

**Steel Hector & Davis**

Tallahassee, Florida

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May 19, 1995

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, FL 32399

**RE: DOCKET NO. 950007-EI**

Dear Ms. Bayó:

Enclosed for filing please find an original and fifteen (15) copies of Florida Power & Light Company's Petition for Approval of Environmental Cost Recovery for Period Ending March 1995 in the above-referenced docket.

Also enclosed is an original and fifteen (15) copies of the Testimony of B.T. Birkett.

Very truly yours,



Matthew M. Childs, P.A.

Birkett

DOCUMENT NUMBER-DATE

04874 MAY 19 95

FPSC-RECORDS/REPORTING

2 MMC/ml

cc: All Parties of Record

*Dudley*  
*orig #3*

*mas*

DEPARTMENT OF RECORDS

Petition

DOCUMENT NUMBER-DATE

04873 MAY 19 95

FPSC-RECORDS/REPORTING

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**BEFORE THE FLORIDA  
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 950007-EI  
FLORIDA POWER & LIGHT COMPANY**

**MAY 19, 1995**

**ENVIRONMENTAL COST RECOVERY  
FACTOR**

**FINAL TRUE-UP  
OCTOBER 1994 THROUGH MARCH 1995**

**TESTIMONY & EXHIBITS OF:**

**B. T. BIRKETT**

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**FLORIDA POWER & LIGHT COMPANY**

**TESTIMONY OF BARRY T. BIRKETT**

**DOCKET NO. 950007-EI**

**May 19, 1995**

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, 33714.

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 Envi-  
15             ronmental Compliance activities for the period October 1994 through

1 March 1995.

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 five documents, Document No. 1 reflects the  
6 final true-up to be carried forward to the October 1995 - March 1996  
7 period, Document No. 2 reflects the calculation of variances between  
8 actual and projected costs, Document 3 presents a summary of actual  
9 monthly costs for the period, Document 4, consists of the True-up calcula-  
10 tions for the period, and Document 5 consists of the calculation of  
11 depreciation expense and return on capital investment.

12

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

15 A. Unless otherwise indicated, the actual data is taken from the books and  
16 records of FPL. The books and records are kept in the regular course of  
17 our business in accordance with generally accepted accounting principles  
18 and practices, and provisions of the Uniform System of Accounts as  
19 prescribed by this Commission.

20

21 **Q. What is the actual true-up amount which FPL is requesting for the**  
22 **October 1994 through March 1995 period?**

23 A. FPL has calculated and is requesting approval of an overrecovery of

1           \$882,358 as the actual true-up amount for the period.

2

3           **Q.    What is the adjusted net true-up amount which FPL is requesting for**  
4           **the October 1994 through March 1995 period which is to be carried**  
5           **over and refunded in the October 1995 through March 1996 period?**

6           A.    FPL has calculated and is requesting approval of an overrecovery of  
7           \$419,418 as the adjusted net true-up amount for the period. The adjusted  
8           net true-up of an overrecovery of \$419,418 is the difference between the  
9           actual true-up of an overrecovery of \$882,358 and the estimated/actual  
10          true-up of an overrecovery of \$462,940 approved by the Commission at  
11          the March 1995 hearing. This is shown on Document No. 1.

12

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

15          A.    Yes, it is. The calculation of the true-up amount follows the procedures  
16          established by this Commission as set forth on Commission Schedule A-2  
17          "Calculation of True-Up and Interest Provisions" for the Fuel Cost Recov-  
18          ery Clause.

19

20          **Q.    Are all costs listed in Document No. 2 attributable to Environmental**  
21          **Compliance projects approved by the Commission?**

22          A.    Yes they are.

23

1 Q. How did actual expenditures for October 1994 through March 1995  
2 compare with FPL's project projections as presented in previous  
3 testimony and exhibits?

4 A. Overall, costs were \$295,731 lower than projected. The largest variances  
5 were associated with the following projects:

6 1. LOW NOx BURNER TECHNOLOGY - CAPITAL  
7 Project expenditures, depreciation and return, were \$91,298 less  
8 than projected. This variance was a result of in-service delays on  
9 the burners at Turkey Point Unit 2. Originally the burners were  
10 estimated to be placed in-service in December 1994, but are  
11 delayed until February 1995.

