Nuclear) ORDER NO. PSC-95-1531-FOF-EI
Decommissioning Costs by Florida) ISSUED: December 12, 1995
Power Corporation)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REVISED ACCRUALS FOR NUCLEAR DECOMMISSIONING

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

GLOSSARY OF ACRONYMS

CPI	Consumer Price Index
CR3	Crystal River Unit 3
DECON	Prompt Removal with Dismantling

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOE	Department of Energy
DRI	Data Resources, Inc.
ENTOMB	Entombment
FPC	Florida Power Corporation
FPL	Florida Power & Light Company
GDP	Gross Domestic Product
HLW	High-level Radioactive Waste
IRS	Internal Revenue Service
ISFSI	Independent Spent Fuel Storage Installation
MRS	Monitored Retrievable Storage Facility
SAFSTOR	Safe Storage with Deferred Decontamination
SL1	St. Lucie Unit 1
SL2	St. Lucie Unit 2
SNF	Spent Nuclear Fuel
TLG	TLG Services, Inc.
TP3	Turkey Point Unit 3
TP4	Turkey Point Unit 4

Case Background

Pursuant to Commission Order Nos. 10987 and 21928, which provided that an approved accrual level for nuclear decommissioning is subject to subsequent review every five years, FPL and FPC filed updated site-specific decommissioning cost studies for their nuclear units on December 30, 1994, in Docket Nos. 941350-EI and 941352-EI, respectively. On January 26, 1995, FPC requested approval for preliminary implementation of its proposed accruals, effective January 1, 1995. FPL submitted a similar request on February 22, 1995. By Order No. PSC-95-0477-FOF-EI, issued April 12, 1995, we approved the requests for preliminary implementation. In this Order, we will review in detail the utilities' updated cost studies.

Introduction

Decommissioning is defined as the dismantlement and removal of materials and equipment that are no longer used or useful, after a nuclear generating unit is retired. Decommissioning changes the licensing status of the plant from operational to possession-only, and possibly, at some future date, to unrestricted use. While the definition does not include the removal and disposal of spent fuel, it does include the on-site storage facilities used for spent fuel.

The Nuclear Regulatory Commission (NRC) accepts the following three decommissioning methods: prompt removal/dismantling (DECON); entombment (ENTOMB); and mothballing with deferred decontamination (SAFSTOR). There is also one alternative to complete decommissioning that involves repowering the electric generating system after the original nuclear steam supply system has been isolated and decommissioned. The NRC recommends prompt dismantlement, however, absent any clear demonstration that decommissioning should be done on a delayed basis.

Prior to 1981, the costs of decommissioning were considered a component of the depreciation rate design for nuclear plants in Florida. In 1981, we opened Docket No. 810100-EU(CI) to determine the proper ratemaking and accounting treatment of the costs associated with decommissioning. There we established, for the first time, decommissioning methodologies and cost estimates for nuclear facilities.

In that docket, we determined that a funded reserve, separate from the reserve for depreciation, was needed to accumulate the estimated costs of decommissioning each nuclear unit. We made this

determination primarily because of the amount of money necessary to decommission or remove nuclear facilities. Public health and safety issues also influenced our determination. The separate funded reserve ensures that the money necessary for decommissioning will be available at the expiration of each nuclear facility's operating license. See Order 10987, issued July 13, 1982.

The NRC's final rule, 10 C.F.R. Section 50.75, requires that licensees provide reasonable financial assurance that funds will be available for decommissioning. This may be done either by prepayment prior to the start of operation, by the establishment of an external sinking fund, or through insurance, a surety method, or other guarantee method. The rule defines an external sinking fund as

a fund established and maintained by setting funds aside periodically in an account segregated from licensee assets and outside the licensee's administrative control in which the total amount of funds would be sufficient to pay decommissioning costs at the time termination of operation is expected. An external sinking fund may be in the form of a trust, escrow account, government fund, certificate of deposit, or deposit of government securities.

