



P.O. Box 029100, Miami, FL., 33102-9100

ORIGINAL

March 2, 1998

Ms. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

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Dear Ms. Bayo:

In accordance with Rule 25-6.1353, F.A.C., attached is FPL's 1998 Forecasted Earnings Surveillance Report.

The information contained in this report represents estimates and projections and is based upon certain assumptions. Such estimates, projections, and assumptions are subject to change and there can be no assurance that any will materialize due to operating considerations, external factors, and other reasons. Except as required by Rule 25-6.1353, FPL will not be responsible for providing revisions to these estimates and projections. This information is for the use of the Florida Public Service Commission for its regulatory purposes only and should not be utilized for any other purpose or by any other person.

If you should have any questions, please call me at 305-552-3643.

Sincerely,

S.S. Waters
Director, Regulatory Affairs

cc: Tim Devlin
Roger Howe, Public Counsel
W.G. Walker, III

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FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 (\$000'S)

SCHEDULE 1
 PAGE 1 OF 1

Company: Florida Power & Light Co.
 Year: 1998

	(1)	(2)	(3)
I AVERAGE RATE OF RETURN (JURISDICTIONAL)	PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED
NET OPERATING INCOME	\$822,939	(\$7,395)	\$815,544
AVERAGE RATE BASE	\$8,037,527	\$812,102	\$8,849,629
AVERAGE RATE OF RETURN	10.24%		9.22%

AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)

LOW	8.42%
MIDPOINT	8.96%
HIGH	9.51%

IV FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	5.88	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	5.88	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	98.07%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	31.23%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	0.01%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY	12.49%	(FPSC ADJUSTED BASIS)

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 AVERAGE RATE OF RETURN
 RATE BASE (\$000's)

SCHEDULE 2
 PAGE 1 OF 2

Company: Florida Power & Light Co.
 Year: 1998

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$16,862,558	\$8,733,149	\$8,129,409	\$66,550	\$185,380	\$180,000	\$8,561,339	(\$456,381)	\$8,104,958
JURISDICTIONAL PER BOOKS	16,718,889	8,653,765	8,065,124	65,984	182,711	179,489	8,493,308	(455,781)	8,037,527
<u>FPSC ADJUSTMENTS</u>									
FUEL TRANSPORTATION EQUIPMENT	(50,532)	(19,019)	(31,513)	0	0	0	(31,513)	0	(31,513)
LOAD CONTROL	(106,713)	(61,976)	(44,737)	0	0	0	(44,737)	0	(44,737)
ECRC	(41,888)	(5,142)	(36,746)	0	0	0	(36,746)	0	(36,746)
ACCUM PROVISION FOR DECOMMISSIONING	0	(1,012,532)	1,012,532	0	0	0	1,012,532	0	1,012,532
NUCLEAR FUEL	0	0	0	0	0	(179,489)	(179,489)	0	(179,489)
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	(124,248)	(124,248)
ACCUM PROV FOR PROPERTY INSURANCE	0	0	0	0	0	0	0	270,842	270,842
OTHER MISCELLANEOUS WORKING CAPITAL	0	0	0	0	0	0	0	(54,539)	(54,539)
TOTAL FPSC ADJUSTMENTS	(199,133)	(1,098,669)	899,536	0	0	(179,489)	720,047	92,055	812,102
FPSC ADJUSTED	\$16,519,756	\$7,555,096	\$8,964,660	\$65,984	\$182,711	\$0	\$9,213,356	(\$363,726)	\$8,849,629

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
INCOME STATEMENT (\$000's)

