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Florida Power & Light Company, 700 Universe Boulevard, P.O. Box 14000, Juno Beach, FL 33408-0420

FPL

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L-2008-013
10 CFR 50.33(f)(4)

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

Re: Florida Power and Light Company
St. Lucie Units 1 and 2
Docket Nos. 50-335 and 50-389

Response to NRC Request for Information Concerning Biennial Decommissioning Funding Report (TAC NOS. MD5084 and MD5085)

By letter dated December 31, 2007, the Nuclear Regulatory Commission staff requested Florida Power and Light Company (FPL), to submit an explanation as to whether the reduction in the reported balance of its radiological decommissioning trust funds from the balance previously reported constituted a withdrawal or disbursement from the funds. As explained below, FPL did not withdraw or otherwise receive a disbursement of funds from its decommissioning trusts.

Consistent with the NRC's regulations, FPL maintains external trust fund accounts to accumulate funds for purposes of decommissioning the St. Lucie nuclear units. The funds include the following cost components:

- License termination costs (Radiological costs);
- Spent fuel management costs; and
- Non-nuclear demolition and restoration costs.

The funds accumulated for the three cost components are not segregated within the trust fund balances. Florida state law, however, requires that FPL periodically (typically every 5 years) complete a decommissioning cost study to evaluate the trust fund balances and adjust contributions as needed to ensure adequate funds are available at shut down to decommission the units. Consequently, in 2001 and 2005, FPL contracted TLG Services, Inc. to prepare a Decommissioning Cost Study (TLG Study) that analyzed the allocation of funds to the cost components described above.

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Pursuant to the NRC's regulations, FPL filed a Decommissioning Fund Status Report providing the December 31, 2004 trust fund balances allocated to the license termination costs, which incorporated assumptions from the TLG Study, dated January, 2001. The Decommissioning Fund Status Report provided on December 31, 2006 however, relied on assumptions from the TLG Study dated October, 2005. The TLG Study dated October, 2005, assumed a lower allocation for the license termination costs than the January 2001 TLG Report.

Consequently, the balance reported in FPL's Decommissioning Fund Status Report provided on December 31, 2006 appeared to reflect a decrease in the fund assets. In fact, however, the total trust fund balance had increased from 2004 to 2006.

In sum, there have been no withdrawals or disbursements from the St. Lucie decommissioning trust funds.

If you have any questions concerning this submittal, please contact Sol Stamm at (561) 691-7489.

Sincerely yours,

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

cc: Regional Administrator, Region II
USNRC Project Manager, St. Lucie and Turkey Point
Senior Resident Inspector, USNRC, St. Lucie