

**FLORIDA PUBLIC SERVICE COMMISSION**

**Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32399-0850**

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

**June 4, 1992**

**TO : DIRECTOR OF RECORDS AND REPORTING**

**FROM : DIVISION OF AUDITING AND FINANCIAL ANALYSIS (BASS, LEE, MEEKS, MAUREY, NEIL, C. ROMIG, STALLCUP, WILKERSON) *ALM*  
DIVISION OF ELECTRIC AND GAS (FLOYD, TAYLOR) *JOY*  
DIVISION OF LEGAL SERVICES (CHRIST) *MRC***

**RE : DOCKET NO. 910981-EI NUCLEAR DECOMMISSIONING COST STUDIES BY FLORIDA POWER AND LIGHT COMPANY AND FLORIDA POWER CORPORATION**

**AGENDA: JUNE 16, 1992**

**CRITICAL DATES: NONE**

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve the attached Joint Petition for Approval of Stipulation and the Joint Stipulation filed by Florida Power and Light (FPL) and Florida Power Corporation (FPC) concerning this docket?

**RECOMMENDATION:** Yes. Staff has no disagreement with the joint stipulation filed May 4, 1992 and recommends that the joint petition be approved, thereby negating the need for a hearing and closing this docket. (Bass)

**STAFF ANALYSIS:** This docket was opened pursuant to Order No. 21928 in Docket No. 870098-EI in which FPL and FPC were required to submit site-specific economic cost studies for each nuclear generating plant "to determine if it is cost justified to retain the non-contaminated portion of the nuclear plant assets for use with a new generating station." Each company filed a study in response to that order and each study identifies non-contaminated assets which could be reused, following the final shut-down for

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nuclear decommissioning, to provide another source of electric generation.

Attachment 1, the joint stipulation filed on May 4, 1992, provides a resolution to this docket, thereby negating the need for a hearing. While Staff is not a party to this stipulation, we have reviewed it and support its approval. The stipulation provides that any changes in the accounting for the dismantlement of these assets or resultant decommissioning costs, will be addressed in the next decommissioning study to be filed by each company.

Even though approval of this stipulation will close this current docket, Staff will continue to work together with each company toward any modifications or refinements which may be needed to determine the appropriate treatment of the equipment subject to reuse, inclusive of the various forms which reuse may take. As a result, each company agrees that no change in the current decommissioning accrual is necessary at this time.

A final point provided in the stipulation is that FPC plans that nothing in the attached stipulation will be considered in its current rate case proceeding in Docket No. 910890-EI. As Staff understands this, while FPC has agreed in this proceeding that a revision in its current decommissioning accrual is not necessary at this time, the Company intends to proceed with seeking approval of any increase in the context of its rate case. In fact, on May 20, 1992, FPC filed a motion to move its decommissioning study filed in this docket, along with additional testimony, into its current rate case proceeding. Disposition of that motion is not being addressed here and does not affect the approval of the stipulation in this case.

After reviewing the proposed joint stipulation between FPC and FPL, Staff finds it to be an amiable resolution of this proceeding. Therefore, we recommend the joint petition for approval of stipulation be approved and this docket closed.

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**ISSUE 2:** When should each Company be required to file its next site-specific nuclear decommissioning study?

**RECOMMENDATION:** FPC and FPL should be required to file their next site-specific nuclear decommissioning studies not later than September 21, 1994. (BASS)

**STAFF ANALYSIS:** The filings under current review were responsive to Order No. 21928. The Companies were ordered to file site specific studies addressing the retention of non-contaminated equipment for reuse with new power generating equipment; the filings were required within two years of the effective date of that order, which was September 21, 1989.

In Order No. 10987 in Docket No 810100-EU, the Commission found that the estimate of the cost for decommissioning should be reviewed and, if necessary, changed no less often than every five years. There has been no alteration of this finding to date, and Staff recommends that the periodic filings be continued without interruption. In order to accomplish this, the next filing by each Company would be required by September 21, 1994.

(I:DECOMREC.JSB)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Nuclear Decommissioning Cost  
Studies by Florida Power Corporation  
and Florida Power & Light Company.

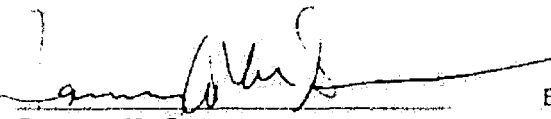
Docket No. 910981-EI  
Filed: May 4, 1992

**FLORIDA POWER & LIGHT COMPANY'S AND FLORIDA POWER  
CORPORATION'S JOINT PETITION FOR APPROVAL OF STIPULATION**

Florida Power & Light Company ("FPL") and Florida Power Corporation ("FPC") petition the Commission to approve the attached Joint Stipulation between FPL and FPC concerning this docket. FPL and FPC respectfully submit that the Joint Stipulation, if approved, negates the need for a hearing and permits the Commission to close this docket.

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FPC-RECORDS

**JOINT STIPULATION**

**DOCKET 910981-EI**

Pursuant to this Stipulation made this 30<sup>th</sup> day of April, 1992, by and between Florida Power & Light Company ("FPL") and Florida Power Corporation ("FPC"), FPL and FPC agree as follows:

1. That the Florida Public Service Commission ("the Commission") issued Order No. 21928 ("the Order") on September 21, 1989 in Docket No. 870098-EI which required FPL and FPC to perform site-specific economic cost studies ("the Studies") for each of their nuclear generating plants "to determine if it is cost justified to retain the non-contaminated portion of the nuclear plant assets for use with a new generation station."
2. That both FPL and FPC have complied with the Order and have filed with the Commission their respective Studies which represent a reasonable approach to the directive contained in Order No. 21928.
3. That the Studies have identified nuclear plant assets and equipment that are currently non-contaminated and for which reuse, following final shut-down for nuclear decommissioning, appears at this time to be economically feasible.
4. That the cost of dismantlement of the nuclear plant assets and equipment which may be subject to reuse, and the appropriate regulatory treatment thereof, will be determined in subsequent decommissioning studies filed by FPL and FPC with the Commission.

5. That FPL and FPC will cooperate with the Commission Staff in the development of such modifications and refinements to the Studies that may be appropriate for identifying such nuclear plant assets and equipment in subsequent decommissioning studies filed by FPL and FPC with the Commission.

6. That it is not necessary to make any changes to either FPL's or FPC's current decommissioning accruals or funding in this docket.

7. That FPC intends that nothing in this Stipulation will be considered in Docket No. 910890-EI.

8. That this docket, established for purposes of reviewing the Studies, should be closed.

Florida Power & Light Company

Florida Power Corporation

By: E. L. Hoffman  
(name and title)

E. L. Hoffman  
Assistant Controller

By: John DeSantis  
(name and title)

Vice President and  
Controller