

BROWARD COUNTY LEAGUE OF CITIES, INC.
RESOLUTION NO. 2012-S-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BROWARD COUNTY LEAGUE OF CITIES, INC. URGING THE FLORIDA PUBLIC SERVICE COMMISSION TO DENY ANY FURTHER APPROVAL OF "EARLY COST RECOVERY" CHARGES AND URGING THE FLORIDA LEGISLATURE TO REPEAL THE "EARLY COST RECOVERY" STATUTE THAT ALLOWS ELECTRIC UTILITIES TO CHARGE CUSTOMERS FOR THE SITING, DESIGN LICENSING, PRECONSTRUCTION AND CARRYING COSTS OF NUCLEAR REACTORS IN ADVANCE OF SUCCESSFUL OPERATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, §366.93, Florida Stat. adopted by the Legislature in 2006 allows "early cost recovery" which provides that utilities may charge customers in advance of successful completion and operation for the costs of design, licensing, preconstruction, and construction carrying costs for nuclear reactors; and

WHEREAS, the early cost recovery statute is contrary to traditional utility regulation that requires utility's shareholders to bear the risk of preconstruction and carrying costs and that the power plant be successfully constructed and operational prior to the recovery of such costs from customers; and

WHEREAS, the early cost recovery statute provides that if a utility decides to abandon a reactor project, its shareholders are shielded from risk because the utility can recover *all* construction costs from its customers; and

WHEREAS, the Florida Public Service Commission recently approved \$186 million in costs for nuclear related projects for Florida Power and Light, including two proposed new reactors at Turkey Point in Miami, and such costs will increase customer bills by \$2.20 per month, with significantly higher bill impacts in future years at a time when customers are struggling to pay current bills; and

WHEREAS, customer bill impacts for the construction of a similar reactor project by Progress Energy Florida was estimated to reach over \$50 / month per 1,000 kWh for its customers and indicates that future bill impacts to customers from the proposed Florida Power and Light reactors will be significant; and

WHEREAS, Florida Power and Light continues to request and be granted costs related to the proposed Turkey Point nuclear reactors, in spite of public statements by the company that it is not yet committed to building the reactors; and

WHEREAS, in connection with electricity-producing technology, nuclear reactors have expensive capital costs; and

WHEREAS, meaningful energy efficiency goals for the state's utilities and improvements in energy efficiency program implementation are the most cost-effective energy investments available to a utility for meeting demand and helping customers reduce their energy bills – and can defer or eliminate the need for new nuclear reactors, while providing more job creation opportunities.

NOW, THEREFORE BE IT RESOLVED by the Broward County League of Cities, Inc.:

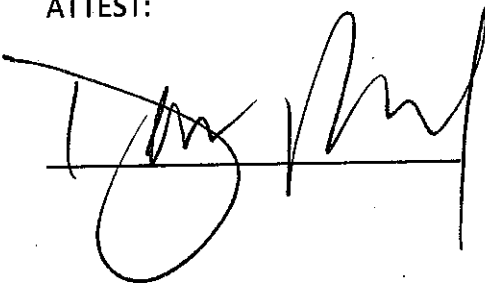
Section 1. That the Broward League of Cities, Inc. hereby urges the Florida Public Service Commission to deny any further approval of early cost recovery charges related to proposed Florida Power and Light nuclear reactors.

Section 2. That the Broward League of Cities, Inc. hereby urges the Florida Legislature to repeal §366.93, Florida Stat. which provides for early cost recovery.

Section 3. This resolution shall become effective upon adoption.

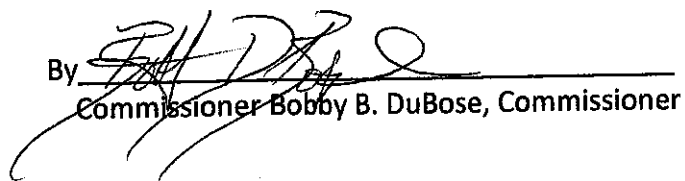
APPROVED AND ADOPTED by the Board of Directors of the Broward County League of Cities, Inc. at regular meeting assembled this 7th day of June, 2012.

ATTEST:



BROWARD COUNTY LEAGUE OF CITIES, INC.

By


Commissioner Bobby B. DuBose, Commissioner