We approved the external sinking fund method in Order No. 21928, issued in Docket 870098, on September 21, 1989.

In Order No. 10987, we recognized that the estimated decommissioning costs might need revision periodically. We required the companies to file updated decommissioning cost studies at least every five years. The purpose of these studies is threefold: 1) to update cost estimates based on new developments, additional information, technological improvements, and forecasts; 2) to re-evaluate alternative methodologies; and 3) to revise the annual accrual needed to recover the costs. We also acknowledged the desirability of performing site-specific cost studies because such studies account for factors unique to the individual nuclear unit. In Order No. 21928, we amended FPC's and FPL's annual jurisdictional accruals to \$11,188,360 and \$37,515,086, respectively.

Both companies provide for financial assurance through monthly contributions to their nuclear decommissioning trust funds. The

nuclear decommissioning funds for both companies are held in trust with State Street Bank and Trust Company as trustee. The investments for both companies are managed by external investment management firms. Both companies believe that their external sinking funds comply with the NRC final rule and the Internal Revenue Service (IRS) requirements. FPC and FPL also believe that these arrangements provide reasonable financial assurance that funds will be available for decommissioning.

To determine the annual accrual amounts for decommissioning, we converted the estimated cost of decommissioning from current dollars to future dollars. The method we used to make this conversion was to multiply each year's expenditures by the specific composite escalation factor for each plant, compounded by the number of years between 1994 and the year of expenditure. We determined the appropriate escalation factors for each plant based on the site-specific studies and forecasted inflation rates for labor, materials, transportation, and burial of nuclear waste. Once the estimated cost of decommissioning was converted to future dollars, a sinking fund annuity was calculated to determine the annual accrual amounts. The assumed after-tax, net of administrative expense, rate of return to be earned on the amounts collected for decommissioning is 4.90%. The annual accrual amounts, including the earnings on fund, will increase to the future decommissioning amount.

The primary objective of a decommissioning trust fund is to ensure that enough money is on hand at decommissioning to meet all required expenses at the lowest possible cost to utility ratepayers. Because there is no one set of investment policies that can meet this objective with certainty, the management of the fund must address both the preservation of contributions and the purchasing power of the contributions. In Order No. 21928, we required that the fund's assets earn a consistent, positive, real return over a market cycle. The imposed minimum fund earnings rate has been at least the rate of inflation, measured by the Consumer Price Index, over each five year review period.

The IRS has few requirements for nuclear decommissioning funds. The IRS does require that, in order for contributions to a qualified fund to be deductible for tax purposes, certain issues must be specifically addressed by the Commission. We will, therefore, consider the projected dates when each nuclear unit will no longer be included in rate base for ratemaking purposes, and the methodologies to be used by FPL and FPC to decommission their

nuclear units. We will also address the current and future estimated costs to decommission each nuclear plant, the years in which the accumulated decommissioning funds will be expended, the escalation rates, the assumed fund earnings rate, and the annual accrual amounts. In addition, we will determine whether funds should be contributed to the trust funds on a monthly basis.

THE NEW DECOMMISSIONING COST STUDIES

Presently, neither FPL nor FPC has plans for license extension or premature retirement of any nuclear unit. Each nuclear unit's investment will continue to be included in rate base until expiration of the existing operating license. The license expirations for St. Lucie Units 1 and 2 are March 1, 2016, and April 6, 2023, respectively. The license for Crystal River Unit 3 expires December 3, 2016. The licenses for Turkey Point Units 3 and 4 were amended by NRC in 1994 to measure the 40-year operating license for each unit from the in-service date, rather than from the construction date. As a result, license expirations are July 19, 2012, and April 10, 2013, respectively.

