

MEMORANDUM

July 11, 1995

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF AUDITING AND FINANCIAL ANALYSIS (VANDIVER) *W*

RE: DOCKET NO. 950007-EI\* -- FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE AUDIT REPORT  
AUDIT CONTROL NO. 94-284-4-1

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The above-referenced audit report is forwarded. Audit exceptions document deviations from the Uniform System of Accounts, Commission rule or order, Staff Accounting Bulletin and generally accepted accounting principles. Audit disclosures show information that may influence the decision process.

The audit was prepared using a micro computer and has been recorded on three diskettes. The diskettes may be reviewed using IBM compatible equipment and LOTUS 1-2-3 software. There are confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Florida Power & Light Company  
Bill Walker  
215 South Monroe Street, Suite 810  
Tallahassee, Florida 32301-1859

DNV/sp

Attachment

cc: Chairman Clark  
Commissioner Deason  
Commissioner Johnson  
Commissioner Kiesling  
Commissioner Garcia  
Mary Andrews Bane, Deputy Executive Director/Technical  
Legal Services  
Division of Auditing and Financial Analysis (Devlin/Causseaux/  
File Folder)  
Division of Electric and Gas (Breman)  
Miami District Office (Welch)

Office of Public Counsel

\* NOTE: ASR was initiated under Docket No. 940042-EI.  
The docket no. has been changed to 950007-EI.

DOCUMENT NUMBER-DATE

06557 JUL 11 8:

FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION

AUDIT REPORT

THE PERIOD OF APRIL 1993 THROUGH MARCH 1995

June 30, 1995

Florida Power and Light, Inc.

Miami, Florida

Dade County

Environmental Cost Recovery Clause

Docket Number ~~940042~~ - EI

950007 - EI

Audit Control No. 94-284-4-1

*Gabriela Leon*

Gabriela Leon  
Audit Manager

Audit Staff

Raymond Grant  
Yen Ngo  
Ruth Young

Minority Opinion

Yes \_\_\_ No   
Yes \_\_\_ No   
Yes \_\_\_ No

*Kathy Welch*

Kathy Welch  
Miami

DOCUMENT NUMBER DATE

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FPSC-RECORDS/REPORTING

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## I. Executive Summary

**Audit Purpose:** We have applied the procedures described in Section II of this report to the Company's prepared schedules of the Environmental Cost Recovery Clause from April 1993 through March 1995 for the Florida Power and Light Company, FPSC Docket 940042-EI.

**Scope Limitation:** The exit conference was held on June 30, 1995. This report is based on confidential information which is separately filed with the Commission Clerk.

**Disclaim Public Use:** This is an internal accounting report prepared after performing a limited scope audit; accordingly, this document must not be relied upon for any purpose except to assist the Commission staff in the performance of their duties. Substantial additional work would have to be performed to satisfy generally accepted auditing standards and produce audited financial statements for public use.

**Opinion:** The schedules of Environmental Recovery Clause for the period April 1993 through March 1995 represent Florida Power and Light Company books and records which have been maintained in substantial compliance with Commission Directives; The expressed opinions extend only to the scope of work described in section II of this report.

## II. Audit Scope

The opinions contained in this report are based on the audit work described below. When used in this report COMPILED and EXAMINED means that audit work includes:

**COMPILED**— Means that the audit staff reconciled exhibit amounts with the general ledger; visually scanned account for error or inconsistency; disclosed any unresolved error, irregularity, or inconsistency; and, except as otherwise noted performed no other audit work.

**EXAMINED**— Means that the audit staff reconciled exhibit amounts with the general ledger; traced general ledger account balances to subsidiary ledgers; applied selective analytical review procedures; tested account balances to the extent further described; and disclosed any error, irregularity, or inconsistency observed

**INVESTMENT: Compiled Investment.** Staff pulled a judgemental sample of work orders based on their highest dollar values. Within these work orders staff audited the Purchase Orders with the highest dollar values.

**ACCUMULATED DEPRECIATION: Compiled Accumulated Depreciation.** Depreciation expense was recalculated for one month for each of the projects listed below:

<u>PROJECT</u>	<u>DATE</u>
Low NOx Burner Technology	2/95
Continuous Emissions Monitoring	12/94
Clean Closure Equivalency Demonstration	10/94
Relocate Turbine Oil	8/93

Depreciation expense was recomputed from the Company's Detailed Transaction Report and agreed to the depreciation expense on the Company's filing. The rates used to recompute the depreciation expense were traced to Commission Orders.

