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Matthew M Childs P.A.

March 31, 1997

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

RE: DOCKET NO. 970007-EI

Dear Ms. Bayó:

Enclosed for filing please find an original and ten (10) copies of Florida Power & Light Company's Petition for Approval of Environmental Cost Recovery True-Up for Period Ending September 1996 in the above-referenced docket.

Also enclosed please find the original and ten (10) copies of the Testimony and Exhibits of R. Morley.

Very truly yours,

Matthew M. Childs, P.A.

ACK _____
AFA 2 MMC:ml
APP _____ Enclosure
CAF _____
cc: All Parties of Record
CMU _____
CTR _____
EAG 3(2)
LEA _____
LF 3 + original
O _____
R _____
S _____
T _____
V _____
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Testimony
DOCUMENT NO.
03290-97
03/31/97

petition
DOCUMENT NO.
03287-97
03/31/97

904 222-2000
904 222-2000

ORIGINAL
FILE COPY

**BEFORE THE FLORIDA
PUBLIC SERVICE COMMISSION**

**DOCKET NO. 970007-EI
FLORIDA POWER & LIGHT COMPANY**

MARCH 31, 1997

ENVIRONMENTAL COST RECOVERY

**FINAL TRUE-UP
APRIL 1996 THROUGH SEPTEMBER 1996**

TESTIMONY & EXHIBITS OF:

R. MORLEY

DOCUMENT NUMBER-DATE
03290 MAR 31 6
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF ROSEMARY MORLEY

DOCKET NO. 970007-EI

March 31, 1997

1 Q. Please state your name and address.

2 A. My name is Rosemary Morley and my business address is 9250 West
3 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 Rate
7 Development Manager of the Rates and Tariff Administration Department.

8

9 Q. Have you previously testified in this docket?

10 A. Yes, I have.

11

12 Q. What is the purpose of your testimony?

13 A. The purpose of my testimony is to present for Commission review and
14 approval the Environmental Compliance Costs associated with our
15 Environmental Compliance activities for the period April 1996 through

1 September 1996.

2

3 **Q. Have you prepared or caused to be prepared under your direction,**
4 **supervision or control an exhibit in this proceeding?**

5 A. Yes, I have. It consists of eight forms. Form 42-1A reflects the final true-
6 up to be carried forward to the October 1997 - September 1998 period,
7 Form 42-2A consists of the final true-up calculation for the period, Form
8 42-3A consists of the calculation of the Interest Provision for the period,
9 Form 42-4A reflects the calculation of variances between actual and
10 estimated/actual costs for O & M Activities, Form 42-5A presents a
11 summary of actual monthly costs for the period for O & M Activities, Form
12 42-6A reflects the calculation of variances between actual and
13 estimated/actual costs for Capital Investment Projects, Form 42-7A
14 presents a summary of actual monthly costs for the period for Capital
15 Investment Projects and Form 42-8A (Page 1 of 9 through Page 9 of 9)
16 consists of the calculation of depreciation expense and return on capital
17 investment.

18

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

21 A. Unless otherwise indicated, the actual data is taken from the books and
22 records of FPL. The books and records are kept in the regular course of
23 our business in accordance with generally accepted accounting principles

1 and practices, and provisions of the Uniform System of Accounts as
2 prescribed by this Commission.

3
4 **Q. What is the actual true-up amount which FPL is requesting for the**
5 **six-month period April 1996 through September 1996?**

6 A. FPL has calculated and is requesting approval of an overrecovery of
7 \$61,308 as the actual true-up amount for the six-month period.

8
9 **Q. What is the adjusted net true-up amount which FPL is requesting for**
10 **the April 1996 through September 1996 period which is to be carried**
11 **over and refunded in the next projection period?**

12 A. FPL has calculated and is requesting approval of an overrecovery of
13 \$69,606 as the adjusted net true-up amount for the six-month period. This
14 adjusted net true-up amount is the difference between the actual
15 overrecovery of \$61,308 for the period April 1996 through September 1996
16 and the estimated/actual true-up for the same period of an underrecovery
17 of \$8,298, approved in FPSC Order No. PSC-96-1172-FOF-EI. This is
18 shown on Form 42-1A.

19
20 **Q. Is this true-up calculation consistent with the true-up methodology**
21 **used for the other cost recovery clauses?**

22 A. Yes, it is. The calculation of the true-up amount follows the procedures
23 established by this Commission as set forth on Commission Schedule A-2

1 "Calculation of True-Up and Interest Provisions" for the Fuel Cost
2 Recovery Clause.

