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COPY

Matthew M Childs P A

June 17, 1997

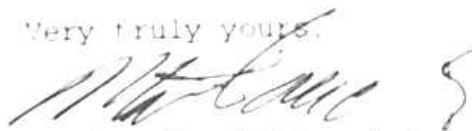
Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
4075 Esplanade Way, Room 110
Tallahassee, FL 32399

RE: DOCKET NO. 970007-EI

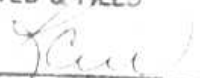
Dear Ms. Bayó:

Enclosed please find the original affidavit of Randall LaBauve in connection with Florida Power & Light Company's Petition For Approval of Environmental Cost Recovery Substation Remediation Project July 1997 through September 1997 in the above referenced docket.

Very truly yours,



Matthew M. Childs, P.A.

ACK _____
AFA 1 MMC:ml
APR _____
CAF _____ Enclosure
CR _____ cc: All Parties of Record
CTA _____
EAL 1
EPL 1
EPR 3
_____ RECEIVED & FILED
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VLR _____
DTH _____

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AFFIDAVIT

STATE OF FLORIDA)
COUNTY OF PALM BEACH)

BEFORE ME, the undersigned authority, personally appeared Randall LaBauve, who being first duly sworn deposes and says:

1. My name is Randall R. LaBauve, and I occupy the position of Director of Environmental Services, Florida Power & Light Company, 700 Universe Boulevard, Juno, Florida. In this position I have knowledge of and have familiarity with the matters addressed in this Affidavit.

2. I received a Bachelor of Arts degree in Psychology from Louisiana State University in 1983 and a Juris Doctor degree in Law from Louisiana State University in 1986. I joined FPL in 1995 as an Environmental Lawyer and in 1996 assumed the responsibility of Director of Environmental Services. Prior to joining FPL I was the Director of Environmental Affairs for Entergy Services, Incorporated located in Little Rock, Arkansas and prior to that practiced law with Milling, Benson, Woodward, Hillard, Pierson and Miller in New Orleans, Louisiana.

3. I am responsible for directing the overall corporate environmental planning, programs, licensing, and permitting activities to ensure the basic objective of obtaining and maintaining the federal, state, regional and local government approvals necessary to site, construct and operate FPL's power plants, transmission lines, and fuel facilities and maintain compliance with environmental laws.

4. FPL's Substation Remediation Project has now been fully developed and is currently being implemented. To date, FPL has already spent approximately \$500,000 on this project but is only requesting recovery of expenditures going forward beginning in July, 1997.

5. The Substation Remediation Project is the prevention and removal of transformer oil (non-PCB), lead, and arsenic discharges at FPL substations. This project will prevent environmental degradation and will include the prevention of transformer discharges and the encapsulation of lead painted transformers. It will also be necessary to restore the impacted environment to an acceptable environmental quality.

6. The total projected Operating & Maintenance (O&M) cost for this project is \$16.7 million. The \$16.7 million is subject to change since the magnitude and extent of contamination is difficult to estimate at this time. As FPL approaches each site requiring prevention and removal the most cost effective methods will be utilized to comply with the requirements. FPL solicited bids to obtain the most cost-effective method of accomplishing each activity and will continue to evaluate bids and alternatives in order to drive the cost down.

FPL is requesting to recover \$1.6 million for pollutant discharge prevention and removal for the period from July 1997 through September 1997. This amount includes the cost of transformer encapsulation necessary to prevent lead paint from leaching into the ground water, the prevention of transformer leaks, and the removal and disposal/treatment of soil both hazardous and non-hazardous. Document No. 1 (Environmental Form No. 42-5E) provides a monthly breakdown of these costs which are allocated using the same methodology as in FPL's last rate case.

7. The costs of the Substation Remediation Project are not being recovered through some other cost recovery mechanism or through base rates. In the 1980's FPL conducted substation inspections which focused on the operational functions (reliability and availability of equipment) of the facility. A maintenance program was adopted to address issues identified during inspections. Unlike the maintenance program, this is a new program that had never been undertaken before.

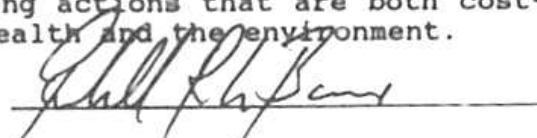
8. FPL has determined that the Substation Remediation Project is necessary for FPL to be in compliance with Florida Statute Chapter 376, Pollutant Discharge Prevention and Removal (See Document No. 2) and Florida Statute Chapter 403, Environmental Control (See Document No. 3). Florida Statute Chapter 376 requires that any person discharging a prohibited pollutant shall immediately undertake to contain, remove, and abate the discharge to the satisfaction of the department. Florida Statute Chapter 403 holds it is prohibited to cause pollution so as to harm or injure human health or welfare, animal, plant, or aquatic life or property.

9. The most cost effective alternative to prevent lead contamination is to encapsulate the remaining paint in order to eliminate the leaching of lead into the ground. Several alternatives were considered for preventing the discharge of lead into the ground, which included stripping the previously approved lead paint from the transformer and re-painting it.

with non-lead paint, however, that alternative was determined to be cost prohibitive.


10. The most cost effective alternative for preventing transformer oil discharges is to replace the gaskets currently leaking oil.

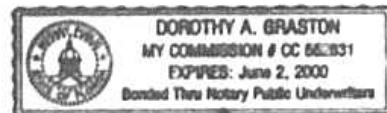
11. Considering the regulations for pollutant discharge removal, alternatives are available for the method of clean-up and disposal but they are dependent upon the site and the extent of contamination present. It will be necessary for FPL to develop cost-effective alternatives and to work with the agencies to ensure the alternatives selected by FPL are acceptable and undertaken in a timely manner. In any case, FPL is committed to undertaking actions that are both cost-effective and protect human health and the environment.



I hereby certify that on this 16th day of June, 1997, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Randall R. LaBauve who is personally known to me, and he acknowledged before me that he executed this certification of signature as his free act and deed who did not take an oath.

I Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as this 16th day of June, 1997.


Notary Public DOROTHY A. GRASTON
State of Florida
My Commission Expires:



**CERTIFICATE OF SERVICE
DOCKET NO. 970007-EI**

I HEREBY CERTIFY that a copy of the letter transmitting the original of the Affidavit of Mr. Randall LaBauve in connection with Florida Power & Light Company's Petition for Approval of Environmental Cost Recovery Substation Remediation Project July 1997 through September 1997 has been provided this 17th day of June, 1997 to the following by U.S. Mail:

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