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**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 960007-EI
FLORIDA POWER & LIGHT COMPANY**

MAY 20, 1996

ENVIRONMENTAL COST RECOVERY FACTOR

**FINAL TRUE-UP
OCTOBER 1995 THROUGH MARCH 1996**

TESTIMONY & EXHIBITS OF:

B. T. BIRKETT

DOCUMENT NUMBER-DATE
05590 MAY 20 96
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF BARRY T. BIRKETT

DOCKET NO. 960007-EI

May 20, 1996

1 **Q. Please state your name and address.**

2 A. My name is Barry T. Birkett and my business address is 9250 West Flagler
3 Street, Miami, Florida, 33174.

4

5 **Q. By whom are you employed and in what capacity?**

6 A. I am employed by Florida Power & Light Company (FPL) as the Manager
7 of Rates and Tariff Administration.

8

9 **Q. Have you previously testified in this docket?**

10 A. Yes, I have.

11

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to present for Commission review and
14 approval the Environmental Compliance Costs associated with our
15 Environmental Compliance activities for the period October 1995 through

1 March 1996.

2

3 **Q. Have you prepared or caused to be prepared under your direction,**
4 **supervision or control an exhibit in this proceeding?**

5 A. Yes, I have. It consists of eight forms. Form 42-1A reflects the final true-
6 up to be carried forward to the October 1996 - March 1997 period, Form
7 42-2A consists of the final true-up calculation for the period, Form 42-3A
8 consists of the calculation of the Interest Provision for the period, Form 42-
9 4A reflects the calculation of variances between actual and projected costs
10 for O & M Activities, Form 42-5A presents a summary of actual monthly
11 costs for the period for O & M Activities, Form 42-6A reflects the
12 calculation of variances between actual and projected costs for Capital
13 Investment Projects, Form 42-7A presents a summary of actual monthly
14 costs for the period for Capital Investment Projects and Form 42-8A
15 consists of the calculation of depreciation expense and return on capital
16 investment.

17

18 **Q. What is the source of the data which you will present by way of**
19 **testimony or exhibits in this proceeding?**

20 A. Unless otherwise indicated, the actual data is taken from the books and
21 records of FPL. The books and records are kept in the regular course of
22 our business in accordance with generally accepted accounting principles
23 and practices, and provisions of the Uniform System of Accounts as

1 prescribed by this Commission.

2

3 **Q. What is the actual true-up amount which FPL is requesting for the**
4 **six-month period October 1995 through March 1996?**

5 A. FPL has calculated and is requesting approval of an underrecovery of
6 \$2,087,436 as the actual true-up amount for the six-month period.

7

8 **Q. What is the adjusted net true-up amount which FPL is requesting for**
9 **the October 1995 through March 1996 period which is to be carried**
10 **over and refunded in the next projection period?**

11 A. FPL has calculated and is requesting approval of an underrecovery of
12 \$65,778 as the adjusted net true-up amount for the six-month period. This
13 adjusted net true-up amount is the difference between the actual
14 underrecovery of \$2,087,436 for the period October 1995 through March
15 1996 and the estimated/actual true-up for the same period of an
16 underrecovery of \$2,021,658, approved in FPSC Order No. PSC-96-0361-
17 FOF-EI. This is shown on Form 42-1A.

18

19 **Q. Is this true-up calculation consistent with the true-up methodology**
20 **used for the other cost recovery clauses?**

21 A. Yes, it is. The calculation of the true-up amount follows the procedures
22 established by this Commission as set forth on Commission Schedule A-2
23 "Calculation of True-Up and Interest Provisions" for the Fuel Cost

1 Recovery Clause.

2

3 **Q. Are all costs listed in Forms 42-4A through 42-8A attributable to**
4 **Environmental Compliance projects approved by the Commission?**

5 A. Yes they are.

6

7 **Q. How did actual expenditures for October 1995 through March 1996**
8 **compare with FPL's estimated/actual projections as presented in**
9 **previous testimony and exhibits?**

10 A. Overall, costs were \$139,884 higher than estimated/actual projections.
11 O & M Activities were \$183,417 higher and Capital Investment Projects
12 were \$43,533 lower than estimated/actual projections. Below are variance
13 explanations for those O & M Activities and Capital Investment Projects
14 with variances greater than \$30,000. All variances are provided in detail
15 on Forms 42-2A through 42-8A.