12  
13 2. RCRA CORRECTIVE ACTION - O&M  
14 Project expenditures were \$55,000 less than projected. This  
15 variance is due to delays in the completion of activities which  
16 began during the period.

17  
18 3. CONTINUOUS EMISSION MONITORING SYSTEMS - CAPITAL  
19 Project expenditures, depreciation and return, were \$39,625 less  
20 than projected. The variance was due to delays on the in-service  
21 dates for three of the seventeen units which were estimated to be  
22 place in-service in December 1994. The three units, Scherer Unit  
23 4 and St. Johns River Power Park Units 1 and 2, were actually

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placed in-service in January and February 1995.

4. CLEAN CLOSURE EQUIVALENCY - O&M

Project expenditures were \$37,969 less than projected. This variance was mainly due to delays caused by resource constraints and additional time required for resolution of technical issues being negotiated with the EPA.

5. OIL SPILL CLEANUP/RESPONSE EQUIPMENT - C&M

Project expenditures were \$32,882 less than projected. This is due to delays in some expenditures. The costs are now anticipated to be incurred in June when the Corporate Oil Spill Drill is scheduled to be held.

**Q. Does this conclude your testimony?**

**A. Yes, it does.**

**FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE  
FINAL TRUE-UP FOR THE PERIOD  
OCTOBER 1994 THROUGH MARCH 1995**

Line No.		
1	Final true-up for period October 1994 through March 1995	\$882,358
2	Less - estimated true-up amounts approved in Order No. PSC-95-0384-FOF-EI to be collected in the period - April through September 1995	462,940
3	Adjusted net true-up (to be carried over to October 1995 through March 1996 period).	<u>\$419,418</u>

( ) Reflects Underrecovery



FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 CALCULATION OF VARIANCE  
 OCTOBER 1994 THROUGH MARCH 1995

ENVIRONMENTAL COSTS	ACTUAL	ESTIMATED/ACTUAL	VARIANCE
1. Air Operating Permit Fees - O & M	\$1,660,645	\$1,671,288	(\$10,643)
2. Low NOx Burner Technology - Capital	\$842,192	\$933,490	(\$91,298)
3a. Continuous Emission Monitoring Systems - O & M	\$101,357	\$125,050	(\$23,693)
3b. Continuous Emission Monitoring Systems - Capital	\$610,790	\$650,415	(\$39,625)
4a. Clean Closure Equivalency - O & M	\$143,883	\$181,852	(\$37,969)
4b. Clean Closure Equivalency - Capital	\$3,313	\$3,808	(\$495)
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$324,750	\$314,962	\$9,788
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$159,917	\$176,394	(\$16,477)
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$2,196	\$2,196	\$0
8a. Oil Spill Cleanup/Response Equipment - O & M	\$75,228	\$108,110	(\$32,882)
8b. Oil Spill Cleanup/Response Equipment - Capital	\$62,927	\$61,970	\$957
8c. Oil Spill Cleanup/Response Equipment - Revenue	(\$359,463)	(\$359,463)	\$0
9. Low-Level Radioactive Waste Access Fees - O & M	\$56,374	\$55,295	\$1,079
10. Relocate Storm Water Runoff - Capital	\$8,230	\$8,835	(\$605)
11. SO2 Allowances - Negative Return on Investment	(\$26,819)	(\$27,758)	\$939
12. Scherer Discharge Pipeline - Capital	\$60,395	\$60,202	\$193
13. RCRA Corrective Action - O & M	\$0	\$55,000	(\$55,000)
14. TOTAL (Lines 1 through 13)	<u>\$3,725,915</u>	<u>\$4,021,646</u>	<u>(\$295,731)</u>
15. Jurisdictionalized Environmental Costs	\$3,646,759	\$3,936,208	(\$289,449)
16. Jurisdictional Revenues, Net of Revenue Taxes	<u>\$4,365,093</u>	<u>\$4,241,381</u>	<u>\$123,712</u>
17. True-up Provision (Line 16 - 15)	\$718,334	\$305,173	\$413,161
18. Interest Provision	\$52,464	\$46,206	\$6,258
19. Deferred True-up beginning of period	<u>\$111,560</u>	<u>\$111,560</u>	<u>\$0</u>
20. End of Period Net True-up Amount (Lines 17 + 18 + 19) Over(Under) Recovery	<u>\$882,358</u>	<u>\$462,940</u>	<u>\$419,418</u>