**OPERATING AND MAINTENANCE EXPENSES: Compiled Operating and Maintenance Expenses.** Staff pulled a statistical sample of Operating and Maintenance Expenses from an extract file of the General Ledger using Audit Analyzer.

**RETURN ON INVESTMENT: Compiled Return on Investment.** Recalculated Return on Investment and traced rates used to Florida Public Service Commission Orders.

III. AUDIT EXCEPTION

AUDIT EXCEPTION NO. 1

SUBJECT: OIL SPILL CLEANUP/RESPONSE EQUIPMENT – REVENUE

STATEMENT OF FACTS:

As explained by FPL personnel, the equipment and expenses for the response to the Tampa Bay Oil Spill Cleanup were charged to Project 8 in the Environmental Clause. According to FPL personnel, payroll is included in the environmental expenses for the oil spill and billed to Maritrans ( the Company who hired FPL). FPL is being reimbursed by Maritrans. Therefore, payment from Maritrans is considered revenue and accounted for as contra to expense.

For the period April through September 1993 there was a credit in the filing of \$4,000 and for the period October 1994 through March 1995 a credit of \$359,463; for a total credit of \$673,463.

Information provided to us from FPL indicated that the total expenditures for the Tampa Bay Oil Spill Response were \$642,407.85. After a negotiated settlement, FPL received \$1,325,693.13 from Maritrans. The difference between payments received and expenses is \$687,526.80 (\$1,325,693.13 – \$642,407.85).

OPINION:

According to the information above, FPL's net profit is \$9,822.28 more than reported in the filings. There should have been a credit to the March 1995 expenses in the above amount.

COMPANY COMMENT:

The Company agrees with the exception. FPL stated that an estimated number was filed. The Company has corrected this error in the May 1995 filing. The May 1995 correction is reflected in Mr. Birkett's Document #6 included in the Company's June 20, 1995 projection filing.

IV. AUDIT DISCLOSURE

AUDIT DISCLOSURE NO. 1

SUBJECT: MATHEMATICAL AND CROSSFOOTING ERRORS

STATEMENT OF FACTS:

In compiling the expenses reported in the filings for the months of April 93 through December 93, the company made some mathematical and crossfooting errors.

The months effected were April, May, July, November and December 93. The company discovered this and made an adjustment to the month of March 1995; reducing expenses in the amount of \$11,409. This includes interest.

The Company calculated this as follows:

Cummulative Difference @ 12/94		10,505.00
Jurisdictional Difference		(148.00)
Interest thru 12/94		494.00
Interest thru 3/95		316.00
		-----
		11,167.00
Gross up for Jurisdictional	Divided by	97.87555
		-----
		11,409.00
		=====
Based on where the mathematical and crossfooting errors occurred in 1993, the company removed 26% from Project 4 expenses and 74% from Project 5 expenses.		(2,966.00)
		(8,443.00)
		-----
		(11,409.00)
		=====

OPINION:

As the company made an adjustment before the end of March 1995; the expenses that were in error in 1993 were accounted for in the six month true up filing ending March 31, 1995. No further adjustment to the filing is necessary.

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 APRIL THROUGH SEPTEMBER 1993 ACTUAL

1993 ACTUALS

ENVIRONMENTAL COSTS	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. Air Operating Permit Fees - O & M	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Low NOx Burner Technology - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3. Continuous Emission Monitoring Systems - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4a. Clean Closure Equivalency - O & M	\$7,200	\$23,500	\$11,900	\$37,900	\$7,600	\$36,000	\$124,100
4b. Clean Closure Equivalency - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$147,530	\$133,461	(\$43,875)	\$30,714	(\$29,724)	\$7,092	\$245,198
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O & M	\$8,731	\$17,678	\$12,007	\$24,871	(\$8,215)	(\$25)	\$55,047
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$0	\$190	\$380	\$375	\$370	\$369	\$1,684
8a. Oil Spill Cleanup/Response Equipment - O & M	\$23	\$34,000	\$11,856	\$18,947	\$108	\$0	\$64,934
8b. Oil Spill Cleanup/Response Equipment - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8c. Oil Spill Cleanup/Response Equipment - Revenue	\$0	\$0	\$0	\$0	\$0	(\$314,000)	(\$314,000)
9. Low-Level Radioactive Waste Access Fees - O & M	\$0	\$0	\$0	\$99,522	\$0	\$0	\$99,522
10. Relocate Storm Water Runoff - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11. SO2 Allowances - Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12. TOTAL (Lines 1 through 11)	\$163,484	\$208,829	(\$7,732)	\$212,329	(\$29,761)	(\$270,564)	\$276,485

