

MEMORANDUM

June 26, 1996

ORIGINAL
FILE COPY

TO: DIVISION OF RECORDS AND REPORTING

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

RE: DOCKET NO. 960001-EI -- FLORIDA POWER AND LIGHT COMPANY
CAPACITY COST AUDIT REPORT - PERIOD ENDED MARCH 31, 1996
AUDIT CONTROL NO. 95-298-4-3

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 working papers are available for review on request. There are confidential working papers associated with this audit.

Please forward a complete copy of this report to:

Florida Power and Light
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 (Wheeler)
Miami District Office (Welch)

Research and Regulatory Review (Harvey)
Office of Public Counsel

DOCUMENT NUMBER-DATE

06916 JUN 27 96

FPSC-RECORDS/REPORTING

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FINANCIAL INSTITUTIONS

FLORIDA PUBLIC SERVICE COMMISSION

**AUDIT REPORT
FOR THE 12 MONTHS ENDED MARCH 31, 1996**

FIELD WORK COMPLETED

MAY 29, 1996

**FLORIDA POWER AND LIGHT
MIAMI, FLORIDA**


**CAPACITY COST RECOVERY CLAUSE
DOCKET NUMBER 960001-EI
AUDIT CONTROL NUMBER 95-298-4-3**


RAYMOND GRANT
AUDIT MANAGER

MINORITY OPINION

YEN NGO

YES NO 4/11


KATHY WELCH
REGULATORY ANALYST SUPERVISOR
MIAMI DISTRICT OFFICE

DOCUMENT NUMBER-DATE

06916 JUN 27 96

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 appended Capacity Cost Recovery Exhibits filed by Florida Power and Light Company in support of Docket 960001-EI for the twelve months ended March 31, 1996 to determine that exhibits represent utility books, that those records are maintained in compliance with Commission directives; and that facts which may influence the Commission decision process are disclosed.

SCOPE LIMITATION: The audit exit conference was held on June 13, 1996. 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 on for any purpose except to assist the Commission staff in the performance of their duties and responsibilities. Substantial additional work would have to be performed to satisfy generally accepted auditing standards which must be followed to produce audited financial statements for public use.

OPINION: Subject to the procedures described in Section II, the appended Capacity Cost Recovery Schedules for the twelve month period ended March 31, 1996, represent utility books and records maintained in substantial compliance with Commission directives.

II. AUDIT SCOPE

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

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

COST RECOVERY REVENUES: Compiled revenues from the Revenue and Rate Report and reconciled to company's filing.

CAPACITY CHARGES: Compiled all types of capacity charges from the general ledger and reconciled to the filing.

Reconciled the Unit Power Sales-Capacity Charges from Southern Company Services invoices to the FPL filing. Judgementally selected and recalculated the invoices for July 1995. Agreed the monthly capacity rate on the invoice to documentation provided by Southern Company to FPL.

CAPACITY IN BASE RATES: Traced the capacity related amounts included in base rates to prior audit and commission order.

JURISDICTIONAL SEPARATION FACTOR: Traced the demand factor to company's testimony.

TOTAL NET TRUE-UP CALCULATION: Recalculated true-up and interest provision; traced the beginning true-up to prior filing and the prior period true-up to commission order. Traced interest rates to the Wall Street Journal 30-day commercial rate.

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IV. EXHIBITS

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP AMOUNT
FOR THE PERIOD APRIL THROUGH SEPTEMBER 1995

| | | |
|----|--|---------------------------------|
| 1. | End-of-Period True-up: Over/(Under) Recovery (From Page 4, Column 7, Line 19) | \$20,971,244 |
| 2. | Less: Estimated/Actual Over/(Under) Recovery Applied to the Capacity Cost Recovery Factor for the October 1995 through March 1996 period (a) | (2,615,886) |
| 3. | Net True-up: Over/(Under) Recovery to be carried forward to the April through September 1996 period | <hr/> <u>\$23,587,130</u> <hr/> |

Notes: (a) Approved at August 1995 Hearing, FPSC Order
No. PSC-95-1009-FOF-EL.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP AMOUNT
FOR THE PERIOD APRIL THROUGH SEPTEMBER 1995

| | | |
|----|--|---------------------------------|
| 1. | End-of-Period True-up: Over/(Under) Recovery (From Page 4, Column 7, Line 19) | \$20,971,244 |
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| 3. | Net True-up: Over/(Under) Recovery to be carried forward to the April through September 1996 period | <hr/> <u>\$23,587,130</u> <hr/> |