16

17 Significant variances by project were as follows:

18

19 1. CONTINUOUS EMISSION MONITORING SYSTEMS - O & M
20 Project expenditures were \$82,157 less than projected. This
21 variance was due primarily to fewer replacement parts and gases
22 purchased during the first quarter of 1996 than originally
23 anticipated.

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2. MAINTENANCE OF STATIONARY ABOVE GROUND FUEL STORAGE TANKS - O & M

Project expenditures were \$255,957 less than projected. This variance was due to changes in the timing of the work undertaken.

3. MAINTENANCE OF STATIONARY ABOVE GROUND FUEL STORAGE TANKS - SPILL ABATEMENT

Project expenditures were \$225,313 more than projected. This variance was primarily due to more soil being removed at the Sanford Plant metering tanks than originally anticipated.

4. RCRA CORRECTIVE ACTION - O & M

Project expenditures were \$342,654 more than projected. This variance was due to unanticipated clean-up required at the Fort Myers and Sanford Plant sites.

Q. Does this conclude your testimony?

A. Yes, it does.

**FINAL TRUE UP
ENVIRONMENTAL COST RECOVERY
COMMISSION FORMS 42-1A THROUGH 42-8A
OCTOBER 1995 - MARCH 1996**

1

**BTB-1
DOCKET NO. 960007-EI
FPL WITNESS: B. T. BIRKETT
EXHIBIT**

**PAGES 1- 18
May 20, 1996**

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up for the Six Month
Period - October 1995 to March 1996

Line
No.

1	End of Period Actual True-Up for the six month period October 1995 through March 1996 (Form 42-2A, Lines 5 & 6)	(\$2,087,436)
2	Estimated/Actual True-Up Amounts Approved for the Period April through September 1996 - (Order No. PSC-96-0361-FOF-EI)	(2,021,658)
3	Final True-Up to be refunded/(recovered) in October 1996 through September 1997 Period	<u>(\$65,778)</u>

() Reflects Underrecovery

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1995 to March 1996

Line No.	October	November	December	January	February	March	End of Period Amount
1 ECRC Revenues (net of Revenue Taxes)	\$1,455,286	\$1,377,528	\$1,198,776	\$1,381,940	\$1,225,091	\$1,184,282	\$7,822,904
2 True-up Provision (Order No. PSC-95-1051-FOF-EI)	(44,492)	(44,492)	(44,492)	(44,492)	(44,492)	(44,492)	(266,954)
3 ECRC Revenues Applicable to Period (Lines 1 + 2)	1,410,794	1,333,035	1,154,284	1,337,448	1,180,599	1,139,790	7,555,950
4 Jurisdictional ECRC Costs							
a - O&M Activities (Form 42-5A, Line 9)	1,480,511	961,250	1,320,656	355,638	2,408,497	382,246	6,908,798
b - Capital Investment Projects (Form 42-7A, Line 9)	435,308	449,240	448,988	456,857	462,262	465,160	2,717,815
c - Total Jurisdictional ECRC Costs	1,915,819	1,410,489	1,769,645	812,495	2,870,759	847,406	9,626,613
5 Over/(Under) Recovery (Line 3 - Line 4c)	(505,025)	(77,454)	(615,361)	524,953	(1,690,160)	292,384	(2,070,663)
6 Interest Provision (Form 42-3A, Line 10)	423	(774)	(2,238)	(2,175)	(4,497)	(7,512)	(16,773)
7 Beginning Balance True-Up & Interest Provision	(266,954)	(727,064)	(760,799)	(1,333,906)	(766,636)	(2,416,801)	(266,954)
a - Deferred True-Up from April 1995 to September 1995 (Order No. PSC-96-0361-FOF-EI)	583,626	583,626	583,626	583,626	583,626	583,626	583,626
8 True-Up Collected /(Refunded) (See Line 2)	44,492	44,492	44,492	44,492	44,492	44,492	266,954
9 End of Period True-Up (Lines 5 + 6 + 7 + 7a + 8)	(143,438)	(177,173)	(750,280)	(183,010)	(1,833,175)	(1,503,811)	(1,503,811)
10 Adjustments to Period Total True-Up Including Interest							
11 End of Period Total Net True-Up (Lines 9 + 10)	(\$143,438)	(\$177,173)	(\$750,280)	(\$183,010)	(\$1,833,175)	(\$1,503,811)	(\$1,503,811)