V. COMPANY'S EXHIBITS

(24)



Florida Power & Light Company  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of Over/(Under Recovery)  
 April Through September 1993

B.

	April	May	June	July	August	September	Total
1. Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Expenses	163,484	208,829	(7,732)	212,329	(29,861)	(270,564)	276,485
2a. Jurisdictional factor	98.59840%	98.59840%	98.59840%	98.59840%	98.59840%	98.59840%	N/A
2b. Jurisdictional expenses	161,193	205,902	(7,624)	209,353	(29,442)	(266,772)	272,610
3. True-up Provision for this Period - Over/ (Under) Recovery	(161,193)	(205,902)	7,624	(209,353)	29,442	266,772	(272,610)
4. Interest Provision for this period	(211)	(688)	(965)	(1,233)	(1,460)	(1,083)	(5,641)
5. True-up and interest beginning of month	0	(161,404)	(367,994)	(361,335)	(571,921)	(543,939)	0
6. End of Period True-up Amount Over/ (Under) Recoveries	(\$161,404)	(\$367,994)	(\$361,335)	(\$571,921)	(\$543,939)	(\$278,250)	(\$278,250)

Florida Power & Light Company  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of Interest Provision  
 April Through September 1993

	April	May	June	July	August	September	Total
C. Interest Provision							
1. Beginning True-up Amount	\$0	(\$161,404)	(\$367,994)	(\$361,335)	(\$571,921)	(\$543,939)	(\$2,006,594)
2. Ending True-Up Amount Before Interest	(161,193)	(367,306)	(360,370)	(570,688)	(542,479)	(277,168)	(2,279,203)
3. Total of Beginning and Ending True-up Amounts	<u>(161,193)</u>	<u>(528,709)</u>	<u>(728,364)</u>	<u>(932,024)</u>	<u>(1,114,400)</u>	<u>(821,107)</u>	<u>(4,285,797)</u>
4. Average True-up Amount	<u>(80,596)</u>	<u>(264,355)</u>	<u>(364,182)</u>	<u>(466,012)</u>	<u>(537,200)</u>	<u>(410,553)</u>	<u>(2,142,899)</u>
5. Interest Rate - First Day Reporting Business Month	3.19000%	3.09000%	3.16000%	3.20000%	3.15000%	3.14000%	N/A
6. Interest Rate - Last Day Reporting Business Month	3.09000%	3.16000%	3.20000%	3.15000%	3.14000%	3.19000%	N/A
7. Total	<u>6.28000%</u>	<u>6.25000%</u>	<u>6.36000%</u>	<u>6.35000%</u>	<u>6.29000%</u>	<u>6.33000%</u>	N/A
8. Average Interest Rate	<u>3.14000%</u>	<u>3.12500%</u>	<u>3.18000%</u>	<u>3.17500%</u>	<u>3.14500%</u>	<u>3.16500%</u>	N/A
9. Monthly Average Interest Rate	0.26167%	0.26042%	0.26500%	0.26458%	0.26208%	0.26375%	N/A
10. Interest Provision for Month	<u>(\$211)</u>	<u>(\$688)</u>	<u>(\$965)</u>	<u>(\$1,233)</u>	<u>(\$1,460)</u>	<u>(\$1,083)</u>	<u>(\$5,641)</u>

**FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE  
CALCULATION OF ACTUAL/ESTIMATED VARIANCE  
APRIL THROUGH SEPTEMBER 1993**

Florida Power & Light Company  
FPSC Docket No. 940042-EI  
Exhibit No. \_\_\_\_\_  
Testimony of W. M. Reichel  
January 18, 1994  
Document No. 3  
Page 1 of 2

