

STEEL  
HECTOR  
& DAVIS

Steel Hector & Davis LLP  
215 South Monroe, Suite 601  
Tallahassee, Florida 32301-1804  
904.222.2300  
904.222.8410 Fax

Matthew M. Childs, P.A.

FILE COPY

July 30, 1996

Ms. Blanca S. Bayó, Director  
Division of Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, FL 32399-0850

RE: DOCKET NO. 960007-EI

Dear Ms. Bayó:

Enclosed for filing please find an original and fifteen (15) copies of Florida Power & Light Company's Supplemental Testimony of Rosemary Morely adopting B.T. Birkett's Testimony as her own. Also included are Revised Exhibits of witness Rosemary Morely.

Very truly yours,

*Matthew M. Childs*  
Matthew M. Childs, P.A.

MMC/ml

cc: All Parties of Record

RECORDED & FILED  
D.  
Tallahassee, Florida

ACK \_\_\_\_\_  
AFA 1  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
Kane  
EW \_\_\_\_\_  
JIN 3 + 2  
JPC \_\_\_\_\_  
JCH \_\_\_\_\_  
SEC 1  
VAS \_\_\_\_\_  
YTH \_\_\_\_\_

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

SUPPLEMENTAL TESTIMONY OF ROSEMARY MORLEY

DOCKET NO. 960007-EI

July 30, 1996

1 Q. Please state your name and address.

2 A. My name is Rosemary Morley and my business address is 9250  
3 West Flagler Street, Miami, Florida 33174.

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  
7 acting Manager of Rates and Tariff Administration, taking the place  
8 of Barry T. Birkett.

9

10 Q. Please describe your educational and professional background  
11 and experience.

12 A. I received a Bachelor of Arts degree with honors in Economics from  
13 the University of Maryland in 1979 and a Master of Arts degree in  
14 Economics from Northwestern University in 1981. I joined FPL in  
15 1983 as an analyst in the Load Forecasting Group. After holding  
16 positions of increasing responsibility in various forecasting and  
17 planning functions, I joined the Rate Department as a Senior Cost  
18 of Service Analyst in 1987. Since that time, I have held various

1 positions in the department including Supervisor of Cost of Service  
2 Studies (1990-1993), Principal Rate Analyst (1993-1996) and Rate  
3 Development Manager (1996).

4

5 **Q. What are your responsibilities and duties as acting Manager of**  
6 **Rates and Tariff Administration?**

7 A. I am responsible for FPL's retail and wholesale rates and cost of  
8 service activities. In addition, I will sponsor rate related testimony  
9 in dockets before the Florida Public Service Commission and the  
10 Federal Energy Regulatory Commission (FERC).

11

12 **Q. What is the purpose of your testimony?**

13 A. The purpose of my testimony is to adopt Mr. Birkett's testimony and  
14 supporting documents found in Docket No. 960007-EI,  
15 Environmental Cost Recovery Final True-Up and Projections, which  
16 were filed with the Commission on May 20, 1996 and June 24,  
17 1996, respectively. I have independently reviewed Mr. Birkett's  
18 testimony and supporting documents and adopt them as my own.

19

20 **Q. Are there any changes to the testimony and documents**  
21 **sponsored by Mr. Birkett in Docket No. 960007-EI filed on June**  
22 **24, 1996?**

23 A. Yes, there are. Corrections have been made to the following  
24 documents sponsored by Mr. Birkett in the above referenced

1 docket:  
2  
3 Document Correction  
4 Form 42-1P Line 1b, Line 2  
5 Form 42-3P, Page 1 of 2 Line 1.7  
6 Form 42-3P, Page 2 of 2 Line 1.7  
7 Form 42-4P, Page 9 of 22 Line 6  
8 Form 42-4P, Page 10 of 22 Line 6  
9 Form 42-7P Columns 3, 4, 5, and 7  
10 Form 42-1E Lines 1 and 2  
11 Form 42-2E Lines 4a and 4b  
12 Form 42-3E Lines 1 and 2  
13 Form 42-6E Column 1, Lines 1.2 and 1.16  
14 Form 42-7E Lines 1.2 and 1.16  
15 Form 42-8E, Page 1 of 10 Line 6  
16 Form 42-8E, Page 10 of 10 Lines 1 and 2  
17  
18 Corrected documents are attached.  
19  
20 Q. Does this conclude your testimony.  
21 A. Yes, it does.

