FPL Energy
Seabrook Station

FPL Energy Seabrook Station
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December 29, 2005

Docket No. 50-443
SBK-L-05275

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

Seabrook Station
Clerical Errors with Respect to Deposits
to Seabrook Nuclear Decommissioning Trust

The purpose of this letter is to advise the Nuclear Regulatory Commission (NRC) of certain clerical errors that have been made with respect to deposits to the nuclear decommissioning trusts for Seabrook Station.

As background, by NRC Order dated October 25, 2002, and by NRC License Amendment No. 86 to Seabrook Facility Operating License NPF-86 effective October 1, 2002, the NRC authorized the transfer of the Operating License for Seabrook Station to FPL Energy Seabrook, LLC (FPLE). Both the Order and the License Amendment imposed conditions on FPLE regarding the Seabrook nuclear decommissioning trust. The Seabrook decommissioning trust is also governed by the Amended and Restated Seabrook Nuclear Decommissioning Financing Fund Master Trust Agreement (the Trust Agreement), as amended and restated on October 31, 2002.

FPLE's nuclear decommissioning trust is further subject to the jurisdiction of the New Hampshire Nuclear Decommissioning Financing Committee (NDFC) pursuant to New Hampshire law. In its Final Report and Order in Docket No. NDFC 2003-1, the NDFC ordered FPLE and the Joint Owners[1] of Seabrook to establish escrow accounts that would hold certain funds that, depending on the circumstances, would either be placed in the Seabrook nuclear decommissioning trust or released back to FPLE and the Joint Owners. As required by orders of the NDFC, during 2004 and 2005 FPLE and the Joint Owners have been directing contributions from January through September to the Seabrook nuclear decommissioning trust and contributions from October through December to the escrow accounts.

[1] The Seabrook Joint Owners are FPLE, Massachusetts Municipal Wholesale Electric Company, Hudson Power & Light Department, and Taunton Municipal Lighting Plant.

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FPLE has recently learned of clerical errors made by Citizens Bank, the Trustee for the Seabrook nuclear decommissioning trust. In summary, Citizens has in some cases deposited funds that were intended for the escrow accounts into the nuclear decommissioning trust. In other cases, Citizens deposited funds that were intended for the nuclear decommissioning trust into the escrow accounts. These errors are summarized in detail in the enclosed letter from Citizens to FPLE dated December 21, 2005. As set forth in that letter, Citizens has already corrected certain of these clerical errors, but the erroneous deposits to the decommissioning trust in October, 2005 have not yet been corrected.

It is clear from the orders of the NDFC that deposits to the decommissioning trust for October, 2005 were in error. Accordingly, FPLE's position is that the deposits that were intended for the escrow accounts that were erroneously made to the decommissioning trust were not valid deposits under the Trust Agreement. FPLE intends to direct the Trustee to reverse these deposits on or after February 1, 2006. FPLE believes that such reversals are permissible under the Trust Agreement and are not "disbursements" from the decommissioning trust pursuant to Seabrook Operating License Condition C(3)b(iii).

By letter dated November 15, 2005, FPLE advised the NRC that FPLE was planning to change the Trustee of the Seabrook nuclear decommissioning funds from Citizens to Mellon Trust of Delaware, National Association ("Mellon"). FPLE received no objection from the NRC to that change or to FPLE's proposed changes to the Trust Agreement. FPLE is planning on closing the Mellon transaction on December 30, 2005, except that the escrow account will be transferred to Mellon on or about February 1, 2006. FPLE will advise Mellon of the circumstances surrounding the errors by Citizens Bank, and direct Mellon to correct these errors on or after February 1, 2006. To ensure procedures are clear in the future, FPLE will also advise Mellon that any clerical errors with respect to deposits in the Seabrook decommissioning trust shall not be reversed without prior written approval from a FPL Energy Seabrook officer.

Should you have questions concerning this matter, please contact Mitchell Ross, Associate General Counsel, at 561-691-7126.

Sincerely yours,

Terry Jones

TERRY O. JONES FOR

J.A. Stall
Senior Vice President, Nuclear
and Chief Nuclear Officer

cc: S. J. Collins, NRC Regional Administrator, Region I
G. E. Miller, NRC Project Manager
G. T. Dentel, NRC Senior Resident Inspector
Eileen McKenna

Enclosure

Enclosure to SBK-L-05275

Citizens
Investment Management Services

One Capital Plaza
Concord, NH 03301

December 21, 2005

Mr. Mitchell S. Ross
FPL Energy Seabrook LLC
700 Universe Boulevard
Juno Beach FL 33408-0420

Re: Seabrook Owners' Decommissioning/Escrow Funds

Dear Mr. Ross:

At Judy Kahn's request, I am writing to explain clerical errors made during the past year in our posting of contributions to the various Seabrook-related trust and escrow accounts. Because of turnover in our administrative staff since last December, the normal pattern of posting the first nine months' contributions to the trust accounts and the last three months' contributions to the escrow accounts was not consistently followed. (see attached spreadsheets).

FPL Energy Seabrook Trust and Escrow

The October 3 contributions ($593,304.80 to Trust account 3011000598 and $65,922.76 to Trust account 3011000606) should have been posted to the escrow account 3011020. We are prepared to correct this clerical error by transferring these amounts to the escrow account.

MMWEC Trust and Escrow

The September 6 posting of $140,284.67 to the escrow account 3011012 was made in error and corrected on September 8 by posting the correct amounts of $35,071.17 to Trust account 3035011536 and $105,213.50 to Trust account 30351012054 and on September 9 by reversing the original entry.

The October 3 contributions ($35,071.17 to Trust account 3035011536 and $105,213.50 to Trust account 3035012054) should have been posted to the escrow account 3011012. We are prepared to correct this clerical error by transferring those amounts to the escrow account.

Also, an incorrect amount posted on 3/7/05 to Trust account 3035012054 ($105,215.25) was reversed on 4/7/05 and the correct amount ($105,213.500) posted.

Hudson Light & Power Trust and Escrow

The balances in these accounts are correct, due to the correction of clerical errors caught by our auditors, Howe Riley and Howe, or by Cory Kristiansen (Seabrook Station) as follows:

A posting on 11/26/04 to Trust account 3035011509 should have been made to the escrow account 3011016 ($1,217.45). This error was corrected on 1/19/05.

The incorrect posting of May 27 of $1,230.11 to the escrow account, 3011016, should have been made to Trust account 3035011509 and was corrected on October 12.

The deposit of $1,230.11 made on October 3 to Trust account 3035011509 was in error. An email message directing us to reverse the correction was received on October 13 from Cory Kristiansen (Seabrook Station) and posted on October 27.

The correct posting on October 31 of $1,230.11 to escrow account 3011016 was erroneously double posted and so a single reversal was made.

Taunton Municipal Lighting Trust and Escrow

The balances in these accounts are correct. A clerical error was caught by Cory Kristiansen (Seabrook Station) and corrected as follows:

The 10/4/05 contribution ($1,604.11) was posted in error to the Trust account 3035011714 and should have been posted to the escrow account 3011014. This clerical error was corrected on 10/27/05.

Because the act of posting deposits to the various accounts is an administrative matter it is generally our practice to transfer funds to correct occasional mis-postings. We are prepared, with the appropriate authorization and direction, to make the final corrections to the FPL Energy Seabrook and MMWEC accounts so the year end balances will be correct.

Very truly yours,

Robert P. Gerseny
Senior Vice President and
Personal Trust State Manager
Investment Management Services

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