

APR 29 1997

Ms. Pat Lee  
Utility Communications Systems  
Engineer Supervisor  
Division of Auditing and Financial Analysis  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0865

Dear Ms. Lee:

This is in response to your April 16, 1997 letter to the U.S. Nuclear Regulatory Commission (NRC) concerning a survey of utility commissions relating to the issue of stranded investment. As Chair of the National Association of Regulatory Utility Commissioners (NARUC) Staff Subcommittee on Depreciation, you indicated the Staff Subcommittee's intention is to prepare a paper which will explore various definitions of stranded investment, how stranded investment occurs, how to quantify stranded investment, and possible methods of recovery. You requested the NRC to respond to a survey to assist the Staff Subcommittee in this effort.

As you know, the NRC is not an economic or rate regulator. As such, most of the questions in the survey are not applicable to NRC's public health and safety mission. Spiros Droggitis of my staff has discussed this with you. I am enclosing several documents in response to your request for any additional information which may be helpful to the Staff Subcommittee's research. Included are a recent speech from NRC Chairman Shirley Ann Jackson on "Nuclear Energy and Economic Competition: The NRC Perspective," the Commission's Draft Policy on the Restructuring and Economic Deregulation of the Electric Utility Industry (61 FR 49711) and some additional background on electric utility industry deregulation and the decommissioning of nuclear power plants.

I trust you will find this information helpful. If you have additional questions, you may contact me or Mr. Droggitis at (301) 415-2367.

Sincerely,

**Original Signed By**  
**RICHARD L. BANGART**  
Richard L. Bangart, Director  
Office of State Programs

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*Richard L. Bangart*  
Richard L. Bangart, Director  
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