Florida Power & Light Company  
 Environmental Cost Recovery Clause  
 Total Jurisdictional Amount to Be Recovered

For the Projected Period  
 October 1996 to September 1997

Line No.	Energy (\$)	Demand (\$)	Total (\$)
1 Total Jurisdictional Rev. Req. for the projected period			
a Projected O&M Activities (FORM 42-2P, Page 2 of 2, Lines 7,8 & 9)	3,463,307	3,447,357	6,910,664
b Projected Capital Projects (FORM 42-3P, Page 2 of 2, Lines 7,8 & 9)	<u>4,551,443</u>	<u>1,173,582</u>	<u>5,725,025</u>
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	8,014,750	4,620,939	12,635,689
2 True-up for Estimated Over/(Under) Recovery for the current period April 1996 - September 1996 (FORM 42-2E, Lines 5 + 6 + 10)	(28,386)	(17,785)	(46,171)
3 Final True-up Over/(Under) for the period October 1995 - March 1996 (FORM 42-1A, Line 3)	<u>(40,473)</u>	<u>(25,305)</u>	<u>(65,778)</u>
4 Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period October 1996 - September 1997 (Line 1 - Line 2 - line 3)	<u>8,083,609</u>	<u>4,664,029</u>	<u>12,747,638</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>8,213,674</u>	<u>4,739,073</u>	<u>12,952,747</u>

## Notes:

Allocation to energy and demand in each period are in proportion to the respective period split of costs indicated on lines 7 & 8 of Forms 42-5 & 42-7 of the estimates and actuals.

True-up costs are split in proportion to the split of demand-related and energy-related costs from respective projection periods.

**Florida Power & Light Company**  
Environmental Cost Recovery Clause  
Calculation of the Projected Period Amount  
October 1996-September 1997

Capital Investment Projects-Recoverable Costs  
(in Dollars)

<u>Line</u>	<u>Estimated</u> <u>OCT</u>	<u>Estimated</u> <u>NOV</u>	<u>Estimated</u> <u>DEC</u>	<u>Estimated</u> <u>JAN</u>	<u>Estimated</u> <u>FEB</u>	<u>Estimated</u> <u>MAR</u>	<u>6-Month</u> <u>Sub-Total</u>
1 Description of Investment Projects (A)							
2 Low NOx Burner Technology-Capital	\$ 227,888	\$ 226,471	\$ 225,814	\$ 225,156	\$ 224,498	\$ 223,840	\$ 1,353,667
3b Continuous Emission Monitoring Systems-Capital	165,268	164,255	163,807	163,360	162,912	162,465	982,067
4b Clean Closure Equivalency-Capital	690	686	684	682	681	679	4,102
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	67,966	68,126	68,533	71,855	75,169	73,743	430,392
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	348	346	345	344	343	343	2,069
8b Oil Spill Cleanup/Response Equipment-Capital	10,019	9,940	9,875	10,403	10,522	10,453	61,212
10 Relocate Storm Water Runoff-Capital	1,303	1,295	1,293	1,290	1,288	1,285	7,754
NA SO2 Allowances-Negative Return on Investment	(7,815)	(7,815)	(7,815)	(7,815)	(7,815)	(7,815)	(46,890)
12 Scherer Discharge Pipeline-Capital	9,731	9,673	9,652	9,631	9,611	9,590	57,888
16 St. Lucie Turtle Net-Capital	6,427	6,391	6,378	6,367	6,354	6,343	38,260
17b Disposal of Noncontainerized Liquid Waste-Capital	360	1,309	2,634	3,189	3,183	3,177	13,852
2 Total Investment Projects - Recoverable Costs	<u>\$ 482,185</u>	<u>\$ 480,677</u>	<u>\$ 481,200</u>	<u>\$ 484,462</u>	<u>\$ 486,746</u>	<u>\$ 489,103</u>	<u>\$ 2,904,373</u>
3 Recoverable Costs Allocated to Energy	\$ 392,791	\$ 390,433	\$ 389,453	\$ 388,681	\$ 387,836	\$ 386,998	\$ 2,336,192
4 Recoverable Costs Allocated to Demand	\$ 89,394	\$ 90,244	\$ 91,747	\$ 95,781	\$ 98,910	\$ 102,105	\$ 568,181
5 Retail Energy Jurisdictional Factor	98.22320%	98.22320%	98.22320%	98.22320%	98.22320%	98.22320%	
6 Retail Demand Jurisdictional Factor	97.33111%	97.33111%	97.33111%	97.33111%	97.33111%	97.33111%	
7 Jurisdictional Energy Recoverable Costs (B)	\$ 385,812	\$ 383,496	\$ 382,533	\$ 381,775	\$ 380,945	\$ 380,122	\$ 2,294,683
8 Jurisdictional Demand Recoverable Costs (C)	\$ 87,008	\$ 87,835	\$ 89,298	\$ 93,225	\$ 96,270	\$ 99,380	\$ 553,016
9 Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	<u>\$ 472,820</u>	<u>\$ 471,331</u>	<u>\$ 471,831</u>	<u>\$ 475,000</u>	<u>\$ 477,215</u>	<u>\$ 479,502</u>	<u>\$ 2,847,699</u>