Notes: (a) Approved at August 1995 Hearing, FPSC Order
No. PSC-95-1089-FOF-EL

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD APRIL THROUGH SEPTEMBER 1995

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | |
| | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | TOTAL |
| 1. Unit Power (UPS) Capacity Charges | 13,089,148 | 12,873,508 | 12,245,378 | 11,468,195 | 10,888,781 | 1,242,768 | 82,407,756 |
| 2. SJRPP Capacity Charges | 7,028,437 | 7,070,144 | 7,090,589 | 8,883,868 | 8,882,701 | 7,463,978 | 42,202,877 |
| 3. Qualifying Facilities (QF) Capacity Charges | 13,068,153 | 12,712,315 | 13,128,085 | 13,239,105 | 13,272,894 | 13,258,842 | 78,875,485 |
| 4. Short-term Capacity Purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Revenues from Capacity Sales | (98,148) | (164,815) | (220,458) | (435,814) | (845,025) | (383,760) | (1,927,824) |
| 6. Total Company Capacity Charges | <u>33,087,590</u> | <u>32,491,151</u> | <u>32,241,594</u> | <u>30,955,855</u> | <u>30,379,462</u> | <u>21,808,822</u> | <u>181,358,304</u> |
| 7. Jurisdictional Separation Factor (a) | 87.87555% | 87.87555% | 87.87555% | 87.87555% | 87.87555% | 87.87555% | na |
| 8. Jurisdictional Capacity Charges | 32,987,898 | 31,800,893 | 31,558,838 | 30,298,017 | 28,734,085 | 21,147,798 | 177,505,438 |
| 9. Capacity related amounts included in Base Rates (FPSC Portion Only) (b) | (4,745,480) | (4,745,480) | (4,745,480) | (4,745,480) | (4,745,480) | (4,745,480) | (28,472,790) |
| 10. Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause | <u>28,222,533</u> | <u>27,055,427</u> | <u>26,811,172</u> | <u>25,552,551</u> | <u>24,088,629</u> | <u>16,402,330</u> | <u>149,032,642</u> |
| 11. Capacity Cost Recovery Revenues (Net of Revenue Taxes) | 20,405,820 | 23,147,183 | 26,490,329 | 28,335,542 | 26,180,414 | 27,124,571 | 148,683,860 |
| 12. Prior Period True-up Provision | 2,520,431 | 2,520,431 | 2,520,431 | 2,520,430 | 2,520,430 | 2,520,430 | 15,122,583 |
| 13. Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes) | <u>22,926,251</u> | <u>25,667,614</u> | <u>29,010,760</u> | <u>28,855,972</u> | <u>28,700,844</u> | <u>29,645,001</u> | <u>164,806,543</u> |
| 14. True-up Provision for Month - Over/(Under) Recovery (Line 12 - Line 10) | 5,298,182 | (1,387,813) | 2,199,588 | 3,303,421 | 3,712,215 | 13,242,871 | 15,773,801 |
| 15. Interest Provision for Month | 81,828 | 52,052 | 41,722 | 42,362 | 48,481 | 78,245 | 340,470 |
| 16. True-up & Interest Provisions Beginning of Month - Over/(Under) Recovery | 15,122,583 | 7,387,589 | 3,631,407 | 3,252,286 | 4,077,639 | 5,315,885 | 15,122,583 |
| 17. Deferred True-up - Over/(Under) Recovery | 4,858,873 | 4,858,873 | 4,858,873 | 4,858,873 | 4,858,873 | 4,858,873 | 4,858,873 |
| 18. Prior Period True-up Provision - Collected/(Refunded) this Month | (2,520,431) | (2,520,431) | (2,520,431) | (2,520,430) | (2,520,430) | (2,520,430) | (15,122,583) |
| 19. End of Period True-up - Over/(Under) Recovery (Sum of Lines 14 through 18) | <u>12,244,472</u> | <u>8,388,280</u> | <u>8,109,159</u> | <u>8,934,512</u> | <u>10,172,758</u> | <u>20,971,244</u> | <u>20,971,244</u> |

