

STATE OF FLORIDA

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TIMOTHY DEVLIN, DIRECTOR
AUDITING & FINANCIAL ANALYSIS
(850) 413-6480

Public Service Commission

July 19, 1999

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

**Re: Docket No. 990007-El; Florida Power & Light Company
Audit Report; Environmental - Fifteen-Month Period Ended December 31, 1998
Audit Control No. 99-042-4-4**

Dear Walker:

The enclosed audit report is forwarded for your review. If you desire to file a response to the audit, please file one with the Division of Records and Reporting so it may be forwarded for consideration by the staff analysts in their review of the audit.

Sincerely,

Denise N. Vandiver
Bureau Chief - Auditing Services

DNV: sp

cc: Division of Records and Reporting
 Division of Auditing and Financial Analysis (Devlin/Causeaux/Harvey/File Folder)
 Division of Electric and Gas (Tew)
 Miami District Office (Welch)
 Division of Legal Services

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FLORIDA PUBLIC SERVICE COMMISSION

BUREAU OF AUDITING SERVICES

Miami District Office

FLORIDA POWER AND LIGHT COMPANY

ENVIRONMENTAL CLAUSE AUDIT

FIFTEEN MONTH PERIOD ENDED DECEMBER 31, 1998

DOCKET NO. 990007-EI

AUDIT CONTROL NO. 99-042-4-4

Handwritten signature of Iliana H. Piedra in cursive script.

ILIANA H. PIEDRA, AUDIT MANAGER

Handwritten signature of Kathy Welch in cursive script.

KATHY WELCH, AUDIT SUPERVISOR

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**BUREAU OF AUDITING SERVICES
AUDITOR'S REPORT
JUNE 30, 1999**

TO: FLORIDA PUBLIC SERVICE COMMISSION AND OTHER INTERESTED PARTIES

We have applied the procedures described later in this report to audit the accompanying schedules of the Environmental Cost Recovery Clause for the historical 15-month period ended December 31, 1998, for Florida Power and Light Company. These schedules were prepared by the utility as part of its environmental recovery clause in Docket No. 990007-EI . There are no audit staff minority opinions.

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

In our opinion, the schedules referred to above present fairly, in all material respects, the utility's books and records, maintained in conformity with the accounting practices prescribed by the Florida Public Service Commission.

SUMMARY OF SIGNIFICANT PROCEDURES

Our audit was performed by examining on a test basis, certain transactions and account balances which we believe are sufficient to base our opinion. Our examination did not entail a complete review of all financial transactions of the company. Our more important audit procedures are summarized below. The following definitions apply when used in this report:

Scanned - The documents or accounts were read quickly looking for obvious errors.

Compiled - The exhibit amounts were reconciled with the general ledger, and accounts were scanned for error or inconsistency.

Reviewed - The exhibits amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers, and selective analytical review procedures were applied.

Examined - The exhibit amounts were reconciled with the general ledger. The general ledger account balances were traced to subsidiary ledgers. Selective analytical review procedures were applied, and account balances were tested to the extent further described.

Confirmed - Evidential matter supporting an account balance, transaction, or other information was obtained directly from an independent third party.

Verify - The item was tested for accuracy, and substantiating documentation was examined.

REVENUES: Compiled revenues from the revenue and rate reports and reconciled to the filing.

OPERATING AND MAINTENANCE COSTS: Compiled a trial balance and an analytical review. Examined a sample of specific accounts which was selected using audit analyzer. Verified that costs were in accordance with Commission approved projects. Verified that an adjustment to accounts 570.199 and 592.199 was made in accordance with Commission Order.

Verified depreciation expenses for the selected project. Traced rates to Commission Order. Recalculated depreciation adjustments made in April and December 1998 and traced rates to new depreciation Commission Order.

CAPITAL COSTS: Examined a sample of plant additions for a specific project. Recalculated the return on investment. Recalculated the equity and debt ratios and traced to proper source documentation and the Commission order.

TRUE-UP: Recalculated the true-up. Verified the beginning true-up to the orders and deferred true up to prior filings. Traced the interest rates to the Wall Street Journal.

IV. EXHIBITS

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up for the 15 Month Period
October 1997 through December 1998

Line
No.