Notes:

(A) Each project's Total System Recoverable Expenses on Form 42-4P, Line 9

(B) Line 3 x Line 5

(C) Line 4 x Line 6

REVISED

Florida Power & Light Company  
Environmental Cost Recovery Clause  
Calculation of the Projected Period Amount  
October 1996-September 1997

Capital Investment Projects-Recoverable Costs  
(in Dollars)

Line	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	6-Month	12-Month	Method of Classification		
	APR	MAY	JUN	JUL	AUG	SEP	Sub-Total	Total	Demand	Energy	
1 Description of Investment Projects (A)											
2 Low NOx Burner Technology-Capital	\$ 223,182	\$ 222,524	\$ 221,867	\$ 221,209	\$ 220,551	\$ 219,893	\$ 1,329,228	\$ 2,682,893			\$ 2,682,893
3b Continuous Emission Monitoring Systems-Capital	162,018	161,570	161,123	160,676	160,228	159,781	965,396	1,947,463			1,947,463
4b Clean Closure Equivalency-Capital	677	675	674	672	670	668	4,036	8,138	7,512		626
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	82,317	82,146	81,974	81,802	84,780	87,750	500,769	931,161	859,533		71,628
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	342	341	340	339	338	338	2,038	4,107	3,791		316
8b Oil Spill Cleanup/Response Equipment-Capital	10,385	10,316	10,247	10,475	10,498	10,428	62,349	123,561	114,056		9,505
10 Relocate Storm Water Runoff-Capital	1,283	1,280	1,278	1,275	1,273	1,270	7,659	15,413	14,227		1,186
NA SO2 Allowances-Negative Return on Investment	(7,815)	(7,815)	(8,284)	(8,752)	(8,752)	(8,752)	(50,170)	(97,060)			(97,060)
12 Scherer Discharge Pipeline-Capital	9,570	9,548	9,527	9,507	9,486	9,466	57,104	114,992	106,146		8,846
18 St. Lucie Turtle Net-Capital	6,330	6,319	6,306	6,294	6,281	6,269	37,799	76,059	70,208		5,851
17b Disposal of Noncontainerized Liquid Waste-Capital	3,171	3,164	3,158	3,152	3,145	3,139	18,929	32,781	30,259		2,522
2 Total Investment Projects - Recoverable Costs	\$ 491,460	\$ 490,068	\$ 488,210	\$ 486,649	\$ 488,498	\$ 490,250	\$ 2,935,135	\$ 5,839,508	\$ 1,205,732		\$ 4,633,776
3 Recoverable Costs Allocated to Energy	\$ 386,160	\$ 385,031	\$ 383,437	\$ 381,864	\$ 380,988	\$ 380,100	\$ 2,297,580	\$ 4,633,775			
4 Recoverable Costs Allocated to Demand	\$ 105,300	\$ 105,037	\$ 104,773	\$ 104,785	\$ 107,510	\$ 110,150	\$ 637,555	\$ 1,205,762			
5 Retail Energy Jurisdictional Factor	98.22320%	98.22320%	98.22320%	98.22320%	98.22320%	98.22320%					
6 Retail Demand Jurisdictional Factor	97.33111%	97.33111%	97.33111%	97.33111%	97.33111%	97.33111%					
7 Jurisdictional Energy Recoverable Costs (B)	\$ 379,299	\$ 378,190	\$ 376,624	\$ 375,079	\$ 374,219	\$ 373,346	\$ 2,256,757	\$ 4,551,443			
8 Jurisdictional Demand Recoverable Costs (C)	\$ 102,490	\$ 102,234	\$ 101,977	\$ 101,988	\$ 104,641	\$ 107,210	\$ 620,540	\$ 1,173,582			
9 Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	\$ 481,789	\$ 480,424	\$ 478,601	\$ 477,067	\$ 478,860	\$ 480,556	\$ 2,877,297	\$ 5,725,025			