Notes: (a)
(b)

Per B. T. Bekett's Testimony Appendix IV, Page 3, Docket No. 950001 EI, filed January 17, 1995.
Per FPSC Order No. PSC 94-1092 FDF EI, issued September 8, 1994, Docket No. 940001 EI, as
adjusted in August 1993, per E. L. Holliman's Testimony Appendix IV, Docket No. 930001 EI, filed July 8, 1993.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD APRIL THROUGH SEPTEMBER 1995

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--|--------------|--------------|-------------|-------------|-------------|--------------|-----------|
| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | |
| | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | TOTAL |
| 1. Beginning True-up Amount | \$18,978,458 | \$12,244,472 | \$8,388,280 | \$8,108,150 | \$8,934,512 | \$10,172,758 | n/a |
| 2. Ending True-up Amount Before Interest | 12,182,843 | 8,338,228 | 8,067,437 | 8,892,150 | 10,128,297 | 20,894,999 | n/a |
| 3. Total Beginning & Ending True-up Amount (Lines 1 + 2) | 32,142,299 | 20,580,699 | 18,455,717 | 17,001,310 | 19,060,809 | 31,087,758 | n/a |
| 4. Average True-up Amount (50 % of Line 3) | \$18,071,150 | \$10,290,350 | \$8,227,858 | \$8,500,655 | \$9,530,404 | \$15,533,878 | n/a |
| 5. Interest Rate - First day of Reporting Business Month | 0.06120 | 0.06070 | 0.06070 | 0.06100 | 0.05860 | 0.05840 | n/a |
| 6. Interest Rate - First day of Subsequent Business Month | 0.06070 | 0.06070 | 0.06100 | 0.05860 | 0.05840 | 0.05840 | n/a |
| 7. Total Interest Rate (Lines 5 + 6) | 0.12190000 | 0.12140000 | 0.12170000 | 0.11960000 | 0.11700000 | 0.11780000 | n/a |
| 8. Average Interest Rate (50 % of Line 7) | 0.06095000 | 0.06070000 | 0.06085000 | 0.05980000 | 0.05850000 | 0.05890000 | n/a |
| 9. Monthly Average Interest Rate (1/12 of Line 8) | 0.00507917 | 0.00505833 | 0.00507083 | 0.00498333 | 0.00487500 | 0.00490833 | n/a |
| 10. Interest Provision for the Month (Line 4 X Line 9) | \$81,828 | \$52,052 | \$41,722 | \$42,362 | \$48,481 | \$78,245 | \$340,470 |

NOTE: Columns and rows may not add due to rounding.

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CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP VARIANCES
FOR THE PERIOD APRIL THROUGH SEPTEMBER 1995

| | (1) ACTUAL | (2) ESTIMATED/ ACTUAL (a) | (3) VARIANCE (1)-(2) | (4) PERCENTAGE CHANGE (3)/(2) |
|---|----------------------|---------------------------------|----------------------------|--|
| 1. Unit Power (UPS) Capacity Charges | 162,407,756 | 171,517,624 | (19,109,868) | -12.74% |
| 2. SJRPP Capacity Charges | 42,202,877 | 44,344,721 | (141,844) | -0.33% |
| 3. Qualifying Facilities (QF) Capacity Charges | 78,675,495 | 186,472,640 | (7,797,145) | -8.02% |
| 4. Short-term Capacity Purchases | 0 | 10 | 0 | n/a |
| 5. Revenues from Capacity Sales | (1,827,824) | (1,152,361) | (775,463) | 67.29% |
| 6. Total Company Capacity Charges | <u>181,358,304</u> | <u>199,182,624</u> | <u>(17,824,319)</u> | -8.95% |
| 7. Jurisdictional Separation Factor | 97.87555% | 97.87555% | 0.00% | 0.00% |
| 8. Jurisdictional Capacity Charges | <u>177,505,438</u> | <u>194,951,088</u> | <u>(17,445,650)</u> | -8.95% |
| 9. Capacity related amounts included in Base Rates (FPSC Portion Only) | (28,472,796) | (28,472,796) | 0 | 0.00% |
| 10. Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause | <u>\$149,032,642</u> | <u>\$168,478,293</u> | <u>(\$17,445,651)</u> | -10.48% |
| 11. Capacity Cost Recovery Revenues (Net of Revenue Taxes) | \$149,683,980 | 143,637,422 | \$6,046,538 | 4.21% |
| 12. Prior Period True-up Provision | 15,122,583 | 15,122,583 | 0 | n/a |
| 13. Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes) | <u>\$164,806,543</u> | <u>\$158,760,005</u> | <u>\$6,046,538</u> | 3.81% |
| 14. True-up Provision - Over/(Under) Recovery (Line 13 - Line 10) | \$15,773,901 | (17,718,288) | \$23,492,189 | n/a |
| 15. Interest Provision | 340,470 | 245,529 | 94,941 | n/a |
| 16. True-up & Interest Provision Beginning of Month - Over/(Under) Recovery | 15,122,583 | 15,122,583 | 0 | 0.00% |
| 17. Deferred True-up - Over/(Under) Recovery | 4,858,873 | 4,858,873 | 0 | n/a |
| 18. Prior Period True-up Provision - Collected/(Refunded) | (15,122,583) | (15,122,583) | 0 | 0.00% |
| 19. End of Period True-up - Over/(Under) Recovery (Sum of Lines 14 through 18) | <u>\$20,971,244</u> | <u>(\$2,815,886)</u> | <u>\$23,587,130</u> | n/a |