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1995 to March 1996

Interest Provision (in Dollars)

Line No.	October	November	December	January	February	March	End of Period Amount
1 Beginning True-Up Amount (Form 42-2A, Lines 7 + 7a + 10)	\$316,672	(\$143,438)	(\$177,173)	(\$750,280)	(\$183,010)	(\$1,833,175)	(\$2,770,404)
2 Ending True-Up Amount before Interest (Line 1 + Form 42-2A, Lines 5 + 8)	(143,861)	(176,399)	(748,042)	(180,835)	(1,828,678)	(1,496,299)	(4,574,114)
3 Total of Beginning & Ending True-Up (Lines 1 + 2)	\$172,811	(\$319,837)	(\$925,215)	(\$931,115)	(\$2,011,688)	(\$3,329,474)	(\$7,344,518)
4 Average True-Up Amount (Line 3 x 1/2)	\$86,406	(\$159,919)	(\$462,608)	(\$465,558)	(\$1,005,844)	(\$1,664,737)	(\$3,672,259)
5 Interest Rate (First Day of Reporting Month)	5.94000%	5.81000%	5.80000%	5.81000%	5.40000%	5.33000%	N/A
6 Interest Rate (First Day of Subsequent Month)	5.81000%	5.80000%	5.81000%	5.40000%	5.33000%	5.50000%	N/A
7 Total of Beginning & Ending Interest Rates (Lines 5 + 6)	11.75000%	11.61000%	11.61000%	11.21000%	10.73000%	10.83000%	N/A
8 Average Interest Rate (Line 7 x 1/2)	5.87500%	5.80500%	5.80500%	5.60500%	5.36500%	5.41500%	N/A
9 Monthly Average Interest Rate (Line 8 x 1/12)	0.48958%	0.48375%	0.48375%	0.46708%	0.44708%	0.45125%	N/A
10 Interest Provision for the Month (Line 4 x Line 9)	\$423	(\$774)	(\$2,238)	(\$2,175)	(\$4,497)	(\$7,512)	(\$16,773)

Florida Power & Light Company
 Environmental Cost Recovery Clause
 Calculation of the Final True-Up Amount for the Period
 October 1995 - March 1996

Variance Report of O&M Activities
 (in Dollars)