3

4 **Q. Are all costs listed in Forms 42-4A through 42-8A attributable to**
5 **Environmental Compliance projects approved by the Commission?**

6 **A. Yes they are.**

7

8 **Q. How did actual expenditures for April 1996 through September 1996**
9 **compare with FPL's estimated/actual projections as presented in**
10 **previous testimony and exhibits?**

11 **A. Overall, costs were \$40,972 higher than estimated/actual projections. O**
12 **& M Activities were \$53,461 higher and Capital Investment Projects were**
13 **\$12,489 lower than estimated/actual projections. Below are variance**
14 **explanations for those O & M Activities and Capital Investment Projects**
15 **with variances greater than \$30,000. All variances are provided in detail**
16 **on Forms 42-2A through 42-8A.**

17

18 Significant variances by project were as follows:

19

20 1. CONTINUOUS EMISSION MONITORING SYSTEMS - O & M
21 Project expenditures were \$107,456 less than anticipated. This
22 variance was due to fewer replacement parts and gases purchased
23 during this period than originally anticipated. Additional underruns

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were a result of delays in vendor activities.

2. MAINTENANCE OF STATIONARY ABOVE GROUND FUEL STORAGE TANKS - O & M

Project expenditures were \$133,017 less than anticipated. This variance was due to actual cost savings realized during the recoating of terminal tank exteriors.

3. RCRA CORRECTIVE ACTION - O & M

Project expenditures were \$294,735 more than projected. This variance was due to schedule accelerations in order to accommodate plant availability.

Q. Does this conclude your testimony?

A. Yes, it does.

**ENVIRONMENTAL COST RECOVERY
FINAL TRUE-UP**

COMMISSION FORMS 42-1A THROUGH 42-8A

APRIL 1996 - SEPTEMBER 1996

RM-1
DOCKET NO. 970007-EI
FPL WITNESS: R. MORLEY
EXHIBIT _____
PAGES 1-17
MARCH 31, 1997

1
DOCUMENT NUMBER DATE
03290 MAR 31 97
FPSC-RECORDS/REPORTING

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up for the six Month Period
April through September 1996

Line
No.

1	End of Period Actual True-Up for the six month period April through September 1996 (Form 42-2A, Lines 5 + 6)	\$61,308
2	Estimated/Actual True-up Amounts Approved for the Period April through September 1996 - (Order No. PSC-96-1172-FOF-EI)	(8,298)
3	Final True-Up to be refunded/(recovered) in October 1997 through September 1998 Period	<u>\$69,606</u>

() Reflects Underrecovery

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
April 1996 to September 1996

Line No.	April	May	June	July	August	September	End of Period Amount
1 ECRC Revenues (net of Revenue Taxes)	\$796,537	\$822,520	\$946,337	\$1,005,703	\$1,091,194	\$1,052,569	\$5,714,660
2 True-up Provision (Order No. PSC-86-0361-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	706,665	766,031	851,522	812,897	4,276,627
4 Jurisdictional ECRC Costs							
a - O&M Activities (Form 42-5A, Line 9)	111,644	162,450	259,380	267,240	235,868	380,020	1,416,622
b - Capital Investment Projects (Form 42-7A, Line 9)	461,120	464,717	463,036	460,966	462,678	464,722	2,777,259
c - Total Jurisdictional ECRC Costs	572,764	627,167	722,416	728,226	698,566	844,742	4,193,881
5 Over/(Under) Recovery (Line 3 - Line 4c)	(15,899)	(44,319)	(15,751)	37,805	152,956	(31,846)	82,946
6 Interest Provision (Form 42-3A, Line 10)	(6,267)	(5,314)	(4,444)	(3,336)	(1,802)	(453)	(21,636)
7 Beginning Balance True-Up & Interest Provision	(1,438,033)	(1,220,546)	(1,030,507)	(811,030)	(536,861)	(146,065)	(1,438,033)
a - Deferred True-Up from October 1995 to March 1996 (Form 42-1A, Line 3)	(58,047)	(58,047)	(58,047)	(58,047)	(58,047)	(58,047)	(58,047)
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)	(1,278,593)	(1,068,554)	(869,077)	(594,938)	(204,112)	3,262	3,262
10 Adjustments to Period Total True-Up Including Interest							
11 End of Period Total Net True-Up (Lines 9+10)	(\$1,278,593)	(\$1,068,554)	(\$869,077)	(\$594,938)	(\$204,112)	\$3,262	\$3,262