Consistent with Order No. 21928, FPC's study continues to use the DECON decommissioning method, while FPL's site-specific studies continue to use a combination of the SAFSTOR and DECON decommissioning methods. FPC uses the DECON decommissioning method for Crystal River Unit 3 because it is the most cost-effective and reasonable way to terminate the license for the site in the shortest possible time. FPL uses DECON for the Turkey Point units because this is the least expensive method, and it uses personnel familiar with the nuclear facility to support the dismantling effort. Further, DECON eliminates a potential long-term safety hazard, and relieves the Company of the obligation and liability for the continued maintenance of the property. For the St. Lucie units, FPL uses SAFSTOR for Unit 1 with a 7.3 year dormancy, followed by DECON of both Units 1 and 2. FPL uses this method because of the difference in license expiration dates. This method will allow for a one-time mobilization of contractor personnel and equipment by mothballing Unit No. 1 until the expiration of Unit No. 2's license.

Changes

One major change from the last studies is the treatment of the spent fuel generated during the operation of the nuclear plants. The NRC now requires that spent nuclear fuel (SNF) be cooled in the spent fuel pools for at least five years before it can be accepted

by the Department of Energy (DOE). Further, there are concerns that, because DOE is not yet capable of receiving spent fuel assemblies, it may not be able to begin accepting SNF and high-level radioactive waste (HLW) by January 31, 1998, as was outlined in the Standard Disposal Contracts with waste generators.

Another change in the studies is due to the new cost projections for low-level radioactive waste (LLRW) disposal. While burial rates have increased over 600% since 1987, these studies reflect the recycling of non-compactible LLRW to reduce the total volume of radioactive material buried. A substantial portion of the metallic waste generated by decommissioning can be decontaminated for release as clean scrap. Vendors are currently providing utilities with these services. Not only does decontamination help reduce the effect of increasing disposal costs, it also lowers packaging and transportation costs.

Increased staffing is another factor reflected in the current studies. Experience gained from decommissioning planning at other nuclear plants has highlighted the need for additional technical support, especially in the areas of health physics, radiation protection, and analytical services. The most significant staff cost increase is associated with spent fuel caretaking.

In addition, contingency factors have decreased from the last decommissioning studies. In FPL's and FPC's last studies, an overall 25% contingency factor was applied to the total costs for decommissioning each nuclear unit. In the current studies, FPL and FPC apply specific contingency factors to individual cost categories in order to develop a weighted average contingency factor. Other factors, such as escalation rates and inflation forecasts, also indicate that the current decommissioning accrual levels should be revised.

Contingency Allowance

We have determined that a contingency allowance must be applied to the costs of decommissioning nuclear units. Application of specific contingency factors to each line item cost resulted in the following weighted average contingency factors:

FPC: Crystal River Unit 3	17.00%
FPL: Turkey Point Unit 3	17.49%
Turkey Point Unit 4	17.21%
St. Lucie Unit 1	17.46%
St. Lucie Unit 2	17.14%

These contingency factors do not reflect the most recent change in the burial rates. We note, however, that we applied the correct contingency factors associated with the increased burial costs in order to determine the appropriate annual accrual amounts.

A contingency is defined in the American Association of Cost Engineers' Cost Engineers' Notebook as a

specific provision for unforeseeable elements of cost within the defined project scope; particularly important where previous experience relating estimates and actual costs has shown that unforeseeable events which will increase costs are likely to occur.

"Unforeseeable events" may include: bad weather, labor strikes, equipment failure, and other unexpected circumstances. Contingencies are not a means to "cushion" estimates or to account for inflation. They are used solely to insure that sufficient funds will be available should something unpredictable, as well as costly, occur during decommissioning.

In each of the site-specific decommissioning cost studies, TLG Services, Inc. (TLG) applied specific contingency estimates to the associated decommissioning costs on a line item basis to produce the weighted average contingency values shown above. The specific contingency estimates applied to each cost category were recommended in a published study from the Atomic Industrial Forum/National Environmental Studies Project report AIF/NESP-036, "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates." In addition to providing suggested contingency estimates, this report provided a list of reasons to support the suggested contingency estimates chosen for each cost category.