Notes:

(A) Each project's Total System Recoverable Expenses on Form 42-4P, Line 9

(B) Line 3 x Line 5

(C) Line 4 x Line 6

**Florida Power & Light Company**  
Environmental Cost Recovery Clause  
Calculation of the Projected Period Amount  
October 1996 through March 1997

Return on Capital Investments, Depreciation and Taxes  
For Project: Relocate Turbine Oil Underground Piping (Project No. 7)  
(in Dollars)

Line	Beginning of Period Amount	Projected October	Projected November	Projected December	Projected January	Projected February	Projected March	Six Month Subtotal
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-in-Service/Depreciation Base	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	n/a
3. Less: Accumulated Depreciation (B)	3,358	3,445	3,533	3,621	3,709	3,797	3,885	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$27,672	\$27,585	\$27,497	\$27,409	\$27,321	\$27,233	\$27,145	n/a
6. Average Net Investment		27,629	27,541	27,453	27,365	27,277	27,189	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		183	181	181	180	180	179	1,084
b. Debt Component (Line 6 x 3.3387% x 1/12)		77	77	76	76	76	76	458
8. Investment Expenses								
a. Depreciation (D)		88	88	88	88	88	88	528
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$348	\$346	\$345	\$344	\$343	\$343	\$2,069

Notes:

- (A) N/A
- (B) N/A
- (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8524% reflects a 12% return on equity.
- (D) 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. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. Amounts recorded and shown above apply to prior month activity.
- (E) N/A

REVISED



**Florida Power & Light Company**  
Environmental Cost Recovery Clause  
Calculation of the Projected Period Amount  
April 1997 through September 1997

Return on Capital Investments, Depreciation and Taxes  
For Project: Relocate Turbine Oil Underground Piping (Project No. 7)  
(in Dollars)

Line	Beginning of Period Amount	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	12 Month Total
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$0	\$0	\$0	\$0	\$0	\$0	\$0
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	\$31,030	n/a
3. Less: Accumulated Depreciation (B)	3,885	3,973	4,061	4,149	4,237	4,325	4,413	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$27,145	\$27,057	\$26,969	\$26,881	\$26,793	\$26,705	\$26,617	n/a
6. Average Net Investment		27,101	27,013	26,925	26,837	26,749	26,661	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		178	178	177	177	176	176	2,166
b. Debt Component (Line 6 x 3.3387% x 1/12)		75	75	75	75	74	74	915
8. Investment Expenses								
a. Depreciation (D)		88	88	88	88	88	88	1,055
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$342	\$341	\$340	\$339	\$338	\$338	\$4,107

Notes:

(A) N/A

(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8524% reflects a 12% return on equity.

(D) 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.

(E) Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. Amounts recorded and shown above apply to prior month activity.

(E) N/A

REVISED

**Florida Power & Light Company**  
**Environmental Cost Recovery Clause**  
**Calculation of Environmental Cost Recovery Clause Factors**  
**October 1996 to September 1997**

<u>Rate Class</u>	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy Related Cost (\$)	(4) Demand Related Cost (\$)	(5) Total Environmental Costs (\$)	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factor (\$/KWH)
RS1	53.20547%	60.85590%	\$4,370,122	\$2,884,006	\$7,254,128	41,807,749,293	0.00017
GS1	6.25971%	6.43277%	\$514,152	\$304,854	\$819,006	4,918,750,249	0.00017
GSD1	22.77095%	18.56948%	\$1,870,332	\$880,021	\$2,750,353	17,893,046,568	0.00015
OS2	0.02610%	0.01926%	\$2,144	\$913	\$3,057	20,959,421	0.00015
GSLD1/CS1	9.25007%	7.94518%	\$759,771	\$376,528	\$1,136,299	7,270,483,851	0.00016
GSLD2/CS2	2.01133%	1.69629%	\$165,204	\$80,388	\$245,592	1,587,641,754	0.00015
GSLD3/CS3	0.92582%	0.79039%	\$76,044	\$37,457	\$113,501	758,060,128	0.00015
ISST1D	0.00294%	0.00106%	\$241	\$50	\$291	2,313,412	0.00013
SST1T	0.12588%	0.17744%	\$10,339	\$8,409	\$18,748	103,069,640	0.00018
SST1D	0.08925%	0.04246%	\$7,331	\$2,013	\$9,344	71,104,739	0.00013
CILC D/CILC G	3.20613%	2.27992%	\$263,341	\$109,047	\$371,388	2,528,505,648	0.00015
CILC T	1.36696%	0.95114%	\$112,278	\$45,075	\$157,353	1,119,271,028	0.00014
MET	0.10805%	0.10733%	\$8,875	\$5,086	\$13,961	86,779,954	0.00016
OL1/SL1	0.55815%	0.06645%	\$45,845	\$3,149	\$48,994	438,580,084	0.00011
SL2	0.09320%	0.06493%	\$7,655	\$3,077	\$10,732	73,231,231	0.00015
<b>TOTAL</b>			<b>\$8,213,674</b>	<b>\$4,739,073</b>	<b>\$12,952,747</b>	<b>78,679,547,000</b>	<b>0.00016</b>