Florida Power & Light Company
 Environmental Cost Recovery Clause
 Calculation of the Final True-Up Amount for the Period
 April 1998 to September 1998

Interest Provision (in Dollars)

Line No.	April	May	June	July	August	September	End of Period Amount
1	Beginning True-Up Amount (Form 42-2A, Lines 7 + 7a + 10)						
	(\$1,496,060)	(\$1,278,593)	(\$1,068,554)	(\$869,077)	(\$594,938)	(\$204,112)	(\$8,531,354)
2	Ending True-Up Amount before Interest (Line 1 + Form 42-2A, Lines 6 + 8)						
	(1,272,306)	(1,083,240)	(864,633)	(591,600)	(202,310)	3,715	(4,010,374)
3	Total of Beginning & Ending True-Up (Lines 1 + 2)						
	(\$2,768,366)	(\$2,361,833)	(\$1,953,187)	(\$1,460,677)	(\$797,248)	(\$100,397)	(\$9,541,728)
4	Average True-Up Amount (Line 3 x 1/2)						
	(\$1,384,183)	(\$1,180,917)	(\$976,594)	(\$730,339)	(\$398,624)	(\$100,199)	(\$4,770,954)
5	Interest Rate (First Day of Reporting Month)						
	5.50000%	5.40000%	5.40000%	5.52000%	5.45000%	5.40000%	N/A
6	Interest Rate (First Day of Subsequent Month)						
	5.40000%	5.40000%	5.52000%	5.45000%	5.40000%	5.44000%	N/A
7	Total of Beginning & Ending Interest Rates (Lines 5 + 6)						
	10.90000%	10.80000%	10.92000%	10.97000%	10.85000%	10.84000%	N/A
8	Average Interest Rate (Line 7 x 1/2)						
	5.45000%	5.40000%	5.46000%	5.48500%	5.42500%	5.42000%	N/A
9	Monthly Average Interest Rate (Line 8 x 1/12)						
	0.45417%	0.45000%	0.45500%	0.45708%	0.45208%	0.45167%	N/A
10	Interest Provision for the Month (Line 4 x Line 9)						
	(\$6,267)	(\$5,314)	(\$4,444)	(\$3,336)	(\$1,802)	(\$453)	(\$21,636)

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

Variance Report of O&M Activities
(In Dollars)

Line	(1)	(2)	(3)	(4)
	Actual	Estimated Actual	Variance Amount	Percent
1 Description of O&M Activities				
1 Air Operating Permit Fees-O&M	\$ 27,358	\$ 28,260	\$ (902)	-3.2%
3a Continuous Emission Monitoring Systems-O&M	185,905	293,361	(107,456)	-36.6%
4a Clean Closure Equivalency-O&M	(10,719)	(9,719)	(1,000)	10.3%
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	503,137	636,154	(133,017)	-20.9%
5c Maintenance of Stationary Above Ground Fuel Storage Tanks-Spill Abatement	3,545	2,908	637	21.9%
8a Oil Spill Cleanup/Response Equipment-O&M	33,924	40,360	(6,436)	-15.0%
8c Oil Spill Cleanup/Response Equipment-Revenue	0	0	0	0.0%
9 Low-Level Radioactive Waste Access Fees-O&M	0	0	0	0.0%
13 RCRA Corrective Action-O&M	699,895	405,160	294,735	72.7%
14 NPDES Permit Fees-O&M	<u>11,059</u>	<u>4,159</u>	<u>6,900</u>	<u>165.9%</u>
2 Total O&M Activities	<u>\$ 1,454,104</u>	<u>\$ 1,400,643</u>	<u>\$ 53,461</u>	3.8%
3 Recoverable Costs Allocated to Energy	\$ 247,187	\$ 361,981	\$ (114,794)	-31.7%
4 Recoverable Costs Allocated to Demand	\$ 1,206,917	\$ 1,038,662	\$ 168,255	16.2%

Notes

Column(1) is the End of Period Totals on Form 42-5A

Column(2) is the approved Estimated/Actual amount in accordance with
FPSC Order No. PSC-96-1172-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 Final True-Up Amount for the Period
April 1996 through September 1996

