

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to establish) DOCKET NO. 950359-EI
amortization schedule for) ORDER NO. PSC-95-0672-FOF-EI
nuclear generating units to) ISSUED: May 31, 1995
address potential for stranded)
investment by Florida Power &)
Light Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION ORDER
AUTHORIZING FLORIDA POWER AND LIGHT COMPANY
TO BEGIN PRELIMINARY IMPLEMENTATION
OF ITS AMORTIZATION SCHEDULE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On March 31, 1995, Florida Power and Light Company (FPL or Company) filed its petition for authorization to establish an amortization schedule, effective January 1, 1995, for its nuclear generating units to address the potential for stranded investment. The Company has also requested approval to begin preliminary implementation of the amortization schedule. This Order addresses FPL's request to begin booking amortization expense on a preliminary basis.

FPL has requested that it be allowed to charge and record for its nuclear generating units a fixed and permanent \$30 million annual amortization expense. In addition, for 1995 and 1996, the Company seeks approval to charge and record an additional amount of amortization expense equal to 100% of base rate revenues produced by retail sales between FPL's current "low band" and "most likely

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sales forecast" and 50% of the base rate revenues produced by retail sales above FPL's current "most likely sales forecast" for 1995 and 1996. Based on the Company's latest forecasts, the maximum additional amortization expense to be recorded in 1995 is approximately \$91 million and \$148 million in 1996.

Upon review, we find that FPL's request for preliminary implementation is reasonable and shall be granted. The amortization expense shall be recorded in a separate subaccount of the Accumulated Provision for Depreciation for each nuclear generating unit. In October 1995, when the Commission renders its final decision on FPL's petition for an amortization schedule to address the potential stranding of investment in its nuclear plants, the amortization expense recorded pursuant to this Order will be "trued-up." The true-up for 1995 will not affect the total expense amount approved by this Order, it will simply affect the account where the expense will be booked. Any difference between the amount FPL requested and the Commission approved amount will be used to offset FPL's other perceived deficiencies including, but not limited to, its Turkey Point steam generator litigation costs.

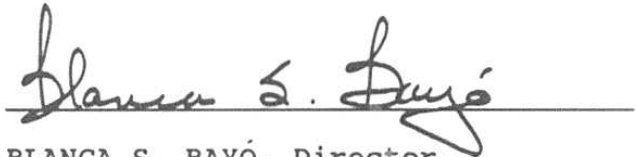
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company shall be permitted to implement, on a preliminary basis, its amortization schedule for its nuclear generating units to address the potential for stranded investment. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

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By ORDER of the Florida Public Service Commission, this 31st
day of May, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

VDJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 21, 1995.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

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Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.