Line	(1)	(2)	(3)	(4)
	Actual	Estimated Actual	Variance Amount	Percent
1 Description of O&M Activities				
1 Air Operating Permit Fees-O&M	\$ 1,842,766	\$ 1,862,170	\$ (19,404)	-1.0%
3a Continuous Emission Monitoring Systems-O&M	284,782	366,939	(82,157)	-22.4%
4a Clean Closure Equivalency-O&M	74,813	70,054	4,759	6.8%
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	205,045	461,002	(255,957)	-55.5%
5c Maintenance of Stationary Above Ground Fuel Storage Tanks-Spill Abatement	1,102,532	877,219	225,313	25.7%
8a Oil Spill Cleanup/Response Equipment-O&M	5,209	26,500	(21,291)	-80.3%
8c Oil Spill Cleanup/Response Equipment-Revenue	0	0	0	0.0%
9 Low-Level Radioactive Waste Access Fees-O&M	7,318	7,318	0	0.0%
13 RCRA Corrective Action-O&M	3,430,807	3,088,153	342,654	11.1%
14 NPDES Permit Fees-O&M	<u>128,863</u>	<u>139,363</u>	<u>(10,500)</u>	<u>-7.5%</u>
2 Total O&M Activities	\$ 7,082,135	\$ 6,898,718	\$ 183,417	2.7%
3 Recoverable Costs Allocated to Energy	\$ 2,140,075			
4 Recoverable Costs Allocated to Demand	\$ 4,942,060			

Notes:

Column(1) is the End of Period Totals on Form 42-5A

Column(2) is the approved Estimated/Actual amount in accordance with
FPSC Order No. PSC-96-0361-FOF-EI

Column(3) = Column(1) - Column(2)

Column(4) = Column(3) / Column(2)

Florida Power & Light Company
 Environmental Cost Recovery Clause
 Calculation of the Final True-Up Amount for the Period
 October 1995 - March 1996

O&M Activities
 (in Dollars)

Line	OCT	NOV	DEC	JAN	FEB	MAR	End of Period Total	Method of Classification	
								Demand	Energy
1 Description of O&M Activities									
1 Air Operating Permit Fees-O&M	\$ 4,773	\$ 4,650	\$ 4,940	\$ (5,253)	\$ 1,820,404	\$ 13,252	\$ 1,842,766	-	\$ 1,842,766
3a Continuous Emission Monitoring Systems-O&M	63,176	124,513	19,222	14,439	47,936	15,496	284,782	-	284,782
4a Clean Closure Equivalency-O&M	59,935	5,616	16,850	(1,792)	(15,370)	9,572	74,813	74,813	-
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	26,415	27,707	102,634	6,225	301	41,733	205,045	205,045	-
5c Maintenance of Stationary Above Ground Fuel Storage Tanks-Spill Abatement	546,394	140,825	326,973	(14,376)	100,597	2,119	1,102,532	1,102,532	-
8a Oil Spill Cleanup/Response Equipment-O&M	1,252	4,348	1,434	(4,560)	1,202	1,533	5,209	-	5,209
8c Oil Spill Cleanup/Response Equipment-Revenue	0	0	0	0	0	0	0	-	-
9 Low-Level Radioactive Waste Access Fees-O&M	0	0	7,318	0	0	0	7,318	-	7,318
13 RCRA Corrective Action-O&M	811,982	671,671	878,223	258,044	501,865	309,022	3,430,807	3,430,807	-
14 NPDES Permit Fees-O&M	7,667	7,667	0	112,900	629	0	128,863	128,863	-
2 Total of O&M Activities	\$ 1,521,594	\$ 967,029	\$ 1,357,594	\$ 365,627	\$ 2,457,564	\$ 392,727	\$ 7,082,135	\$ 4,942,060	\$ 2,140,075
3 Recoverable Costs Allocated to Energy	\$ 69,201	\$ 133,511	\$ 32,914	\$ 4,626	\$ 1,869,542	\$ 30,281	\$ 2,140,075		
4 Recoverable Costs Allocated to Demand	\$ 1,452,393	\$ 853,518	\$ 1,324,680	\$ 361,001	\$ 588,022	\$ 362,446	\$ 4,942,060		
5 Retail Energy Jurisdictional Factor	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%			
6 Retail Demand Jurisdictional Factor	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%			
7 Jurisdictional Energy Recoverable Costs (A)	\$ 67,982	\$ 131,159	\$ 32,334	\$ 4,545	\$ 1,836,614	\$ 29,748	\$ 2,102,382		
8 Jurisdictional Demand Recoverable Costs (B)	\$ 1,412,529	\$ 830,091	\$ 1,288,322	\$ 351,093	\$ 571,883	\$ 352,498	\$ 4,806,416		
9 Total Jurisdictional Recoverable Costs for O&M Activities	\$ 1,480,511	\$ 961,250	\$ 1,320,656	\$ 355,638	\$ 2,408,497	\$ 382,246	\$ 6,908,798		