Notes: There are currently no customers taking service on Schedule ISST1(T). Should any customer begin taking service on this schedule during the period, they will be billed using the ISST(D) Factor,

(1) From Form 42-6P, Col 8

(2) From Form 42-6P, Col 9

(3) Total Energy \$ from Form 42-1P, Line 5 x Col 1

(4) Total Demand \$ from Form 42-1P, Line 5 x Col 2

(5) Col 3 + Col 4

(6) Projected KWH sales for the period October 1996 through September 1997

(7) Col 5 / 6 x 100

Florida Power & Light Company  
Environmental Cost Recovery Clause  
Calculation of the Current (Estimated/Actual) Period True-Up  
April 1996 to September 1996

<u>Line No.</u>		<u>Period Amount (\$)</u>
1.	Over/(Under) Recovery for the current period (PSC/EAG FORM 42-2E, Line 5)	(23,294)
2.	Interest Provision (PSC/EAG FORM 42-2E, Line 6)	(22,877)
3.	Sum of Current Period Adjustments (PSC/EAG FORM 42-2E, Line 10)	<u>0</u>
4.	Current Period True-up Amount to be refunded/(recovered) in the projection period October 1996 - September 1997 (Lines 1 + 2 + 3)	<u>(46,171)</u>

Florida Power & Light Company  
Environmental Cost Recovery Clause  
Calculation of the Estimated/Actual True-up Amount  
For the Period April 1996 through September 1996

Line No.	April Actual	May Actual	June Estimated	July Estimated	August Estimated	September Estimated	End of Period Amount
1 ECRC Revenues (Net of Revenue Taxes)	\$796,537	\$822,520	\$931,791	\$1,030,019	\$1,026,519	\$999,722	\$5,607,106
2 True-up Provision (Order No. P&C-95-1051-FOF-EI)	(239,672)	(239,672)	(239,672)	(239,672)	(239,672)	(239,672)	(1,438,033)
3 ECRC Revenues Applicable to Period (Lines 1 + 2)	556,865	582,848	692,118	790,347	786,847	760,050	4,169,075
4 Jurisdictional ECRC Costs							
a - O&M Activities (Form 42-5E, Line 9)	111,644	162,450	212,677	318,592	307,851	252,543	1,365,757
b - Capital Investment Projects (Form 42-7E, Line 9)	466,817	471,038	469,276	471,515	474,425	473,541	2,826,612
c - Total Jurisdictional ECRC Costs	578,461	633,488	681,953	790,107	782,276	726,084	4,192,369
5 Over/(Under) Recovery (Line 3 - Line 4c)	(21,596)	(50,640)	10,165	240	4,571	33,966	(23,294)
6 Interest Provision (Form 42-3E, Line 10)	(6,335)	(5,389)	(4,426)	(3,344)	(2,269)	(1,114)	(22,877)
7 Beginning Balance True-Up & Interest Provision	(1,438,033)	(1,226,292)	(1,042,649)	(797,237)	(560,669)	(318,695)	(1,438,033)
a - Deferred True-Up from April through September 1995 (Form 42-1A, Line 3)	(65,778)	(65,778)	(65,778)	(65,778)	(65,778)	(65,778)	(65,778)
8 True-Up Collected /(Refunded) (See Line 2)	239,672	239,672	239,672	239,672	239,672	239,672	1,438,033
9 End of Period True-Up (Lines 5 + 6 + 7 + 7a + 8)	(1,292,070)	(1,108,427)	(863,015)	(626,447)	(384,473)	(111,949)	(111,949)
10 Adjustments to Period Total True-Up Including Interest	0	0	0	0	0	0	0
11 End of Period Total Net True-Up (Lines 9 + 10)	(1,292,070)	(1,108,427)	(863,015)	(626,447)	(384,473)	(111,949)	(111,949)