SCHEDULE 2
PAGE 2 OF 2

Company: Florida Power & Light Co
Year: 1998

	1	2	3	4	5	6	7	8	9
	OPERATING REVENUES	FUELS AND INTERCHANGE	OTHER DAM	DEPRECIATION AND AMORTIZATION	OTHER THAN FUELS INCOME	INVESTMENT TAX CREDIT	DEPRECIATION	OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	\$6,250,452	\$2,240,194	\$1,163,016	\$1,082,518	\$585,934	\$359,100	\$0	\$5,430,742	\$820,690
JURISDICTIONAL PER BOOKS	6,154,416	2,205,813	1,153,952	1,073,308	584,797	353,609	0	5,371,477	822,939
EPSC ADJUSTMENTS:									
CAPACITY COST RECOVERY	(495,447)	(488,051)	0	0	(7,459)	24	0	(495,486)	39
CONSERVATION COST RECOVERY	(101,695)	0	(73,048)	(21,550)	(1,601)	(2,746)	0	(98,944)	(2,751)
ENVIRONMENTAL COST RECOVERY	(24,870)	0	(18,237)	(1,908)	(393)	(1,130)	0	(21,445)	(3,422)
FUEL COST RECOVERY	(1,874,377)	(1,677,533)	0	(4,248)	(25,529)	(1,955)	0	(1,671,264)	(3,112)
FRANCHISE REVENUE & EXPENSE	(236,688)	0	0	0	(236,599)	(34)	0	(236,634)	(54)
SUPPLEMENTAL GROSS RECEIPTS TAX	(57,954)	0	0	0	(57,954)	0	0	(57,954)	0
ECONOMY SALES	(683)	0	0	0	0	(263)	0	(263)	(420)
MISCELLANEOUS DAM EXPENSES	0	0	(15,352)	0	0	2,065	0	(3,287)	3,287
GAIN/LOSS ON SALE OF LAND	0	0	0	0	0	449	(1,164)	(715)	715
INTEREST SYNCHRONIZATION	0	0	0	0	0	1,677	0	1,677	(1,677)
TOTAL EPSC ADJUSTMENTS	(2,591,714)	(2,127,584)	(96,637)	(27,496)	(329,535)	(1,914)	(1,164)	(2,584,319)	(7,395)
FPSC ADJUSTED	\$3,602,702	\$78,228	\$1,057,315	\$1,045,822	\$255,262	\$351,695	(\$1,164)	\$2,787,158	\$815,544

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
CAPITAL STRUCTURE (\$000'S)
FPSC ADJUSTED BASIS

SCHEDULE 3
PAGE 1 OF 1

Company: Florida Power & Light Co
Year: 1998

AVERAGE	1	2	3	4	5	6	7	8	9	10	11	12
	SYSTEM PER BOOKS	RETAL PER BOOKS	ADJUSTMENTS PROGRAMS	SPECIFIC	ADJUSTED RETAL	WGTED CAPX	WGTED DEBT	WGTED EQUITY	WGTED CAPX	WGTED DEBT	WGTED EQUITY	WGTED CAPX
LONG TERM DEBT	\$2,211,111	\$2,782,445	\$219,793	\$1,754,499	\$2,236,244	29.20%	7.90%	2.00%	7.90%	7.90%	2.00%	7.90%
SHORT TERM DEBT	744	744	74	74	817	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
PREFERRED STOCK	199,880	199,736	21,314	2	219,472	2.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	244,736	244,736	26,330	2	271,265	3.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	4,271,800	4,234,652	455,054	2	4,689,636	53.30%	91.00%	98.00%	53.30%	91.00%	98.00%	53.30%
DEFERRED INCOME TAXES	549,877	573,959	179,172	131,543	1,223,974	13.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	190,824	198,962	20,343	0	209,308	2.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL	\$8,104,958	\$8,237,527	\$860,339	\$4,780,000	\$8,949,629	100.00%	8.42%	8.80%	8.42%	8.80%	8.80%	8.42%

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS

SCHEDULE 4
PAGE 1 OF 1

Company: Florida Power & Light Co.
Year: 1998

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	
AFUDC DEBT	\$64,340
INCOME TAXES	340,848
TOTAL	\$405,188
INTEREST CHARGES BEFORE DEBT AFUDC	\$18,858
	1.8%
B. TIMES INTEREST EARNED WITH AFUDC	
EARNINGS BEFORE INTEREST	
AFUDC EQUITY	\$64,340
INCOME TAXES	340,848
TOTAL	\$405,188
INTEREST CHARGES BEFORE DEBT AFUDC	\$19,658
T.E. WITH AFUDC	1.8%