Notes:

(A) Line 3 x Line 5

(B) Line 4 x Line 6

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-Up Amount for the Period
October 1995 - March 1996

Variance Report of Capital Investment Projects-Recoverable Costs
(in Dollars)

Line	(1)	(2)	(3) Variance	
	Actual	Estimated Actual	Amount	Percent
1 Description of Investment Projects				
2 Low NOx Burner Technology-Capital	\$ 1,347,404	\$ 1,370,837	\$ (23,433)	-1.7%
3b Continuous Emission Monitoring Systems-Capital	1,011,377	1,011,369	8	0.0%
4b Clean Closure Equivalency-Capital	4,202	4,202	0	0.0%
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	312,143	316,278	(4,135)	-1.3%
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	2,115	2,115	0	0.0%
8b Oil Spill Cleanup/Response Equipment-Capital	59,682	69,064	(9,382)	-13.6%
10 Relocate Storm Water Runoff-Capital	7,884	7,884	0	0.0%
11 SO2 Allowances-Negative Return on Investment	(40,993)	(40,993)	0	0.0%
12 Scherer Discharge Pipeline-Capital	59,000	58,998	2	0.0%
15 St. Lucie Plant Turtle Nets-Capital	<u>7,914</u>	<u>14,507</u>	<u>(6,593)</u>	<u>-45.4%</u>
2 Total Investment Projects-Recoverable Costs	\$ 2,770,728	\$ 2,814,261	\$ (43,533)	-1.5%
3 Recoverable Costs Allocated to Energy	\$ 2,352,629			
4 Recoverable Costs Allocated to Demand	\$ 418,099			

Notes:

Column(1) is the End of Period Totals on Form 42-7A

Column(2) is the approved Estimated/Actual amount in accordance with
FPSC Order No. PSC-96-0361-FOF-EI

Column(3) = Column(1) - Column(2)

Column(4) = Column(3) / Column(2)

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-Up Amount for the Period
October 1995 - March 1996

Capital Investment Projects-Recoverable Costs
(in Dollars)

