

**Steel Hector & Davis**

Tallahassee, Florida

Matthew M. Childs, P. A.  
(904) 222-4192

**ORIGINAL  
FILE COPY**

June 9, 1989

Mr. Steve Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

Re: Docket No. 870098-EI

Dear Mr. Tribble:

Enclosed herewith for filing are fifteen (15) copies of Late Filed Exhibit No. 24 requested of Florida Power & Light Company's witness, E. L. Hoffman, during the recent hearing in the above docket. The originals will be substituted for this telex copy when they arrive in Tallahassee.

Respectfully submitted,



Matthew M. Childs, P. A.

ACK

AFA 3

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMU \_\_\_\_\_

CTR orig MMC:b1

EAG Enclosures

LEG 1

LIN 6

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC \_\_\_\_\_

WAS \_\_\_\_\_

OTH \_\_\_\_\_

Chairman Michael Wilson  
Commissioner John T. Herndon  
Commissioner Gerald L. Gunter  
Commissioner Betty Easley  
Commissioner Thomas M. Beard  
All Parties of Record

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T.B.  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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FLORIDA POWER & LIGHT COMPANY  
1988 DECOMMISSIONING STUDY  
HISTORICAL FUND BALANCE AND RETURN

1) RETURN ON AVERAGE BOOK BALANCE PER GENERAL LEDGER (G.L.):

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Beginning Book Balance Per G.L.	Revenue Collected	Tax on Revenue Collected (a)	Other Rev	Fund Earnings	Tax on Fund Earnings	Ending Book Balance Per G.L.	After Tax Return on Average Book Bal Per G.L. (e)	Average Adjusted Balance Per Book (f)	After Tax Return on Average Adjusted Balance Per Book (g)
<b>1983</b>										
Turkey Point No. 3	0	3,038,012	(1,009,112)	3,081,252	117,162	(57,012)	5,110,303			
Turkey Point No. 4	0	2,804,985	(1,366,028)	2,198,857	84,396	(41,068)	3,681,142			
St Lucie No. 1	0	3,374,688	(1,643,473)	7,640,869	217,430	(105,804)	9,483,711			
St Lucie No. 2	0	1,946,919	(948,149)		23,171	(11,275)	1,010,665			
December 31, 1983	0	11,964,604	(5,826,762)	12,920,978 (b)	442,160	(215,159)	19,285,821	2.35%	9,229,457	2.46% (h)
<b>1984</b>										
Turkey Point No. 3	5,110,303	5,304,080	(2,680,487)		715,965	(152,723)	8,497,137			
Turkey Point No. 4	3,681,142	4,022,756	(1,959,062)		525,276	(111,620)	6,136,471			
St Lucie No. 1	9,483,711	5,019,875	(2,444,679)		682,980	(139,288)	12,572,399			
St Lucie No. 2	1,010,665	4,796,115	(2,335,708)		623,873	(133,079)	3,961,866			
December 31, 1984	19,285,821	19,342,826	(9,419,954)	0	2,516,093	(536,710)	31,188,073	7.84%	24,410,041	8.11%
<b>1985</b>										
Turkey Point No. 3	8,497,137	5,304,080	(2,695,348)		1,186,701	(103,904)	12,388,667			
Turkey Point No. 4	6,136,471	4,022,756	(1,969,942)		867,322	(75,940)	9,000,665			
St Lucie No. 1	12,572,399	5,019,875	(2,438,233)		1,882,505	(94,763)	16,121,782			
St Lucie No. 2	3,961,866	4,796,115	(2,348,658)		1,034,061	(90,339)	7,352,844			
December 31, 1985	31,188,073	19,342,826	(9,472,182)	0	4,170,589	(365,146)	44,863,940	10.01%	37,201,287	10.23%
<b>1986</b>										
Turkey Point No. 3	12,388,667	5,304,080	(2,695,348)		1,710,980	(200,141)	16,798,238			
Turkey Point No. 4	9,000,665	4,022,756	(1,969,942)		1,250,501	(146,277)	12,137,782			
St Lucie No. 1	16,121,782	5,019,875	(2,438,233)		1,560,462	(182,335)	20,061,332			
St Lucie No. 2	7,352,844	4,796,115	(2,348,658)		1,690,905	(174,398)	11,116,810			
December 31, 1986	44,863,940	19,342,826	(9,472,182)	0	6,012,848	(703,351)	60,044,102	10.12%	51,631,477	10.28%
<b>1987</b>										
Turkey Point No. 3	16,798,238	5,304,080	(2,380,665)		2,003,144	(262,616)	21,572,180			
Turkey Point No. 4	12,137,782	4,022,756	(1,739,952)		1,464,034	(191,938)	15,712,682			
St Lucie No. 1	20,061,332	5,019,875	(2,171,233)		1,886,924	(239,313)	24,497,484			
St Lucie No. 2	11,116,810	4,796,115	(2,076,431)		1,745,489	(228,837)	15,335,126			
December 31, 1987	60,044,102	19,342,826	(8,366,302)	0	7,039,591	(922,904)	77,137,313	8.92%	67,722,075	9.03%
<b>1988</b>										
Turkey Point No. 3	21,572,180	5,304,080	(2,071,183)	2,055,501	1,855,881	(175,861)	38,742,399			
Turkey Point No. 4	15,712,682	4,022,756	(1,513,761)	1,342,287	1,369,899	(188,334)	21,005,360			
St Lucie No. 1	24,497,484	5,019,875	(1,888,777)	2,396,705	1,869,138	(175,183)	31,719,843			
St Lucie No. 2	15,335,126	4,796,115	(1,804,776)	2,289,878	1,785,824	(167,398)	22,254,889			
December 31, 1988	77,137,313	19,342,826	(7,278,697)	8,284,291 (c)	6,880,742	(644,995)	103,721,880	6.90%	89,449,570	6.97%

