State of Florida

TIMOTHY DEVLIN, Director
Auditing & Financial Analysis
(904) 413-6480

Public Service Commission

October 10, 1997

Mr. Don Babka
Florida Power and Light
Manager of Regulatory and Tax Accounting
Post Office Box 029100
Miami, Florida 33102

Re: Docket No. 970785-EI

Dear Mr. Babka:

In our analysis of information provided in the referenced docket some additional questions have developed. It appears that the depreciation study reflects a different planning view from the one underlying the Ten Year Site Plan for 1997-2006 filed with the Commission. The staff in the Electric and Gas Division would like some additional information about the FPL planning processes, as indicated by the four questions attached.

Please provide your responses to these questions by October 17, 1997. Please telephone either me at 850-413-6453, or Jeanette Bass at 850-413-6461, if you would like to discuss any part of our inquiry.

Sincerely,

ACK
AFA

Patricia S. Lee
U S/C Engineering Supervisor

PSL/JSB/slc
cc: W.G. Walker, III
Matthew M. Childs
Office of Public Counsel
Division of Electric & Gas
Division of Legal Services
Division of Records and Reporting

FLORIDA POWER & LIGHT COMPANY

1997 DEPRECIATION STUDY

DOCKET NO. 970785-EI

1. According to FPL's study in Docket No. 970785-EI, FPL estimated capital recovery dates of five units located at four different plant sites (Ft. Myers, Port Everglades, Sanford and Riviera) of 2002 or 2003. If these units are actually retired by year end 2003, please provide time lines for each possible replacement power scenario, i.e. purchase power, new generation, cogeneration, conservation, etc. that FPL might add by 2003.

2. Retirement of these units would represent 1307 mW of existing summer generation. What is the most likely (cost effective) scenario for replacement power of the responses given in the answer above?

3. If retirement of these units had been considered in FPL's Ten Year Power Plant Site Plan (1997-2006), without replacement capacity, what would FPL's summer peak reserve margin be in 2003?

4. In FPL's Schedule Five, Docket No. 931231, several units had capital recovery dates of 2003. In this current study, the capital recovery dates for these units remain at 2003. But, according to FPL's Ten Year Site Plan (1997-2006), there are no retirement dates shown for any of its existing plants. The concern is that these potential retirements have never been included in FPL's 10 year site plans. For each scenario provided in response to question 1, when would FPL include the associated cost(s) in the budget planning?