State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: May 20, 2026

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Kunkler, Wu, Barrett, Clark, Pope) *EJD*
Division of Accounting and Finance (Buys, DSa, Higgins) *MAC*
Office of the General Counsel (Bloom, Crawford) *JSC*

RE: Docket No. 20250143-EI – Petition for approval of 2025 nuclear decommissioning study, by Florida Power & Light Company.

AGENDA: 06/02/26 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Payne

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On December 12, 2025, Florida Power & Light Company (FPL or the Company) filed its 2025 Nuclear Decommissioning Cost Study (2025 study or current study) for Turkey Point Nuclear Generating Station (Turkey Point) Units 3 and 4 and St. Lucie Nuclear Power Plant (St. Lucie) Units 1 and 2.

Rule 25-6.04365, Florida Administrative Code (F.A.C.), requires that any utility under the Florida Public Service Commission's (Commission) jurisdiction that owns a nuclear generating unit file a site-specific decommissioning cost study at least once every five years. The purpose of periodic decommissioning reviews is to recognize changes and developments affecting decommissioning cost estimates of the Company's nuclear units and to also consider factors such as improvements in technology, regulatory changes that have transpired since the last decommissioning study, and any relevant additional updates and information. An explanation of the basic concepts surrounding a decommissioning study follows.

Nuclear Decommissioning

Decommissioning involves the physical dismantling and removing of plant buildings, materials, and equipment that are no longer used and useful, but remain following the retirement of a nuclear generating unit. With respect to the funding of decommissioning activities, the Nuclear Regulatory Commission's (NRC) Rule, 10 C.F.R. Section 50.75, requires that licensees provide reasonable financial assurance that funds will be available for decommissioning through prepayment prior to the start of operation, an external sinking fund or a surety method, insurance, or other guarantee method. An external sinking fund is defined as:

> A fund established and maintained by setting funds aside periodically in an account segregated from licensee assets and outside the administrative control of the licensee and its subsidiaries or affiliates in which the total amount of funds would be sufficient to pay decommissioning costs at the time permanent termination of operations is expected. An external sinking fund may be in the form of a trust, escrow account, or Government fund, with payment by certificate of deposit, deposit of Government or other securities.[1]

FPL's funding program has historically provided for financial assurance through contributions to its nuclear decommissioning trust (NDT) funds. As discussed later, the Company's currently authorized annual base rate decommissioning contribution (Accrual) is set at zero dollars per year.[2] Thus, financial assurance standards have been satisfied solely by fund growth since 2005.

In 1989, the Commission approved the external sinking funding method by Order No. 21928.[3] In determining the annual provision for decommissioning, the current cost estimate is escalated to the expected dates of actual decommissioning. The escalation rate used is determined by using a combination of general economic inflation rates and inflation rates for decommissioning labor, transportation, and burial of nuclear waste. Once the escalated decommissioning cost is known, a sinking fund annuity is calculated to determine the annual annuity. This annual annuity plus the earnings on the nuclear decommissioning trust (NDT) fund, net of taxes, will grow to the escalated cost of decommissioning.

The primary objective of a NDT fund is to have enough money on hand at the time of decommissioning to meet all required expenses at the lowest possible cost to utility ratepayers. No set of investment policies will meet this goal with certainty. The management of the fund, therefore, must be concerned with both the preservation of contributions and the purchasing power of the contributions. To this end, the Commission, by Order No. 21928, required that the fund's assets earn a consistent positive real return over a market cycle.[4] The imposed minimum

[1] 10 C.F.R. § 50.75(e)(1)(ii).
[2] Order No. PSC-05-0902-S-EI, issued September 14, 2005, in Docket No. 050045-EI, *In re: Petition for rate increase by Florida Power & Light Company*; and Docket No. 050188-EI, In re: *2005 comprehensive depreciation study by Florida Power & Light Company*.
[3] Order No. 21928, issued September 21, 1989, in Docket No. 870098-EI, *In re: Petitions for approval of an increase in the accrual of nuclear decommissioning costs by Florida Power Corporation and Florida Power & Light Company.*
[4] *Id*.

fund earnings rate is at least the rate of inflation measured by the Consumer Price Index (CPI) over each five-year review period.

Considerations for the treatment of spent fuel generated during the operation of FPL's nuclear units first appeared in FPL's 1994 Nuclear Decommissioning Cost Study (1994 study).[5] While the storage and disposal of spent nuclear fuel (SNF) assemblies generated during plant operations were not considered a decommissioning expense, the presence of SNF on-site does impact the cost of decommissioning. Faced with the uncertainties of the Department of Energy (DOE) meeting its 1998 deadline for the acceptance of SNF (see next section below), the Commission recognized that SNF may have to remain on-site long after decommissioning begins. For this reason, an allowance for on-site dry storage costs was made in determining decommissioning accruals for each nuclear unit.

The primary goal in requiring an on-site dry storage allowance was to ensure that the funds needed to fully decommission FPL's nuclear units are available when the plants retire, while being recovered from customers who received nuclear generated energy. The Commission found that these costs should continue to be reviewed to determine the prudence of their inclusion in decommissioning accruals. Staff notes that FPL's 2025 study does include provisions for on-site SNF management, which are further discussed in Issue 1.

Uncertainty Regarding DOE Obligations

The Nuclear Waste Policy Act of 1982 committed the DOE to accept and dispose of SNF and high-level radioactive waste (HLRW). The acceptance and disposal of SNF and HLRW by the DOE was to begin by January 31, 1998, as stipulated under its Standard Disposal Contract with waste generators. With respect to a final SNF repository, the DOE submitted its license application to the NRC on June 3, 2008, seeking authorization to construct a storage facility located at Yucca Mountain, Nevada.

The NRC formally docketed DOE's license application for the Yucca Mountain Repository on September 8, 2008, triggering a congressional deadline for the NRC to decide whether to authorize construction. The review was suspended in 2011, prompting legal action, and in 2013 the U.S. Court of Appeals ordered the NRC to resume the review. The NRC later issued final Safety Evaluation Report volumes in 2015 and an Environmental Impact Statement supplement in 2016.[6] However, due to continued political opposition, lack of congressional funding, and limited federal support, the licensing process has remained effectively stalled for nearly a decade.

[5] Order No. PSC-95-1531-FOF-EI, issued December 12, 1995, in Docket No. 941350-EI, *In re: Petition for increase in annual accrual for Turkey Point and St. Lucie nuclear unit decommissioning costs by Florida Power & Light Company*; and Docket No. 941352-EI, *In re: Petition for Approval of Increase In Accrual for Nuclear Decommissioning Costs by Florida Power Corporation.*

[6] The NRC's Yucca Mountain Repository Safety Evaluation Report details the evaluation of the DOE's license application for a construction authorization. The NRC's Environmental Impact Statement supplement examines the potential environmental impacts with respect to potential contaminant releases from the geologic repository for SNF and HLRW at Yucca Mountain, Nye County, Nevada.

Separate and apart from the Yucca Mountain license application and NRC reviews, in January 2013, the DOE released its "Strategy for Management and Disposal of Used Nuclear Fuel and High-Level Radioactive Waste." This serves as a statement of its policy regarding the disposition of used nuclear fuel and HLRW.[7] Under this strategy, the DOE plans to make "demonstrable progress on the siting and characterization of repository sites to facilitate the availability of a geologic repository by 2048."[8] Recently, the DOE has been pursuing a "consent-based siting" approach, in which states must voluntarily agree to host nuclear waste sites, in exchange for "federal support and help attracting investment towards developing nuclear power plants."[9] Staff understands that the ultimate purpose of this policy direction and approach is to establish a number of high-level nuclear waste sites specializing in specific classes of waste. However, to date, no national or regional repositories have been identified and fully licensed to receive commercial SNF or HLRW.