12 Month Period ending September 30, 1998

1	Over/(Under) Recovery for the Current Period (Form 42-2A Page 1 of 2, Line 5)	(\$570,476)	
2	Interest Provision (Form 42-2A Page 1 of 2, Line 6)	96	
3	Total	(\$570,380)	
4	Estimated/Actual Over/(Under) Recovery for the Same Period	(3989,353)	
5	Interest Provision	30,483	
6	Total	(\$958,950)	
7	Net True-Up for the period	\$388,570	

Three Month Period ending December 31, 1998

8	Over/(Under) Recovery for the Current Period (Form 42-2A, Line 5)	\$1,870,348	
9	Interest Provision (Form 42-2A, Line 6)	33,021	
10	Total	\$1,903,369	
11	Estimated/Actual Over/(Under) Recovery for the Same Period	\$1,586,557	
12	Interest Provision	27,223	
13	Total	\$1,613,780	
14	Net True-Up for the period	\$289,589	
15	Net True-Up to be refunded/(recovered) in January through December 2000 Period	\$678,159	

**Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1997 through September 1998**

Line No.	October	November	December	January	February	March	End of Period Amount
1 ECRC Revenues (net of Revenue Taxes)	\$1,927,193	\$1,688,325	\$1,609,762	\$1,727,670	\$1,545,022	\$1,548,742	\$10,046,713
2 True-up Provision (Order No. P&C-97-1847-FOF-EI)	(172,307)	(172,307)	(172,307)	(172,307)	(172,307)	(172,307)	(1,033,842)
3 ECRC Revenues Applicable to Period (Lines 1 + 2)	1,754,886	1,516,018	1,437,455	1,555,363	1,372,715	1,376,435	9,012,871
4 Jurisdictional ECRC Costs							
a - O&M Activities (Form 42-5A, Line 9)	706,664	692,438	1,115,030	645,032	2,467,117	975,890	6,602,171
b - Capital Investment Projects (Form 42-7A, Line 9)	469,757	468,715	471,558	475,458	474,847	473,415	2,833,748
c - Total Jurisdictional ECRC Costs	1,176,421	1,161,153	1,586,588	1,120,490	2,941,964	1,449,305	9,435,919
5 Over/(Under) Recovery (Line 3 - Line 4c)	578,465	354,865	(149,131)	434,873	(1,569,249)	(72,870)	(423,048)
6 Interest Provision (Form 42-3A, Line 10)	2,146	5,133	6,560	8,010	6,075	3,136	31,060
7 Beginning Balance True-Up & Interest Provision	(2,067,684)	(1,314,766)	(782,461)	(752,725)	(137,535)	(1,528,402)	(2,067,684)
a - Deferred True-Up from Oct 1996 to Sep 1997 (Form 42-1A, Filed January 2, 1998, Line 9)	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919
8 True-Up Collected /(Refunded) (See Line 2)	172,307	172,307	172,307	172,307	172,307	172,307	1,033,842
9 End of Period True-Up (Lines 6+8+7+7a+8)	643,153	1,375,458	1,405,194	2,020,384	629,517	732,090	732,090
10 Adjustments to Period Total True-Up including Interest							
11 End of Period Total Net True-Up (Lines 9+10)	\$643,153	\$1,375,458	\$1,405,194	\$2,020,384	\$629,517	\$732,090	\$732,090

**Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1997 through September 1998**

Interest Provision (in Dollars)

Line No.	October	November	December	January	February	March	End of Period Amount
1 Beginning True-Up Amount (Form 42-2A, Lines 7 + 7a + 10)	\$90,235	\$843,153	\$1,375,458	\$1,405,194	\$2,020,384	\$629,517	\$6,363,941
2 Ending True-Up Amount before Interest (Line 1 + Form 42-2A, Lines 6 + 8)	841,007	1,370,325	1,398,634	2,012,374	623,442	728,954	6,974,736
3 Total of Beginning & Ending True-Up (Lines 1 + 2)	<u>\$931,242</u>	<u>\$2,213,478</u>	<u>\$2,774,092</u>	<u>\$3,417,568</u>	<u>\$2,643,826</u>	<u>\$1,358,471</u>	<u>\$13,338,677</u>
4 Average True-Up Amount (Line 3 x 1/2)	\$465,621	\$1,106,739	\$1,387,046	\$1,708,784	\$1,321,913	\$679,236	\$6,669,339
5 Interest Rate (First Day of Reporting Month)	5.53000%	5.53000%	5.60000%	5.75000%	5.50000%	5.53000%	N/A
6 Interest Rate (First Day of Subsequent Month)	5.53000%	5.80000%	5.75000%	5.50000%	5.53000%	5.55000%	N/A
7 Total of Beginning & Ending Interest Rates (Lines 5 + 6)	<u>11.06000%</u>	<u>11.13000%</u>	<u>11.35000%</u>	<u>11.25000%</u>	<u>11.03000%</u>	<u>11.08000%</u>	N/A
8 Average Interest Rate (Line 7 x 1/2)	5.53000%	5.56500%	5.67500%	5.62500%	5.51500%	5.54000%	N/A
9 Monthly Average Interest Rate (Line 8 x 1/12)	0.46083%	0.46375%	0.47292%	0.46875%	0.45958%	0.46167%	N/A
10 Interest Provision for the Month (Line 4 x Line 9)	<u>\$2,146</u>	<u>\$5,133</u>	<u>\$6,560</u>	<u>\$8,010</u>	<u>\$6,075</u>	<u>\$3,136</u>	<u>\$31,060</u>

