

RESOLUTION NO. 147-11-13461

A Resolution by the City of South Miami urging the Florida Public Services Commission to deny approval of any further Early Cost Recovery and urging the Florida Legislature to repeal the Early Cost Recovery statute relating to electric utility charges for the siting, design, licensing, and construction of nuclear power plants.

WHEREAS, F.S. 366.93, known as Early Cost Recovery, was adopted by the Florida Legislature in 2006 and provides that utilities may charge customers in advance of operation for the costs of planning, lobbying for, and constructing nuclear power plants; and

WHEREAS, the Early Cost Recovery statute provides that the utility may impose and collect the charge but never actually complete the project, thus charging the rate payer for improvements and infrastructure they will never actually provide to customers; and

WHEREAS, FPL has currently charged, collected from its customers and spent \$268 million in Early Cost Recovery funds and is seeking approval from the Public Service Commission for an additional \$186 million in 2012 new nuclear-related projects including the construction of two additional nuclear reactors at Turkey Point in South Miami-Dade, but which have never received approval for a license by the Nuclear Regulatory Commission; and

WHEREAS, Progress Energy submitted an Early Cost Recovery schedule that reaches \$60/month/1000 KW, and the additional funds requested by FPL may represent a similarly dramatic increase in the customer's monthly bill at a time when consumers are struggling to pay current bills; and

WHEREAS, generation and transmission infrastructure paid for by rate payers under Early Cost Recovery becomes the property of the utility's corporate share-holders who invested nothing in that infrastructure but who will receive 10% annual interest on the value of that infrastructure from the rate payers who paid for it in the first place; and

WHEREAS, executives of FPL have stated that nuclear reactors are too expensive to build, yet FPL continues to collect money from the rate-payers under Early Cost Recovery to finance ancillary infrastructure, such as transmission lines, listed under their nuclear Combined Operating License Application; and

WHEREAS, publicly traded utilities receiving money from rate payers under Early Cost Recovery are not obliged to pay back those funds if their nuclear generation projects are not completed; and

WHEREAS, Early Cost Recovery money is used by the utilities to promote and litigate for the same nuclear and transmission line projects the rate payers may oppose; and

WHEREAS, improvements in domestic energy efficiency are the best energy investments available, are safe, carbon-free, and can provide more jobs to Floridians than any other energy investment, but Early Cost Recovery monies are not permissible for such investments; and

WHEREAS, nuclear reactors financed through Early Cost Recovery have become the most expensive way to produce electricity; and

WHEREAS, the nuclear reactor designs currently being financed through Early Cost Recovery have never been deployed and may pose unforeseen risks to citizens of the Southeastern United States.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF SOUTH MIAMI, FLORIDA, THAT:

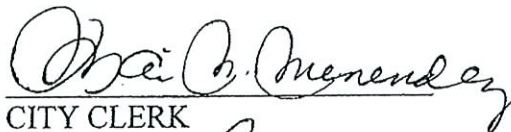
Section 1. The City Commission hereby urges the Florida Public Service Commission to deny FPL approval of any further Early Cost Recovery funding.

Section 2. The City Commission hereby urges the Florida Legislature to repeal F.S. 366.93 relating to Early Cost Recovery.

Section 3. This resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED this 6th day of September, 2011.

ATTEST:


CITY CLERK

READ AND APPROVED AS TO FORM:
LANGUAGE, LEGALITY AND
EXECUTION THEREOF


CITY ATTORNEY

APPROVED:


MAYOR

COMMISSION VOTE: 4-1
Mayor Stoddard: Yea
Vice Mayor Newman: Yea
Commissioner Beasley: Yea
Commissioner Palmer: Nay
Commissioner Harris: Yea