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February 15, 1989

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32301

Re: Docket No. 870098-EI

Dear Mr. Tribble:

Enclosed for filing is the original and fifteen (15) copies of Florida Power & Light Company's Preliminary Issues and Positions in the above docket.

Very truly yours,

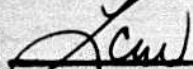


Matthew M. Childs, P. A.

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER--DATE
01696 FEB 15 1989
FPSC-RECORDS/REPORTING

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CERTIFICATE OF SERVICE
Docket No. 870098-EI

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I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Preliminary Issues and Positions was furnished to the following persons by U.S.

Mail on this 15th day of February, 1989:

James McGee, Esq.
Florida Power Corporation
P.O. Box 14042
St. Petersburg, Florida 33733

M. Robert Christ, Esq.
Division of Legal Services
Florida Public Service Commission
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Tallahassee, Florida 32301

Gail P. Fels, Esq.
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111 N. W. First Street
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By: 

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Issue No. 1: What is the appropriate methodology for decommissioning FPL's nuclear units?

FPL Position: The appropriate methodology for decommissioning Turkey Point Unit No. 3 and 4 is an Integrated Prompt Removal/Dismantling approach. The selection of Integrated Prompt Removal/Dismantling for Turkey Point is presently the lowest cost method and was chosen, among other reasons, because it utilizes those individuals familiar with the nuclear facility to support the dismantling effort and is the method recommended by the Nuclear Regulatory Commission (NRC).

The appropriate methodology for decommissioning St. Lucie Unit Nos. 1 and 2 is a Mothball/Prompt Integrated Dismantling approach. The Mothball/Prompt Integrated Dismantling approach is the lowest cost method and, due to the difference in license expiration dates, allows for a one time mobilization of contractor personnel and equipment by mothballing Unit No. 1 until the expiration of Unit No. 2's license.

DOCUMENT NUMBER-DATE

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Issue No. 2: What are the costs associated with the appropriate method of decommissioning?

FPL Position: The following table shows the cost by plant associated with each chosen method of decommissioning in 1987 dollars.

**Turkey Point Plant
Integrated Prompt Removal/Dismantling**

		(000's)
Unit No. 3	\$	156,553
Unit No. 4		183,948
		<hr/>
	\$	340,501
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**St. Lucie Plant
Mothball/Prompt Integrated Dismantling**

		(000's)
Unit No. 1		<hr/>
Mothball	\$	22,295
5.42 year maintenance cost		14,656
Delayed dismantlement		161,357
		<hr/>
	\$	198,308
Unit No. 2 (1)		
Prompt dismantlement	\$	195,920
		<hr/>
	\$	394,228
		<hr/>

Notes: (1) Includes Participants' share of costs.

Issue No. 3: What are the costs, on an annual basis and in total, associated with the appropriate methodology of decommissioning by year of expenditure?

FPL Position: The tables below show the costs by plant in year of expenditure in 1987 dollars.

Turkey Point Plant
Integrated Prompt Removal/Dismantling

<u>Year Decommissioning Costs are to be Incurred</u>	<u>Unit No. 3 (000's)</u>	<u>Unit No. 4 (000's)</u>
2005	\$ 438	\$ 240
2006	1,772	992
2007	10,747	7,788
2008	31,796	11,029
2009	40,216	35,068
2010	40,216	44,330
2011	19,393	44,330
2012	8,981	23,610
2013	2,994	13,249
2014		3,312
	<u>\$156,553</u> =====	<u>\$183,948</u> =====

St. Lucie Plant
Mothball/Prompt Integrated Dismantling

<u>Year Decommissioning Costs are to be Incurred</u>	<u>Unit No. 1 (000's)</u>	<u>Unit No. 2 (1) (000's)</u>
2014	\$ 442	\$
2015	1,651	
2016	16,887	
2017	5,758	
2018	2,443	
2019	2,443	
2020	2,443	
2021	2,443	216
2022	11,901	857
2023	38,688	9,415
2024	40,141	39,414
2025	40,141	48,484
2026	16,904	48,484
2027	14,792	28,739
2028	1,233	20,311
	<u>\$198,308</u> =====	<u>\$195,920</u> =====

Notes: (1) Includes Participants' share of costs.

ISSUE NO. 4: What are the jurisdictional accruals and revenue requirements, on an annual basis needed to recover the costs associated with the decommissioning of FPL's nuclear units?

FPL POSITION: The jurisdictional accruals and revenue requirements were based on FPL's estimates of 1988 decommissioning costs using the methodologies referenced in FPL Issue No. 1. Any changes to accruals and revenue requirements are assumed to be collected equally over the remaining operating life of each unit, beginning January 1, 1989. Total annual jurisdictional accruals and revenue requirements for each of the units are:

	<u>Accruals</u>	<u>Revenue Requirements</u>
St. Lucie Unit No. 1	\$ 9,923,209	\$10,114,432
St. Lucie Unit No. 2	8,092,801	8,248,752
Turkey Point Unit No. 3	9,243,243	9,421,363
Turkey Point Unit No. 4	<u>12,628,212</u>	<u>12,871,562</u>
Totals	<u>\$39,887,465</u>	<u>\$40,656,109</u>

The difference between accruals and revenue requirements is attributable to adjustments made for the Gross Receipts Tax (1.5%), Regulatory Assessment Fee (0.125%) and Uncollectible Accounts (0.2656%).

An increase in the Regulatory Assessment Fee from 0.0833% to 0.125% was approved by the Commission at an Agenda Conference in November, 1988. As a result, the above revenue requirements differ from those submitted in our June, 1988 Decommissioning Cost Studies.

Issue No. 5: How are additional accruals and revenue requirements to be handled?

FPL Position: Florida Power & Light Company increased the annual accrual and will fund its nuclear decommissioning reserve effective January 1, 1989 and reserves the right to request recovery of the increased revenue requirements at a future appropriate date.