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1997 through September 1998

Line No.	April	May	June	July	August	September	End of Period Amount
1 ECRC Revenues (net of Revenue Taxes)	\$1,588,965	\$1,710,331	\$2,155,447	\$2,343,336	\$2,254,537	\$2,263,771	\$12,316,389
2 True-up Provision (Order No. PSC 88-1224-FOF-EI)	(237,638)	(237,638)	(237,638)	(237,638)	(237,638)	(237,638)	(1,425,830)
3 ECRC Revenues Applicable to Period (Lines 1 + 2)	1,351,327	1,472,692	1,917,809	2,105,700	2,016,899	2,026,132	10,890,559
4 Jurisdictional ECRC Costs							
a - O&M Activities (Form 42-6A, Line 9)	1,592,994	1,069,768	843,154	1,152,245	1,497,004	751,783	6,906,948
b - Capital Investment Projects (Form 42-7A, Line 9)	1,765,143	550,772	551,802	558,257	562,287	565,826	4,554,087
c - Total Jurisdictional ECRC Costs	3,358,137	1,620,540	1,394,956	1,710,502	2,059,291	1,317,609	11,461,035
5 Over/(Under) Recovery (Line 3 - Line 4c)	(2,006,810)	(147,848)	522,853	395,198	(42,392)	708,523	(570,476)
6 Interest Provision (Form 42-3A, Line 10)	(701)	(4,563)	(2,647)	566	2,476	4,965	96
7 Beginning Balance True-Up & Interest Provision	(1,425,830)	(3,195,703)	(3,110,475)	(2,352,631)	(1,719,229)	(1,521,507)	(1,425,830)
a - Deferred True-Up from Oct 1996 to Sep 1997 (Form 42-1A, Filed January 2, 1998, Line 9)	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919	2,157,919
8 True-Up Collected / (Refunded) (See Line 2)	237,638	237,638	237,638	237,638	237,638	237,638	1,425,830
9 End of Period True-Up (Lines 5+6+7+7a+8)	(1,037,784)	(952,556)	(194,712)	436,690	636,412	1,587,539	1,587,539
10 Adjustments to Period Total True-Up including Interest							
11 End of Period Total Net True-Up (Lines 9+10)	(\$1,037,784)	(\$952,556)	(\$194,712)	\$436,690	\$636,412	\$1,587,539	\$1,587,539

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1997 through 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)	\$732,089	(\$1,037,784)	(\$952,558)	(\$194,712)	\$438,690	\$636,412	(\$377,861)
2 Ending True-Up Amount before Interest (Line 1 + Form 42-2A, Lines 8 + 8)	(1,037,083)	(947,993)	(182,065)	438,124	633,936	1,582,574	477,493
3 Total of Beginning & Ending True-Up (Lines 1 + 2)	(\$304,994)	(\$1,985,777)	(\$1,144,621)	\$243,412	\$1,072,626	\$2,218,986	\$99,632
4 Average True-Up Amount (Line 3 x 1/2)	(\$152,497)	(\$992,889)	(\$572,311)	\$121,706	\$536,313	\$1,109,493	\$49,816
5 Interest Rate (First Day of Reporting Month)	5.50000%	5.53000%	5.50000%	5.60000%	5.56000%	5.52000%	N/A
6 Interest Rate (First Day of Subsequent Month)	5.53000%	5.50000%	5.60000%	5.56000%	5.52000%	5.22000%	N/A
7 Total of Beginning & Ending Interest Rates (Lines 5 + 6)	11.03000%	11.03000%	11.10000%	11.16000%	11.08000%	10.74000%	N/A
8 Average Interest Rate (Line 7 x 1/2)	5.51500%	5.51500%	5.55000%	5.58000%	5.54000%	5.37000%	N/A
9 Monthly Average Interest Rate (Line 8 x 1/12)	0.45958%	0.45958%	0.46250%	0.46500%	0.46167%	0.44750%	N/A
10 Interest Provision for the Month (Line 4 x Line 9)	(\$701)	(\$4,563)	(\$2,847)	\$566	\$2,476	\$4,965	\$86

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-Up Amount for the Period
October 1997 - September 1998