Line	OCT	NOV	DEC	JAN	FEB	MAR	End of Period Total	Method of Classification	
								Demand	Energy
1 Description of Investment Projects (A)									
2 Low NOx Burner Technology-Capital	\$217,307	\$217,502	\$221,886	\$229,253	\$231,017	\$230,439	\$1,347,404	-	\$1,347,404
3b Continuous Emission Monitoring Systems-Capital	168,211	172,464	168,346	167,896	167,452	167,008	\$1,011,377	-	\$1,011,377
4b Clean Closure Equivalency-Capital	703	703	701	701	698	696	\$4,202	3,879	\$323
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	42,698	52,570	52,131	53,312	54,974	56,458	\$312,143	288,132	\$24,011
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	354	354	352	353	351	351	\$2,115	1,952	\$163
8b Oil Spill Cleanup/Response Equipment-Capital	10,093	10,041	9,979	9,919	9,856	9,794	\$59,682	55,091	\$4,591
10 Relocate Storm Water Runoff-Capital	1,318	1,318	1,315	1,314	1,311	1,308	\$7,884	7,278	\$606
NA SO2 Allowances-Negative Return on Investment	(6,833)	(6,832)	(6,832)	(6,832)	(6,832)	(6,832)	(\$40,993)	-	(\$40,993)
12 Scherer Discharge Pipeline-Capital	9,863	9,866	9,846	9,829	9,808	9,788	\$59,000	54,462	\$4,538
15 St. Lucie Plant Turtle Nets-Capital	0	0	0	0	2,651	5,263	\$7,914	7,305	\$609
2 Total Investment Projects - Recoverable Costs	\$ 443,714	\$ 457,986	\$ 457,724	\$ 465,745	\$ 471,286	\$ 474,273	\$2,770,728	\$418,099	\$2,352,629
3 Recoverable Costs Allocated to Energy	\$ 383,687	\$ 388,892	\$ 389,117	\$ 396,119	\$ 397,764	\$ 397,050	\$ 2,352,629		
4 Recoverable Costs Allocated to Demand	\$ 60,027	\$ 69,094	\$ 68,607	\$ 69,626	\$ 73,522	\$ 77,223	\$ 418,099		
5 Retail Energy Jurisdictional Factor	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%			
6 Retail Demand Jurisdictional Factor	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%			
7 Jurisdictional Energy Recoverable Costs (B)	\$ 376,929	\$ 382,042	\$ 382,264	\$ 389,142	\$ 390,758	\$ 390,057	\$ 2,311,192		
8 Jurisdictional Demand Recoverable Costs (C)	\$ 58,379	\$ 67,198	\$ 66,724	\$ 67,715	\$ 71,504	\$ 75,103	\$ 406,623		
9 Total Jurisdictional Recoverable Costs for Investment Projects	\$ 435,308	\$ 449,240	\$ 448,988	\$ 456,857	\$ 462,262	\$ 465,160	\$ 2,717,815		

Notes:

(A) Each project's Total System Recoverable Expenses on Form 42-8A, Line 9

(B) Line 3 x Line 5

(C) Line 4 x Line 6

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Low NOx Burner Technology (Project No. 2)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$50,686	(\$25,331)	\$837,807	\$379,792	\$11,099	\$378	\$1,254,430
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$16,388,145	16,438,831	16,413,500	17,251,307	17,631,098	17,642,197	17,642,575	n/a
3. Less: Accumulated Depreciation (B)	20,546	65,703	116,238	216,845	307,537	377,705	447,893	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$16,367,599	\$16,373,128	\$16,297,262	\$17,034,461	\$17,323,561	\$17,264,492	\$17,194,682	n/a
6. Average Net Investment (F)		16,370,363	16,335,190	16,650,827	17,179,011	17,294,027	17,229,587	
7. Return on Average Net Investment (G)								
a. Equity Component grossed up for taxes (C)		106,073	106,568	108,529	112,073	112,823	112,403	658,468
b. Debt Component (Line 6 x 3.3325% x 1/12)		45,714	45,364	46,199	47,708	48,027	47,848	280,860
8. Investment Expenses								
a. Depreciation (D)		65,520	65,570	67,160	69,472	70,167	70,188	408,078
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$217,307	\$217,502	\$221,886	\$229,253	\$231,017	\$230,439	\$1,347,404

Notes:

- (A) N/A
 (B) Reserve was adjusted by (\$20,363) for Cost of Removal in October; (\$15,035) for Cost of Removal in November; \$33,447 for Cost of Removal in December; \$21,220 in January.
 (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.
 (D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.
 (E) N/A
 (F) December includes a credit of \$15,035 to correct removal costs improperly recorded in November.
 (G) December's return includes adjustments of (\$98) and (\$42), respectively, for equity and debt, resulting from corrections of removal cost related to November.