Due to the DOE's non-performance of terms contained in the Standard Disposal Contract with FPL, litigation was brought by the Company against the federal government. Ultimately, in 2009, FPL entered into a settlement agreement with the federal government for damages incurred relating to SNF storage and management.[10] As part of the settlement agreement, the Company receives annual payments to cover the costs incurred for managing and storing SNF that it would otherwise not have incurred if the original terms of its Standard Disposal Contract with the DOE had been met. FPL is currently projecting that SNF management costs incurred before years 2066 at Turkey Point and 2070 at St. Lucie, are eligible for reimbursement, and the credits are included as part of this current study, consistent with the Company's 2020 Study. From 1997 through 2020, the federal government has reimbursed FPL $352,811,616 for storing and managing SNF,[11] with FPL's reimbursement requests for years 2021-2024 still pending.[12]

End of Life Materials and Supplies and Last Core of Nuclear Fuel

In the review of FPL's 1998 Nuclear Decommissioning Cost Study (1998 study), the Commission addressed, for the first time, recovery of nuclear materials and supplies (M&S) costs,[13] as well as the costs of unburned nuclear fuel (Last Core)[14] expected to remain at the end

[7] U.S. Department of Energy, "Strategy for the Management and Disposal of Used Nuclear Fuel and High-Level Radioactive Waste," January 2013.
[8] *Id*.
[9] Timothy Gardner, "US seeks interest from states in nuclear waste and reprocessing sites, *"Reuters*, January 28, 2026, https://www.reuters.com/sustainability/climate-energy/us-seeks-interest-states-nuclear-waste-reprocessing-sites-2026-01-28/.
[10] Order No. PSC-16-0560-AS-EI, issued December 15, 2016, in Docket No. 160021-EI, *In re: Petition for rate increase by Florida Power & Light Company*; Docket No. 160061-EI, *In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company;* Docket No. 160062-EI, *In re: 2016 depreciation and dismantlement study by Florida Power & Light Company*; and Docket No. 160088-EI *In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company*.
[11] FPL's Responses to Staff's Second Data Request, No. 37, filed March 05, 2026.
[12] *Id*. at No. 33 (detailing how FPL has outstanding DOE reimbursement claims related to SNF management costs incurred during 2021–2023 and is currently engaged in settlement discussions with the DOE regarding those claims. The 2024 reimbursement claim has been submitted; however, the DOE has deferred issuing its findings until the 2021–2023 claims are resolved.).
[13] EOL M&S inventories are the level of unique inventories that will remain at the end of each nuclear site's life (license expiration of the last nuclear unit at the site).

of each generating unit's life (EOL). The Commission found that these costs are unique to a nuclear unit and are the direct result of unit shut down.[15] However, the Commission also recognized that these costs do not meet the intent of nuclear decommissioning because they do not involve the removal of plant facilities. The Commission concluded that the costs associated with EOL M&S inventories and Last Core should be amortized over the remaining life span[16] of each unit. The Commission found that amortizing EOL M&S and Last Core costs over the remaining life span of each plant allocates the costs to customers receiving nuclear generated power.

The Commission ordered that the amortization of costs associated with EOL M&S inventories be accounted for as a debit (increase) to nuclear maintenance expense with a corresponding credit to an unfunded Account 228 reserve. For costs associated with the Last Core, the Commission ordered that the amortization should be recorded as a base rate fuel expense with a credit to an unfunded Account 228 reserve.[17] Finally, the Commission found that the costs associated with EOL M&S and the Last Core should be addressed in subsequent decommissioning studies so that the related annual amortization expenses could be revised, if warranted. Staff notes FPL has provided updates for its respective EOL M&S and Last Core costs in the current study. These updated costs and amortizations are further discussed in Issues 3 and 4.

Recent Decommissioning Orders Pertaining to FPL

By Order No. PSC-05-0902-S-EI, issued September 14, 2005, the Commission approved a Settlement Agreement that suspended FPL's then annual nuclear decommissioning accrual.[18] Per the terms of the Stipulation and Settlement, FPL was to file a decommissioning study on or before December 31, 2005, and the results of the study would have no impact on customer rates for the term of the Settlement. FPL's annual base rate nuclear decommissioning accrual (which is exclusive of EOL M&S and Last Core amortization expenses) has remained at zero dollars per year from 2005 forward.

FPL's last decommissioning proceeding, in accordance with Rule 25-6.04365, F.A.C., occurred in 2020. The Company's cost analysis and continuation of a zero annual accrual was approved by Order No. PSC-2021-0232-PAA-EI (issued in Docket No. 20200257-EI).[19] FPL's current study is similar to its 2020 Decommissioning Study (2020 study or prior study) in terms of the general scope of decommissioning and plant inventory levels.

The Commission is vested with jurisdiction over these matters through several provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06.

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[14] The Last Core is the unburned fuel that will remain in the fuel assemblies at the end of the last operating cycle of each nuclear unit when it ceases operation.

[15] Order No. PSC-02-0055-PAA-EI, issued January 7, 2002, in Docket No. 991931-EG, *In re: Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation.*

[16] Remaining life span for each nuclear unit is the period of years from the decommissioning study date to the nuclear license expiration date.

[17] Order No. PSC-02-0055-PAA-EI.

[18] Order No. PSC-05-0902-S-EI.

[19] Order No. PSC-2021-0232-PAA-EI, issued June 28, 2021, in Docket No. 20200257-EI, *In re: Petition for approval of 2020 nuclear decommissioning study, by Florida Power & Light Company.*

Discussion of Issues

Issue 1: What are the current total estimated costs to decommission Florida Power & Light Company's Turkey Point Nuclear Units 3 and 4, and St. Lucie Nuclear Units 1 and 2, valued in 2025 dollar terms?

Recommendation: FPL's total current estimated decommissioning costs of $1,566,148,000, for Turkey Point Nuclear Units 3 and 4 and $1,904,787,000 for St. Lucie Nuclear Units 1 and 2, in 2025 dollars, are reasonable. (Kunkler)

Staff Analysis: The purpose of FPL's updated site-specific decommissioning cost study is to recognize changes and developments affecting decommissioning cost estimates of the Company's nuclear units and to also consider such factors as improvements in technology, regulatory changes that have transpired since the last decommissioning study and review in 2020, and any relevant additional updates and information.

Operating License

FPL's Turkey Point began service in 1972 (Unit 3) and 1973 (Unit 4). St. Lucie began service in 1976 (Unit 1) and 1983 (Unit 2). All four units were originally licensed by the NRC to operate for a maximum of forty years, but have received subsequent license renewals from the NRC, allowing continued operation. The most current license extension for Turkey Point Units 3 and 4 was approved by the NRC in December 2019,[20] while the most current license extension for St. Lucie Units 1 and 2 was recently approved by the NRC in April of this year.[21] The current study reflects FPL's 20-year license extensions for both units at the St. Lucie, shifting decommissioning later than assumed in its 2020 study and thereby extending the period over which costs are escalated and trust fund earnings accrue. For the purposes of the current study, FPL assumes all units will operate through their respective license expiration dates, which are as follows:

- Turkey Point Unit 3 - July 19, 2052
- Turkey Point Unit 4 - April 10, 2053
- St. Lucie Unit 1 - March 1, 2056
- St. Lucie Unit 2 - April 6, 2063

Decommissioning Methods

The NRC accepts the following three decommissioning methods: prompt removal/dismantling (DECON), mothballing with delayed dismantling (SAFSTOR), and entombment. Consistent with the 2020 study, the 2025 study continues to utilize a combination of DECON and

[20] David Drucker, U.S Nuclear Regulatory Commission, letter to Mr. Mano Nazar, Florida Power & Light Company, December 4, 2019, Adams Ascension No. ML19305C879
https://www.nrc.gov/docs/ML1930/ML19305C879.pdf
[21] Michele Sampson, U.S Nuclear Regulatory Commission, letter to Mr. Robert Coffey, Florida Power & Light Company, April 28, 2026, Adams Ascension No. ML26026A008
https://www.nrc.gov/docs/ML2602/ML26026A008.pdf

SAFSTOR decommissioning methods. FPL selected DECON for the Turkey Point units because this method provides the lowest cost and employs those individuals familiar with the nuclear facility to support the dismantling effort. Further, DECON eliminates a potential long-term safety hazard and relieves the Company of the long-term obligation and liability for continuing maintenance of the property. For the St. Lucie units, due to the timing difference in operating license expiration dates, a hybrid approach (SAFSTOR for Unit 1 followed by concurrent DECON of both units) is utilized. This allows for a one-time mobilization of contractor personnel and equipment by mothballing Unit 1 until the expiration of Unit 2's license.

