


FLORIDA PUBLIC SERVICE COMMISSION
AUDIT REPORT
TWELVE MONTHS ENDED MARCH 31, 1997

FIELD WORK COMPLETED
JUNE 12, 1997

FLORIDA POWER AND LIGHT
MIAMI, FLORIDA
DADE COUNTY

FUEL COST RECOVERY CLAUSE
DOCKET NUMBER 970001-EI
AUDIT CONTROL NUMBER 97-055-4-2




GABRIELA LEON
AUDIT MANAGER

AUDIT STAFF

RUTH YOUNG
ILIANA PIEDRA

MINORITY OPINION

YES NO
YES NO



KATHY WELCH
REGULATORY AUDIT SUPERVISOR
MIAMI DISTRICT OFFICE

DOCUMENT NUMBER-DATE

06138 JUN 18 97

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 audit the schedules calculating the fuel adjustment true-up and interest provision for the twelve months ended March 31, 1997 prepared by Florida Power and Light Company in support of Docket 970001-EI. The audit exit conference was held June 12, 1997. This report is based on confidential information which is separately filed with the Commission Clerk.

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

OPINION: The fuel adjustment true-up schedules for the twelve months ended March 31, 1997 represent Florida Power and Light Company books and records maintained in substantial compliance with Commission Directives. The expressed opinions extend only to the scope of work described in section II of this report.

II. AUDIT SCOPE:

The opinion contained in this report are based on the audit work described below. When used in this report, the following definitions shall apply.

COMPILED: 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.

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

REVENUES: Compiled revenues from the general ledger and reconciled to the revenue and rate report. Traced revenue and rate reports to the filed schedules.

EXPENSES: Compiled expenses.

INVESTMENT: Examined 40% of the Nuclear Thermal Uprate Investment by tracing to invoices, purchase orders and reference letters. Recalculated the depreciation and return requirements.

TRUE-UP CALCULATION: Recalculated the true-up calculation for the twelve months ended March 1997. Traced beginning true-up and deferred true-up to prior period. Traced interest rates to Wall Street Journal-30 day Commercial rate.

III EXHIBITS

State of Florida

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



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
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Public Service Commission

June 19, 1997

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

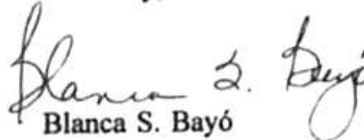
Re: Docket No. 970001-EI -- Florida Power & Light Company
Fuel Audit Report - Period Ended March 31, 1997
Audit Control # 97-055-4-2

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.

Thank you for your cooperation.

Sincerely,


Blanca S. Bayó

BSB/DNV/cls
Enclosure
cc: Public Counsel
Steel Law Firm