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Continuous Emissions Monitoring (Project No. 3)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$47,165	\$1,092	(\$1,604)	\$235	\$0	\$0	\$46,888
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$13,472,616	13,519,781	13,520,873	13,519,269	13,519,504	13,519,504	13,519,504	n/a
3. Less: Accumulated Depreciation (B)	433,394	480,706	532,129	579,899	627,667	675,436	723,204	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	13,039,221	13,039,075	12,988,744	12,939,369	12,891,837	12,844,068	12,796,300	n/a
6. Average Net Investment		13,039,147	13,013,909	12,964,057	12,915,603	12,867,953	12,820,184	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		84,488	84,900	84,575	84,259	83,948	83,636	505,807
b. Debt Component (Line 6 x 3.3325% x 1/12)		36,412	36,141	36,002	35,868	35,735	35,603	215,761
8. Investment Expenses								
a. Depreciation (D)		47,311	51,423	47,770	47,768	47,768	47,768	289,809
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$168,211	\$172,464	\$168,346	\$167,896	\$167,452	\$167,008	\$1,011,377

Notes:

- (A) N/A
 (B) N/A
 (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.0087% reflects a 12% return on equity.
 (D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.
 (E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Clean Closure Equivalency (Project No. 4)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$58,866	58,866	58,866	58,866	58,866	58,866	58,866	n/a
3. Less: Accumulated Depreciation (B)	3,160	3,348	3,536	3,724	3,912	4,099	4,287	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$55,705	\$55,518	\$55,330	\$55,142	\$54,954	\$54,767	\$54,579	n/a
6. Average Net Investment		55,612	55,424	55,236	55,048	54,861	54,673	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		360	362	360	359	358	357	2,156
b. Debt Component (Line 6 x 3.3325% x 1/12)		155	154	153	153	152	152	920
8. Investment Expenses								
a. Depreciation (D)		188	188	188	188	188	188	1,127
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$703	\$703	\$701	\$701	\$698	\$696	\$4,202

- Notes:
- (A) N/A
 - (B) N/A
 - (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.
 - (D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.
 - (E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Maintenance of Above Ground Storage Tanks (Project No. 5)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$569,111	\$534,187	(\$15,741)	\$228,728	\$64,630	(\$1,936)	\$1,378,979
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$3,181,177	3,750,288	4,284,475	4,268,733	4,497,462	4,562,092	4,560,156	n/a
3. Less: Accumulated Depreciation (B)	80,067	91,425	107,556	120,974	134,707	148,869	(102,597)	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$3,101,110	\$3,658,863	\$4,176,919	\$4,147,760	\$4,362,755	\$4,413,223	\$4,662,752	n/a
6. Average Net Investment		3,379,987	3,917,891	4,162,339	4,255,257	4,387,989	4,537,988	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		21,901	25,560	27,154	27,760	28,826	29,605	180,607
b. Debt Component (Line 6 x 3.3325% x 1/12)		9,439	10,880	11,559	11,817	12,186	12,602	68,483
8. Investment Expenses								
a. Depreciation (D)		11,358	16,131	13,418	13,733	14,162	14,251	83,052
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$42,898	\$52,570	\$52,131	\$53,312	\$54,974	\$56,458	\$312,143

Notes:

- (A) N/A
 (B) Reserve was adjusted by (\$265,715.78) for Cost of Removal in March.
 (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.
 (D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.
 (E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Relocate Turbine Oil Underground Piping (Project No. 7)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$31,030	31,030	31,030	31,030	31,030	31,030	31,030	n/a
3. Less: Accumulated Depreciation (B)	2,302	2,390	2,478	2,566	2,654	2,742	2,830	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$28,728	\$28,640	\$28,552	\$28,464	\$28,376	\$28,288	\$28,200	n/a
6. Average Net Investment		28,684	28,596	28,508	28,420	28,332	28,244	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		186	187	186	185	185	184	1,113
b. Debt Component (Line 6 x 3.3325% x 1/12)		80	79	79	79	79	78	475
8. Investment Expenses								
a. Depreciation (D)		88	88	88	88	88	88	528
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$354	\$354	\$352	\$353	\$351	\$351	\$2,115

Notes:

(A) N/A

(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.

(D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month.

Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.