The Company projects that SNF will remain at each plant site after the majority of nuclear facilities have been removed. Staff notes that in order for a nuclear plant to be considered fully decommissioned, no on-site SNF may be present. Consistent with the Company's 2020 study, the current study includes the costs associated with interim storage of SNF, via Independent Spent Fuel Storage Installations (ISFSIs), until the DOE is able to accept SNF from the sites. The DOE is expected to make payments to FPL to cover SNF management costs incurred by FPL prior to 2070 for St. Lucie and 2066 for Turkey Point. FPL projects all SNF will be transferred from the on-site ISFSI to the DOE by 2072 for Turkey Point and by 2082 for St. Lucie.

In addition, FPL is required to submit a License Termination Plan (LTP) to the NRC toward the end of the decommissioning process. Once the physical decommissioning process (including removal of SNF and storage facilities) is complete, the NRC will determine if site remediation has been performed in accordance with the LTP; and if envisioned by the LTP, the site will be released by the NRC for unrestricted use.[22] Staff notes that FPL's current decommissioning study assumes site remediation to the level of unrestricted use. At this point, the nuclear license will be terminated, thus concluding NRC oversight.

Decommissioning Cost Estimates

FPL commissioned EnergySolutions, LLC, to develop the decommissioning cost estimates for its 2025 study. EnergySolutions utilized the decommissioning cost model based on the fundamentals laid out in the Atomic Industrial Forum/National Environmental Studies Project Report AIF/NESP-036, "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates," and in accordance with NRC Regulatory Guide 1.202, "Standard Format and Content of Decommissioning Cost Estimates for Nuclear Power Reactors."

The major decommissioning cost drivers in FPL's 2025 study are: program management (staffing/labor), insurance and regulatory fees, site security, spent fuel management, waste packaging/transportation/disposal, site characterization and license termination surveys, energy costs, decontamination and removal-related activities, and low-level radioactive waste (LLRW) inspection fees. The cost estimates incorporate site-specific plant systems and building inventories, proprietary unit cost factors,[23] historical data, project execution strategies, waste

[22] 10 C.F.R. § 20.1401 - § 20.1406 (2026).

[23] Unit cost factors are developed for activities such as concrete and steel removal, cutting, demolition, transportation, and waste disposal using local labor rates. These costs are estimated on a per-unit basis, such as per cut, per cubic yard demolished, per ton removed, or per disposal trip. The resulting unit cost factors are then applied to the plant inventory of equipment and structures to be removed to develop an overall cost estimate.

volumes/classifications, estimated man-hours, and local labor rates. Contingencies (typically 10–25%) and jurisdictional factors (e.g., 95.89%) are applied as appropriate.

The total estimated cost to decommission Turkey Point has increased by approximately 15.1 percent from the 2020 study. The total estimated costs to decommission St. Lucie increased by 9.1 percent during the same timeframe. Tables 1-1 and 1-2 below present the cost comparisons from 2020 to 2025 by major category of activity using the selected methods of decommissioning. Staff notes that the two vintages of cost figures shown below are unadjusted (nominal) and presented as they were in the year of study, or 2020 dollars and 2025 dollars, respectively.

Table 1-1
Turkey Point Decommissioning Cost Comparison 2020-2025

Plant Turkey Point Units 3 and 4	2020 Study ($1000s)	2025 Study ($1000s)	Difference ($1000s)	Percent Difference (%)
License Termination	1,018,355	1,181,679	163,324	16.0
Spent Fuel Management	282,949	312,767	29,818	10.5
Site Restoration	59,888	71,702	11,814	19.7
Total*	**1,361,192**	**1,566,148**	**204,956**	**15.1**

Source: Order No.PSC-2021-0232-PAA-EI and FPL's 2025 Decommissioning Study
*May not add due to rounding

Table 1-2
St. Lucie Decommissioning Cost Comparison 2020-2025

Plant St. Lucie Units 1 and 2	2020 Study ($1000s)	2025 Study ($1000s)	Difference ($1000s)	Percent Difference (%)
License Termination	1,254,740	1,400,996	146,256	11.7
Spent Fuel Management	427,313	432,431	5,118	1.2
Site Restoration	63,409	71,360	7,951	12.5
Total*	**1,745,462**	**1,904,787**	**159,325**	**9.1**

Source: FPL's 2020 and 2025 Decommissioning Studies
*May not add due to rounding

On an individual unit basis, the current estimated costs in 2025 dollars for the decommissioning of FPL's nuclear plants are as follows:

Table 1-3
Turkey Point/St. Lucie Individual Nuclear Unit Cost

Nuclear Unit	Cost (2025 Dollars)
Turkey Point Unit No. 3	$746,407,000
Turkey Point Unit No. 4	$819,741,000
St. Lucie Unit No. 1	$999,057,000
St. Lucie Unit No. 2	$905,730,000

Staff notes that due to St. Lucie Unit No. 2 being jointly-owned with the Orlando Utilities Commission and Florida Municipal Power Agency (Joint Owners), FPL is responsible for approximately 86.63 percent of the unit's total decommissioning cost. The Joint Owners fund the remaining amount. Staff further notes that the Joint Owners maintain separate (from FPL) external sinking funds for satisfying both their decommissioning cost obligations and the NRC's financial assurance rule. The funding level status of the Joint Owners' NDTs as of October 31, 2025 are sufficiently above the NRC's required minimum.[24]

As discussed above, all costs are ultimately classified as those relating to the activities of license termination, spent fuel management, or site restoration. However, these major cost classifications are comprised of individual cost elements. Below, staff analyzes estimated cost variances between FPL's current and 2020 study by these individual elements.

The total estimated costs in the 2025 study reflect increases relative to the total estimated costs in the 2020 study, primarily due to escalation factors, as no major methodology or scope changes are noted. As mentioned in the case background, the escalation factor utilized for each cost category is determined by using a combination of general economic inflation rates and inflation rates for decommissioning labor, transportation, and burial of nuclear waste. Explanations and updates to each cost category are detailed below.

Site Characterization and License Termination Surveys[25]

These costs are associated with baseline radiological surveys, final site surveys, and verification surveys required for NRC license termination and release of the property for unrestricted use. The 2025 estimates incorporate refined methodologies to optimize decontamination efforts. Site characterization and license termination costs increased by approximately $4.6 million, or 23.0

[24] Document No. 15414-2025, filed in Docket 20250143-EI *In re: Petition by Florida Power & Light Company for approval of 2025 nuclear decommissioning study,* St. Lucie Unit Nos. 1 and 2, Section 2, page 7 of 11, chart titled "St. Lucie Unit No. 2 Participant Owners Funding Status."

[25] Site Characterization refers to the process of obtaining and analyzing information relating the types, quantities, and chemical/physical states of radionuclides that will affect the decommissioning process.

percent, for Turkey Point, and $4.6 million, or 22.3 percent for St. Lucie compared to the Company's 2020 study costs. These increases are due to escalation.[26]

Corporate Support (Fixed Overhead)

This category includes costs associated with site operation support. EnergySolutions states that these cost estimates are based on the information provided by FPL in 2020 and escalated to 2025. Corporate support costs increased by approximately $4.3 million, or 13.1 percent, for Turkey Point, and $2.4 million, or 13.9 percent for St. Lucie compared to the Company's 2020 study costs.

Decontamination and Removal-Related Activities

Decontamination and removal costs primarily capture costs related to the disassembly of plant components and the placement of those components into a central area or zone for processing/disposal, controlled removal of contaminated and activated concrete, remediation of any hazardous waste, excavation of soil, and demolition of site structures. Removal costs increased by approximately $66.9 million, or 27.3 percent, for Turkey Point, and $55.0 million, or 21.7 percent for St. Lucie compared to the Company's 2020 study costs. These increases are due to escalation.

Energy Costs

Energy costs reflect current assumptions for energy sources during decommissioning activities. Energy costs increased by approximately $0.3 million, or 3.3 percent, for Turkey Point, and $1.4 million, or 12.7 percent for St. Lucie compared to the Company's 2020 study costs. These increases are due to escalation.

Florida Low-Level Radioactive Waste Inspection Fee

This category includes costs associated with Rule 64E-5.1508, F.A.C., which states:

> "(6) Each generator of radioactive waste whose shipment is inspected by the department's representative will be billed quarterly by the department a fee of $1.95 per cubic foot (0.02832 cubic meter) of waste shipped or $150.00 per shipment inspected, whichever is greater."