Line	O&M Activities (In Dollars)						End 6-Month Sub-Total
	Actual OCT	Actual NOV	Actual DEC	Actual JAN	Actual FEB	Actual MAR	
1 Description of O&M Activities							
1 Air Operating Permit Fees-O&M	\$ 4,773	\$ 4,773	\$ 4,773	\$ 4,773	\$ 1,870,298	\$ 5,218	\$ 1,894,008
3a Continuous Emission Monitoring Systems-O&M	13,928	82,334	121,048	9,317	60,645	24,193	311,463
4a Clean Closure Equivalency-O&M	0	0	0	0	0	0	0
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	233,325	185,581	179,049	87,881	128,645	123,141	937,622
8a Oil Spill Cleanup/Response Equipment-O&M	21,263	46,671	39,720	97,031	6,471	(11,624)	199,532
13 RCRA Corrective Action-O&M	147,823	55,021	156,399	(13,324)	19,523	(15,206)	350,334
14 NPDES Permit Fees-O&M	0	0	0	124,400	0	6,000	130,400
17a Disposal of Noncontainerized Liquid Waste-O&M	39,420	39,107	54,690	12,744	34,383	28,605	208,949
19a Substation Pollutant Discharge Prevention & Removal - Distribution - O&M	290,313	289,302	344,307	198,065	321,804	699,384	2,143,255
19b Substation Pollutant Discharge Prevention & Removal - Transmission - O&M	14,397	46,774	282,024	182,909	110,635	173,557	810,298
19c Substation Pollutant Discharge Prevention & Removal - Costs Included in Base Rates	(46,686)	(46,686)	(46,686)	(46,686)	(46,686)	(46,686)	(280,116)
2 Total of O&M Activities	\$ 718,856	\$ 702,877	\$ 1,135,322	\$ 657,110	\$ 2,505,818	\$ 984,558	\$ 6,704,341
3 Recoverable Costs Allocated to Energy	\$ 78,896	\$ 174,687	\$ 240,128	\$ 136,139	\$ 1,978,512	\$ 55,945	\$ 2,694,107
4a Recoverable Costs Allocated to CP Demand	\$ 372,980	\$ 262,231	\$ 574,230	\$ 346,249	\$ 228,745	\$ 252,592	\$ 2,037,037
4b Recoverable Costs Allocated to GCP Demand	\$ 268,970	\$ 265,959	\$ 320,964	\$ 174,722	\$ 298,561	\$ 676,021	\$ 2,003,197
5 Retail Energy Jurisdictional Factor	98.38318%	98.38318%	98.38318%	98.38318%	98.38318%	98.38318%	
6a Retail CP Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	
6b Retail GCP Demand Jurisdictional Factor	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	
7 Jurisdictional Energy Recoverable Costs (A)	\$ 77,423	\$ 171,863	\$ 238,245	\$ 133,938	\$ 1,946,523	\$ 55,040	\$ 2,821,032
8a Jurisdictional CP Demand Recoverable Costs (B)	\$ 362,543	\$ 254,886	\$ 558,147	\$ 336,551	\$ 222,339	\$ 245,517	\$ 1,979,983
8b Jurisdictional GCP Demand Recoverable Costs (C)	\$ 266,688	\$ 265,688	\$ 320,637	\$ 174,544	\$ 298,257	\$ 675,333	\$ 2,001,157
9 Total Jurisdictional Recoverable Costs for O&M Activities	\$ 706,664	\$ 692,437	\$ 1,115,029	\$ 645,033	\$ 2,467,119	\$ 975,890	\$ 6,802,172

Notes:

A) Line 3 x Line 5

B) Line 4a x Line 6a

C) Line 4b x Line 6b

Totals may not tie due to rounding.

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-Up Amount for the Period
October 1997 - September 1998

O&M Activities
(In Dollars)