O&M Activities
(in Dollars)

Line	Description of O&M Activities	O&M Activities (in Dollars)						End of Period Total	Method of Classification	
		APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER		Demand	Energy
1	Description of O&M Activities									
1	Air Operating Permit Fees-O&M	\$ 4,773	\$ 3,645	\$ 4,773	\$ 4,579	\$ 4,773	\$ 4,817	\$ 27,358	\$ -	\$ 27,358
3a	Continuous Emission Monitoring Systems-O&M	13,441	37,320	15,961	26,442	48,207	44,535	165,905	-	165,905
4a	Clean Closure Equivalency-O&M	(11,014)	1,295	(1,000)	0	0	0	(10,719)	-	-
5a	Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	68,558	17,598	178,648	158,700	2,683	78,953	503,137	503,137	-
5c	Maintenance of Stationary Above Ground Fuel Storage Tanks-Spill Abatement	2,908	0	0	637	0	0	3,545	3,545	-
8a	Oil Spill Cleanup/Response Equipment-O&M	1,322	6,360	11,864	1,288	9,048	4,023	33,924	-	33,924
8c	Oil Spill Cleanup/Response Equipment-Revenue	0	0	0	0	0	0	0	-	-
9	Low-Level Radioactive Waste Access Fees-O&M	0	0	0	0	0	0	0	-	0
13	RCRA Corrective Action-O&M	34,813	100,779	44,808	82,811	177,206	259,878	699,895	699,895	-
14	NPDES Permit Fees-O&M	0	(441)	11,500	0	0	0	11,059	11,059	-
2	Total of O&M Activities	\$ 114,597	\$ 166,556	\$ 266,371	\$ 274,456	\$ 241,918	\$ 390,205	\$ 1,454,104	\$ 1,208,917	\$ 247,187
3	Recoverable Costs Allocated to Energy	\$ 19,535	\$ 47,324	\$ 32,617	\$ 32,306	\$ 62,026	\$ 53,375	\$ 247,187	-	-
4	Recoverable Costs Allocated to Demand	\$ 95,062	\$ 119,232	\$ 233,754	\$ 242,148	\$ 179,891	\$ 336,830	\$ 1,206,917	-	-
5	Retail Energy Jurisdictional Factor	98.23871%	98.23871%	98.23871%	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%	97.25530%	97.25530%	97.25530%
7	Jurisdictional Energy Recoverable Costs (A)	\$ 19,191	\$ 46,491	\$ 32,042	\$ 31,739	\$ 60,935	\$ 52,435	\$ 242,833	-	-
8	Jurisdictional Demand Recoverable Costs (B)	\$ 92,453	\$ 115,959	\$ 227,338	\$ 235,501	\$ 174,953	\$ 327,585	\$ 1,173,766	-	-
9	Total Jurisdictional Recoverable Costs for O&M Activities	\$ 111,644	\$ 162,450	\$ 259,380	\$ 267,240	\$ 235,888	\$ 380,020	\$ 1,416,622	-	-

Notes:
 (A) Line 3 x Line 5
 (B) Line 4 x Line 6

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final 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)
	Actual	Estimated Actual	Variance Amount	Percent
1 Description of Investment Projects				
2 Low NOx Burner Technology-Capital	\$ 1,377,267	\$ 1,379,184	\$ (1,917)	-0.1%
3b Continuous Emission Monitoring Systems-Capital	999,645	999,646	(1)	0.0%
4b Clean Closure Equivalency-Capital	4,170	4,171	(1)	0.0%
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	367,373	375,986	(8,613)	-2.3%
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	2,102	2,102	0	0.0%
8b Oil Spill Cleanup/Response Equipment-Capital	61,260	61,262	(2)	0.0%
10 Relocate Storm Water Runoff-Capital	7,860	7,859	1	0.0%
NA SO2 Allowances-Negative Return on Investment	(46,722)	(44,767)	(1,955)	4.4%
12 Scherer Discharge Pipeline-Capital	<u>58,731</u>	<u>58,732</u>	<u>(1)</u>	<u>0.0%</u>
2 Total Investment Projects-Recoverable Costs	<u>\$ 2,831,686</u>	<u>\$ 2,844,175</u>	<u>\$ (12,489)</u>	<u>-0.4%</u>
3 Recoverable Costs Allocated to Energy	\$ 2,368,767	\$ 2,373,303	\$ (4,536)	-0.2%
4 Recoverable Costs Allocated to Demand	\$ 462,919	\$ 470,872	\$ (7,953)	-1.7%