These costs have been adjusted for updated debris volumes and regulatory fees. LLRW costs have increased by approximately $1.6 million, or 29.2 percent, for Turkey Point, and $3.0 million, or 29.2 percent for St. Lucie compared to the Company's 2020 study costs. These increases are due to escalation.

Insurance and Regulatory Fees

This cost category includes Nuclear Liability Insurance Premiums (per unit), Nuclear Property Insurance Premiums (site), NRC License Fees (per unit), and Emergency Planning Fees (County and FEMA). Each of the aforementioned sub-categories' cost estimates decreased from 2020 to 2025, with the exception of the Nuclear Liability Insurance Premiums. The result is an overall cost decrease of approximately $3.2 million (4.3 percent) for Turkey Point and $15.8 million

[26] Escalation refers to the increase in estimated future decommissioning costs over time due to projected changes in labor, materials, contractor services, energy, and other inflationary cost factors.

(15.5 percent) for St. Lucie compared to the Company's 2020 study costs. The larger decrease for St. Lucie is primarily driven by Period 5 of the decommissioning process being shortened from 25 to 19 years.[27]

Miscellaneous Equipment/Site Services

This cost category includes costs associated with tooling and equipment needed to support decontamination and dismantling activities. These costs have increased by approximately $1.1 million, or 11.6 percent for Turkey Point and by approximately $1.7 million, or 18.0 percent for St Lucie, compared to the 2020 Study costs. The primary driver for the increases is escalation.

Program Management

Program management represents the largest single cost category of the overall decommissioning cost estimate for Turkey Point and the second largest cost category for St. Lucie. The program management cost element primarily captures costs relating to the staffing (both plant personnel and contractors) and organization during the decommissioning process. This includes overall project oversight as well as management of day-to-day activities. Program management costs increased by approximately $40.3 million, or 9.7 percent, for Turkey Point, and decreased by approximately $29.9 million, or 5.9 percent, for St. Lucie compared to the Company's 2020 study costs. The primary driver for the increase for Turkey Point is escalation while the primary cause for the decrease for St. Lucie is Period 5 of the decommissioning process being shortened from 25 to 19 years.

Property Taxes

The 2025 study assumes property taxes will be paid post shutdown and will be carried until the ISFSI demolition is complete. Property taxes estimates have increased by approximately $12,000, or 1.8 percent, for Turkey Point, and decreased by approximately $1.5 million, or 43.9 percent, for St. Lucie compared to the Company's 2020 study costs. The large decrease for St. Lucie is attributable to Period 5 of the decommissioning process being shortened from 25 to 19 years, as well as FPL's projected annual taxes being lower in 2025 than in 2020.

Security

This cost category reflects costs associated with security during the decommissioning process. These costs reflect reduced staffing needs once SNF is removed from the spent fuel pools and transferred to dry cask storage at the ISFSI. Security expenses decrease significantly once the majority of the radiological inventory is removed from the reactor buildings and associated structures, allowing for a transition to a less intensive security posture (e.g., reduced guard force and perimeter monitoring requirements). This reduction is consistent with the 2020 Study's approach but has been updated for current license periods and projected SNF transfer schedules. In the 2025 study estimates, security costs are front-loaded during active decommissioning phases and then taper off substantially post-ISFSI loading, reflecting NRC security regulations that scale with remaining radiological hazards. The updates incorporate refined timelines based on extended operating licenses, resulting in escalation-driven increases. Security costs overall

[27] Period 5 refers to the post-shutdown phase during which SNF is stored onsite in dry cask systems and managed through fuel transfer operations, with costs primarily consisting of security, regulatory compliance, and storage-related activities rather than active dismantlement. For individual costs that are duration-driven (e.g. insurance, property taxes, etc.), the shortening of Period 5 by six years will serve to reduce these costs, all else being equal.

increased for both units (approximately $12.0 million, or 11.4 percent for Turkey Point and $23.8 million, or 16.0 percent for St. Lucie) compared to the Company's 2020 study costs.

Spent Fuel Management (Direct Expenditures)[28]

This category includes costs for wet pool cooling and maintenance prior to fuel transfer, loading and transfer of SNF to dry cask storage at the ISFSI, ongoing ISFSI operations and maintenance (including monitoring, security, and environmental controls), and eventual retrieval and shipment when the DOE takes title and removes the spent fuel.

Direct expenditures are projected based on adjusted ISFSI storage periods, which vary by unit depending on DOE acceptance assumptions. The 2025 study reflects current projections for SNF removal timelines (e.g., DOE pickups begin in 2035 from Turkey Point, complete by 2072; DOE pickups begin in 2037 from St. Lucie, complete by 2082).[29] Spent Fuel Management costs have increased by approximately $12.0 million, or 13.4 percent for Turkey Point and by approximately $5.1 million, or 3.6 percent for St Lucie, compared to the Company's 2020 study cost estimates. The primary driver for the increases is escalation.

Spent Fuel Pool Isolation

This category includes costs associated with isolating the spent fuel pools from the adjacent power block buildings so that decontamination and dismantlement can proceed in adjacent power block buildings without impacting spent fuel storage and fuel transfer activities. Spent Fuel Pool Isolation costs have increased by approximately $3.4 million, or 14.0 percent for Turkey Point and by approximately $3.4 million, or 14.6 percent for St Lucie, compared to the 2020 study costs. The primary driver for the increases is escalation.

Waste Packaging, Transportation, and Disposal (Class A, B, and C)

This cost category includes the costs to package, transport, and dispose of LLRW. LLRW is the contaminated and activated material generated during a nuclear reactor decontamination and dismantling process and is further classified based on levels of radioactivity (lowest-to-highest) as either Class A, B, C, or Greater than Class C (GTCC). The majority of LLRW assumed for disposal in FPL's analysis, in terms of both volume and mass, is Class A waste.[30] This cost category represents the largest single cost category for St. Lucie, and second largest for Turkey Point.

For LLRW disposal cost estimation and planning purposes, FPL has a Life of Plant Agreement with EnergySolutions to dispose of Class A nuclear waste at EnergySolutions' facility in Clive, Utah. EnergySolutions' facility in Clive does not have a license to dispose of Class B or C radioactive waste, which is more highly radioactive than Class A. On November 10, 2011, Waste Control Specialists (WCS) opened the Texas Low-Level Radioactive Waste Disposal Compact

[28] Direct spent fuel management expenditures exclude program management costs but include costs for dry shielded storage canisters and horizontal storage modules, spent fuel loading/transfer/spent fuel pool O&M fees.

[29] For purposes of this estimate, FPL has assumed the DOE pickup of commercial fuel to begin in 2034. The acceptance rate is consistent with the 2004 "Acceptance Priority Ranking & Annual Capacity Report" (Ref. No. 6), which is the most current information regarding the acceptance of spent fuel.

[30] Waste disposal volumes and costs, itemized by packaging, transportation, surcharges and disposal costs by waste class and facility, are provided in Appendix E of FPL's 2025 study, for both Turkey Point and St. Lucie.

Facility in Andrews County, Texas. This facility is licensed to dispose of Class A, B, and C LLRW. For purposes of the current study, Classes B and C waste are assumed to be shipped and disposed of at the WCS facility.

The total estimated cost of Waste Packaging, Transportation & Disposal (Class A, B, & C) increased by $51.2 million, or 18.1 percent for Turkey Point, and $92.5 million, or 21.0 percent for St. Lucie, compared to the Company's 2020 study costs. These increases are due to escalation.

Waste Packaging, Transportation, and Disposal – Greater-than-Class C

This cost category includes the costs to package, transport, and dispose of GTCC waste. Staff notes that a facility does not exist that accepts the disposal of such waste. The total estimated cost of Waste Packaging, Transportation & Disposal increased by $9.6 million, or 25.3 percent for Turkey Point, and $13.7 million, or 25.3 percent for St. Lucie compared to the Company's 2020 study costs. These increases are also due to escalation.

Contingency Allowances:

The practice of budgeting a cost contingency allowance is common in large-scale construction and demolition projects. Such project cost estimates generally include a baseline cost estimate, which is formulated based on ideal conditions, and a contingency allowance. A contingency allowance is a specific provision for unforeseeable elements and associated costs within the defined project scope. For large, complex, and long-running projects such as nuclear plant decommissioning, unforeseeable events are likely to occur; therefore, a contingency allowance is necessary.