Notes: (a) Per Appendix IV, Page 6, filed June 20, 1995, Docket 950001-EL, and approved at the August 1995 hearing, FPSC Order No PSC-95-1089 FOF-EL.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SUMMARY OF NET TRUE-UP
FOR THE SIX MONTH PERIOD OCTOBER 1995 THROUGH MARCH 1996

| | | |
|----|---|---------------------|
| 1. | End-of-Period True-up for the Six Month Period October 1995 through March 1996 (From Page 6, Lines 14 + 15) | \$67,886,374 |
| 2. | Less: Estimated/Actual True-up for the same period* | <u>38,959,291</u> |
| 3. | Net True-up for the six month period October 1995 through March 1996 | <u>\$28,927,083</u> |

() Reflects Underrecovery

* Approved in FPSC Order No. PSC-96-0353-FOF-EI dated March 13, 1996

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD OCTOBER 1995 THROUGH MARCH 1996

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | |
| | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | TOTAL |
| 1. Unit Power (UPS) Capacity Charges | \$6,511,777 | \$11,134,184 | \$11,181,186 | \$10,827,547 | \$9,381,613 | \$6,613,603 | \$55,649,910 |
| 2. SJRPP Capacity Charges | 6,202,740 | 6,354,210 | 6,839,548 | 6,107,751 | 6,533,644 | 6,632,315 | 38,670,209 |
| 3. Qualifying Facilities (QF) Capacity Charges | 13,236,921 | 12,311,678 | 16,701,035 | 23,138,508 | 23,481,133 | 23,070,791 | 111,940,067 |
| 4. Short-term Capacity Purchases | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Revenues from Capacity Sales | (161,340) | (84,802) | (164,934) | (209,713) | (639,887) | (974,676) | (2,235,353) |
| 6. Total Company Capacity Charges | <u>25,790,099</u> | <u>29,715,270</u> | <u>34,556,835</u> | <u>39,864,093</u> | <u>38,756,503</u> | <u>35,342,033</u> | <u>204,024,833</u> |
| 7. Jurisdictional Separation Factor (a) | 97.25530% | 97.25530% | 97.25530% | 97.25530% | 97.25530% | 97.25530% | n/a |
| 8. Jurisdictional Capacity Charges | 25,082,238 | 28,899,675 | 33,608,353 | 38,769,943 | 37,692,754 | 34,372,000 | 198,424,963 |
| 9. Capacity related amounts included in Base Rates (FPSC Portion Only) (b) | (4,745,466) | (4,745,466) | (4,745,466) | (4,745,466) | (4,745,466) | (4,745,466) | (28,472,796) |
| 10. Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause | <u>\$20,336,772</u> | <u>\$24,154,209</u> | <u>\$28,862,887</u> | <u>\$34,024,477</u> | <u>\$32,947,288</u> | <u>\$29,626,534</u> | <u>\$169,952,167</u> |
| 11. Capacity Cost Recovery Revenues (Net of Revenue Taxes) | 43,751,673 | 41,324,480 | 36,123,823 | 42,242,031 | 38,218,183 | 36,960,350 | 238,620,542 |
| 12. Prior Period True-up Provision | (435,982) | (435,982) | (435,982) | (435,981) | (435,981) | (435,981) | (2,615,889) |
| 13. Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes) | <u>\$43,315,691</u> | <u>\$40,888,498</u> | <u>\$35,687,841</u> | <u>\$41,806,050</u> | <u>\$37,782,202</u> | <u>\$36,524,369</u> | <u>\$236,004,653</u> |