Notes

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

Column(2) is the approved Estimated/Actual amount in accordance with
FPSC Order No. PSC-96-1172-FOF-EI

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

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

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period April through September 1996

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

Line	Investments	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount
1	Investments								
	a. Expenditures/ Additions		\$10,135	\$3,801	\$10,440	(\$539)	(\$121,531)	\$98	(\$97,569)
	b. Clearings to Plant								
	c. Retirements								
	d. Other (A)								
2	Plant-in-Service/Depreciation Base	\$17,642,575	17,652,710	17,666,511	17,666,950	17,666,411	17,544,380	17,544,977	n/a
3	Less: Accumulated Depreciation (B)	447,893	518,101	588,334	658,593	728,871	798,924	868,755	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	\$17,088,177	\$17,008,357	\$16,937,540	\$16,745,956	\$16,676,221	n/a
6	Average Net Investment		17,164,645	17,101,363	17,038,267	16,972,949	16,841,748	16,711,089	
7	Return on Average Net Investment								
	a. Equity Component grossed up for taxes (C)		111,979	113,281	112,863	112,430	111,561	110,695	672,808
	b. Debt Component (Line 6 x 3.3439% x 1/12)		47,668	47,654	47,479	47,297	46,931	46,567	283,595
8	Investment Expenses								
	a. Depreciation (D)		70,208	70,233	70,259	70,277	70,054	69,831	420,862
	b. Amortization								
	c. Disarmament								
	d. Property Expenses								
	e. Other (E)								
9	Total System Recoverable Expenses (Lines 7 & 8)		\$229,655	\$231,166	\$230,801	\$230,004	\$228,546	\$227,093	\$1,377,267

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 rate 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.

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period April through September 1996

Return on Capital Investments, Depreciation and Taxes
For Project Continuous Emissions Monitoring (Project No. 3b)
(in Dollars)

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount	
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	\$13,519,504	13,519,504	13,519,504	13,519,504	13,519,504	13,519,504	n/a	
3	Less: Accumulated Depreciation (B)	723,204	770,973	818,742	866,510	914,279	962,047	1,009,815	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 - 3 + 4)	12,796,300	12,748,531	12,700,762	12,652,994	12,605,225	12,557,457	12,509,689	
6	Average Net Investment		12,772,414	12,724,646	12,676,878	12,629,110	12,581,341	12,533,573	
7	Return on Average Net Investment								
a.	Equity Component grossed up for taxes (C)		83,325	84,289	83,972	83,656	83,340	83,023	
b.	Debt Component (Line 6 x 3.3439% x 1/12)		35,470	35,458	35,325	35,192	35,059	34,926	
								501,605	
								211,430	
8	Investment Expenses								
a.	Depreciation (D)		47,768	47,768	47,768	47,768	47,768	286,610	
b.	Amortization								
c.	Dismantlement								
d.	Property Expenses								
e.	Other (E)								
9.	Total System Recoverable Expenses (Lines 7 & 8)		\$166,563	\$167,515	\$167,065	\$166,616	\$166,167	\$165,717	\$999,645

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
For the Period April through September 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Clean Closure Equivalency (Project No. 4b)
(in Dollars)

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount
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	\$58,866	58,866	58,866	58,866	58,866	58,866	58,866	n/a
3 Less: Accumulated Depreciation (B)	4,287	4,475	4,663	4,851	5,038	5,226	5,414	n/a
4 CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5 Net Investment (Lines 2 - 3 + 4)	\$54,579	\$54,391	\$54,203	\$54,015	\$53,828	\$53,640	\$53,452	n/a
6 Average Net Investment		54,485	54,297	54,109	53,922	53,734	53,546	
7 Return on Average Net Investment								
a Equity Component grossed up for taxes (C)		355	360	358	357	356	355	2,141
b Debt Component (Line 6 x 3.3439% x 1/12)		151	151	151	150	150	149	903
8 Investment Expenses								
a Depreciation (D)		188	188	188	188	188	188	1,127
b Amortization								
c Dismantlement								
d Property Expenses								
e Other (E)								
9 Total System Recoverable Expenses (Lines 7 & 8)		\$694	\$699	\$697	\$695	\$694	\$692	\$4,170