For each of FPL's four nuclear units, EnergySolutions applied contingency allowances (typically ranging from 10–25%) to each specific decommissioning activity on a line item basis to produce a contingency value (in dollars). These specific line item contingency allowances are based on guidelines developed by the Atomic Industrial Forum (now Nuclear Energy Institute) in its report "Guidelines for Producing Commercial Nuclear Power Plant Decommissioning Cost Estimates," AIF/NESP-036. Dividing the sum of the line item contingency values by the total decommissioning costs (excluding contingencies) for each unit respectively, results in the proposed weighted average contingency factors for the 2025 study. The weighted average contingency factors for all four nuclear units are displayed in the table below:

Table 1-4
Weighted Average Contingency Factors

Nuclear Unit	Contingency
Turkey Point Unit 3	16.66%
Turkey Point Unit 4	17.07%
St. Lucie Unit 1	16.72%
St. Lucie Unit 2	17.07%

Source: FPL's 2025 Decommissioning Study

Staff believes the contingency provisions presented in FPL's 2025 study, which are based on industry standards and guidelines, as discussed above, are reasonable.

Conclusion

Staff believes the 2025 study, in estimating current decommissioning costs for Turkey Point and St. Lucie as discussed above, appropriately recognize and reflect the changes and developments affecting decommissioning cost estimates of the Company's nuclear units. Thus, based on information contained in FPL's 2025 study and FPL's responses to staff's data requests, staff believes that FPL's total current estimated decommissioning costs of $1,566,148,000 for Turkey Point Nuclear Units 3 and 4 and $1,904,787,000 for St. Lucie Nuclear Units 1 and 2, in 2025 dollars, are reasonable.

Issue 2: What are the appropriate annual accruals, in equal dollar amounts, necessary to recover the future decommissioning costs of Florida Power & Light Company's St. Lucie Nuclear Units 1 and 2, and Turkey Point Nuclear Units 3 and 4?

Recommendation: Staff recommends the appropriate jurisdictional accrual amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant remain at the currently-authorized zero dollars per year as last approved by Order No. PSC-2021-0232-PAA-EI. (D'Sa)

Staff Analysis: The purpose of this issue is to determine the appropriate annual accrual amounts to be charged to customers for satisfying the future cost of decommissioning FPL's nuclear power plants. As mentioned in staff's recommendation statement, the currently authorized overall annual decommissioning accrual is set to zero dollars per year (suspended) as last approved by Order No. PSC-2021-0232-PAA-EI.[31] Staff notes the annual decommissioning accrual has been continuously suspended since September of 2005.[32]

In general, to determine the annual accrual, the cost of decommissioning is first estimated in current dollars and then escalated to its future value using specific cost escalation assumptions. The question becomes how much revenue needs to be collected from current customers in equal monthly payments, earning at a given rate, to equal the future value of decommissioning costs. The determination of the annual accrual then resembles an annuity calculation. The specific cost escalation rates and the assumed funds earning rate are discussed in greater detail later in this issue. However, in considering current or "on hand" funding levels, the very need for an annual decommissioning accrual is determined by a similar process. To determine the need for an annual decommissioning accrual, the assumed funds earnings rate is used to develop the present value of the future funding requirement. A comparison is then made between the present value of the future funding requirement and the current funds on hand including certain assumed future tax implications. The results of this analysis will be the present value of the net funding requirement (which includes the scenario/result of no current additional customer funding being required). These updated calculations reflect a revised operating license which is valid for an additional 20 years.

The results of the annual accrual analysis presented with FPL's 2025 study indicates that no new customer funding (positive annual accrual for nuclear plant decommissioning) is required at this time. Staff notes that unless ordered otherwise, the continued adequacy of FPL's decommissioning accrual will be reviewed by the Commission at least once every five years as required by Rule 25-6.04365(3), F.A.C.

Current Cost of Decommissioning

As discussed in detail in Issue 1, the current overall system decommissioning cost estimates included in FPL's 2025 study are shown in Table 2-1. The estimated costs are as of December 31, 2025.

[31] Order No. PSC-2021-0232-PAA-EI.
[32] Order No. PSC-05-0902-S-EI and Docket No. 050188-EI, *In re: 2005 comprehensive depreciation study by Florida Power & Light Company*.

Table 2-1
Current Decommissioning Cost Estimates by Plant

Nuclear Unit	Estimated Decommissioning Costs (2025 Dollars)
St. Lucie Unit No. 1	$999,057,000
St. Lucie Unit No. 2	$905,730,000
Turkey Point Unit No. 3	$746,407,000
Turkey Point Unit No. 4	$819,741,000
Total	$3,470,934,000

Source: FPL's 2025 Decommissioning Study, Support Schedule G.

Cost Escalation Rates

Specific cost escalation rates are used to convert the current estimated decommissioning cost to the future decommissioning cost for each nuclear unit. The current decommissioning cost estimates are delineated into five summary cost categories. These categories are: labor, equipment/materials, transportation, low-level radioactive waste disposal, and other. The current decommissioning cost estimates are escalated to future values at the respective license termination dates for each nuclear unit using separate inflation forecasts applicable to the forelisted cost categories. With the exception of burial rates, FPL relied upon "The U.S. Economy, The 30-Year Outlook, November 2025," published by Global Insight as the source for its specific escalation forecasts. FPL's escalation rate for burial is based on Company-specific data. Staff notes the estimated burial costs contained in the 2025 study are assumed to escalate at an annual rate of 2.0 percent. The specific year-by-year escalation rates for all cost categories are shown on page one of Schedule G (for both St. Lucie and Turkey Point) of the 2025 Study.[33]

The methodology used by FPL in the 2025 study to determine the assumed average escalation rates is consistent with the methodology used in its prior or 2020 study. The plant-specific average annual escalation rates used in the 2020 Study and the 2025 Study to convert the current decommissioning costs to the future decommissioning costs for each nuclear unit are shown in Table 2-2 below:

Table 2-2
Average Annual Escalation Rate Comparison

Nuclear Unit	2020 Study	2025 Study
St. Lucie Unit No. 1	3.15%	3.99%
St. Lucie Unit No. 2	3.19%	4.24%
Turkey Point Unit No. 3	3.15%	4.03%
Turkey Point Unit No. 4	3.13%	3.97%

Source: FPL's 2020 and 2025 Decommissioning Studies, Support Schedule G.

Future Cost of Decommissioning

The estimates of the total future cost to decommission each nuclear unit are based on the current costs to decommission, operating license termination and release dates, and the specific cost

[33] Document No. 15414-2025, filed December 12, 2025.

escalation rates. The estimated future costs to decommission each nuclear unit at their respective assumed license release dates are listed in Table 2-3. Staff notes the cost figures listed below are on a system basis and net of the estimated DOE reimbursements for costs incurred related to the on-site storage of SNF as previously discussed in Issue 1.

Table 2-3
Future Cost of Decommissioning

Nuclear Unit	Future Net Decommissioning Costs (Nominal)
St. Lucie Unit No. 1	$3,651,292,335
St. Lucie Unit No. 2	$3,969,821,968
Turkey Point Unit No. 3	$2,128,079,245
Turkey Point Unit No. 4	$2,459,406,869
Total	$12,208,600,417

Source: FPL's 2025 Decommissioning Study, Support Schedule G.

Current Funding

The NRC requires that licensees provide reasonable financial assurance that funds will be available for decommissioning through one of three methods: (a) prepayment prior to the start of operation, (b) an external sinking fund, or (c) surety, insurance or other guarantee method.[34] The Company provides for financial assurance for plant decommissioning through its NDT funds which are held in trust with The Bank of New York Mellon Corporation (BNY Mellon) as trustee. This financial provisioning and trust arrangement constitutes an external sinking fund. An external sinking fund is defined as a: "fund established and maintained by setting funds aside periodically in an account segregated from licensee assets and outside the licensee's administrative control in which the total amount of funds would be sufficient to pay decommissioning cost at the time termination of operation is expected."[35]

The current projected NDT balances and the estimated present values of funding requirements on a jurisdictional basis are shown in Table 2-4 below. Staff notes that generally for the purposes of an annual decommissioning accrual, a fund balance greater than or equal to the estimated present value of the future funding requirement at the date of study indicates the current funding level is sufficient, and that no new customer money is presently required.

