



FPL

U.S. Nuclear Regulatory Commission
Attn: Document Control Desk
Washington, DC 20555

Florida Power & Light Company, P.O. Box 14000, Juno Beach, FL 33408-0420

MAR 14 2003
L-2003-064
10 CFR 50.75(f)(1)

RE: St. Lucie Units 1 and 2
Docket Nos. 50-335 and 50-389
Turkey Point Units 3 and 4
Docket Nos. 50-250 and 50-251
Decommissioning Fund Status Report

Pursuant to 10 CFR 50.75(f)(1), attached is the Florida Power and Light Company (FPL) Decommissioning Fund Status report for St. Lucie Units 1 and 2 and Turkey Point Units 3 and 4.

FPL is the sole owner of Turkey Point Units 3 and 4 and St. Lucie Unit 1. FPL, Florida Municipal Power Agency, and Orlando Utilities Commission own St. Lucie Unit 2. The report for St. Lucie Unit 2 provides the status of decommissioning funds for all three owners of that unit.

FPL has taken into consideration the information provided in NRC Regulatory Information Summary 2001-07 (February 23, 2001), "10 CFR 50.75(f)(1) Reports on the Status of Decommissioning," and has elected not to include the costs of non NRC-defined decommissioning activities in the attached reports. Additionally, FPL used NUREG 1307, Rev. 10, Report on Waste Burial Charges, in determining the decommissioning fund requirements.

Additionally, effective December 31, 2001, FPL amended and restated its decommissioning trust agreements in conformance with the letter and safety evaluation report issued by the NRC dated October 15, 2001 (K.N. Jabbour letter to J. A. Stall), regarding FPL's transfer of its nonqualified decommissioning trust funds from FPL to KPB Financial Corporation (KPB), a wholly-owned subsidiary of FPL. Accordingly, FPL now has in place a Qualified Decommissioning Trust Agreement for its four qualified decommissioning trust funds for the Turkey Point and St. Lucie nuclear plants for which FPL is the grantor, and a Nonqualified Decommissioning Trust Agreement for its nonqualified decommissioning trust fund for Turkey Point and St. Lucie, for which KPB is the grantor. Copies of the revised agreements were provided to the NRC by FPL letter L-2002-006 dated January 3, 2002. The Qualified and Nonqualified Decommissioning Trust Agreements meet the commitments provided by FPL in its application to the NRC and all other applicable NRC requirements. With respect to the new NRC notification requirement set forth in the revised 10 CFR 50.75(h)(2) (67 Fed. Reg. 78332, December 24, 2002), FPL will revise its Qualified and Nonqualified Decommissioning Trust Agreements to add this requirement prior to the effective date of the rule (December 24, 2003).

Should there be any questions, please contact John Hartzog at (561) 694 -3661.

Very truly yours,

J. A. Stall
Senior Vice President Nuclear
And Chief Nuclear Officer

Attachments

an FPL Group company

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DECOMMISSIONING FUND STATUS REPORT

St. Lucie Unit 1

Florida Power and Light Company (FPL) hereby submits this Decommissioning Fund Status Report in compliance with 10 CFR 50.75 (f).

1. FPL is the sole owner of St. Lucie Unit 1.
2. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c) is \$335,142,060.
3. The amount of decommissioning funds accumulated, as of December 31, 2002 is \$341,441,657. The accumulated fund amount is net of estimated amounts for:
 - extended storage of spent nuclear fuel; and
 - non-nuclear demolition and restoration costs.
4. Schedule of Future Annual Contributions (Net of Estimated Amounts for Extended Storage of Spent Nuclear Fuel and Non-Nuclear Demolition and Restoration Costs):

\$ 13,860,950 to the Qualified Decommissioning Trust annually through 2015
\$ 718,338 to the Non-Qualified Decommissioning Trust annually through 2015
5. The assumed earnings rate approved in Florida Public Service Commission (FPSC) Order No. PSC-02-0055-PAA-EI is 4.7%. The assumed escalation rate approved in the same order is 5.5%.
6. FPL does not rely upon contracts as defined by 10 CFR 50.75 (e)(1)(v).
7. There have been no changes to the method of financial assurance since the last submitted report. FPL continues to utilize an external sinking fund into which deposits are made at least annually.
8. Changes to External Sinking Fund Trust Agreements:

See subject cover letter for discussion.

DECOMMISSIONING FUND STATUS REPORT

ST. Lucie Unit 2

Florida Power and Light Company (FPL), Florida Municipal Power Agency (FMPA), and Orlando Utilities Commission (OUC), (the Participants) hereby submit this Decommissioning Fund Status Report in compliance with 10 CFR 50.75 (f).