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 OCTOBER 1994 THROUGH MARCH 1995 ACTUAL

ENVIRONMENTAL COSTS	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. Air Operating Permit Fees - O & M	\$4,108	\$4,108	\$4,108	\$4,108	\$1,640,100	\$4,108	\$1,660,645
2. Low NOx Burner Technology - Capital	\$122,601	\$123,546	\$126,704	\$139,027	\$157,482	\$172,832	\$842,192
3a. Continuous Emission Monitoring Systems - O & M	\$0	\$0	\$0	\$233	\$7,464	\$93,660	\$101,357
3b. Continuous Emission Monitoring Systems - Capital	\$37,615	\$62,663	\$82,031	\$120,484	\$154,264	\$158,733	\$610,790
4a. Clean Closure Equivalency - O & M	\$12,669	\$32,183	\$84,086	\$494	\$660	\$13,791	\$143,883
4b. Clean Closure Equivalency - Capital	\$481	\$473	\$471	\$470	\$629	\$789	\$3,313
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$18,767	\$1,696	\$53,672	\$13,569	\$30,994	\$206,052	\$324,750
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$21,704	\$31,366	\$26,903	\$26,632	\$25,917	\$27,395	\$159,917
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$373	\$366	\$366	\$365	\$363	\$363	\$2,196
8a. Oil Spill Cleanup/Response Equipment - O & M	\$3,615	\$39,996	\$16,961	\$2,865	\$11,584	\$207	\$75,228
8b. Oil Spill Cleanup/Response Equipment - Capital	\$10,552	\$10,403	\$10,552	\$10,534	\$10,473	\$10,413	\$62,927
8c. Oil Spill Cleanup/Response Equipment - Revenue	(\$246,963)	\$0	(\$112,500)	\$0	\$0	\$0	(\$359,463)
9. Low-Level Radioactive Waste Access Fees - O & M	\$0	\$0	\$59,070	\$0	\$0	(\$2,696)	\$56,374
10. Relocate Storm Water Runoff - Capital	\$1,498	\$1,473	\$1,204	\$1,355	\$1,352	\$1,348	\$8,230
11. SO2 Allowances - Negative Return on Investment	(\$4,199)	(\$4,524)	(\$4,524)	(\$4,524)	(\$4,524)	(\$4,524)	(\$26,819)
12. Scherer Discharge Pipeline - Capital	\$10,147	\$10,034	\$10,046	\$10,050	\$10,056	\$10,062	\$60,395
13. RCRA Corrective Action - O & M	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14. TOTAL (Lines 1 through 13)	(\$12,032)	\$313,783	\$359,150	\$325,662	\$2,046,819	\$692,533	\$3,725,915

FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL PROGRAM COSTS  
OCTOBER 1994 THROUGH MARCH 1995

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
B. 1 ENVIRONMENTAL CLAUSE REVENUES (NET OF REVENUE TAXES)	625,318	580,574	551,607	510,513	519,174	483,836	3,271,022
2 ADJUSTMENT NOT APPLICABLE TO PERIOD - PRIOR TRUE-UP	182,345	182,345	182,345	182,345	182,345	182,345	1,094,071
3 ENVIRONMENTAL REVENUES APPLICABLE TO PERIOD (Line B1 + B2)	807,663	762,919	733,952	692,858	701,519	666,181	4,365,093
4 JURISDICTIONAL ENVIRONMENTAL EXPENSES	(11,776)	307,117	351,520	318,743	2,003,335	677,820	3,646,759
5 TRUE-UP THIS PERIOD (Line B3 - Line B4)	819,439	455,802	382,432	374,115	(1,301,816)	(11,639)	718,334
6 INTEREST PROVISION FOR THE MONTH (From DOCUMENT NO. 1, Page 3, Line C10)	6,376	8,820	10,869	12,323	9,135	4,941	52,464
7 TRUE-UP & INTEREST PROVISION BEGINNING OF MONTH (EST/ACT in factor)	1,094,071	1,737,541	2,019,818	2,230,774	2,434,867	959,841	1,094,071
a. DEFERRED TRUE-UP BEGINNING OF PERIOD (Final less EST/ACT)	111,560	111,560	111,560	111,560	111,560	111,560	111,560
8 PRIOR TRUE-UP COLLECTED (REFUNDED)	(182,345)	(182,345)	(182,345)	(182,345)	(182,345)	(182,345)	(1,094,071)
11. END OF PERIOD -TOTAL NET TRUE-UP RECOVERY (Line B5+B6+B7+B7a+B8)	\$1,849,101	\$2,131,378	\$2,342,334	\$2,546,427	\$1,071,401	\$882,358	\$882,358