[34] 10 C.F.R. § 50.75 (2025).
[35] *Id*.

Table 2-4
Current Total Fund Balances and Estimated Present Values of Future Funding Requirements

Nuclear Unit	Projected Fund Balance at 12/31/2025 (Jurisdictional)	Estimated Present Value of Future Funding Requirements at 12/31/2025 (Jurisdictional)
St. Lucie Unit No. 1	$1,061,140,942	$510,940,366
St. Lucie Unit No. 2	$874,978,943	$459,681,158
Turkey Point Unit No. 3	$894,485,866	$429,731,079
Turkey Point Unit No. 4	$1,006,407,832	$487,531,728
Total	$3,837,013,583	$1,887,884,331

Source: FPL's 2025 Decommissioning Study, Support Schedule G.

Funding Period

The funding period is the period over which revenues are collected from customers for purposes of decommissioning the nuclear units. Plant-specific funding periods are assumed to expire on the last day of the month preceding the month in which the plant's operating license is due to expire. The operating license expiration dates for the nuclear units are listed in Table 2-5 below:

Table 2-5
Current NRC Operating License Expiration Dates

Nuclear Unit	Expiration Date
St. Lucie Unit No. 1	March 1, 2056
St. Lucie Unit No. 2	April 6, 2063
Turkey Point Unit No. 3	July 19, 2052
Turkey Point Unit No. 4	April 10, 2053

Source: FPL's 2025 Decommissioning Study, Section 2.

Years of Fund Expenditures

The years in which the accumulated NDT funds will be expended for purposes of plant decommissioning are listed in Table 2-6 below:

Table 2-6
Years of Fund Expenditures

Nuclear Unit	Period
St. Lucie Unit No. 1	2056-2083
St. Lucie Unit No. 2	2063-2083
Turkey Point Unit No. 3	2052-2073
Turkey Point Unit No. 4	2053-2073

Source: FPL's 2025 Decommissioning Study, Support Schedule G.

Fund Earnings Rate

The fundamental purpose of the Commission's review of a decommissioning study is to ensure there will be adequate funding on hand at the time the nuclear unit is decommissioned. An assumed fund earnings rate is integral to this process. The assumed fund earnings rate should be conservative enough to avoid a situation whereby future customers are burdened by inadequate funding for decommissioning. However, an assumed fund earnings rate that is too conservative inappropriately burdens current customers with expenses to be incurred in the future. As such, a certain amount of judgment is necessary to determine a fair balance between generations of customers.

The annual accrual amount moves inversely to the fund earnings rate. In other words, the higher the assumed fund earnings rate, the lower the annual accrual and vice versa. In its 2020 Study, FPL used an assumed fund earnings rate of 4.5 percent, which is applicable to all four of its NDT funds. This assumption is based on a projected real long-term, after tax and net of fees, earnings rate of 2.0 percent plus an estimated long term average inflation rate of 2.5%.

This is the same approach FPL used in its approved 2020 Study where the assumed earnings rate is compared to the CPI to assure that the overall return remains above CPI.[36] The assumed fund earnings rate of 4.5 percent, as compared to a CPI of 2.0 percent reflects the projection of continued adequacy of the funds. This projection assumes an investment strategy of establishing a conservative mix of assets to achieve long-term growth of principal coupled with an attempt to minimize downside volatility. Asset mix policy as of December 31, 2025 was 50 percent equity/growth assets and 50 percent income-oriented assets.[37]

As demonstrated by the range of earnings displayed in Table 2-7, the total fund returns have experienced some volatility from period to period. However, since fund inception, the NDT has returned an overall level of 7.2 percent. Given the projected long-term CPI of 2.0 percent, and the actual returns since inception, staff believes FPL's estimated fund earnings rate of 4.5 percent is reasonable for the purposes of determining the appropriate annual accrual amounts.

Table 2-7
Period NDT Time-Weighted Returns

Period	Fund Return	CPI	Spread
1-Year	11.70%	2.70%	9.00%
2-Year	12.30%	2.70%	9.60%
3-Year	13.70%	3.00%	10.70%
5-Year	7.70%	4.50%	3.20%
10-Year	8.50%	3.20%	5.30%
Since Fund Inception	7.20%	2.80%	4.40%

Source: FPL's Responses to Staff's First Data Request, No. 1.

[36] Order No. PSC-2021-0232-PAA-EI.
[37] FPL's Responses to Staff's First Data Request, No. 3, filed February 11, 2026.

Given the parameters discussed above, the funding analysis indicates the current funding position as of December 31, 2025, is more than sufficient to satisfy the present value of future nuclear plant decommissioning cost requirements and that no new customer monies are required at this time.

Minimum Fund Earnings Rate

Separate from the issue of the assumed fund earnings rate is the matter of whether the Commission should impose a minimum fund earnings rate. In Order No. 21928, the Commission determined that a minimum fund earnings rate equivalent to the level of inflation over each five-year review period would be appropriate.[38] The Commission reaffirmed this approach in FPL's 1994 and 1998 Studies. In those orders the Commission stated:

> Rather than attempting to set a prospective minimum fund earnings rate which may or may not be reasonable under future economic conditions, we will require that the companies set aside funds sufficient to meet the Commission's best estimate of the decommissioning liability and require the companies to maintain the purchasing power as well as the principal amount of these contributions. The companies' investment performance will be evaluated along with all other decommissioning activities every five years. If it is found that the companies' investment earnings, net of taxes and all other administrative costs charged to the trust fund, did not meet or exceed the CPI average for the period, then we will consider ordering the utility to cover this shortfall with additional monies to keep the trust fund whole with respect to inflation. We therefore find a minimum fund earnings rate equivalent to the level of inflation over each five-year review period would be appropriate.[39]

FPL believes a minimum funds earnings rate should not be imposed and the current approach, as approved by the Commission, should remain in effect.[40] The Company explained that economic and financial market conditions can vary widely over time and are difficult, if not impossible, to predict. FPL also indicated that it is reasonable that the Company be accountable for taking appropriate steps intended to preserve the principal value and the purchasing power of contributions collected from its customers. Staff concurs with FPL and believes this approach is reasonable and recommends that it remain in effect, that is no minimum earnings rate be imposed at this time.

[38] Order No. 21928.
[39] Order No. PSC-95-1531-FOF-EI; Order No. PSC-02-0055-PAA-EI. *See* Docket No. 941352-EI, *In re: Petition for Approval of Increase in Accrual for Nuclear Decommissioning Costs by Florida Power Corporation;* Docket No. 001835-EI, *In re: Petition for approval of revised annual accrual for nuclear decommissioning costs by Florida Power Corporation*; Docket No. 990324-EI, *In re: Disposition of Florida Power & Light Company's accumulated amortization pursuant to Order PSC-96-0461-FOF-EI*; and Docket No. 991931-EG, *In re: Determination of appropriate method of recovery for the last core of nuclear fuel for Florida Power & Light Company and Florida Power Corporation*.
[40] FPL's Responses to Staff's First Data Request, No. 2, filed February 11, 2026.

Conclusion

The current annual expense requirements to satisfy the estimated future nuclear decommissioning costs presented in the 2025 study support a zero accrual as of December 31, 2025. Based on the current estimated cost to decommission each nuclear unit, the assumed escalation rates to derive future cost values, current funding levels, and the assumed fund earnings rate of 4.5 percent, staff believes the continued suspension of any decommissioning accruals is reasonable. Thus, staff recommends the appropriate jurisdictional accrual amounts necessary to recover future decommissioning costs over the remaining life of each nuclear power plant remain at the currently-authorized zero dollars per year as last approved by Order No. PSC-2021-0232-PAA-EI.

Issue 3: Should the amortization expense associated with the unrecovered value of End-of-Life Materials and Supplies inventories that will exist at the nuclear site following shut down be revised?

