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Public Service Commission

August 14, 2007

RECEIVED-FPSC
07 AUG 16 AM 9:29
COMMISSION
CLERK

Mr. William G. Walker III, Vice President
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee, Florida 32301

Re: Docket No. 070378-EI - Florida Power & Light Company's Petition for Approval of Revised Fossil Dismantlement Accrual

Dear Mr. Walker:

Staff's initial data request regarding Florida Power & Light Company's revised fossil dismantlement study filed in the above referenced docket is attached. In order to complete the review and meet a December 18, 2007, agenda date, please provide the Company's response by September 17, 2007.

Should you have any questions, or need further information, please do not hesitate to contact Betty Gardner at (850) 413-6742.

Sincerely,

A handwritten signature in cursive script that reads "John Slemkewicz".

John Slemkewicz,
Public Utilities Supervisor

JS/BG:sc

Attachment

cc: Office of General Counsel (Brown)
Office of Public Counsel
Division of Economic Regulation (Devlin, Willis, Bulecza-Banks
Bryan Anderson & Jessica Cano (Cano)

DOCUMENT NUMBER-DATE
07207 AUG 16 09
FPSC-COMMISSION CLERK

Florida Power & Light Company
Fossil Dismantlement Study
Docket No. 070378-EI
August 14, 2007

Initial Data Request

Reference: Global Insight March, 2007 Forecast of Long Term Prices, page 7

1. The company provided the escalation factors used as of March 2007 for the dismantlement studies of each site. Staff notices a significant decrease in the annual rate of change from 2006 to 2007 factors for compensation per hour, producer price index (intermediate materials), GDP deflator, and metal and metal products. For instance, the compensation per hour annual rate of change was 5.4 percent for 2006 and 3.7 percent for 2007. These downward fluctuations continue through 2040. Please provide a detailed explanation why this occurred for the factors reported on page 7.

Reference: Reconciliation of Dismantlement Accrual for the Proposed 2007 Filing since the 2003 Dismantlement Study Filing, page 15

1. Please explain in detail why there is a \$7 million increase in the value of scrap metals.
2. The labor rates increased by \$5.1 million using the R.S. Means source for 2002-2006. What was used in the prior studies to calculate the labor rates? Also, would the results be different if another source was used. Please explain in detail.
3. When did Global Insight lower its inflation factors? Per the filing on page 15, line 5, a reduction of \$6.4 million is shown. But this amount includes 2006 factors. Please provide the factors and reduction from 2007 to 2011.
4. An increase in the amount of \$4.7 million due to hazardous materials is shown in your current filing. Please identify the plant sites with the applicable dollar amount which equals the \$4.7 million.
5. Please identify the plant sites that have extended economic recovery dates to validate the \$2.6 million reduction. In your response provide the life extension for each plant site.
6. Please provide a breakdown of the new units which are in service since the 2003 dismantlement filings that reflects an increase in the amount of \$1.3 million.
7. Explain why there is a \$.3 million increase in disposal cost. Please provide documentation as to which plant site is experiencing an increase.

8. Please provide a breakdown of the \$1 million impact of the actual charges to dismantlement reserve from 2003 through 2006.
9. The company presented on page 15, "Other," charges which were made in the amount of \$.5 million for site management, unusable inventory, etc. In your response, please provide a breakdown of the applicable charges by plant site and type which totals \$.5 million.

Reference: Removal Cost Factors, page 8, line 11

1. The company states "The productivity factors employed, that is, the number of man-hours required to remove a given unit of measure of concrete, were developed by an engineering consulting firm". Did the company include the engineering consulting firm costs to develop the productivity factors? If so, how is it stated in the study?
2. Are there other costs that will be developed by the engineering consulting firm? If so, please list the costs by plant site.

Reference: Cape Canaveral, Units 1 and 2, page 1, 4, and 8

1. The company states on page 1, line 10, "The dismantlement of the plants is assumed to require 2 years beginning 5 years after these dates (economic recovery date of 2020)." Please explain why there is a five year waiting period after the recovery of the investment to start the dismantlement of the units.
2. On page 4, last paragraph, it was stated that the company allows a 30 percent swell factor to compute the disposal cost per cubic yard of concrete. What is a swell factor?
3. What is the total cost for small tools in the dismantlement study, since only a dollar is shown per plant? Please identify the small tools that are referenced in the study.
4. Why is there a 10 percent contractor's profit added for each plant site that have insulation-calcium silicate (non-hazardous)? Please provide a detailed explanation.