

VOTE SHEET

August 23, 2011

Docket No. 100458-EI – Petition for approval of 2010 nuclear decommissioning study, by Florida Power & Light Company.

**Issue 1:** Should the currently approved annual nuclear decommissioning accruals for Florida Power & Light Company (FPL) be revised?

**Recommendation:** No. While a review of FPL’s site-specific decommissioning cost study indicates that decommissioning base cost estimates have increased since the 1998 and 2005 cost studies, assumptions relating to escalation rates and inflation forecasts as discussed in Issue 4 show that FPL’s current approved zero annual decommissioning accrual does not need to be revised at this time. Increases in base cost estimates recognize factors including additional information, improvements in technology, and regulatory changes that have transpired in the last 12 years. Additionally, staff recommends that the assumptions included in FPL’s 2010 decommissioning study are reasonable.

**APPROVED**

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

*Julie B.*  
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REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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**Issue 2:** Should a contingency allowance be applied to the estimated cost of decommissioning, and if so, what should the percentage be?

**Recommendation:** Yes, staff recommends that a contingency allowance should be applied to the costs of decommissioning nuclear units. The weighted average contingency factors listed below for each of FPL's nuclear units are reasonable and should be approved:

TP3	17.39%
TP4	17.36%
SL1	17.07%
SL2	17.92%

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**Issue 3:** Should the total estimated cost of nuclear decommissioning include a provision for on-site storage of spent fuel beyond the termination of the operating licenses of each nuclear unit?

**Recommendation:** Yes, staff recommends that it is prudent for the total estimated costs of nuclear decommissioning to include the costs for interim storage of spent fuel incurred after the retirement of each nuclear unit. However, these amounts should continue to be reviewed in subsequent decommissioning studies to determine the prudence of their inclusion.

## APPROVED

**Issue 4:** What is the appropriate annual accrual in equal dollar amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant for FPL?

**Recommendation:** Staff recommends a continuation of the suspension of the accrual for nuclear decommissioning as approved by the Commission in the 2005 FPL Settlement. Accordingly, the appropriate jurisdictional annual accrual amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant are currently zero. Additionally, staff recommends that the assumptions included in FPL's 2010 decommissioning study to determine the annual accrual are reasonable.

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**Issue 5:** Should the amortization expense associated with the unrecovered value of Materials and Supplies inventories that will exist at the nuclear site following shut down (EOL M&S inventories) be revised?

**Recommendation:** Yes. Staff recommends that the jurisdictional annual amortization expense associated with EOL M&S inventories for FPL should be \$1.4 million, effective with the date of new customer rates in FPL's next rate case proceeding. This represents an increase of \$0.3 million over the 2006 amortization amount. The amortization of EOL M&S inventories should be included in subsequent decommissioning studies so the related annual accruals can be revised, if warranted.

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**Issue 6:** Should the amortization expense associated with the cost of the last core of nuclear fuel be revised?

**Recommendation:** Staff recommends that the jurisdictional amortization expense associated with the cost of the last core of nuclear fuel at the FPL nuclear units should be \$11.6 million jurisdictional (\$11.8 million system). This represents an annual increase of \$6.9 million (\$7.0 system). Staff recommends that the amortization expense should be revised at the time of FPL's next base rate proceeding. FPL should address the costs associated with the Last Core in subsequent decommissioning studies so the related annual accruals can be revised, if warranted.

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**Issue 7:** What should be the effective date for adjusting the annual decommissioning accrual amounts, amortization of nuclear EOL M&S inventories, and amortization of the costs associated with the Last Core?

**Recommendation:** If the staff recommendations in Issues 1 and 4 are approved, there is no change to the currently approved zero decommissioning accrual. Therefore, the effective date for adjusting the annual decommissioning accrual amounts is moot. Staff recommends that the revised annual amortization amounts relating to EOL M&S inventories (Issue 5) and the Last Core (Issue 6) should be effective at the time new base rates are approved.

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**Issue 8:** When should FPL file its next nuclear decommissioning study?

**Recommendation:** The next decommissioning cost study for FPL should be filed no later than December 13, 2015, in accordance with Rule 25-6.04365, F.A.C., and should include an update of the amortization of EOL M&S inventories and the Last Core.

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**Issue 9:** Should this docket be closed?

**Recommendation:** Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Order, this docket should be closed upon the issuance of a Consummating Order.

**APPROVED**