Notes:

REVISED

Florida Power & Light Company  
Environmental Cost Recovery Clause  
Calculation of the Estimated/Actual True-up Amount  
For the Period April 1996 through September 1996

Line No.	Interest Provision (in Dollars)						End of Period Amount
	April	May	June	July	August	September	
1	Beginning True-Up Amount (Form 42-2E, Lines 7 + 7a + 10)						
	(\$1,503,811)	(\$1,292,070)	(\$1,108,427)	(\$863,015)	(\$626,447)	(\$384,473)	(\$5,778,243)
2	Ending True-Up Amount before Interest (Line 1 + Form 42-2E, Lines 5 + 8)						
	(1,285,735)	(1,103,038)	(858,569)	(623,103)	(382,204)	(110,835)	(4,363,504)
3	Total of Beginning & Ending True-Up (Lines 1 + 2)						
	(\$2,789,546)	(\$2,395,108)	(\$1,967,016)	(\$1,486,118)	(\$1,008,651)	(\$495,308)	(\$10,141,747)
4	Average True-Up Amount (Line 3 x 1/2)						
	(\$1,394,773)	(\$1,197,554)	(\$983,508)	(\$743,059)	(\$504,326)	(\$247,654)	(\$5,070,874)
5	Interest Rate (First Day of Reporting Month)						
	5.50000%	5.40000%	5.40000%	5.40000%	5.40000%	5.40000%	N/A
6	Interest Rate (First Day of Subsequent Month)						
	5.40000%	5.40000%	5.40000%	5.40000%	5.40000%	5.40000%	N/A
7	Total of Beginning & Ending Interest Rates (Lines 5 + 6)						
	10.90000%	10.80000%	10.80000%	10.80000%	10.80000%	10.80000%	N/A
8	Average Interest Rate (Line 7 x 1/2)						
	5.45000%	5.40000%	5.40000%	5.40000%	5.40000%	5.40000%	N/A
9	Monthly Average Interest Rate (Line 8 x 1/12)						
	0.45417%	0.45000%	0.45000%	0.45000%	0.45000%	0.45000%	N/A
10	Interest Provision for the Month (Line 4 x Line 9)						
	(\$6,335)	(\$5,389)	(\$4,426)	(\$3,344)	(\$2,289)	(\$1,114)	(\$22,877)

Notes:

**Florida Power & Light Company**  
 Environmental Cost Recovery Clause  
 Calculation of the Estimated/Actual True-Up Amount for the Period  
 April 1996 - September 1996

Variance Report of Capital Investment Projects-Recoverable Costs  
 (in Dollars)

Line	(1)	(2)	(3)		(4)
	Estimated Actual	Original Projection	Variance		Percent
			Amount		
1 Description of Investment Projects					
2 Low NOx Burner Technology-Capital	\$ 1,379,184	\$ 1,427,896	\$ (48,712)		-3.4%
3b Continuous Emission Monitoring Systems-Capital	999,646	985,050	14,596		1.5%
4b Clean Closure Equivalency-Capital	4,171	4,142	29		0.7%
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	375,986	388,755	(12,769)		-3.3%
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	2,102	2,087	15		0.7%
8b Oil Spill Cleanup/Response Equipment-Capital	61,262	77,489	(16,227)		-20.9%
10 Relocate Storm Water Runoff-Capital	7,859	7,800	59		0.8%
NA SO2 Allowances-Negative Return on Investment	(44,767)	(47,509)	2,742		-5.8%
12 Scherer Discharge Pipeline-Capital	58,732	58,302	430		0.7%
16 St. Lucie Plant Turtle Nets-Capital	<u>38,181</u>	<u>34,550</u>	<u>3,631</u>		<u>10.5%</u>
2 Total Investment Projects-Recoverable Costs	\$ 2,882,356	\$ 2,938,562	\$ (56,206)		-1.9%
3 Recoverable Costs Allocated to Energy	\$ 2,376,240	\$ 2,409,525	\$ (33,284)		-1.4%
4 Recoverable Costs Allocated to Demand	\$ 506,116	\$ 529,037	\$ (22,922)		-4.3%