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
For the Period April through September 1995

Return on Capital Investments, Depreciation and Taxes
For Project: Maintenance of Above Ground Storage Tanks (Project No. 5b)
(in Dollars)

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount	
1	Investments								
a.	Expenditures/Additions								
b.	Clearings to Plant	\$118,995	(\$21,887)	\$7,443	\$167	\$692,892	\$2,936	\$800,546	
c.	Retirements								
d.	Other (A)								
2.	Plant-In-Service/Depreciation Base	\$4,560,156	4,679,151	4,657,264	4,664,707	4,664,874	5,357,766	5,360,702	
3.	Less: Accumulated Depreciation (B)	(102,597)	(114,017)	(123,236)	(105,592)	(91,130)	(75,687)	(59,257)	
4.	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	
5.	Net Investment (Lines 2 - 3 + 4)	\$4,662,752	\$4,793,168	\$4,780,500	\$4,770,298	\$4,756,004	\$5,433,452	\$5,419,960	
6.	Average Net Investment		4,727,960	4,786,834	4,775,399	4,763,151	5,094,728	5,426,706	
7.	Return on Average Net Investment								
a.	Equity Component grossed up for taxes (C)		30,844	31,708	31,633	31,551	33,748	35,947	
b.	Debt Component (Line 6 x 3.3439% x 1/12)		13,130	13,339	13,307	13,273	14,197	15,122	
8.	Investment Expenses								
a.	Depreciation (D)		14,345	14,443	14,452	14,461	15,444	16,429	
b.	Amortization								
c.	Dismantlement								
d.	Property Expenses								
e.	Other (E)							89,574	
9.	Total System Recoverable Expenses (Lines 7 & 8)		\$58,319	\$59,490	\$59,392	\$59,285	\$63,389	\$67,498	\$367,373

Notes

- (A) N/A
- (B) Reserve was adjusted by (\$25,766) for Cost of Removal in April, (\$23,661) for Cost of Removal in May; \$3,192 for Cost of Removal in June
- (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
For the Period April through September 1996

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

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount
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)	2,830	2,918	3,006	3,094	3,182	3,270	3,358	n/a
4. CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5. Net Investment (Lines 2 - 3 + 4)	\$28,200	\$28,112	\$28,024	\$27,936	\$27,848	\$27,760	\$27,672	n/a
6. Average Net Investment		28,156	28,068	27,980	27,892	27,804	27,716	
7. Return on Average Net Investment								
a. Equity Component grossed up for taxes (C)		184	186	185	185	184	184	1,107
b. Debt Component (Line 6 x 3.3439% x 1/12)		73	78	78	78	77	77	467
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)		\$350	\$352	\$351	\$351	\$349	\$349	\$2,102

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
For the Period April through September 1996

Return on Capital Investments, Depreciation and Taxes
For Project: Oil Spill Cleanup/Response Equipment (Project No. 8b)
(in Dollars)

Line	Investments	April	May	June	July	August	September	End of Period Amount
	Beginning of Period Amount							
1	Investments							
	a Expenditures/Additions							
	b Clearings to Plant	\$38,829	\$13	(\$14)	\$0	\$0	\$0	\$38,828
	c Retirements							
	d Other (A)							
2	Plant-in-Service/Depreciation Base	\$536,889	575,728	575,741	575,727	575,727	575,727	n/a
3	Less: Accumulated Depreciation (B)	202,112	209,039	215,966	222,892	236,746	243,673	n/a
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0
5	Net Investment (Lines 2 - 3 + 4)	\$334,787	\$366,690	\$359,776	\$352,835	\$345,908	\$338,981	\$332,054
6	Average Net Investment	350,737	363,233	356,305	349,371	342,445	335,518	
7	Return on Average Net Investment							
	a Equity Component grossed up for taxes (C)	2,288	2,406	2,360	2,314	2,268	2,222	13,890
	b Debt Component (Line 6 x 3.3435% x 1/12)	974	1,012	993	974	954	935	5,842
8	Investment Expenses							
	a Depreciation (D)	6,927	6,927	6,927	6,927	6,927	6,927	41,561
	b Amortization							
	c Dismantlement							
	d Property Expenses							
	e Other (E)							
9	Total System Recoverable Expenses (Lines 7 & 8)	\$10,189	\$10,345	\$10,280	\$10,215	\$10,149	\$10,084	\$61,260