ENVIRONMENTAL COSTS	ACTUAL	ORIGINAL ESTIMATES	VARIANCE
1. Air Operating Permit Fees - O&M	\$0	\$0	\$0
2. Low No <sub>x</sub> Burner Technology - Capital	\$0	\$0	\$0
3. Continuous Emission Monitoring Systems - Capital	\$0	\$0	\$0
4a. Clean Closure Equivalency - O&M	\$124,100	\$331,850	(\$207,750)
4b. Clean Closure Equivalency - Capital	\$0	\$992	(\$992)
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O&M	\$245,198	\$737,477	(\$492,279)
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$0	\$66,656	(\$66,656)
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O&M	\$55,047	\$133,595	(\$78,548)
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$1,684	\$7,429	(\$5,745)
8a. Oil Spill Cleanup/Response Equipment - O&M	\$64,934	\$266,500	(\$201,566)
8b. Oil Spill Cleanup/Response Equipment - Capital	\$0	\$2,726	(\$2,726)
8c. Oil Spill Cleanup/Response Equipment - Revenue	(\$314,000)	\$0	(\$314,000)
9. Low-Level Radioactive Waste Access Fees - O&M	\$99,522	\$240,000	(\$140,478)
10. Relocate Storm Water Runoff - Capital	\$0	\$0	\$0
11. SO <sub>2</sub> Allowances - Revenue	\$0	\$0	\$0
12. TOTAL (Lines 1 through 11)	<u>\$276,485</u>	<u>\$1,787,225</u>	<u>(\$1,510,740)</u>

**FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE  
FINAL TRUE-UP FOR THE PERIOD  
OCTOBER 1993 TO MARCH 1994**

Line No.		
1	Final true-up for period October 1993 to March 1994	(\$1,882,031)
2	Less - estimated true-up amounts approved in Order No. PSC-94-.393-FOF-EI to be collected in the period April 1994 to September 1994	(\$2,356,140)
3	Adjusted net true-up (to be carried over to October 1994 through March 1995 period)	<u>\$474,109</u>

( ) Reflects Underrecovery

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 CALCULATION OF ACTUAL/ESTIMATED VARIANCE  
 OCTOBER 1993 THROUGH MARCH 1994

ENVIRONMENTAL COSTS	ACTUAL/ ESTIMATED	ORIGINAL ESTIMATES	VARIANCE
1. Air Operating Permit Fees - O&M	\$757,773	\$757,773	\$0
2. Low No. Burner Technology - Capital	\$137,452	\$104,917	\$32,535
3. Continuous Emission Monitoring Systems - Capital	\$72,784	\$138,606	(\$63,822)
4a. Clean Closure Equivalency - O&M	\$416,700	\$449,350	(\$32,650)
4b. Clean Closure Equivalency - Capital	\$2,666	\$4,231	(\$1,565)
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O&M	\$297,864	\$198,214	\$99,650
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$36,785	\$245,737	(\$208,952)
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O&M	\$43,630	\$0	\$43,630
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$2,200	\$12,246	(\$10,046)
8a. Oil Spill Cleanup/Response Equipment - O&M	\$54,000	\$2,187	\$51,813
8b. Oil Spill Cleanup/Response Equipment - Capital	\$80,237	\$4,686	\$55,551
8c. Oil Spill Cleanup/Response Equipment - Revenue	\$0	\$0	\$0
9. Low-Level Radioactive Waste Access Fees - O&M	\$208,875	\$240,000	(\$31,125)
10. Relocate Storm Water Runoff - Capital	\$5,886	\$0	\$5,886
11. SO <sub>2</sub> Allowances - Revenue	<u>(\$174,210)</u>	<u>\$0</u>	<u>(\$174,210)</u>
12. TOTAL (Lines 1 through 11)	<u>\$1,922,642</u>	<u>\$2,155,947</u>	<u>(\$233,305)</u>

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 OCTOBER 1993 THROUGH MARCH 1994 ACTUAL