NOTES:

- (a) Tax on Revenue Collected (Column 3) is equal to Revenue Collected (Column 2) times the tax rate in effect for the relevant year. The rate for 1983 to 1986 is 48.66 percent. The rates for 1987 and 1988 are 43.25 and 37.63 percent respectively.
- (b) In September 1983, the Company funded \$12,920,978, as required by Order No. 10987, which represents net of tax amounts previously collected in depreciation rates as negative salvage.
- (c) Represents \$7,505,731 relating to the Federal Income Tax benefit of qualified contribution for the tax year 1987 and \$778,560 for the reduction in State Income Tax related to the qualified contribution for tax years 1984 through 1986.
- (d) Ending Book Balance (Column 7) is the Beginning Book Balance (Column 1) plus changes to the fund balance during the year (sum of Columns 2 thru 6).
- (e) After Tax Return on Average Book Balance (Column 8) is equal to the after tax earnings of the fund (sum of Columns 5 and 6) divided by the average of the beginning and ending GL balances for the current year (Columns 1 and 7).
- (f) There is a 15 day lag between the recording of revenues and the actual contribution to the fund. Average Adjusted Book Balance (Column 9) reflects an adjustment to the ending book balance to eliminate this timing difference. The contribution is recorded as an increase in the fund book balance and a liability to the fund in the month the expense is recognized. The liability to the fund is reversed in the following month when the contribution is paid.
- (g) After Tax Return on Average Adjusted Book Balance (Column 10) is equal to the after tax earnings on the fund (sum of Columns 5 and 6) divided by the Average Adjusted Book Balance (Column 9).
- (h) The return calculated reflects only 3 months of fund earnings. See note b.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
DOCKET No. 870098-E1  
WITNESS: E.L. HOFFMAN  
LATE FILED EXHIBIT No. 24 Page 1 of 2

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05776 JUN-9 1989  
FPSC-RECORDS/REPORTING

**FLORIDA POWER & LIGHT COMPANY  
1988 DECOMMISSIONING STUDY  
HISTORICAL FUND BALANCE AND RETURN**

**II) TOTAL RETURN (Return including the effect of market fluctuations):**

	Market Value Including Un-realized Gains & Losses (a) .....	After Tax Total Return (b) .....
December 31, 1983	18,528,051	3.88%
December 31, 1984	30,348,520	6.86%
December 31, 1985	46,918,012	19.26%
December 31, 1986	62,138,980	10.87%
December 31, 1987	66,858,534	2.58%
December 31, 1988	100,179,622	3.58%
Return since inception		7.69%

**NOTES:**

- (a) Market value includes unrealized gains/losses due to fluctuations in market interest rates. Since investments are generally held to maturity, fluctuations in the market value before maturity will not have a significant impact on the realized total return of the portfolio.
- (b) Total return in any given year can be misleading due to the effect of un-realized gains/losses. Since investments are held to maturity the return on an individual security at maturity will approximate the yield at the time of purchase. However, market value could be important should the fund need to be liquidated prematurely.

**CERTIFICATE OF SERVICE**  
**Docket No. 870098-EI**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Late Filed Exhibit No. 24 requested of E.L. Hoffman was furnished to the following persons by U.S. Mail and Hand Delivery on this 9th day of June, 1989:

James McGee, Esq.  
Florida Power Corporation  
P.O. Box 14042  
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M. Robert Christ, Esq.  
Division of Legal Services  
Florida Public Service Commission  
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Gail P. Fels, Esq.  
Assistant Dade County Attorney  
Metro-Dade Center, Suite 2810  
111 N. W. First Street  
Miami, Florida 33128-1993

By: 

**CERTIFICATE OF SERVICE**  
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By: \_\_\_\_\_