| 14. True-up Provision for Month - Over/(Under) Recovery (Line 13 - Line 10) | 22,978,919 | 16,734,289 | 6,824,954 | 7,781,573 | 4,834,514 | 6,897,835 | 66,052,466 |
| 15. Interest Provision for Month | 159,989 | 257,023 | 317,359 | 344,056 | 361,014 | 394,447 | 1,833,888 |
| 16. True-up & Interest Provision Beginning of Month - Over/(Under) Recovery | (2,615,889) | 20,959,002 | 38,386,295 | 45,964,590 | 54,526,201 | 60,158,110 | (2,615,889) |
| 17. Deferred True-up - Over/(Under) Recovery | 23,587,130 | 23,587,130 | 23,587,130 | 23,587,130 | 23,587,130 | 23,587,130 | 23,587,130 |
| 18. Prior Period True-up Provision - Collected/(Refunded) this Month | 435,982 | 435,982 | 435,982 | 435,981 | 435,981 | 435,981 | 2,615,889 |
| 19. End of Period True-up - Over/(Under) Recovery (Sum of Lines 14 through 18) | <u>\$44,546,132</u> | <u>\$61,973,425</u> | <u>\$69,551,720</u> | <u>\$78,113,331</u> | <u>\$83,745,240</u> | <u>\$91,473,504</u> | <u>\$91,473,504</u> |

Notes: (a) Per B. T. Birkett's Testimony Appendix IV, Page 3, Docket No. 950001 EI, filed June 20, 1995.
(b) Per FPSC Order No. PSC-94-1092 FOF-EI, issued September 6, 1994, Docket No. 940001 EI, as adjusted in August 1993, per E. L. Hoffman's Testimony Appendix IV, Docket No. 930001 EI, filed July 8, 1993.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD OCTOBER 1995 THROUGH MARCH 1996

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | ACTUAL | |
| | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | TOTAL |
| 1. Beginning True-up Amount | \$20,971,241 | \$44,546,132 | \$61,973,425 | \$69,551,720 | \$78,113,331 | \$83,745,240 | n/a |
| 2. Ending True-up Amount Before Interest | 44,386,142 | 61,716,403 | 69,234,362 | 77,769,275 | 83,384,226 | 91,079,057 | n/a |
| 3. Total Beginning & Ending True-up Amount (Lines 1 + 2) | 65,357,383 | 106,262,534 | 131,207,787 | 147,320,995 | 161,497,557 | 174,824,297 | n/a |
| 4. Average True-up Amount (50 % of Line 3) | \$32,678,692 | \$53,131,267 | \$65,603,893 | \$73,660,498 | \$80,748,778 | \$87,412,149 | n/a |
| 5. Interest Rate - First day of Reporting Business Month | 0.05940 | 0.05810 | 0.05800 | 0.05810 | 0.05400 | 0.05330 | n/a |
| 6. Interest Rate - First day of Subsequent Business Month | 0.05810 | 0.05900 | 0.05810 | 0.05400 | 0.05330 | 0.05500 | n/a |
| 7. Total Interest Rate (Lines 5 + 6) | 0.11750000 | 0.11610000 | 0.11610000 | 0.11210000 | 0.10730000 | 0.10830000 | n/a |
| 8. Average Interest Rate (50 % of Line 7) | 0.05875000 | 0.05805000 | 0.05805000 | 0.05605000 | 0.05365000 | 0.05415000 | n/a |
| 9. Monthly Average Interest Rate (1/12 of Line 8) | 0.00489583 | 0.00483750 | 0.00483750 | 0.00467083 | 0.00447083 | 0.00451250 | n/a |
| 10. Interest Provision for the Month (Line 4 X Line 9) | \$159,989 | \$257,023 | \$317,359 | \$344,056 | \$361,014 | \$394,447 | \$1,833,888 |