ENVIRONMENTAL COSTS	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	TOTAL
1. Air Operating Permit Fees - O & M	\$0	\$0	\$0	\$0	\$634,849	\$0	\$634,849
2. Low NOx Burner Technology - Capital	\$0	\$0	\$0	\$18,752	\$37,383	\$32,828	\$88,963
3. Continuous Emission Monitoring Systems - Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4a. Clean Closure Equivalency - O & M	(\$3,900)	\$19,800	\$248,069	\$16,818	(\$17,995)	\$67,486	\$340,278
4b. Clean Closure Equivalency - Capital	\$0	\$0	\$0	\$110	\$367	\$564	\$1,041
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$49,757	(\$8,294)	\$47,805	\$0	\$68,084	\$60,414	\$317,666
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$0	\$0	\$0	\$6,168	\$12,393	\$13,520	\$32,081
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O & M	\$0	\$33,630	\$6,747	\$0	(\$1,642)	\$0	\$38,735
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$367	\$368	\$368	\$367	\$366	\$386	\$2,222
8a. Oil Spill Cleanup/Response Equipment - O & M	\$0	\$0	\$4,442	\$0	\$32,225	\$675	\$37,342
8b. Oil Spill Cleanup/Response Equipment - Capital (Note 1)	\$0	\$2,192	\$15,175	\$28,857	\$10,330	\$10,303	\$66,857
8c. Oil Spill Cleanup/Response Equipment - Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Low-Level Radioactive Waste Access Fees - O & M	\$81,458	\$0	\$73,417	\$0	\$0	\$0	\$154,875
10. Relocate Storm Water Runoff - Capital (Note 2)	\$0	\$0	\$0	\$0	\$175	\$2,000	\$2,175
11. SO2 Allowances - Negative Return on Deferred Gain	\$0	\$0	(\$841)	(\$1,682)	(\$1,682)	(\$1,682)	(\$5,887)
12. TOTAL (Lines 1 through 11)	\$127,682	\$57,596	\$395,182	\$69,390	\$774,853	\$186,494	\$1,611,197

Note 1: January includes an adjustment of \$10,815 for depreciation applicable to November

Note 2: March includes an adjustment of \$597 applicable to February

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Florida Power & Light Company  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of Over/(Under) Recovery  
 October 1993 Through March 1994

	October	November	December	ACTUAL January	February	March	Total
1. Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2. Expenses	127,682	57,596	395,182	69,390	774,853	186,494	1,611,197
2a. Jurisdictional factor	98.59840%	98.59840%	98.59840%	98.59840%	98.59840%	98.59840%	N/A
2b. Jurisdictional expenses	125,892	56,789	389,643	68,417	763,993	183,880	1,588,614
3. True-up Provision for this Period - Over/ (Under) Recovery	(125,892)	(56,789)	(389,643)	(68,417)	(763,993)	(183,880)	(1,588,614)
4. Interest Provision for this period	(900)	(1,136)	(1,779)	(2,384)	(3,606)	(5,362)	(15,166)
5. True-up and interest beginning of month	(278,250)	(405,043)	(462,967)	(854,389)	(925,191)	(1,692,789)	(278,250)
6. End of Period True-up Amount Over/ (Under) Recoveries	(\$405,043)	(\$462,967)	(\$854,389)	(\$925,191)	(\$1,692,789)	(\$1,882,031)	(\$1,882,031)

Florida Power & Light Company  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of Interest Provision  
 October 1993 Through March 1994

	October	November	December	ACTUAL		Total	
				January	February	March	
<b>Interest Provision</b>							
1. Beginning True-up Amount	(\$278,250)	(\$405,043)	(\$462,967)	(\$854,389)	(\$925,191)	(\$1,692,789)	(\$3,935,337)
2. Ending True-Up Amount Before Interest	(404,143)	(461,831)	(852,610)	(922,807)	(1,689,184)	(1,876,670)	(5,341,270)
3. Total of Beginning and Ending True-up Amounts	<u>(682,393)</u>	<u>(866,874)</u>	<u>(1,315,578)</u>	<u>(1,777,196)</u>	<u>(2,614,375)</u>	<u>(3,569,459)</u>	<u>(9,276,608)</u>
4. Average True-up Amount	<u>(341,197)</u>	<u>(433,437)</u>	<u>(657,789)</u>	<u>(888,598)</u>	<u>(1,307,187)</u>	<u>(1,784,729)</u>	<u>(4,638,304)</u>
5. Interest Rate - First Day Reporting Business Month	3.19000%	3.14000%	3.15000%	3.34000%	3.10000%	3.52000%	N/A
6. Interest Rate - Last Day Reporting Business Month	3.14000%	3.15000%	3.34000%	3.10000%	3.52000%	3.69000%	N/A
7. Total	<u>6.33000%</u>	<u>6.29000%</u>	<u>6.49000%</u>	<u>6.44000%</u>	<u>6.62000%</u>	<u>7.21000%</u>	N/A
8. Average Interest Rate	<u>3.16500%</u>	<u>3.14500%</u>	<u>3.24500%</u>	<u>3.22000%</u>	<u>3.31000%</u>	<u>3.60500%</u>	N/A
9. Monthly Average Interest Rate	0.26375%	0.26208%	0.27042%	0.26833%	0.27583%	0.30042%	N/A
10. Interest Provision for Month	<u>(\$900)</u>	<u>(\$1,136)</u>	<u>(\$1,779)</u>	<u>(\$2,384)</u>	<u>(\$3,606)</u>	<u>(\$5,362)</u>	



FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE  
FINAL TRUE-UP FOR THE PERIOD  
APRIL TO SEPTEMBER 1994

Line No.		
1	Final true-up for period April to September 1994	\$1,205,632
2	Less - estimated true-up amounts approved in Order No. PSC-94-1207-FOF-EI to be collected in the period - October 1994 to March 1995	1,094,071
3	Adjusted net true-up (to be carried over to April to September 1995 period.	<u>\$111,561</u>

( ) Reflects Underrecovery

FLORIDA POWER & LIGHT COMPANY  
ENVIRONMENTAL COST RECOVERY CLAUSE  
CALCULATION OF VARIANCE  
APRIL 1994 THROUGH SEPTEMBER 1994

ENVIRONMENTAL COSTS	ACTUAL	ESTIMATED/ACTUAL	VARIANCE
1. Air Operating Permit Fees - O & M	\$28,503	\$32,638	(\$4,135)
2. Low NOx Burner Technology - Capital	\$405,529	\$383,171	\$22,358
3. Continuous Emission Monitoring Systems - Capital	\$17,797	\$26,175	(\$8,378)
4a. Clean Closure Equivalency - O & M	\$182,530	\$318,597	(\$136,067)
b. Clean Closure Equivalency - Capital	\$2,915	\$2,984	(\$69)
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$212,777	\$217,002	(\$4,225)
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$90,916	\$107,069	(\$16,153)
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O & M	\$0	\$0	\$0
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$2,268	\$2,225	\$43
8a. Oil Spill Cleanup/Response Equipment - O & M	\$73,771	\$78,000	(\$4,229)
8b. Oil Spill Cleanup/Response Equipment - Capital	\$61,070	\$61,281	(\$211)
8c. Oil Spill Cleanup/Response Equipment - Revenue	\$0	\$0	\$0
9. Low-Level Radioactive Waste Access Fees - O & M	\$206,075	\$213,710	(\$7,635)
10. Relocate Storm Water Runoff - Capital	\$8,831	\$8,801	\$30
11. SO2 Allowances - Negative Return on Deferred G	(\$15,707)	(\$11,153)	(\$4,554)
12. Scherer Discharge Pipeline - Capital	\$32,731	\$40,259	(\$7,528)
13. TOTAL (Lines 1 through 12)	<u>\$1,310,006</u>	<u>\$1,480,759</u>	<u>(\$170,753)</u>
14. Jurisdictionalized Environmental Costs	\$1,291,569	\$1,460,007	(\$168,438)
15. Jurisdictional Revenues, Net of Revenue Taxes	<u>2,029,169</u>	<u>2,087,343</u>	<u>(\$58,174)</u>
16. True-up Provision (Lines 15-14)	\$737,600	\$627,336	\$110,264
17. Interest Provision	-6,078	-7,374	1,296
18. Deferred True-up beginning of period	<u>474,109</u>	<u>474,109</u>	<u>0</u>
19. End of Period Net True-up Amount (Lines 16 + 17 + 18) Over(Under) Recovery	<u>\$1,205,631</u>	<u>\$1,094,071</u>	<u>\$111,560</u>