NOTES: ( ) Reflects Underrecovery

FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL PROGRAM COSTS  
OCTOBER 1994 THROUGH MARCH 1995

	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
C INTEREST PROVISION							
1 BEGINNING TRUE-UP AMOUNT (Line B7+B7a)	\$1,205,631	\$1,849,101	\$2,131,378	\$2,342,334	\$2,546,427	\$1,071,401	\$11,146,272
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST (Line B5+B7+B7a+B8)	1,842,725	2,122,558	2,331,465	2,534,104	1,062,266	877,417	10,770,535
3 TOTAL OF BEGINNING & ENDING TRUE-UP (Line C1+C2)	\$3,048,356	\$3,971,659	\$4,462,843	\$4,876,438	\$3,608,693	\$1,948,818	\$21,916,807
4 AVERAGE TRUE-UP AMOUNT (50% of Line C3)	\$1,524,178	\$1,985,830	\$2,231,422	\$2,438,219	\$1,804,347	\$974,409	\$10,958,404
5 INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	5.04000%	5.00000%	5.66000%	6.03000%	6.10000%	6.05000%	N/A
6 INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	5.00000%	5.66000%	6.03000%	6.10000%	6.05000%	6.12000%	N/A
7 TOTAL (Line C5+C6)	10.04000%	10.66000%	11.69000%	12.13000%	12.15000%	12.17000%	N/A
AVERAGE INTEREST RATE (50% of Line C7)	5.02000%	5.33000%	5.84500%	6.06500%	6.07500%	6.08500%	N/A
8 MONTHLY AVERAGE INTEREST RATE (Line C8 / 12)	0.41833%	0.44417%	0.48708%	0.50542%	0.50625%	0.50708%	N/A
10 INTEREST PROVISION FOR THE MONTH (Line C4 x C9)	\$6,376	\$8,820	\$10,869	\$12,323	\$9,135	\$4,941	\$52,464