The methodology used to calculate the weighted average contingency factors is appropriate. The weighted average contingency factors shown above will, however, change with any change in the decommissioning costs to which the specific contingency estimates are applied. Thus, the approved contingency factors may not always be appropriate, but the methodology used to determine them is reasonable.

REVISION OF ACCRUALS

As mentioned in the Case Background, we approved preliminary implementation of FPL's and FPC's proposed increased

decommissioning accruals. Upon review, we believe that the preliminary approved annual nuclear decommissioning accruals for Florida Power and Light Company (FPL) and Florida Power Corporation (FPC) should be revised. Each company shall true up its preliminary accruals accordingly.

Spent Nuclear Fuel

FPL's and FPC's annual accrual amounts should include the costs incurred for dry storage of spent nuclear fuel after each unit is retired. We will continue to review these amounts to determine the prudence of their inclusion in the annual accruals.

As previously noted, DOE is not expected to meet the January 31, 1998, deadline for acceptance of SNF, nor is it expected to have a permanent repository in operation before 2010. Faced with the threat of incurring on-site storage costs, several utilities, including FPL and FPC, filed suit against DOE in 1994, seeking a declaration that DOE is, indeed, obligated to accept spent nuclear fuel and high level radioactive waste, as agreed in the Standard Disposal Contract. The petition also requests an order directing DOE to develop a program that will enable it to meet the 1998 deadline. The Florida Public Service Commission has joined with 20 other state commissions in filing a separate lawsuit seeking the same objectives. To date, DOE insists that it has no "obligation" to begin SNF acceptance in 1998, and is seeking dismissal of the lawsuits as premature.

If DOE does not begin accepting SNF on schedule, the utilities that are scheduled to decommission their nuclear units will run into problems. Currently, NRC policy requires all SNF to be removed from a facility licensed under 10 C.F.R. Section 50 before decommissioning can be completed. If necessary, utilities may construct on-site dry storage facilities to house the cooled spent nuclear fuel until DOE takes possession. This will allow the utility to continue decommissioning. If the DOE does not act, the Turkey Point units have adequate capacity in the spent fuel pools to store expected SNF discharges through the end of commercial operation. The St. Lucie and Crystal River units will, however, require dry storage before their operating licenses expire. Both utilities plan to develop an independent spent fuel storage installation (ISFSI) at each of the plant sites to allow decommissioning to proceed. The SNF will be transferred to dry storage during the initial five-year cooling period following plant shutdown. The ISFSI's will continue to operate until the transfer of the SNF to DOE is complete. Then, the ISFSI will be decommissioned and the plant site completely released for unrestricted use.

Currently, various parties are attempting to find a site for a Monitored Retrievable Storage Facility (MRS) that may prove beneficial in providing interim storage until a permanent repository is operational. At this time, these efforts have been unsuccessful. Due to the uncertainties surrounding DOE's ability and obligation to remove the SNF, FPL chose not to include the dry storage costs in its revenue requirement request. FPL's study assumes that all SNF will be transferred to a DOE, or alternative, facility off-site following the five year cooling period. In contrast, FPC believes the uncertainties suggest that spent fuel will have to remain on-site long after decommissioning begins. Thus, FPC included capital, operation and maintenance, and decommissioning costs for dry storage, beyond the five-year minimum in its nuclear decommissioning study.

We agree that an allowance must be made in FPL's and FPC's accruals for on-site dry storage costs. Our primary goal in requiring this allowance is to ensure that the money needed to fully decommission a nuclear unit is available when the plants are retired, and not recovered from customers who have not benefited from the low-cost nuclear generation. FPL's and FPC's annual accrual amounts must, therefore, include the anticipated cost for dry storage of spent nuclear fuel after retirement of each respective unit. We will continue to review these amounts in future decommissioning studies in order to determine the prudence of their inclusion.