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL COST RECOVERY CLAUSE  
 APRIL 1994 THROUGH SEPTEMBER 1994 ACTUAL

ENVIRONMENTAL COSTS	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
1. Air Operating Permit Fees - O & M	\$839	\$0	\$15,340	\$4,108	\$4,108	\$4,108	\$28,503
2. Low NOx Burner Technology - Capital	\$35,099	\$34,615	\$34,476	\$57,006	\$79,071	\$165,262	\$405,529
3. Continuous Emission Monitoring Systems - Capital	\$0	\$0	\$0	\$238	\$4,670	\$12,889	\$17,797
4a. Clean Closure Equivalency - O & M	(\$12,928)	\$1,526	\$16,314	\$101,384	\$50,586	\$25,648	\$182,530
4b. Clean Closure Equivalency - Capital	\$522	\$495	\$493	\$492	\$490	\$423	\$2,915
5a. Maintenance of Stationary Above Ground Fuel Storage Tanks - O & M	\$1,764	\$20,048	\$150,095	\$10,870	\$0	\$30,090	\$212,777
5b. Maintenance of Stationary Above Ground Fuel Storage Tanks - Capital	\$12,907	\$12,785	\$12,743	\$14,485	\$18,630	\$19,366	\$90,916
6. Secondary Containment Around Pollutant Storage and Hazardous Materials Tanks - O & M	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7. Relocate Turbine Lube Oil Underground Piping to Above Ground - Capital	\$375	\$372	\$371	\$370	\$370	\$410	\$2,268
8a. Oil Spill Cleanup/Response Equipment - O & M	\$2,138	\$0	\$3,016	\$1,581	\$48,229	\$18,807	\$73,771
8b. Oil Spill Cleanup/Response Equipment - Capital	\$10,259	\$10,166	\$10,115	\$10,058	\$9,998	\$10,474	\$61,070
8c. Oil Spill Cleanup/Response Equipment - Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9. Low-Level Radioactive Waste Access Fees - O & M	\$66,880	\$64,892	\$0	\$0	(\$4,819)	\$79,122	\$206,075
10. Relocate Storm Water Runoff - Capital	\$1,385	\$1,437	\$1,502	\$1,503	\$1,503	\$1,501	\$8,831
11. SO2 Allowances - Negative Return on Deferred Gain	(\$1,667)	(\$1,667)	(\$1,667)	(\$2,808)	(\$3,949)	(\$3,949)	(\$15,707)
12. Scherer Discharge Pipeline - Capital	\$0	\$0	\$6,605	\$7,310	\$8,773	\$10,043	\$32,731
13. TOTAL (Lines 1 through 12)	\$117,573	\$144,669	\$249,403	\$206,597	\$217,660	\$374,104	\$1,310,006

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FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL PROGRAM COSTS  
 APRIL THROUGH SEPTEMBER 1994

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
ENVIRONMENTAL CLAUSE REVENUES (NET OF REVENUE TAXES)	550,991	683,090	749,001	817,895	785,541	788,791	4,385,309
ADJUSTMENT NOT APPLICABLE TO PERIOD - PRIOR TRUE-UP	(392,690)	(392,690)	(392,690)	(392,690)	(392,690)	(392,690)	(2,356,140)
ENVIRONMENTAL REVENUES APPLICABLE TO PERIOD (Line B1 + B2)	168,301	290,400	356,311	425,205	392,851	396,101	2,029,169
JURISDICTIONAL ENVIRONMENTAL EXPENSES (From File Maintenance/Final GL)	115,925	142,641	245,906	203,699	214,607	368,791	1,291,569
TRUE-UP THIS PERIOD (Line B3 - Line B4)	52,376	147,759	110,405	221,506	178,244	27,310	737,600
INTEREST PROVISION FOR THE MONTH (From DOCUMENT NO. 1, Page 3, Line C10)	(5,248)	(4,034)	(2,415)	(366)	1,911	4,074	(6,078)
TRUE-UP & INTEREST PROVISION BEGINNING OF MONTH (EST/ACT in factor)	(2,356,140)	(1,916,322)	(1,379,907)	(879,227)	(265,397)	307,448	(2,356,140)
a. DEFERRED TRUE-UP BEGINNING OF PERIOD (Final less EST/ACT)	474,110	474,110	474,110	474,110	474,110	474,110	474,110
PRIOR TRUE-UP COLLECTED (REFUNDED)	392,690	392,690	392,690	392,690	392,690	392,690	2,356,140
11. END OF PERIOD -TOTAL NET TRUE-UP RECOVERY (Line B5 + B6 + B7 + B7a + B8)	(\$1,442,212)	(\$905,797)	(\$405,117)	\$208,713	\$781,558	\$1,205,632	\$1,205,632