Description of O&M Activities	Actual	Actual	Actual	Actual	Actual	Actual	6-Month	12-Month	Method of Classification		
	APR	MAY	JUN	JUL	AUG	SEP	Sub-Total	Total	CP Demand	GCP Demand	Energy
1 Air Operating Permit Fees-O&M	\$ 5,216	\$ 5,216	\$ 5,216	\$ 5,216	\$ 5,216	\$ 5,216	\$ 31,296	\$ 1,925,902	-	-	\$ 1,925,902
3a Continuous Emission Monitoring Systems-O&M	27,851	16,390	26,355	54,188	32,264	26,111	183,159	494,822	-	-	494,822
4a Clean Closure Equivalency-O&M	0	0	0	0	0	0	0	0	-	-	-
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	172,130	43,858	148,829	96,651	179,214	26,822	667,302	1,604,924	1,604,924	-	-
8a Oil Spill Cleanup/Response Equipment-O&M	1,849	15,242	13,415	8,280	48,218	29,065	116,169	315,701	-	-	315,701
13 RCRA Corrective Action-O&M	2,501	3,903	2,188	35,252	46,063	43,868	133,775	484,109	484,109	-	-
14 NPDES Permit Fees-O&M	(857)	0	(11,500)	0	0	857	(11,500)	118,900	118,900	-	-
17a Disposal of Noncontainerized Liquid Waste-O&M	38,333	18,406	3,536	28,073	31,414	20,498	141,280	348,209	-	-	348,209
18a Substation Pollutant Discharge Prevention & Removal - Distribution - O&M	842,346	820,560	475,667	668,589	808,808	429,348	4,145,316	6,288,571	-	6,288,571	-
19b Substation Pollutant Discharge Prevention & Removal - Transmission - O&M	469,283	199,917	237,080	316,525	412,028	225,897	1,860,730	2,671,026	2,465,562	-	205,464
19c Substation Pollutant Discharge Prevention & Removal - Costs Included in Base Rates	(46,686)	(46,686)	(46,686)	(46,686)	(46,686)	(46,686)	(280,116)	(560,232)	(258,569)	(280,116)	(21,547)
Total of O&M Activities	\$ 1,612,066	\$ 1,077,604	\$ 854,100	\$ 1,166,068	\$ 1,516,637	\$ 760,996	\$ 6,967,391	\$ 13,691,732	\$ 4,414,927	\$ 6,008,455	\$ 3,268,350
Recoverable Costs Allocated to Energy	\$ 107,852	\$ 89,837	\$ 64,963	\$ 118,309	\$ 147,011	\$ 96,471	\$ 604,243	\$ 3,268,350	-	-	-
Recoverable Costs Allocated to CP Demand	\$ 585,411	\$ 210,650	\$ 336,813	\$ 402,533	\$ 584,063	\$ 258,520	\$ 2,377,890	\$ 4,414,927	-	-	-
Recoverable Costs Allocated to GCP Demand	\$ 919,003	\$ 797,217	\$ 452,324	\$ 645,246	\$ 785,463	\$ 406,005	\$ 4,005,258	\$ 6,008,455	-	-	-
Retail Energy Jurisdictional Factor	96.38318%	96.38318%	96.38318%	96.38318%	96.38318%	96.38318%	96.38318%	96.38318%	-	-	-
Retail CP Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	-	-	-
Retail GCP Demand Jurisdictional Factor	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	99.89826%	-	-	-
Jurisdictional Energy Recoverable Costs (A)	\$ 106,912	\$ 88,707	\$ 63,913	\$ 116,397	\$ 144,634	\$ 94,911	\$ 594,474	\$ 3,215,506	-	-	-
Jurisdictional CP Demand Recoverable Costs (B)	\$ 589,015	\$ 204,653	\$ 327,379	\$ 391,258	\$ 567,705	\$ 251,279	\$ 2,311,269	\$ 4,291,272	-	-	-
Jurisdictional GCP Demand Recoverable Costs (C)	\$ 918,068	\$ 796,406	\$ 451,864	\$ 644,590	\$ 784,664	\$ 405,592	\$ 4,001,184	\$ 6,002,341	-	-	-
Total Jurisdictional Recoverable Costs for O&M Activities	\$ 1,592,995	\$ 1,089,766	\$ 843,156	\$ 1,152,245	\$ 1,497,003	\$ 751,782	\$ 6,906,947	\$ 13,509,119	-	-	-

Line 3 x Line 5
Line 4a x Line 6a
Line 4b x Line 6b

may not tie due to rounding.

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-Up Amount for the Period
October 1997 - September 1998

Capital Investment Projects-Recoverable Costs
(in Dollars)