Current Cost

The companies provided the estimated costs to decommission each of the nuclear plants, including the cost of extended storage of spent fuel, calculated using December 31, 1994 dollar values. For comparison, the estimated current cost to decommission each nuclear plant, as of January 1, 1989, is listed below.

	<u>1989 Dollars</u>	<u>1994 Dollars</u>
<u>FPL:</u>		
Turkey Point Unit 3	\$162,771,355	\$289,465,891
Turkey Point Unit 4	191,133,750	350,841,060
St. Lucie Unit 1 :	206,262,473	342,880,320
St. Lucie Unit 2	203,421,665	369,404,320
<u>FPC:</u>		
Crystal River Unit 3	\$189,123,000	\$404,609,597

Escalation Rate

Once the costs of decommissioning are determined in current dollars, based on December 31, 1994 statistics, the amounts are then escalated into future dollars. The determination of the annual accrual amounts is similar to an annuity equation. The question is how much of the cost must be collected from ratepayers in equal payments, on a monthly basis, earning at a given rate, to equal decommissioning costs in future dollars at a future date.

After consideration, we have determined the appropriate escalation rate for converting the current decommissioning costs to future decommissioning costs. The companies used similar methodologies to determine escalation rates. The disparity between the escalation rates relied on in the companies' petitions and the escalation rate we find appropriate is the result of differences in the specific inflation measures FPL and FPC used to determine the escalation rates.

TLG provided both companies with estimates of the base costs for each activity. The cost estimates were determined through site-specific studies and included a site-specific contingency allowance. The analysis performed by FPC breaks the decommissioning process into seven specific stages or activities: 1) decontamination; 2) removal; 3) packaging; 4) shipping; 5) burial; 6) staff; and 7) other. Where applicable, each of these activities are separated into four sub-components: 1) labor; 2) materials; 3) burial; and 4) other. The analysis performed by FPL breaks the decommissioning process into five more general stages. These stages are: 1) labor; 2) materials; 3) shipping; 4) burial; and 5) other.

Although the site-specific studies identify unique costs associated with each nuclear plant, the homogeneous nature of the burial and shipping requirements, the labor involved, and the materials used in the decommissioning process leads us to believe that the same inflation indices should be used to determine the appropriate escalation rate for each nuclear plant. We still recognize the cost characteristics unique to each nuclear plant because the methodology used to calculate the escalation rates relies on site-specific base costs provided by TLG. We have used the same inflation indices to escalate labor, materials, shipping, and burial costs because we believe that the costs for these activities should increase at the same rate, regardless of whether the nuclear plant is owned by FPL or FPC.

Both companies relied on inflation forecasts published by Data Resources, Inc. (DRI). FPL's updated petition reflects rates from

the Summer 1995 edition. FPC's petition reflects inflation rates from the Summer 1994 edition. For consistency, we use the inflation rates from the Summer 1995 edition to determine the appropriate escalation rate for both utilities' units.

FPC escalates labor costs using the Employment Cost Index for Wages and Salaries; material costs using the PPI-Intermediate Materials, Supplies, and Components index; other costs (shipping) using the GDP Deflator-Transportation index; and burial costs using an estimate of the expected inflation rate for low-level radioactive waste burial costs, from the present through the end of decommissioning. FPL escalates labor costs with the Compensation per Hour index; material costs with the PPI-Intermediate Materials, Supplies, and Components index; and shipping, burial, and other costs with the GDP Implicit Price Deflator index.

We have used three of the inflation indices recommended by each company. We have determined that the appropriate inflation indices are: 1) the Compensation per Hour index, for labor costs; 2) the PPI-Intermediate Materials, Supplies, and Components index (recommended by both companies), for material costs; 3) the GDP Deflator-Transportation index, for shipping costs; 4) the estimate developed by FPC, based on their actual experience from 1986 through 1994, for burial costs; and 5) the GDP Implicit Price Deflator index, for other costs. We calculated the escalation rates with the method established in Docket No. 870098-EI.