NOTES: ( ) Reflects Underrecovery

FLORIDA POWER & LIGHT COMPANY  
 ENVIRONMENTAL PROGRAM COSTS  
 APRIL THROUGH SEPTEMBER 1994

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
C INTEREST PROVISION							
1 BEGINNING TRUE-UP AMOUNT (Line B7 + B7a)	(\$1,882,030)	(\$1,442,212)	(\$905,797)	(\$405,117)	\$208,713	\$781,558	(\$3,644,885)
2 ENDING TRUE-UP AMOUNT BEFORE INTEREST (Line B5 + B7 + B7a + B8)	(1,436,964)	(901,763)	(402,702)	209,079	779,647	1,201,558	(551,145)
3 TOTAL OF BEGINNING & ENDING TRUE-UP (Line C1 + C2)	(\$3,318,994)	(\$2,343,975)	(\$1,308,499)	(\$196,038)	\$988,360	\$1,983,116	(\$4,196,030)
4 AVERAGE TRUE-UP AMOUNT (50% of Line C3)	(\$1,659,497)	(\$1,171,988)	(\$654,250)	(\$98,019)	\$494,180	\$991,558	(\$2,098,015)
5 INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	3.69000%	3.90000%	4.36000%	4.50000%	4.46000%	4.82000%	N/A
6 INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	3.90000%	4.36000%	4.50000%	4.46000%	4.82000%	5.04000%	N/A
7 TOTAL (Line C5 + C6)	7.59000%	8.26000%	8.86000%	8.96000%	9.28000%	9.86000%	N/A
AVERAGE INTEREST RATE (50% of Line C7)	3.79500%	4.13000%	4.43000%	4.48000%	4.64000%	4.93000%	N/A
8 MONTHLY AVERAGE INTEREST RATE (Line C8 / 12)	0.31625%	0.34417%	0.36917%	0.37333%	0.38667%	0.41083%	N/A
9 INTEREST PROVISION FOR THE MONTH (Line C4 x C9)	(\$3,248)	(\$4,034)	(\$2,415)	(\$366)	\$1,911	\$4,074	(\$6,078)

( ) REFLECTS UNDERRECOVERY.

**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>
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 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 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	\$1,640,105	\$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	\$32,615	\$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
21 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	(\$245,963)	\$0	(\$112,500)	\$0	\$0	\$0	(\$358,463)
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 Investments	(\$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
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
8 AVERAGE INTEREST RATE (50% of Line C7)	5.02000%	5.33000%	5.84500%	6.06500%	6.07500%	6.08500%	N/A
9 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 + C9)	\$6,376	\$8,820	\$10,869	\$12,323	\$9,135	\$4,941	\$52,464

( ) REFLECTS UNDERRECOVERY

State of Florida

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



DIVISION OF RECORDS &  
REPORTING  
BLANCA S. BAYO  
DIRECTOR  
(904) 413-6770

## Public Service Commission

July 13, 1995

Florida Power & Light Company  
Attn: Mr. Bill Walker  
215 South Monroe Street, Suite 810  
Tallahassee, Florida 32301-1859

Dear Mr. Walker:

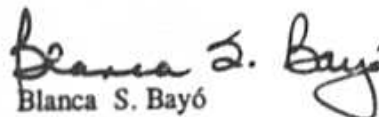
RE: Docket No. 950007-EI - Florida Power & Light Company  
Environmental Cost Recovery Clause Audit Report  
Audit Control # 94-284-4-1

The enclosed audit report is forwarded for your review. Any company response filed with this office within ten (10) work days of the above date will be forwarded for consideration by the staff analyst in the preparation of a recommendation for this case.

The Division of Records and Reporting is holding the workpapers for which you requested confidential treatment. You have 21 days from the audit exit conference, or July 21, 1995 to file a formal request for Confidential Classification with the Division of Records and Reporting.

Thank you for your cooperation.

Sincerely,

  
Blanca S. Bayo

BSB/mas  
Enclosure  
cc: Public Counsel  
Steel Law Firm