<u>Line</u>	<u>Actual</u> <u>OCT</u>	<u>Actual</u> <u>NOV</u>	<u>Actual</u> <u>DEC</u>	<u>Actual</u> <u>JAN</u>	<u>Actual</u> <u>FEB</u>	<u>Actual</u> <u>MAR</u>	<u>6-Month</u> <u>Sub-Total</u>
1 Description of Investment Projects (A)							
2 Low NOx Burner Technology-Capital	\$218,583	\$215,938	\$215,288	\$214,640	\$213,993	\$213,345	\$1,289,785
3b Continuous Emission Monitoring Systems-Capital	163,554	163,431	163,098	162,897	162,708	162,214	977,898
4b Clean Closure Equivalency-Capital	659	658	658	655	652	651	3,931
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	83,797	83,605	87,625	91,980	92,114	91,903	531,024
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	333	333	332	330	330	329	1,987
8b Oil Spill Cleanup/Response Equipment-Capital	10,192	10,123	10,052	10,600	10,720	10,646	62,333
10 Relocate Storm Water Runoff-Capital	1,253	1,250	1,247	1,246	1,243	1,240	7,479
NA SO2 Allowances-Negative Return on Investment	(10,784)	(10,784)	(10,784)	(10,784)	(10,784)	(10,784)	(64,704)
12 Scherer Discharge Pipeline-Capital	9,340	9,320	9,300	9,280	9,280	9,239	55,739
17 Disposal of NonContainerized Liquid Waste-Capital	3,768	3,757	3,749	3,739	3,730	3,721	22,462
2 Total Investment Projects - Recoverable Costs	\$ 478,693	\$ 477,629	\$ 480,581	\$ 484,583	\$ 483,964	\$ 482,504	\$2,887,934
3 Recoverable Costs Allocated to Energy	\$ 377,764	\$ 376,971	\$ 376,289	\$ 375,817	\$ 374,998	\$ 373,831	\$ 2,255,668
4 Recoverable Costs Allocated to Demand	\$ 100,929	\$ 100,658	\$ 104,272	\$ 108,766	\$ 108,968	\$ 108,673	\$ 632,266
5 Retail Energy Jurisdictional Factor	98.38318%	98.38318%	98.38318%	98.38318%	98.38318%	98.38318%	
6 Retail Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	
7 Jurisdictional Energy Recoverable Costs (B)	\$ 371,656	\$ 370,876	\$ 370,205	\$ 369,741	\$ 368,933	\$ 367,787	\$ 2,219,198
8 Jurisdictional Demand Recoverable Costs (C)	\$ 98,102	\$ 97,839	\$ 101,351	\$ 105,720	\$ 105,916	\$ 105,629	\$ 614,558
9 Total Jurisdictional Recoverable Costs for Investment Projects	\$ 469,758	\$ 468,715	\$ 471,557	\$ 475,460	\$ 474,849	\$ 473,416	\$ 2,833,755

Notes:

(A) Each project's Total System Recoverable Expenses on Form 42-8A, 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 Final True-Up Amount for the Period
October 1997 - September 1998

Capital Investment Projects-Recoverable Costs
(In Dollars)

line

	Actual APR	Actual MAY	Actual JUN	Actual JUL	Actual AUG	Actual SEP	6-Month Sub-Total	End of Period Total	Method of Classification	
									Demand	Energy
1 Description of Investment Projects (A)										
2 Low NOx Burner Technology-Capital	\$1,102,368	\$263,114	\$261,817	\$280,719	\$258,523	\$258,324	\$2,405,863	\$3,685,748	-	\$3,685,748
3b Continuous Emission Monitoring Systems-Capital	472,401	179,231	178,847	177,863	177,180	178,498	\$1,961,716	\$2,339,616	-	2,339,616
4b Clean Closure Equivalency-Capital	1,851	722	720	717	714	712	\$5,536	\$9,467	8,739	728
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	205,731	104,908	109,038	117,835	123,989	129,227	\$790,726	\$1,321,752	1,220,079	101,673
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	328	327	327	327	324	324	\$1,957	\$3,944	3,841	303
8b Oil Spill Cleanup/Response Equipment-Capital	10,572	10,498	10,424	10,351	10,278	10,614	\$62,735	\$125,066	115,447	8,621
10 Relocate Storm Water Runoff-Capital	1,238	1,235	1,233	1,229	1,228	1,226	\$7,389	\$14,868	13,724	1,144
NA SO2 Allowances-Negative Return on Investment	(10,784)	(11,669)	(12,708)	(12,862)	(12,862)	(12,862)	(\$73,747)	(\$138,451)	-	(138,451)
12 Scherer Discharge Pipeline-Capital	9,220	9,199	9,179	9,159	9,138	9,119	\$55,014	\$110,753	102,234	8,519
17 Disposal of Noncontainerized Liquid Waste-Capital	3,712	3,703	3,693	3,685	3,675	3,667	\$22,135	\$44,587	41,168	3,431
2 Total Investment Projects - Recoverable Costs	\$ 1,798,735	\$ 581,268	\$ 562,370	\$ 589,023	\$ 573,185	\$ 576,847	\$ 4,639,426	\$7,527,362	\$1,505,030	\$6,022,332
3 Recoverable Costs Allocated to Energy	\$ 1,581,887	\$ 440,722	\$ 438,111	\$ 436,743	\$ 435,329	\$ 433,873	\$ 3,766,664	\$ 6,022,332		
4 Recoverable Costs Allocated to Demand	\$ 214,848	\$ 120,546	\$ 124,259	\$ 132,280	\$ 137,856	\$ 142,974	\$ 872,764	\$ 1,505,030		
5 Retail Energy Jurisdictional Factor	98.36318%	98.36318%	98.36318%	98.36318%	98.36318%	98.36318%				
6 Retail Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%	97.19921%				
7 Jurisdictional Energy Recoverable Costs (B)	\$ 1,556,311	\$ 433,898	\$ 431,027	\$ 429,882	\$ 428,291	\$ 426,856	\$ 3,705,764	\$ 5,924,962		
8 Jurisdictional Demand Recoverable Costs (C)	\$ 208,831	\$ 117,170	\$ 120,779	\$ 128,575	\$ 133,995	\$ 138,970	\$ 848,319	\$ 1,462,877		
9 Total Jurisdictional Recoverable Costs for Investment Projects	\$ 1,765,141	\$ 550,768	\$ 551,806	\$ 558,257	\$ 562,285	\$ 565,826	\$ 4,554,083	\$ 7,387,839		