( ) REFLECTS UNDERRECOVERY.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Low NOx Burner Technology (Project No. 2)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		1,979	463,413	(460,551)	2,719,758	58,250	2,354,274	5,137,122	1.
2.	Depreciation Base		9,006,916	9,470,329	9,009,778	11,729,535	11,787,785	14,142,059	n/a	2.
(1) 3.	Depreciation Expense		38,154	38,876	42,402	43,408	48,138	52,639	263,617	3.
4.	Cumulative Investment (Line 2)	9,004,937	9,006,916	9,470,329	9,009,778	11,729,535	11,787,785	14,142,059	n/a	4.
5.	Less: Accumulated Depreciation	159,734	197,863	236,667	279,330	84,343	132,482	185,121	n/a	5.
6.	Net Investment (Line 4 - 5)	8,845,203	8,809,053	9,233,662	8,730,447	11,645,192	11,655,304	13,956,938	n/a	6.
7.	Average Net Investment		8,827,128	9,021,358	8,982,055	10,187,820	11,650,248	12,806,121		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		35,284	35,912	35,755	40,555	46,377	50,978	244,861	8a.
(2) b.	Equity Component grossed up for taxes		57,443	58,464	58,210	66,024	75,501	82,992	398,634	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		27,004	26,206	26,092	29,595	33,843	37,201	179,941	8c.
9.	Total Return Requirements (Line 8b + 8c)		84,446	84,671	84,302	95,619	109,344	120,193	578,575	9.
10.	Total Depreciation & Return (Line 3 + 9)		122,601	123,546	126,704	139,027	157,482	172,832	842,192	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-EI.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Continuous Emissions Monitoring (Project No. 3)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		2,421,329	2,238,208	920,883	5,053,650	251,605	512,603	11,398,277	1.
2.	Depreciation Base		3,707,092	5,945,300	6,866,182	11,919,832	12,171,437	12,684,040	n/a	2.
(1) 3.	Depreciation Expense		8,817	17,573	22,304	32,978	42,123	43,325	167,120	3.
4.	Cumulative Investment (Line 2)	1,285,763	3,707,092	5,945,300	6,866,182	11,919,832	12,171,437	12,684,040	n/a	4.
5.	Less: Accumulated Depreciation	4,478	13,295	30,868	53,172	86,150	108,685	154,254	n/a	5.
6.	Net Investment (Line 4 - 5)	1,281,285	3,693,797	5,914,432	6,813,010	11,833,682	12,062,752	12,529,786	n/a	6.
7.	Average Net Investment		2,487,541	4,804,114	6,363,721	9,323,346	11,948,217	12,296,269		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		9,943	19,124	25,332	37,114	47,563	48,948	188,025	8a.
(2) b.	Equity Component grossed up for taxes		16,188	31,134	41,241	60,422	77,432	79,688	306,105	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		7,610	13,956	18,486	27,084	34,709	35,720	137,563	8c.
9.	Total Return Requirements (Line 8b + 8c)		23,798	45,089	59,727	87,505	112,141	115,408	443,668	9.
10.	Total Depreciation & Return (Line 3 + 9)		32,615	62,663	82,031	120,484	154,264	158,733	610,790	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-POF-EI.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Clean Closure Equivalency (Project No. 4)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		0	0	0	0	27,440	0	27,440	1.
2.	Depreciation Base		37,067	37,067	37,067	37,067	64,507	64,507	n/a	2.
(1) 3.	Depreciation Expense		137	137	137	137	169	201	918	3.
4.	Cumulative Investment (Line 2)	37,067	37,067	37,067	37,067	37,067	64,507	64,507	n/a	4.
5.	Less: Accumulated Depreciation	1,109	1,246	1,383	1,520	1,657	1,826	2,027	n/a	5.
6.	Net Investment (Line 4 - 5)	35,958	35,821	35,684	35,547	35,410	62,681	62,480	n/a	6.
7.	Average Net Investment		35,889	35,752	35,615	35,478	49,045	62,580		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		143	142	142	141	195	249	1,013	8a.
(2) b.	Equity Component grossed up for taxes		234	232	231	230	318	406	1,649	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		110	104	103	103	142	182	744	8c.
9.	Total Return Requirements (Line 8b + 8c)		343	336	334	333	460	587	2,394	9.
10.	Total Depreciation & Return (Line 3 + 9)		481	473	471	470	629	789	3,313	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-EI.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Maintenance of Above Ground Storage Tanks (Project No. 5)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		225,399	289,294	(23,435)	(6,644)	47,636	66,457	598,707	1.
2.	Depreciation Base		1,793,666	2,082,960	2,059,525	2,052,882	2,100,518	2,166,974	n/a	2.
(1) 3.	Depreciation Expense		5,970	13,324	7,429	7,369	6,526	7,535	48,153	3.
4.	Cumulative Investment (Line 2)	1,568,268	1,793,666	2,082,960	2,059,525	2,052,882	2,100,518	2,166,974	n/a	4.
5.	Less: Accumulated Depreciation	33,254	39,224	(7,347)	82	7,451	13,977	21,512	n/a	5.
6.	Net Investment (Line 4 - 5)	1,535,013	1,754,442	2,090,307	2,059,443	2,045,431	2,086,541	2,145,462	n/a	6.
7.	Average Net Investment		1,644,728	1,922,375	2,074,875	2,052,437	2,065,986	2,116,002		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		6,574	7,652	8,260	8,170	8,224	8,423	47,304	8a.
(2) b.	Equity Component grossed up for taxes		10,703	12,458	13,447	13,301	13,389	13,713	77,011	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		5,031	5,584	6,027	5,962	6,002	6,147	34,754	8c.
9.	Total Return Requirements (Line 8b + 8c)		15,735	18,043	19,474	19,263	19,390	19,860	111,765	9.
10.	Total Depreciation & Return (Line 3 + 9)		21,704	31,366	26,903	26,632	25,917	27,395	159,917	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-EI.