## Notes

Column(1) is the End of Period Totals on Form 42-7E

Column(2) is the approved Estimated/Actual amount in accordance with  
 FPSC Order No. PSC-96-0361-FOF-EI

Column(3) = Column(1) - Column(2)

Column(4) = Column(3) / Column(2)

**Florida Power & Light Company**  
**Environmental Cost Recovery Clause**  
**Calculation of the Estimated/Actual True-Up Amount for the Period**  
**April 1996 - September 1996**

Capital Investment Projects-Recoverable Costs  
(in Dollars)

Line	APR	MAY	JUN	JUL	AUG	SEP	End of Period Total	Method of Classification	
								Demand	Energy
1 Description of Investment Projects (A)									
2 Low NOx Burner Technology-Capital	\$229,854	\$231,168	\$230,532	\$229,871	\$229,210	\$228,549	\$1,379,184	-	\$1,379,184
3a Continuous Emission Monitoring Systems-Capital	166,563	167,516	167,066	166,617	166,167	165,717	999,646	-	999,646
4b Clean Closure Equivalency-Capital	694	699	697	695	694	692	4,171	3,850	371
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	58,320	59,490	59,363	63,354	67,572	67,887	375,966	347,064	28,902
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	350	352	351	350	350	349	2,102	1,940	162
8b Oil Spill Cleanup/Response Equipment-Capital	10,189	10,345	10,279	10,216	10,149	10,084	61,262	56,550	4,712
10 Relocate Storm Water Runoff-Capital	1,306	1,316	1,312	1,312	1,308	1,305	7,859	7,254	605
NA SO2 Allowances-Negative Return on Investment	(6,913)	(6,912)	(7,383)	(7,853)	(7,853)	(7,853)	(44,767)	-	(44,767)
12 Scherer Discharge Pipeline-Capital	9,767	9,835	9,812	9,794	9,772	9,752	58,732	54,214	4,518
16 St. Lucie Plant Turtle Nets-Capital	5,855	6,492	6,476	6,465	6,452	6,441	38,181	35,244	2,937
2 Total Investment Projects - Recoverable Costs	\$ 478,985	\$ 480,301	\$ 478,505	\$ 480,821	\$ 483,821	\$ 482,923	\$2,882,356	\$506,116	\$2,376,240
3 Recoverable Costs Allocated to Energy	\$ 396,155	\$ 398,582	\$ 397,007	\$ 395,725	\$ 394,932	\$ 393,836	\$ 2,376,237		
4 Recoverable Costs Allocated to Demand	\$ 79,830	\$ 81,719	\$ 81,498	\$ 85,096	\$ 88,889	\$ 89,087	\$ 506,119		
5 Retail Energy Jurisdictional Factor	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%	98.23871%			
6 Retail Demand Jurisdictional Factor	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%	97.25530%			
7 Jurisdictional Energy Recoverable Costs (B)	\$ 389,178	\$ 391,562	\$ 390,015	\$ 388,755	\$ 387,976	\$ 386,690	\$ 2,334,385		
8 Jurisdictional Demand Recoverable Costs (C)	\$ 77,630	\$ 79,476	\$ 79,261	\$ 82,760	\$ 85,449	\$ 86,642	\$ 492,227		
9 Total Jurisdictional Recoverable Costs for Investment Projects	\$ 466,817	\$ 471,038	\$ 469,276	\$ 471,515	\$ 474,425	\$ 473,541	\$ 2,826,612		

## Notes:

- (A) Each project's Total System Recoverable Expenses on Form 42-8E, Line 9  
(B) Line 3 x Line 5  
(C) Line 4 x Line 6

Totals may not add due to rounding.

