

# ORIGINAL

DOCKET NO. 030714-EI

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CERTIFICATION OF  
PUBLIC SERVICE COMMISSION ADMINISTRATIVE RULES  
COMMISSION  
CLERK

FILED WITH THE  
DEPARTMENT OF STATE

I do hereby certify:

/x/ (1) That all statutory rulemaking requirements of Chapter 120, F.S., have been complied with; and

/x/ (2) There is no administrative determination under subsection 120.56(2), F.S., pending on any rule covered by this certification; and

/x/ (3) All rules covered by this certification are filed within the prescribed time limitations of paragraph 120.54(3)(e), F.S. They are filed not less than 28 days after the notice required by paragraph 120.54(3)(a), F.S., and;

/x/ (a) Are filed not more than 90 days after the notice; or

/ (b) Are filed not more than 90 days after the notice not including days an administrative determination was pending; or

/ (c) Are filed more than 90 days after the notice, but not less than 21 days nor more than 45 days from the date of publication of the notice of change; or

/ (d) Are filed more than 90 days after the notice, but

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
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not less than 14 nor more than 45 days after the adjournment of the final public hearing on the rule; or

  / (e) Are filed more than 90 days after the notice, but within 21 days after the date of receipt of all material authorized to be submitted at the hearing; or

  / (f) Are filed more than 90 days after the notice, but within 21 days after the date the transcript was received by this agency; or

  / (g) Are filed not more than 90 days after the notice, not including days the adoption of the rule was postponed following notification from the Joint Administrative Procedures Committee that an objection to the rule was being considered; or

  / (h) Are filed more than 90 days after the notice, but within 21 days after a good faith written proposal for a lower cost regulatory alternative to a proposed rule is submitted which substantially accomplishes the objectives of the law being implemented; or

  / (i) Are filed more than 90 days after the notice, but within 21 days after a regulatory alternative is offered by the small business ombudsman.

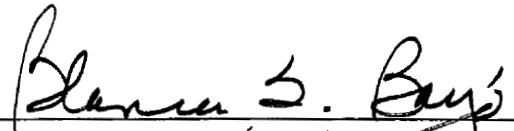
Attached are the original and two copies of each rule covered by this certification. The rules are hereby adopted by the undersigned agency by and upon their filing with the Department of State.

Rule No.

25-6.04364

Under the provision of subparagraph 120.54(3)(e)6., F.S.,  
the rules take effect 20 days from the date filed with the  
Department of State or a later date as set out below:

Effective: \_\_\_\_\_  
(month) (day) (year)

  
\_\_\_\_\_  
BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

\_\_\_\_\_  
Number of Pages Certified



CTM

1 25-6.04364 Electric Utilities Dismantlement Studies

2 (1) Each utility that owns a fossil fuel generating unit is  
3 required to establish a dismantlement accrual as approved by the  
4 Commission to accumulate a reserve that is sufficient to meet all  
5 expenses at the time of dismantlement. The purpose of the study  
6 required by (3) is to obtain sufficient information to update cost  
7 estimates based on new developments, additional information,  
8 technological improvements, and forecasts; to evaluate alternative  
9 methodologies; and to revise the annual accrual needed to recover  
10 the costs.

11 (2) For the purpose of this rule, the following definitions  
12 shall apply:

13 (a) "Contingency Costs." A specific provision for  
14 unforeseeable elements of cost within the defined project scope.

15 (b) "Dismantlement." The process of safely managing,  
16 removing, demolishing, disposing, or converting for reuse the  
17 materials and equipment that remain at the fossil fuel generating  
18 unit following its retirement from service and restoring the site  
19 to a marketable or useable condition.

20 (c) "Dismantlement Costs." The costs for the ultimate  
21 physical removal and disposal of plant and site restoration, minus  
22 any attendant gross salvage amount, upon final retirement of the  
23 site or unit from service.

24 (3) Each utility shall file a dismantlement study for each  
25 generating site once every 4 years from the submission date of the

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1 previous study unless otherwise required by Commission order. The  
2 study shall be site-specific unless a showing is made by the  
3 utility that a site-specific study is not possible. A utility may  
4 file a study sooner than 4 years. Each utility's dismantlement  
5 study shall include:

6 (a) A narrative describing each fossil fuel generating unit,  
7 including the in-service date and estimated retirement date.

8 (b) A list of all entities owning an interest in each  
9 generating unit and the percentage of ownership by each entity.

10 (c) The dismantlement study methodology.

11 (d) A summary of the major assumptions used in the study.

12 (e) The methodology selected to dismantle each generating unit  
13 and support for the selection.

14 (f) The methodology and escalation rates used in converting  
15 the current estimated dismantlement costs to future estimated  
16 dismantlement costs and supporting documentation and analyses.

17 (g) The total utility and jurisdictional dismantlement cost  
18 estimates in current dollars for each unit.

19 (h) The total utility and jurisdictional dismantlement cost  
20 estimates in future dollars for each unit.

21 (i) For each year, the estimated amount of dismantlement  
22 expenditures.

23 (j) The projected date each generating unit will cease  
24 operations.

25 (k) For each site, a comparison of the current approved annual

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1 dismantlement accruals with those proposed. Current accruals shall  
2 be identified as to the effective date and proposed accruals to the  
3 proposed effective date.

4 (l) A summary and explanation of material differences between  
5 the current study and the utility's last filed study including  
6 changes in methodology and assumptions.

7 (m) Supporting schedules, analyses, and data, including the  
8 contingency allowance, used in developing the dismantlement cost  
9 estimates and annual accruals proposed by the utility. Supporting  
10 schedules shall include the inflation analysis.

11 (4) The dismantlement annual accrual shall be calculated  
12 using the current cost estimates escalated to the expected dates of  
13 actual dismantlement. The future costs less amounts recovered to  
14 date shall then be discounted in a manner that accrues the costs  
15 over the remaining life span of the unit.

16 (5) Dismantlement accruals shall be recorded monthly to  
17 assure that the costs for dismantlement have been provided for at  
18 the time the production unit or site ceases operations.

19 (6) A utility shall not establish a new annual dismantlement  
20 accrual, revise its annual dismantlement accrual, or transfer a  
21 dismantlement reserve without prior Commission approval.

22 (7) The annual dismantlement accrual shall be a fixed dollar  
23 amount and shall be based on a 4-year average of the accruals  
24 related to the years between the dismantlement study reviews.

25 (8) The accumulated dismantlement reserve and accruals shall

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1 be maintained in a subaccount of Account 108 "Accumulated  
2 Depreciation" and separate from the accumulated depreciation  
3 reserve and expenses. Subsidiary records shall include sufficient  
4 detail to allow for separate site or unit reporting.

5 Specific Authority: 350.127(2), 350.115, F.S.

6 Law Implemented: 366.041, 366.06(1), F.S.

7 History: New \_\_\_\_\_.

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Rule 25-6.04364  
Docket No. 030714-EI

**SUMMARY OF RULE**

The rule requires the filing of a dismantlement study at least once every four years and also sets forth the information to be included in the study.

**SUMMARY OF HEARINGS ON THE RULE**

No hearing was requested and none was held.

**FACTS AND CIRCUMSTANCES JUSTIFYING THE RULE**

The Commission's policy regarding the dismantlement studies and resulting accruals are set forth in its orders. The rule will codify that policy.

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CLERK OF STATE  
TALLAHASSEE, FLORIDA