The appropriate escalation rates for converting decommissioning costs are:

	<u>1994</u>
FPL: Turkey Point Unit No. 3	5.7%
Turkey Point Unit No. 4	5.6%
St. Lucie Unit No. 1	5.9%
St. Lucie Unit No. 2	5.7%
FPC: Crystal River Unit No. 3	5.5%

We estimated the total cost to decommission each nuclear plant in future dollars by using the current cost to decommission each nuclear plant, (as provided in TLG's site-specific studies), the

appropriate contingency allowances, the appropriate cost of extended storage of spent fuel, the appropriate escalation rates, and the current license termination dates. The following is a list of the estimated future cost of decommissioning each nuclear plant:

1994 Dollars

FPL:

Turkey Point Unit 3	\$1,079,816,392
Turkey Point Unit 4	1,356,618,077
St. Lucie Unit 1	2,320,578,321
St. Lucie Unit 2	2,640,742,229

FPC:

Crystal River Unit 3	\$1,954,302,381
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The estimated future cost to decommission each plant for each year in which decommissioning funds will be spent is set forth in the Annual Accrual Schedules. These schedules are attached to and incorporated in this Order as Attachment A.

Fund Earnings Rate

We have also determined the appropriate fund earnings rate to use in the annuity calculation. In its petition, FPL used DRI's long-term forecast of the Consumer Price Index (CPI) over the next 25 years of 3.8% as its assumed fund earnings rate. We approved the use of CPI in Order No. 21928. Since inflation will play such an important role in determining the future liability of a decommissioning trust fund, we have determined that the companies must be responsible for ensuring that the contributions made to the fund earn at least the rate of inflation.

While FPL's selection of the long-term forecast of CPI as its assumed fund earnings rate is consistent with Order No. 21928, FPC suggests that a rate greater than CPI should be used. Since we last approved annual accrual amounts, Congress has eliminated the Black Lung restrictions applicable to nuclear decommissioning trust funds qualified under Internal Revenue Code Section 468A. These restrictions limited investments in the qualified fund to those described in Section 501 (c) (21) (B) of the Internal Revenue Code, such as public debt securities of the United States, obligations of state or local governments which are not in default, and time or demand deposits in a bank or insured credit union located in the United States. The following is a list of the percentages of the

decommissioning funds for each nuclear unit which are now qualified under Internal Revenue Code Section 468A:

FPL:

TP3	66.67%
TP4	68.57%
SL1	77.14%
SL2	97.56%

FPC:

CR3	78.12%
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Because the Black Lung restrictions have been eliminated, FPC recommends that we use a fund earnings rate greater than CPI to recognize that higher yielding securities can now be used in the funds. However, because FPC recognizes that market volatility over a five-year period may impede the fund's ability to earn at or above expected long-term returns, the recommended fund earnings rate is less than the fund's expected long-term return. FPC proposes a fund earnings rate of 4.90%. This rate is the average of the expected long-term, after-tax, after-expenses return on the nuclear decommissioning trust fund, as determined by FPC's trust fund consultant and DRI's forecast of CPI over the next 25 years. We find that the appropriate after-tax, net of administrative expense, rate of return to be earned on the amounts collected for decommissioning is 4.90%.

In addition, we have considered whether we should impose a minimum fund earnings rate. Both companies recommended against a minimum fund earnings rate. Instead, they requested that we use the same approach approved in Order No. 21928. There we said:

Rather than attempting to set a prospective minimum fund earnings rate which may or may not be reasonable under future economic conditions, we will require that the companies set aside funds sufficient to meet the Commission's best estimate of the decommissioning liability and require the companies to maintain the purchasing power as well as the principal amount of these contributions. The companies' investment performance will be evaluated along with all other decommissioning activities every five years. If it is found that the companies' investment earnings, net of taxes and all other administrative costs charged to the

trust fund, did not meet or exceed the CPI average for the period, then we will consider ordering the utility to cover this shortfall with additional monies to keep the trust fund whole with respect to inflation. We therefore find a minimum fund earnings rate equivalent to the level of inflation over each five-year review period would be appropriate.