Recommendation: Yes. Staff recommends that the annual amortization expense estimate associated with EOL M&S inventories for FPL of $2.130 million (system), based on the proposed date of January 1, 2030, is reasonable. The amortization of EOL M&S as estimated for that date is $0.483 million higher than the currently authorized accrual amount. Any changes to the current EOL M&S accruals should be addressed in FPL's next rate case. (Pope, Barrett)

Staff Analysis: The EOL M&S inventories of a nuclear-powered electrical plant consist of spare replacement parts and supplies that are required to ensure safe and reliable operations of the nuclear plant.[41] These inventories are unique and will have little value other than scrap when the associated nuclear units are decommissioned. Recognizing that a level of EOL M&S inventories will remain at the final shut down of each nuclear plant and therefore equates to an unrecovered cost, the Commission authorized FPL to amortize the cost of EOL M&S inventories over the remaining life span of each nuclear plant in order to ratably allocate the costs to those receiving the benefit of the nuclear generated power.[42] For administrative ease, the Commission further required FPL to address the amortization status of EOL M&S inventories in the Company's subsequent updated nuclear decommissioning cost studies so the related annual amortization expense could be revised, if necessary.

In accordance with Order No. PSC-02-0055-PAA-EI, effective May 2002, FPL began recording the annual amortization expense associated with the EOL M&S inventories as a debit to nuclear maintenance expense with a credit to an unfunded Account 228 reserve. FPL's current level of annual amortization expense was required in its 2020 Study and approved by the Commission by Order PSC-2021-0232-PAA-EI. Because the Commission previously found that the recovery of the costs associated with the EOL M&S inventories should be considered as a base rate component,[43] it ordered that changes in amortization of the EOL M&S inventory-related expenses shall be considered in conjunction with changes in other base rate costs and revenue requirement determinations at the time of a base rate proceeding. Consequently, FPL's currently-authorized annual amortization determined in its 2020 Study became effective in July 2021, consistent with the Stipulation and Settlement Agreement approved by the Commission in FPL's 2025 base rate case.[44]

[41] EOL M&S inventories include assets such as spare pumps and subassemblies, motors, control modules, circuit boards, switch gear, circuit breakers, valves and valve parts, ventilation parts and filters, radiation monitoring parts, and similar types of equipment. In FPL's Response to Staff's Second Data request, Nos. 7 and 14, FPL stated that valves and electrical switching equipment are the items with the highest value in the respective EOL M&S inventories.

[42] Order No. PSC-02-0055-PAA-EI; Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, *In re: Petition for increase in rates by Florida Power & Light Company*; and Order No. PSC-16-0250-PAA-EI, issued June 29, 2016, in Docket No. 150265-EI, *In re: Petition for approval of 2020 nuclear decommissioning study, by Florida Power & Light Company*.

[43] Order No. PSC-02-0055-PAA-EI.

[44] Order No. PSC-2026-0022-S-EI, issued January 22, 2026, in Docket No. 20250011-EI, *In re: Petition for rate increase by Florida Power & Light Company.*

In a decommissioning study, a Company's required EOL M&S-related annual amortization is determined by dividing the remaining net unrecovered cost associated with the EOL M&S inventories by the remaining amortization period. The remaining net unrecovered cost is the difference between the estimated cost of EOL M&S inventories and the actual reserve balance accrued at a point in time. The remaining amortization period is usually assumed to be from the considered point in time to the end of operating license of the last nuclear unit at a nuclear site.

In its study, FPL estimated the remaining net unrecovered cost associated with the EOL M&S inventories, as of January 1, 2026, to be $65.934 million, with approximately $36.330 million at St. Lucie[45] and $29.604 million at Turkey Point. These amounts reflect increases in the estimated Adjusted Ending Inventory Value at the end of the license compared to the 2020 Study, including an approximate $20 million increase for St. Lucie Unit 2 and a $14 million increase for Turkey Point Unit 4.

The overall increase of approximately $22 million in the estimated Adjusted Ending Inventory Value for St. Lucie is primarily attributable to the subsequent 20-year license extensions for Units 1 and 2, which require FPL to maintain higher inventory balances over a longer period and delay the onset of the inventory ramp-down phase. For Turkey Point, the $12.6 million increase in the estimated Adjusted Ending Inventory Value is primarily due to updated inflation factors applied over the study period, as well as a lower assumed inventory turnover rate of 18.24 percent in the 2025 study compared to 26.34 percent in the 2020 study.[46]

On February 28, 2025, FPL filed a Petition for Base Rate Increase and Rate Unification.[47] After filing its Rate Case petition, the Company updated its analysis associated with the EOL M&S inventories in the instant docket in order to align with the proposed effective date identified in FPL's Rate Case, January 1, 2026. The Commission recently established base rates through 2029 via settlement, with EOL M&S accruals continuing based on the results of the prior study.[48] Accordingly, the 2025 study results for EOL M&S, as projected forward to January 1, 2030, reflect the estimated remaining amounts to be recovered and the revised annual amortization amounts as presented in Table 3-1 below.

[45] The calculations in the 2025 study reflect that other parties have small ownership interests in the St. Lucie units. FPL's ownership share for these units is reflected as 92.552245 percent, net of participants. FPL owns all interests in the Turkey Point units.
[46] FPL's response to Staff's Second Data Request, Nos. 4 (SL) and 11 (TP), filed March 05, 2026.
[47] *See* footnote 44.
[48] *See* footnote 44.

Table 3-1
EOL M&S - Associated Amortization Expenses ($1000s)

Plant Site/ Unit	(a) EOL M&S Inventories as of 1/1/2030 (FPL ownership share)	(b) Reserve Balance as of 1/1/2030	(c) = (a) – (b) Remaining Amounts to be Recovered	(d) Current Annual Amortization (2020 Study)	(e) Revised Annual Amortization (as of 1/1/2030)	(f) = (e) – (d) Change in Annual Amortization[49]
SL2*	50,047	17,656	32,391	985	973	(12)
TP4**	54,428	27,470	26,958	662	1,157	495
Total	**104,475**	**45,126**	**60,934**	**1,647**	**2,130**	**483**

*St. Lucie 2 is the last unit to be decommissioned at the St. Lucie nuclear site.
**Turkey Point 4 is the last unit to be decommissioned at the Turkey Point nuclear site.
Data Source: FPL's response to Staff's Second Data Request, Nos. 2 (SL) and 9 (TP); FPL 2025 Decommissioning Study, Assumptions and Schedule E; and Order No. PSC-2021-0232-PAA-EI.

Based on the information contained in FPL's 2025 study and associated data request responses as well as prior Commission orders, staff believes that the revised estimated amortization amounts presented in Table 3-1 are reasonable. FPL proposed that any change in amortization accruals relating to EOL M&S inventories should be addressed in FPL's next base rate proceeding.[50] Staff concurs with FPL that the EOL M&S accruals currently in effect should remain in effect, and that EOL M&S changes in accruals, if any, should be addressed in FPL's next rate case.

Conclusion

Staff recommends that the annual amortization expense estimate associated with EOL M&S inventories for FPL of $2.130 million (system), based on the proposed date of January 1, 2030, is reasonable. The amortization of EOL M&S as estimated for that date is $0.483 million higher than the currently authorized accrual amount. Any changes to the current EOL M&S accruals should be addressed in FPL's next rate case.

[49] The Change in Annual Amortization is presented for informational purposes only.
[50] Docket No. 20250143-EI, *In re: Petition of Florida Power & Light Company for Approval of its 2025 Decommissioning Study*.

Issue 4: Should the amortization expense associated with the cost of the Last Core of nuclear fuel be revised?

Recommendation: Yes. Staff recommends that the Commission recognize the revised estimate of annual amortization expense associated with the cost of the Last Core of nuclear fuel at FPL nuclear units of $17.886 million (system), based on the assumed accrual date of January 1, 2030. The revised amortization represents an increase of approximately $14.322 million from the authorized amortization in the 2020 study. Staff also recommends that the updated estimates should be addressed in FPL's next base rate proceeding, and the appropriate changes in accruals, if any, should be made at that time. (Clark, Barrett)

Staff Analysis: Last Core is defined as the unburned nuclear fuel that will remain in the fuel assemblies at the end of the last operating cycle of each nuclear unit when it ceases operation. Recognizing that the Last Core is associated with the final shut down of a nuclear unit and therefore equates to an unrecovered cost at the end of each unit's life, the Commission authorized FPL to amortize the cost of the Last Core over the remaining life span of each nuclear unit in order to ratably allocate the costs to those receiving the benefit of the nuclear generated power.[51] For administrative ease, the Commission also required FPL to address the amortization status of the Last Core expense in the Company's subsequent updated nuclear decommissioning cost studies so the related annual amortization expense could be revised, if necessary.

