

VOTE SHEET

April 10, 2012

Docket No. 100461-EI – Petition for approval of nuclear decommissioning cost study, by Progress Energy Florida, Inc.

Issue 1: Should the currently approved annual nuclear decommissioning accruals for Progress Energy Florida be revised?

Recommendation: No. A review of the PEF’s current site-specific decommissioning cost study indicates that decommissioning base cost estimates have increased since the 2005 cost study. However, as discussed in Issue 4, assumptions relating to escalation rates and inflation forecasts, support the position that the currently approved zero annual decommissioning accrual does not need to be revised at this time. Additionally, staff recommends that the assumptions included in PEF’s 2010 decommissioning study are reasonable.

APPROVED

Issue 2: Should a contingency allowance be applied to the estimated costs 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 CR3. A 17.24 percent contingency factor for CR3 is reasonable and should be approved.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in blue ink on the majority lines.

Blank lines for dissenting signatures.

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REMARKS/DISSENTING COMMENTS:

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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 this nuclear unit. However, this amount should continue to be reviewed in subsequent decommissioning studies.

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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 PEF?

Recommendation: Staff recommends a continuation of the suspension of the accrual for nuclear decommissioning as approved by the Commission in Order No. PSC-02-0655-AS-E and Order No. PSC-05-0945-S-EI. Accordingly, the appropriate jurisdictional annual accrual amount necessary to recover future decommissioning costs over the remaining life of the CR3 nuclear unit is zero. Additionally, staff recommends that the assumptions included in PEF'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 PEF should be decreased by \$0.1 million, effective January 1, 2011. 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: No. PEF's amortization expense associated with the cost of last core of nuclear fuel (Last Core) does not warrant revision at this time. PEF 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 – 4 are approved, there is no change to the current approved zero decommissioning accrual. Therefore, the effective date for adjusting the annual decommissioning accrual is moot. If staff's recommendations in Issues 5 and 6 are approved, the effective date for amortization of nuclear EOL M&S and Last Core would be January 1, 2011 and January 1, 2010, respectively.

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

Recommendation: The next decommissioning cost study for PEF should be filed no later than July 31, 2017, 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