(E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Oil Spill Cleanup/Response Equipment (Project No. 8)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$536,899	536,899	536,899	536,899	536,899	536,899	536,899	n/a
3. Less: Accumulated Depreciation (B)	162,215	168,865	175,514	182,164	188,813	195,462	202,112	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$374,684	\$368,034	\$361,385	\$354,735	\$348,086	\$341,437	\$334,787	n/a
6. Average Net Investment		371,358	364,709	358,060	351,411	344,761	338,112	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		2,406	2,379	2,336	2,293	2,249	2,206	13,869
b. Debt Component (Line 6 x 3.3325% x 1/12)		1,037	1,013	994	976	957	939	5,917
8. Investment Expenses								
a. Depreciation (D)		6,649	6,649	6,649	6,649	6,649	6,649	39,896
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$10,093	\$10,041	\$9,979	\$9,919	\$9,856	\$9,794	\$59,682

Notes:

(A) N/A

(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.

(D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month.

Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month

(E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Projected Period Amount
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Relocate Storm Water Runoff (Project No. 10)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-in-Service/Depreciation Base	\$117,794	117,794	117,794	117,794	117,794	117,794	117,794	n/a
3. Less: Accumulated Depreciation (B)	4,671	4,941	5,211	5,481	5,751	6,021	6,292	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$113,123	\$112,853	\$112,583	\$112,313	\$112,043	\$111,773	\$111,502	n/a
6. Average Net Investment		112,988	112,718	112,448	112,178	111,908	111,638	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		732	735	734	732	730	728	4,391
b. Debt Component (Line 6 x 3.3325% x 1/12)		316	313	312	312	311	310	1,873
8. Investment Expenses								
a. Depreciation (D)		270	270	270	270	270	270	1,621
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$1,318	\$1,318	\$1,315	\$1,314	\$1,311	\$1,308	\$7,884

Notes:

(A) N/A

(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.

(D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant in Service during the month.

Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.

(E) N/A

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period October 1995 through March 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Scherer Discharge Pipeline (Project No. 12)
(in Dollars)

Line	Beginning of Period Amount	October	November	December	January	February	March	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		(\$125)	\$104	\$132	\$10	\$69	\$0	\$190
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$864,140	864,015	864,119	864,251	864,261	864,330	864,330	n/a
3. Less: Accumulated Depreciation (B)	35,353	37,542	39,731	41,920	44,110	46,300	48,490	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$828,787	\$826,472	\$824,388	\$822,330	\$820,150	\$818,030	\$815,839	n/a
6. Average Net Investment		827,630	825,430	823,359	821,240	819,090	816,935	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		5,363	5,385	5,371	5,358	5,344	5,330	32,150
b. Debt Component (Line 6 x 3.3325% x 1/12)		2,311	2,292	2,287	2,281	2,275	2,269	13,714
8. Investment Expenses								
a. Depreciation (D)		2,189	2,189	2,189	2,190	2,190	2,190	13,136
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$9,853	\$9,866	\$9,846	\$9,829	\$9,808	\$9,788	\$59,000

Notes:

(A) N/A

(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8087% reflects a 12% return on equity.

(D) Depreciation expense is calculated using the appropriate site and account rates. Half month depreciation is calculated on additions closing to Plant In Service during the month.

Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. The amounts recorded and shown above apply to the prior month.

(E) N/A

ns Allowances
gh March 1996

Actual December	Actual January	Actual February	Actual March	Total
\$0				
(\$734,501)	(\$734,501)	(\$734,501)	(\$734,501)	
(\$734,501)	(\$734,501)	(\$734,501)	(\$734,501)	n/a
(4,792)	(4,792)	(4,792)	(4,792)	(28,750)
(2,040)	(2,040)	(2,040)	(2,040)	(12,239)
(\$6,832)	(\$6,832)	(\$6,832)	(\$6,832)	(\$40,993)

e of 35%; the monthly Equity Component of 4.8087% reflects a 12% re

issions allowances as a regulatory liability. This schedule reflects the rel