Note - 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.



**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Relocate Turbine Oil Underground Piping (Project No. 7)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		0	0	0	0	0	0	0	1.
2.	Depreciation Base		31,030	31,030	31,030	31,030	31,030	31,030	n/a	2.
(1) 3.	Depreciation Expense		88	88	88	88	88	88	528	3.
4.	Cumulative Investment (Line 2)	31,030	31,030	31,030	31,030	31,030	31,030	31,030	n/a	4.
5.	Less: Accumulated Depreciation	1,247	1,335	1,423	1,510	1,598	1,686	1,774	n/a	5.
6.	Net Investment (Line 4 - 5)	29,783	29,695	29,607	29,520	29,432	29,344	29,256	n/a	6.
7.	Average Net Investment		29,739	29,651	29,564	29,476	29,388	29,300		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		119	118	118	117	117	117	706	8a.
(2) b.	Equity Component grossed up for taxes		194	192	192	191	190	190	1,149	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		91	86	86	86	85	85	519	8c.
9.	Total Return Requirements (Line 8b + 8c)		285	278	277	277	276	275	1,668	9.
10.	Total Depreciation & Return (Line 3 + 9)		373	366	366	365	363	363	2,196	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-EI.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Oil Spill Cleanup/Response Equipment (Project No. 8)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		128	(178)	9,287	0	0	0	9,237	1.
2.	Depreciation Base		527,790	527,612	536,899	536,899	536,899	536,899	n/a	2.
(1) 3.	Depreciation Expense		6,322	6,319	6,485	6,485	6,485	6,485	38,579	3.
4.	Cumulative Investment (Line 2)	527,662	527,790	527,612	536,899	536,899	536,899	536,899	n/a	4.
5.	Less: Accumulated Depreciation	83,082	89,404	95,723	102,208	108,692	115,177	121,661	n/a	5.
6.	Net Investment (Line 4 - 5)	444,580	438,386	431,889	434,691	428,206	421,722	415,237	n/a	6.
7.	Average Net Investment		441,483	435,137	433,290	431,449	424,964	418,480		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		1,768	1,732	1,725	1,717	1,692	1,666	10,300	8a.
(2) b.	Equity Component grossed up for taxes		2,879	2,820	2,808	2,796	2,754	2,712	16,769	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		1,351	1,264	1,259	1,253	1,234	1,216	7,577	8c.
9.	Total Return Requirements (Line 8b + 8c)		4,229	4,084	4,067	4,049	3,989	3,928	24,346	9.
10.	Total Depreciation & Return (Line 3 + 9)		10,557	10,403	10,552	10,534	10,473	10,413	62,925	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1587-FOF-EI.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Relocate Storm Water Runoff (Project No. 10)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		0	0	(9,479)	0	0	0	(9,479)	1.
2.	Depreciation Base		127,273	127,273	117,794	117,794	117,794	117,794	n/a	2.
(1) 3.	Depreciation Expense		297	297	74	270	270	270	1,478	3.
4.	Cumulative Investment (Line 2)	127,273	127,273	127,273	117,794	117,794	117,794	117,794	n/a	4.
5.	Less: Accumulated Depreciation	1,525	1,822	2,119	2,145	2,415	2,780	3,051	n/a	5.
6.	Net Investment (Line 4 - 5)	125,748	125,451	125,154	115,649	115,379	115,013	114,743	n/a	6.
7.	Average Net Investment		125,599	125,302	120,401	115,514	115,196	114,878		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		502	499	479	460	459	457	2,856	8a.
(2) b.	Equity Component grossed up for taxes		817	812	780	749	747	744	4,649	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		384	364	350	336	335	334	2,102	8c.
9.	Total Return Requirements (Line 8b + 8c)		1,202	1,176	1,130	1,084	1,081	1,078	6,751	9.
10.	Total Depreciation & Return (Line 3 + 9)		1,498	1,473	1,204	1,355	1,352	1,348	8,230	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-21.