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC DEBT	\$0
X 11 INCOME TAX RATE	81.47%
SUBTOTAL	2
AFUDC - OTHER	2
TOTAL	\$0
NET INCOME AVAILABLE TO COMMON	\$608,728
PERCENT AFUDC TO AVAILABLE NET INCOME	0.00%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$64,447
PREFERRED STOCK	4,782
COMMON DIVIDENDS	870,808
AFUDC DEBT & OTHER	2
DEPRECIATION & AMORTIZATION	30,518
DEFERRED INCOME TAXES & INVESTMENT CREDITS	18,281
DEFERRED CHARGES	16,885
NUCLEAR DECOMMISSIONING RESERVE FUND	85,001
RETIREMENTS	80,300
TOTAL	\$1,111,911
CONSTRUCTION EXPENDITURES	
EXCLUDING AFUDC DEBT & OTHER	\$273,248
PERCENT INTERNALLY GENERATED FUNDS	18.0%

E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL

RECONCILED AVERAGE RETAIL AMOUNTS	
LONG TERM DEBT	\$1,270,248
SHORT TERM DEBT	817
PREFERRED STOCK	248,470
COMMON EQUITY	4,600,006
TOTAL	\$1,919,541
% LONG TERM DEBT TO TOTAL	31.27%
% SHORT TERM DEBT TO TOTAL	0.01%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	FFSC A3
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES	9.27%
LONG TERM DEBT	2.11%
SHORT TERM DEBT	0.00%
PREFERRED STOCK	1.15%
CUSTOMER DEPOSITS	1.19%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	2.28%
SUBTOTAL	2.80%
TOTAL	6.67%
DIVIDED BY COMMON EQUITY RATIO	53.33%
JURISDICTIONAL RETURN ON COMMON EQUITY	12.48%

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 FORECAST ASSUMPTIONS

SCHEDULE 5
 PAGE 1 OF 1

Company: Florida Power & Light Co
 Year: 1998

FORECASTED ASSUMPTIONS

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	3,258,775	3,209,301
COMMERCIAL	397,215	388,910
INDUSTRIAL	14,940	14,766
OTHER	2,564	2,518
TOTAL	3,683,495	3,615,493

MWH SALES	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	42,775,893	41,849,070
COMMERCIAL	33,879,424	32,941,519
INDUSTRIAL	3,897,151	3,894,398
OTHER	1,112,315	1,168,950
TOTAL	81,564,783	79,853,937

OTHER MAJOR FORECASTED ASSUMPTIONS

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):	
1. CONSUMER PRICE INDEX (CPI)	2.8%
2. GROSS DOMESTIC PRODUCT (GNP) DEFLATOR	2.6%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	1.4%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	1.6%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	1.8%
B. CAPITAL OVERHEAD RATES	
1. PENSION & WELFARE	4.0%
2. PAYROLL TAXES & INSURANCE	7.0%
C. OTHER CORPORATE ASSUMPTIONS:	
1. AMORTIZATION OF LITIGATION ITEMS	\$22 MILLION
2. AMORTIZATION OF CUMULATIVE EFFECT - NUCLEAR MAINTENANCE RESERVE	\$7 MILLION
3. ACCELERATED AMORTIZATION	\$198 MILLION
4. INTEREST RATES -	
a) 30 DAY COMMERCIAL PAPER	6.3%
b) LONG TERM DEBT	8.5%

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082 OR S. 775.083

Dilek Samil
 NAME

Dilek Samil
 SIGNATURE

Treasurer
 TITLE

2/26/98
 DATE

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
INDIVIDUAL PROJECTS COMMENCING DURING 1998 WHICH EXCEED \$10 MILLION
(AMOUNTS IN 000'S)

SCHEDULE 6
PAGE 1 OF 1

Company: Florida Power & Light Co
Year: 1998

Schedule of individual projects that commence during 1998 and exceed a gross cost of \$10 million.

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
230 kV Expansion from Orange River to Collier	\$ 14,063	Jan 98	Dec 99
500 kV Line from Corbett to Orange River	\$ 75,300	Jun 98	Dec 01
Fossil Generation Process Control & Information System	\$ 16,015	Jan 98	Dec 01