Notes:
) Each project's Total System Recoverable Expenses on Form 42-8A, Line 9
) Line 3 x Line 5
) Line 4 x Line 6

totals may not add due to rounding.

Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up for the 15 Month Period
October 1997 through December 1998

Line
No.

12 Month Period ending September 30, 1998

1	Over/(Under) Recovery for the Current Period (Form 42-2A)		(\$601,536)
2	Interest Provision (Form 42-2A)		31,156
3	Total		(\$570,380)
4	Estimated/Actual Over/(Under) Recovery for the Same Period		(\$989,383)
5	Interest Provision		30,403
6	Total		(\$958,980)
7	Net True-Up for the period		\$388,570

Three Month Period ending December 31, 1998

8	Over/(Under) Recovery for the Current Period (Form 42-2A)		\$1,870,348
9	Interest Provision (Form 42-2A)		33,021
10	Total		\$1,903,369
11	Estimated/Actual Over/(Under) Recovery for the Same Period		\$1,888,567
12	Interest Provision		27,223
13	Total		\$1,915,790
14	Net True-Up for the period		\$289,589
15	Net True-Up to be refunded/(recovered) in January through December 2000 Period		\$678,159

**Florida Power & Light Company
Environmental Cost Recovery Clause
Calculation of the Final True-up Amount for the Period
October 1988 through December 1988**

Interest Provision (in Dollars)

<u>Line No.</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>End of Period Amount</u>
1 Beginning True-Up Amount (Form 42-2A, Lines 7 + 7a + 10)	\$1,587,539	\$2,394,790	\$2,821,858	\$6,804,187
2 Ending True-Up Amount before Interest (Line 1 + Form 42-2A, Lines 8 + 8)	2,388,248	2,810,363	3,170,003	8,368,614
3 Total of Beginning & Ending True-Up (Lines 1 + 2)	<u>\$3,973,787</u>	<u>\$5,205,153</u>	<u>\$5,991,861</u>	<u>\$15,170,801</u>
4 Average True-Up Amount (Line 3 x 1/2)	\$1,986,894	\$2,602,577	\$2,995,931	\$7,585,401
5 Interest Rate (First Day of Reporting Month)	5.22000%	5.10000%	5.80000%	N/A
6 Interest Rate (First Day of Subsequent Month)	5.10000%	5.50000%	4.80000%	N/A
7 Total of Beginning & Ending Interest Rates (Lines 5 + 6)	<u>10.32000%</u>	<u>10.60000%</u>	<u>10.40000%</u>	N/A
8 Average Interest Rate (Line 7 x 1/2)	5.16000%	5.30000%	5.20000%	N/A
9 Monthly Average Interest Rate (Line 8 x 1/12)	0.43000%	0.44167%	0.43333%	N/A
10 Interest Provision for the Month (Line 4 x Line 9)	<u>\$8,544</u>	<u>\$11,485</u>	<u>\$12,682</u>	<u>\$33,021</u>