In accordance with Order No. PSC-02-0055-PAA-EI, FPL began recording the annual amortization expense associated with the Last Core as a debit to nuclear maintenance expense with a credit to an unfunded Account 228 reserve. Similar to EOL M&S addressed in Issue 3, FPL's current level of annual amortization expense was required in its 2020 study and approved by the Commission by Order No. PSC-2021-0232-PAA-EI. Because the Commission previously found that the recovery of the cost associated with the Last Core should be considered as a base rate component, it ordered that changes in amortization of the Last Core-related expense shall be considered in conjunction with changes in other base rate costs and revenue requirement determinations at the time of FPL's base rate proceeding.[52] Consequently, FPL's authorized annual amortization determined in its 2020 Study became effective January 1, 2022.[53]

In a decommissioning study, a company's required Last Core-related annual amortization is determined by dividing the difference between the estimated EOL value of the Last Core of nuclear fuel and the cumulative amortization balance at a point in time, by the remaining amortization period which is usually assumed to be at the end of operating license of the nuclear unit. FPL calculated the estimated EOL value of the Last Core of nuclear fuel using the same methodology applied in prior decommissioning studies. The EOL Last Core value reflects the aggregation of estimated unamortized acquisition costs of each fuel batch prorated based on the percentage of unburned fuel remaining at the conclusion of the final operating cycle.[54,55] In its

[51] Order No. PSC-02-0055-PAA-EI; Order No. PSC-05-0902-S-EI; Order No. PSC-11-0381-PAA-EI; Order No. PSC-13-0023-S-EI; Order No. PSC-16-0250-PAA-EI; and Order No. PSC-2021-0232-PAA-EI.
[52] Order No. PSC-02-0055-PAA-EI.
[53] Order No. PSC-2021-0232-PAA-EI.
[54] FPL's Responses to Staff's Second Data Request, No. 20, filed March 05, 2026.

2025 study, FPL estimated the remaining net unrecovered cost associated with Last Core at the St. Lucie and Turkey Point nuclear plants, as of December 31, 2025, was approximately $495.728 million.

Consistent with the approach used with the EOL M&S balances in its 2025 study, FPL proposed that any change in amortization accruals relating to the Last Core expense should be addressed in FPL's next base rate proceeding. The approval of FPL's 2025 rate case petition resulted in the Company updating its analysis associated with Last Core to align with FPL's potential effective date for their next base rate proceeding of January 1, 2030.[56] The updated analysis reflects that FPL's estimate of remaining net unrecovered cost associated with the Last Core, as of January 1, 2030, is approximately $481.472 million. The resulting annual amortization expense is estimated to be $17.886 million, an increase of $14.322 million annually from the current level. FPL indicated this estimate reflects the increase in the market-based prices of nuclear fuel purchases since its prior 2020 Study.[57] Details of the estimated Last Core-related costs, reserve balances, remaining amounts to be recovered, and annual amortization amounts, as of January 1, 2030, are presented in Table 4-1 below:

Table 4-1
Last Core - Associated Amortization Expenses ($1000s)

Plant Site / Unit	(a) Last Core Costs as of 1/1/2030 (FPL Ownership share)	(b) Reserve Balance as of 1/1/2030	(c) = (a) - (b) Remaining Amounts to be Recovered	(d) Current Annual Amortization (2020 Study)	(e) Revised Annual Amortization (as of 1/1/2030)	(f) = (e) - (d) Change in Annual Amortization[58]
SL1	231,500	51,115	180,385	919	6,883	5,964
SL2	197,800	42,955	154,845	953	4,651	3,698
TP3	98,300	47,129	51,171	803	2,270	1,467
TP4	138,100	43,029	95,071	889	4,082	3,193
Total	**665,700**	**184,228**	**481,472**	**3,564**	**17,886**	**14,322**

Data Source: FPL's Response to Staff's Second Data Request, Nos. 21, 25.

Based on the review of information contained in FPL's 2025 study and associated data request responses as well as prior Commission orders, staff believes that the updated values for Last Core amortization presented in Table 4-1 are reasonable. In addition, staff concurs with FPL that the Last Core amortization amounts currently in effect should remain in effect, and that Last Core amortization amount changes should be addressed in FPL's next rate case.

[55] Calculation Formula: Unburned Fuel Cost = (Batch 1 Acquisition Cost × Remaining Burnup %) + (Batch 2 Acquisition Cost × Remaining Burnup %) + (Batch 3 Acquisition Cost × Remaining Burnup %)
[56] FPL's Responses to Staff's Second Data Request Nos. 23, 27, filed March 05, 2026.
[57] *Id*. at Nos. 18 and 19.
[58] The change in Annual Amortization is presented here for informational purposes only.

Conclusion

The amortization expense associated with the cost of the Last Core of nuclear fuel should be revisited in FPL's next base rate proceeding, and the current annual amortization expense from the 2020 Study should remain in effect. Based on the proposed date of January 1, 2030, staff recommends that the Commission approve FPL's revised estimate of annual amortization expense associated with the cost of the Last Core of $17.886 million (system) for FPL's 2025 study. The revised amortization represents an increase of approximately $14.322 million from the authorized amortization in the 2020 Study.

Issue 5: What should the effective date be for adjusting the annual decommissioning accrual amounts for FPL's St. Lucie Nuclear Units 1 and 2, Turkey Point Nuclear Units 3 and 4, 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 2 are approved, there is no change to the current approved zero decommissioning accrual. Therefore, an effective date for adjusting the annual decommissioning accrual is moot. If the staff recommendations in Issues 3 and 4 are approved, any revisions to the annual amortization amounts relating to EOL M&S inventories (Issue 3) and the Last Core (Issue 4) should be effective at the time revised base rates in FPL's next rate case are approved. (Kunkler)

Staff Analysis: In FPL's 2020 Study, the Commission found that FPL's currently-approved zero annual decommissioning accrual did not warrant revision at that time. A review of FPL's 2025 study indicates that decommissioning base cost estimates have increased since 2020. However, assumptions relating to escalation rates and trust fund earnings, as discussed in Issue 2, suggest that FPL's currently approved zero annual decommissioning accrual does not require revision at this time.

As previously discussed in Issues 3 and 4, staff recommends that revisions to the amortization of nuclear EOL M&S inventories and amortization of the costs associated with the Last Core should be revisited at FPL's next base rate proceeding. This is in accordance with the Commission decision in the 1998 study review that the amortization expenses associated with the Last Core and EOL M&S should be considered base rate obligations.[59] The effective date of annual amortization amounts should thus be effective at the time revised base rates in FPL's next rate case are approved.

Conclusion

If the staff recommendations in Issues 1 and 2 are approved, there should be no change to the currently-approved zero annual decommissioning accrual. Therefore, the Commission need not establish an effective date at this time. If the staff recommendations in Issues 3 and 4 are approved, any revisions to annual amortization amounts relating to EOL M&S inventories and the Last Core should be effective at the time revised base rates are approved in FPL's next base rate proceeding.

[59] Order No. PSC-02-0055-PAA-EI.

Issue 6: When should Florida Power & Light Company file its next nuclear decommissioning study?

Recommendation: FPL's next decommissioning cost study for the Turkey Point Nuclear Generating Station and the St. Lucie Nuclear Power Plant should be filed no later than December 12, 2030. (Kunkler)

Staff Analysis: Rule 25-6.04365, F.A.C., requires a utility that owns a nuclear generating plant under Commission jurisdiction to file a site-specific nuclear decommissioning cost study update at least once every five years from the submission date of the previous study unless otherwise required by the Commission. Given that FPL's current study was filed on December 12, 2025, its next study should be filed no later than December 12, 2030.

Conclusion

FPL's next decommissioning cost study for Turkey Point and St. Lucie should be filed no later than December 12, 2030.

Issue 7: Should this docket be closed?

Recommendation: If no protest to this proposed agency action is filed by a substantially affected person within 21 days of the issuance of the order, a consummating order should be issued and the docket should be closed. (Bloom, Crawford)

Staff Analysis: If no protest to this proposed agency action is filed by a substantially affected person within 21 days of the issuance of the order, a consummating order should be issued and the docket should be closed.