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 1.2% 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

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Projected Period Amount
For the Period April through September 1996

Return on Capital Investments, Depreciation and Taxes
 For Project Relocate Storm Water Runoff (Project No. 10)
 (in Dollars)

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount
-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	\$117,794	117,794	117,794	117,794	117,794	117,794	117,794	n/a
3 Less: Accumulated Depreciation (B)	6,292	6,562	6,832	7,102	7,372	7,642	7,913	n/a
4 CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5 Net Investment (Lines 2 - 3 + 4)	\$111,502	\$111,232	\$110,962	\$110,692	\$110,422	\$110,152	\$109,881	n/a
6 Average Net Investment		111,367	111,097	110,827	110,557	110,287	110,017	
7 Return on Average Net Investment								
a Equity Component grossed up for taxes (C)		727	736	734	732	731	729	4,388
b Debt Component (Line 6 x 3.3439% x 1/12)		309	310	309	308	307	307	1,850
8 Investment Expenses								
a Depreciation (D)		270	270	270	270	270	270	1,621
b Amortization								
c Dismantlement								
d Property Expenses								
e Other (E)								
9 Total System Recoverable Expenses (Lines 7 & 8)		\$1,306	\$1,316	\$1,313	\$1,310	\$1,308	\$1,306	\$7,860

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 rate 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

Florida Power & Light Company
 Schedule of Negative Return on
 Deferred Gain on Sales of Emission Allowances
 For the Period April through September 1998

Form 42-8A
 Page 8 of 9

Line No	Description	Beginning of Period	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Total	Line No
1	Additions			\$0	(\$107,321)	(\$72,842)				
2	Net investment	(\$734,501)	(\$734,501)	(\$734,501)	(\$841,822)	(\$914,665)	(\$914,665)	(\$914,665)		1
3	Average Net Investment		(\$734,501)	(\$734,501)	(\$788,162)	(\$878,243)	(\$914,665)	(\$914,665)	n/a	2
4	Return on Average Net Investment									3
	a. Equity Component grossed up for taxes (A)		(4,865)	(4,865)	(5,221)	(5,818)	(6,059)	(6,059)	(32,887)	4
	b. Debt Component (Line 3 x 3.3439% /12)		(2,047)	(2,047)	(2,196)	(2,447)	(2,549)	(2,549)	(13,835)	
5	Total Return Requirements (Line 4a + 4b)		(\$6,912)	(\$6,912)	(\$7,417)	(\$8,265)	(\$8,608)	(\$8,608)	(\$46,722)	5

Notes

(A) 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.

In accordance with FPSC Order No. PSC-94-0393-FOF-EI, FPL has recorded the sales of emissions allowances as a regulatory liability. This schedule reflects the return on that regulatory liability.

Florida Power & Light Company
Environmental Cost Recovery Clause
For the Period April through September 1996

Return on Capital Investments, Depreciation and Taxes
For Project Scherer Discharge Pipeline (Project No. 12)
(in Dollars)

Line	Beginning of Period Amount	April	May	June	July	August	September	End of Period Amount
1 Investments								
a Expenditures/Additions								
b Clearings to Plant								
c Retirements								
d Other (A)								
2 Plant-In-Service/Depreciation Base	\$864,330	864,261	864,261	864,261	864,261	864,261	864,261	n/a
3 Less: Accumulated Depreciation (B)	48,490	50,680	52,859	55,056	57,244	59,432	61,619	n/a
4 CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0
5 Net Investment (Lines 2 - 3 + 4)	\$815,839	\$813,580	\$811,392	\$809,205	\$807,017	\$804,829	\$802,641	n/a
6 Average Net Investment		814,710	812,486	810,298	808,111	805,923	803,735	
7 Return on Average Net Investment								
a Equity Component grossed up for taxes (C)		5,315	5,382	5,367	5,353	5,338	5,324	32,060
b Debt Component (Line 6 x 3.3439% x 1/12)		2,263	2,264	2,258	2,252	2,246	2,240	13,522
8 Investment Expenses								
a Depreciation (D)		2,190	2,189	2,188	2,188	2,188	2,188	13,129
b Amortization								
c Dismantlement								
d Property Expenses								
e Other (E)								
9 Total System Recoverable Expenses (Lines 7 & 8)		\$9,768	\$9,835	\$9,813	\$9,793	\$9,772	\$9,752	\$58,731

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.

(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