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

Line	O&M Activities (in Dollars)				Method of Classification		
	Actual OCT	Actual NOV	Actual DEC	Total	CP Demand	GCP Demand	Energy
1 Description of O&M Activities							
1 Air Operating Permit Fees-O&M	\$4,035	\$5,218	\$5,218	\$14,467			\$14,467
3a Continuous Emission Monitoring Systems-O&M	52,978	44,375	246,671	344,024			344,024
4a Clean Closure Equivalency-O&M	0	0	0	0	0		0
5a Maintenance of Stationary Above Ground Fuel Storage Tanks-O&M	232,832	59,629	118,162	410,723	410,723		
6a Oil Spill Cleanup/Response Equipment-O&M	17,443	85,317	71,715	174,475			174,475
13 RCRA Corrective Action-O&M	15,310	30,440	117,794	163,544	163,544		
14 NPDES Permit Fees-O&M	0	0	0	0	0		
17a Disposal of Noncontainerized Liquid Waste-O&M	5,334	25,544	37,224	68,102			68,102
19a Substation Pollutant Discharge Prevention & Removal - Distribution - O&M	382,078	585,239	588,880	1,555,997		1,555,997	
19b Substation Pollutant Discharge Prevention & Removal - Transmission - O&M	124,545	128,540	111,535	362,620	334,728		27,894
19c Substation Pollutant Discharge Prevention & Removal - Costs Included in Base Rates	(46,680)	(46,680)	(46,680)	(140,050)	(84,642)	(70,029)	(5,387)
2 Total of O&M Activities	\$ 787,989	\$ 915,614	\$ 1,250,311	\$ 2,953,884	\$ 844,351	\$ 1,485,968	\$ 823,575
3 Recoverable Costs Allocated to Energy	\$ 87,575	\$ 168,390	\$ 367,610	\$ 623,575			
4a Recoverable Costs Allocated to CP Demand	\$ 341,659	\$ 185,328	\$ 317,364	\$ 844,351			
4b Recoverable Costs Allocated to GCP Demand	\$ 358,735	\$ 561,808	\$ 565,337	\$ 1,485,968			
5 Retail Energy Jurisdictional Factor	99.38318%	99.38318%	99.38318%				
6a Retail CP Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%				
6b Retail GCP Demand Jurisdictional Factor	99.89826%	99.89826%	99.89826%				
7 Jurisdictional Energy Recoverable Costs (A)	\$ 86,159	\$ 165,668	\$ 361,666	\$ 613,493			
8a Jurisdictional CP Demand Recoverable Costs (B)	\$ 332,090	\$ 180,137	\$ 306,475	\$ 820,702			
8b Jurisdictional GCP Demand Recoverable Costs (C)	\$ 358,370	\$ 561,324	\$ 564,762	\$ 1,484,456			
9 Total Jurisdictional Recoverable Costs for O&M Activities (Lines 7 + 8)	\$ 778,619	\$ 807,129	\$ 1,234,904	\$ 2,918,652			

Notes:

(A) Line 3 x Line 5

(B) Line 4a x Line 6a

(C) Line 4b x Line 6b

Totals may not add due to rounding.

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

Capital Investment Projects-Recoverable Costs
(in Dollars)

Description of Investment Projects (A)	Actual	Actual	Actual	Total	Method of Classification	
	OCT	NOV	DEC		Demand	Energy
2 Low NOx Burner Technology-Capital	\$ 257,127	\$ 255,930	\$ 61,309	\$ 574,366		\$ 574,366
3b Continuous Emission Monitoring Systems-Capital	175,612	175,128	59,081	410,021		410,021
4b Clean Closure Equivalency-Capital	709	707	367	1,783	1,646	137
5b Maintenance of Stationary Above Ground Fuel Storage Tanks-Capital	134,726	136,536	67,302	338,564	312,521	26,043
7 Relocate Turbine Lube Oil Underground Piping to Above Ground-Capital	323	323	1,030	1,676	1,547	129
8b Oil Spill Cleanup/Response Equipment-Capital	10,638	10,578	10,507	31,723	29,283	2,440
10 Relocate Storm Water Runoff-Capital	1,224	1,222	1,701	4,147	3,828	319
NA SO2 Allowances-Negative Return on Investment	(12,862)	(12,769)	(12,716)	(38,367)		(38,367)
12 Scherer Discharge Pipeline-Capital	9,099	9,079	18,292	36,470	33,665	2,805
7b Disposal of Noncontainerized Liquid Waste-Capital	3,658	3,649	6,346	13,653	12,603	1,050
Total Investment Projects - Recoverable Costs	\$ 580,454	\$ 580,363	\$ 213,219	\$ 1,374,036	\$ 395,092	\$ 978,944
Recoverable Costs Allocated to Energy	\$ 432,414	\$ 430,738	\$ 115,793	\$ 978,944		
Recoverable Costs Allocated to Demand	\$ 148,040	\$ 149,625	\$ 97,426	\$ 395,092		
Retail Energy Jurisdictional Factor	98.38318%	98.38318%	98.38318%			
Retail Demand Jurisdictional Factor	97.19921%	97.19921%	97.19921%			
Jurisdictional Energy Recoverable Costs (B)	\$ 425,422	\$ 423,774	\$ 113,921	\$ 963,117		
Jurisdictional Demand Recoverable Costs (C)	\$ 143,894	\$ 145,435	\$ 84,697	\$ 384,026		
Total Jurisdictional Recoverable Costs for Investment Projects (Lines 7 + 8)	\$ 569,316	\$ 569,208	\$ 208,618	\$ 1,347,143		

Each project's Total System Recoverable Expenses on Form 42-8A, Line 9

Line 3 x Line 5

Line 4 x Line 6

may not add due to rounding.