**Florida Power & Light Company**  
Environmental Cost Recovery Clause  
Calculation of the Estimated/Actual Amount for the Period  
April 1996 through September 1996

Return on Capital Investments, Depreciation and Taxes  
For Project: Low NOx Burner Technology (Project No. 2)  
(in Dollars)

Line	Beginning of Period Amount	April Actual	May Actual	June Estimated	July Estimated	August Estimated	September Estimated	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$10,135	\$3,801	\$0	\$0	\$0	\$0	\$13,936
c. Retirements								
d. Other (A)								
2. Plant-in-Service/Depreciation Base	\$17,642,575	17,652,710	17,656,511	17,656,511	17,656,511	17,656,511	17,656,511	n/a
3. Less: Accumulated Depreciation (B)	447,893	518,101	588,334	658,574	728,814	799,054	869,294	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$17,194,682	\$17,134,609	\$17,068,177	\$16,997,937	\$16,927,697	\$16,857,457	\$16,787,217	n/a
6. Average Net Investment		17,164,645	17,101,393	17,033,067	16,962,817	16,892,577	16,822,337	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		111,979	113,281	112,828	112,363	111,898	111,432	673,780
b. Debt Component (Line 6 x 3.3439% x 1/12)		47,668	47,654	47,464	47,268	47,073	46,877	284,004
8. Investment Expenses								
a. Depreciation (D)		70,208	70,233	70,240	70,240	70,240	70,240	421,401
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$229,654	\$231,168	\$230,532	\$229,671	\$229,210	\$228,549	\$1,379,184

Notes:

- (A) N/A
- (B) N/A
- (C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8826% reflects a 12% return on equity.
- (D) 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. Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. Amounts recorded and shown above apply to prior month activity.
- (E) N/A



**Florida Power & Light Company**  
Environmental Cost Recovery Clause  
Calculation of the Estimated/Actual Amount for the Period  
April 1996 through September 1996

Return on Capital Investments, Depreciation and Taxes  
For Project: St. Lucia Plant Turtle Nets (Project No. 16)  
(in Dollars)

Line	Beginning of Period Amount	April Actual	May Actual	June Estimated	July Estimated	August Estimated	September Estimated	End of Period Amount
1. Investments								
a. Expenditures/Additions								
b. Clearings to Plant		\$101,816	(\$3,202)	\$0	\$0	\$0	\$0	\$98,614
c. Retirements								
d. Other (A)								
2. Plant-In-Service/Depreciation Base	\$456,588	558,404	555,202	555,202	555,202	555,202	555,202	n/a
3. Less: Accumulated Depreciation (B)	1,560	2,714	3,998	5,293	6,589	7,884	9,180	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$455,028	\$555,690	\$551,204	\$549,909	\$548,613	\$547,318	\$546,022	n/a
6. Average Net Investment		505,359	553,447	550,556	549,281	547,965	546,670	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		3,297	3,666	3,647	3,638	3,630	3,621	21,499
b. Debt Component (Line 6 x 3.3439% x 1/12)		1,403	1,542	1,534	1,531	1,527	1,523	9,061
8. Investment Expenses								
a. Depreciation (D)		1,154	1,284	1,295	1,296	1,295	1,296	7,620
b. Amortization								
c. Dismantlement								
d. Property Expenses								
e. Other (E)								
9. Total System Recoverable Expenses (Lines 7 & 8)		\$5,855	\$6,493	\$6,476	\$6,465	\$6,452	\$6,441	\$38,180

Notes:

(A) N/A  
(B) N/A

(C) The gross-up factor for taxes uses 0.61425, which reflects the Federal Income Tax Rate of 35%; the monthly Equity Component of 4.8826% reflects a 12% return on equity.

(D) 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.

Depreciation and return are calculated and recorded on a one month lag due to the timing of the month end closing. Amounts recorded and shown above apply to prior month activity.

(E) N/A

REVISED

**CERTIFICATE OF SERVICE**  
**DOCKET NO. 960007-EI**

I HEREBY CERTIFY that a true and correct copy of Florida Power & Light Company's Supplemental Testimony of Rosemary Morely and Revised Exhibits have been furnished by Hand Delivery (\*\*) or U. S. Mail this 30th day of July, 1996, to the following:

Vicki D. Johnson, Esq.\*\*  
Legal Division  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Gunter Building, Room 370  
Tallahassee, FL 32399-0872

John Roger Howe, Esq.  
Office of Public Counsel  
111 West Madison Street  
Room 812  
Tallahassee, FL 32399

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
P. O. Box 3350  
Tampa, FL 33601-3350

Joseph A. McGlothlin, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson, Rief & Bakas, P.A.  
117 South Gadsden Street  
Tallahassee, FL 32301

G. Edison Holland, Esq.  
Jeffrey A. Stone, Esq.  
Beggs and Lane  
P. O. Box 12950  
Pensacola, FL 32576

  
Matthew M. Childs, P.A.