Note - 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.

**Florida Power & Light Company**  
**Schedule of Capital Investment Depreciation and Return**  
**For the Period October 1994 through March 1995**

Scherer Discharge Pipeline (Project No. 12)

Line No.	Description	Beginning of Period	October 94 Actual	November 94 Actual	December 94 Actual	January 95 Actual	February 95 Actual	March 95 Actual	Total	Line No.
1.	Investment		1,693	3,649	1,816	2,208	2,215	2,153	13,734	1.
2.	Depreciation Base (Excludes land of \$9,937)		839,925	843,574	845,390	847,599	849,813	851,967	n/a	2.
(1) 3.	Depreciation Expense		2,123	2,157	2,164	2,170	2,175	2,181	12,971	3.
4.	Cumulative Investment (Line 2)	848,168	849,861	853,511	855,327	857,535	859,750	861,903	n/a	4.
5.	Less: Accumulated Depreciation	9,251	11,374	13,532	15,696	17,866	20,041	22,222	n/a	5.
6.	Net Investment (Line 4 - 5)	838,917	838,487	839,979	839,631	839,670	839,709	839,681	n/a	6.
7.	Average Net Investment		838,702	839,233	839,805	839,650	839,689	839,695		7.
8.	Return on Average Net Investment									8.
(3) a.	Equity Component (Line 7 * 4.7769% /12)		3,353	3,341	3,343	3,342	3,343	3,343	20,064	8a.
(2) b.	Equity Component grossed up for taxes		5,438	5,439	5,442	5,441	5,442	5,442	32,664	8b.
c.	Debt Component (Line 7 * 3.4859% /12)		2,566	2,438	2,440	2,439	2,439	2,439	14,761	8c.
9.	Total Return Requirements (Line 8b + 8c)		8,024	7,877	7,882	7,881	7,881	7,881	47,425	9.
10.	Total Depreciation & Return (Line 3 + 9)		10,147	10,034	10,046	10,050	10,056	10,062	60,396	10.

(1) 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.

(2) The gross-up factor (Line 8b) used for this schedule uses 0.61425 which reflects the Federal Income Tax Rate of 35%.

(3) The monthly Equity Component of 4.7769% reflects a 12% return on equity and is in accordance with FPSC Order No. PSC-93-1580-FOF-EI.

Note - 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.

Florida Power & Light Company  
 Schedule of Negative Return on  
 Deferred Gain on Sales of Emission Allowances  
 For the Period October 1994 through March 1995

Line No.	Description	Beginning of Period	Actual October	Actual November	Actual December	Actual January	Actual February	Actual March	Total	Line No.
1	Additions		(\$69,227)	0	0	\$0	0	0		
2	Net Investment	(\$412,793)	(\$482,020)	(\$482,020)	(\$482,020)	(\$482,020)	(\$482,020)	(\$482,020)		1
3	Average Net Investment		(\$447,407)	(\$482,020)	(\$482,020)	(\$482,020)	(\$482,020)	(\$482,020)	n/a	2
4	Return on Average Net Investment (a)									3
	a. Equity Component (Line 3 x 4.7769% /12) *		(1,781)	(1,919)	(1,919)	(1,919)	(1,919)	(1,919)	(11,375)	4
	b. Equity Comp. grossed up for taxes (Line 4a/.61425)		(2,899)	(3,124)	(3,124)	(3,124)	(3,124)	(3,124)	(18,519)	
	c. Debt Component (Line 3 x 3.4859% /12)*		(1,300)	(1,400)	(1,400)	(1,400)	(1,400)	(1,400)	(8,301)	
5	<b>Total Return Requirements (Line 4b + 4c)</b>		<b>(4,199)</b>	<b>(4,524)</b>	<b>(4,524)</b>	<b>(4,524)</b>	<b>(4,524)</b>	<b>(4,524)</b>	<b>(26,819)</b>	5

\* The Equity and Debt Component have been updated to reflect June 30, 1994 cost rates as filed in the Monthly Rate of Return Surveillance Report.