NOTE: Columns and rows may not add due to rounding.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP VARIANCES
FOR THE PERIOD OCTOBER 1995 THROUGH MARCH 1996

| | (1) | (2) | (3) | (4) |
|--|----------------------|--------------------------|-----------------------|---------------------------------|
| | ACTUAL | ESTIMATED/ ACTUAL (a) | VARIANCE (1)-(2) | PERCENTAGE CHANGE (3)/(2) |
| 1. Unit Power (UPS) Capacity Charges | \$55,649,910 | \$62,592,905 | (\$6,942,995) | -11.09% |
| 2. SJRPP Capacity Charges | 38,670,209 | \$39,335,918 | (665,709) | -1.69% |
| 3. Qualifying Facilities (QF) Capacity Charges | 111,940,067 | \$114,983,297 | (3,043,231) | -2.65% |
| 4. Short-term Capacity Purchases | 0 | \$0 | 0 | n/a |
| 5. Revenues from Capacity Sales | (2,235,353) | (\$930,987) | (1,304,365) | 140.11% |
| 6. Total Company Capacity Charges | <u>204,024,833</u> | <u>215,981,133</u> | <u>(11,956,300)</u> | 5.54% |
| 7. Jurisdictional Separation Factor | 97.25530% | 97.25530% | 0.00% | 0.00% |
| 8. Jurisdictional Capacity Charges | <u>198,424,963</u> | <u>210,053,099</u> | <u>(11,628,136)</u> | 5.54% |
| 9. Capacity related amounts included in Base Rates (FPSC Portion Only) | (28,472,796) | (28,472,796) | 0 | 0.00% |
| 10. Jurisdictional Capacity Charges Authorized for Recovery through CCR Clause | <u>\$169,952,167</u> | <u>\$181,580,303</u> | <u>(\$11,628,136)</u> | -6.40% |
| 11. Capacity Cost Recovery Revenues (Net of Revenue Taxes) | \$238,620,542 | 221,535,645 | \$17,084,896 | 7.71% |
| 2. Prior Period True-up Provision | (2,615,889) | (2,615,889) | 0 | n/a |
| 3. Capacity Cost Recovery Revenues Applicable to Current Period (Net of Revenue Taxes) | <u>\$236,004,653</u> | <u>\$218,919,756</u> | <u>\$17,084,896</u> | 7.80% |
| 4. True-up Provision - Over/(Under) Recovery (Line 13 - Line 10) | \$66,052,486 | \$37,339,453 | \$28,713,033 | n/a |
| Interest Provision | 1,833,888 | 1,619,838 | 214,050 | n/a |
| True-up & Interest Provision Beginning of Month - Over/(Under) Recovery | (2,615,889) | (2,615,889) | 0 | 0.00% |
| Deferred True-up - Over/(Under) Recovery | 23,587,130 | 23,587,130 | 0 | n/a |
| 5. Prior Period True-up Provision - Collected/(Refunded) | 2,615,889 | 2,615,889 | 0 | 0.00% |
| 9. End of Period True-up - Over/(Under) Recovery (Sum of Lines 14 through 18) | <u>\$91,473,504</u> | <u>\$62,546,421</u> | <u>\$28,927,083</u> | n/a |

Notes: (a) Per Appendix IV, Page 6, filed January 22, 1996, Docket 960001-EI, and approved at the February 1996 hearing, FPSC Order No. PSC-96-0353-FOF-EI.

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

June 27, 1996

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

RE: Docket No. 960001-EI -- Florida Power & Light Company
Capacity Cost Audit Report - Period Ended March 31, 1996
Audit Control #95-298-4-3

Dear Mr. Walker:

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 4, 1996 to file a formal request for Confidential Classification with the Division of Records and Reporting.

Thank you for your cooperation.

Sincerely,


Kay Flynn, Chief
Bureau of Records

KF/mas
Enclosure
cc: Public Counsel
Steel Law Firm