1. The Participants own the following undivided interests in St. Lucie Unit 2.

FPL	85.10449%
FMPA	8.80600%
OUC	<u>6.08951%</u>
Total	100.00000%

2. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c) are indicated below:

FPL	\$285,558,127	85.20510%
FMPA	29,313,267	8.74652%
OUC	<u>20,270,665</u>	<u>6.04838%</u>
Total	\$335,142,059	100.00000%

An adjustment was necessary to allocate the decommissioning costs of Unit 2 between the participants because the decommissioning costs of Unit 2 include the costs of decommissioning facilities common to both St. Lucie Units 1 and 2. FMPA's and OUC's contractual obligations provide that with respect to the common facility costs, they pay only their ownership share of Unit 2 times one half of these costs. Therefore, multiplying FMPA's and OUC's respective ownership shares of Unit 2 by the total cost of decommissioning would overstate their cost obligations. This adjustment is reflected in the "St. Lucie Unit 2 – FPL Ownership Percentage" presented on page 39 of FPL's 1994 Decommissioning Study for St. Lucie Units 1 and 2 (Florida Public Service Commission (FPSC) Docket No. 941350-EI).

3. The amount of decommissioning funds accumulated by the Participants as of December 31, 2002 are:

FPL	\$ 309,420,752
FMPA	\$ 23,715,006
OUC	<u>\$ 18,308,578</u>
Total	\$ 351,444,336

The accumulated fund amounts are net of estimated amounts for:

- extended storage of spent nuclear fuel; and
- non-nuclear demolition and restoration costs.

4. Schedule of Future Annual Contributions (Net of Estimated Amounts for Extended Storage of Spent Nuclear Fuel and Non-Nuclear Demolition and Restoration Costs):

FPL

\$ 11,548,902 to the Qualified Decommissioning Trust annually through 2022

\$ 2,711 to the Non-Qualified Decommissioning Trust annually through 2022

FMPA

\$ 2,148,426 annual contribution through 2022

OUC

\$ 704,106 annual contribution through 2022

5. For FPL, the assumed earnings rate approved in FPSC Order No. PSC-02-0055-PAA-EI is 4.7%. The assumed escalation rate approved in the same order is 5.5%.

FMPA's contribution to their decommissioning fund is based upon an assumed earnings rate of 6.4% and an assumed escalation rate of 6.2%.

OUC's contribution to their decommissioning fund is based upon an assumed earnings rate of 5.75% and an assumed escalation rate of 5.0%.

6. None of the Participants rely upon contracts as defined by 10 CFR 50.75 (e)(1)(v).

7. There have been no changes to the method of financial assurance since the last submitted report. The Participants continue to utilize external sinking funds into which deposits are made at least annually.

8. Changes to External Sinking Fund Trust Agreements:

See subject cover letter for discussion.

DECOMMISSIONING FUND STATUS REPORT

Turkey Point Unit 3

Florida Power and Light Company (FPL) hereby submits this Decommissioning Fund Status Report in compliance with 10 CFR 50.75 (f).

1. FPL is the sole owner of Turkey Point Unit 3.
2. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c) is \$323,196,940.
3. The amount of decommissioning funds accumulated, as of December 31, 2002 is \$257,096,973. The accumulated fund amount is net of estimated amounts for:
 - extended storage of spent nuclear fuel; and
 - non-nuclear demolition and restoration costs.
4. Schedule of Future Annual Contributions (Net of Estimated Amounts for Extended Storage of Spent Nuclear Fuel and Non-Nuclear Demolition and Restoration Costs):
 - \$ 13,588,398 to the Qualified Decommissioning Trust annually through 2011
 - \$ 1,567,418 to the Non-Qualified Decommissioning Trust annually through 2011.
5. The assumed earnings rate approved in Florida Public Service Commission (FPSC) Order No. PSC-02-0055-PAA-EI is 4.7%. The assumed escalation rate approved in the same order is 5.6%.
6. FPL does not rely upon contracts as defined by 10 CFR 50.75 (e)(1)(v).
7. There have been no changes to the method of financial assurance since the last submitted report. FPL continues to utilize an external sinking fund into which deposits are made at least annually.
8. Changes to External Sinking Fund Trust Agreements:

See subject cover letter for discussion.

DECOMMISSIONING FUND STATUS REPORT

Turkey Point Unit 4

Florida Power and Light Company (FPL) FPL hereby submits this Decommissioning Fund Status Report in compliance with 10 CFR 50.75 (f).

1. FPL is the sole owner of Turkey Point Unit 4.
2. The amount of decommissioning funds estimated to be required pursuant to 10 CFR 50.75 (b) and (c) is \$323,196,940.
3. The amount of decommissioning funds accumulated, as of December 31, 2002 is \$281,329,744. The accumulated fund amount is net of estimated amounts for:
 - extended storage of spent nuclear fuel; and
 - non-nuclear demolition and restoration costs.
4. Schedule of Future Annual Contributions (Net of Estimated Amounts for Extended Storage of Spent Nuclear Fuel and Non-Nuclear Demolition and Restoration Costs):
 - \$ 15,116,190 to the Qualified Decommissioning Trust annually through 2012
 - \$ 1,753,561 to the Non-Qualified Decommissioning Trust annually through 2012.
5. The assumed earnings rate approved in Florida Public Service Commission (FPSC) Order No. PSC-02-0055-PAA-EI is 4.7%. The assumed escalation rate approved in the same order is 5.6%.
6. FPL does not rely upon contracts as defined by 10 CFR 50.75 (e)(1)(v).
7. There have been no changes to the method of financial assurance. FPL continues to utilize an external sinking fund into which deposits are made at least annually.
8. Changes to External Sinking Fund Trust Agreements:

See subject cover letter for discussion.