We still agree with this approach, and we will include a minimum fund earnings rate equivalent to the level of inflation over each five-year review period.

APPROVED ACCRUALS

Based on the current dollar cost to decommission each nuclear plant, the plant-specific contingency allowances, the plant-specific escalation rates, the cost of extended storage for spent fuel, and a fund earnings rate of 4.90%, we have determined the appropriate jurisdictional annual accrual amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant. For comparison, the accrual amounts approved for preliminary implementation in Order No. PSC-95-0477-FOF-EI are listed below, along with the approved accrual amounts. The approved amounts shall be included in the respective companies cost of service for ratemaking purposes.

	<u>Order No.</u> <u>95-0477</u>	<u>APPROVED</u> <u>Accrual</u>
<u>FPL:</u>		
TP 3	\$10,167,897	\$17,823,278
TP 4	13,696,566	22,558,722
SL 1	12,374,944	24,241,074
SL 2	<u>10,160,195</u>	<u>19,401,261</u>
Total	<u>\$46,399,602</u>	<u>\$84,024,335</u>
<u>FPC:</u>		
CR 3	<u>\$17,664,476</u>	<u>\$20,502,310</u>

Time Periods

The decommissioning funds will be expended over the time periods illustrated below. The longer term for on-site spent fuel storage is included in the period. When the dry storage period is

over and all spent fuel assemblies have been transferred to DOE, the dry storage compound will be decontaminated and dismantled. The entire site will then be available without any NRC restrictions.

Years of Fund Expenditures

FPL:

Turkey Point Unit 3	2012-2035
Turkey Point Unit 4	2013-2035
St. Lucie Unit 1	2016-2046
St. Lucie Unit 2	2023-2046

FPC:

Crystal River Unit 3	2016-2041
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We believe our above determination of the appropriate annual accrual satisfies IRS requirements regarding the current and future cost to decommission each nuclear plant, the years the trust funds will be expended, the specific escalation rates for each plant, the assumed fund earnings rate, and the annual accrual amounts for each plant.

FPL and FPC requested January 1, 1995, as the effective date for implementation of the revised accruals. Each company's data and related calculations support that date. Because it is the earliest practicable date for using the revised decommissioning accruals, January 1, 1995, shall be the effective date.

Also, contributions shall be made to the trust funds on a monthly basis. This is the current practice and was approved in Order Nos. 10987 and 21928. Considering that customers are billed monthly and costs are recovered monthly, monthly contributions are practical.

Based on the foregoing, it is therefore

ORDERED that Florida Power & Light Company's decommissioning accruals are hereby revised as set forth in the body of this Order. It is further

ORDERED that Florida Power Corporation's decommissioning accruals are revised as set forth in the body of this Order. It is further

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ORDERED that the effective date for the revised accruals for Florida Power and Light Company and Florida Power Corporation is January 1, 1995. It is further

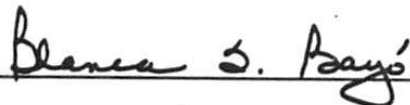
ORDERED that each company shall make contributions to its decommissioning trust fund on a monthly basis. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that the decisions to revise the decommissioning accruals for each utility are severable for each utility and its respective docket. A protest of any action proposed in this Order shall be specific to the utility and to the action being protested. A protest of one proposed action for one utility shall not delay or prevent the proposed action for the other utility from becoming final. It is further

ORDERED that in the event this Order becomes final, these Dockets should be closed.

By ORDER of the Florida Public Service Commission, this 12th day of December, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

BC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 2, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.