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Timolyn Henry*****1

Timolyn Henry

From: Jack_Leon@fpl.com
Sent: Thursday, February 24, 2005 1:58 PM
To: Filings@psc.state.fl.us
Cc: Wade_Litchfield@fpl.com; Natalie_Smith@fpl.com; John_Hepokoski@fpl.com; Lynne_Adams@fpl.com; Nanci_Nesmith@fpl.com; Bill_Feaster@fpl.com; Sabrina_Spradley@fpl.com
Subject: Electronic Filing for Docket No. 041291 / FPL's Responses to Audit Disclosure Nos. 3 and 5 of the Commission Staff Auditor's Report dated February 8, 2005

Attachments: Bayo's transmittal letter 2-24-05.pdf; Piedra transmittal letter - FPL's responses to Audit Disclosures Nos. 3 & 5.pdf; FPL's Responses to Audit Disclosures Nos. 3 & 5 2-22-05.doc



Bayo's
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Electronic Filing

a. Person responsible for this electronic filing:

Joaquin E. Leon, Esq.
 9250 W. Flagler St., Suite 6514
 Miami, FL 33174
 (305) 552-3922
 jack_leon@fpl.com

b. Docket No. 041291

In re: Petition for authority to recover prudently incurred storm restoration costs related to 2004 storm season that exceed storm reserve balance, by Florida Power & Light Company.

c. Documents being filed on behalf of Florida Power & Light Company.

d. There are a total of 3 pages in the attached documents.

e. The document attached for electronic filing is FPL's Responses to Audit Disclosure Nos. 3 and 5 of the Commission Staff Auditor's Report dated February 8, 2005.

(See attached file: Bayo's transmittal letter 2-24-05.pdf) (**See attached** file: Piedra transmittal letter - FPL's responses to Audit Disclosures Nos. 3 & 5.pdf) (See attached file: FPL's Responses to Audit Disclosures Nos. 3 & 5 2-22-05.doc)

Thank you for your attention and cooperation to this request.

Jack Leon
 Senior Attorney
 9250 W. Flagler St., Suite 6514
 Miami, FL 33174
 (305) 552-3922
 Fax: (305) 552-3865
 Cell: (305) 439-1661

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Florida Power & Light Company, P.O. Box 029100, Miami, FL 33102-9100
Phone: (305) 552-3922/Fax: (305) 552-3865



February 24, 2005

Ms. Blanca S. Bayó, Director
Division of Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **Commission Staff Audit of Storm Recovery Costs**
FPSC Docket No. 041291-EI

Dear Ms. Bayó:

Attached for electronic filing on behalf of Florida Power & Light Company ("FPL") are FPL's responses to Audit Disclosure Nos. 3 and 5 of the Commission Staff Auditor's Report dated February 8, 2005.

If you or your staff have any questions regarding this transmittal, please contact me at (305) 552-3922.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Leon", written over a horizontal line.

Joaquin E. Leon
Senior Attorney

JEL:alc
Enclosures

cc: All parties of record



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

February 22, 2005

Ms. Iliana Piedra
Audit Manager
Florida Public Service Commission
3625 N.W. 82nd Ave.
Suite 400
Miami, FL 33166

Dear Ms. Piedra:

We have reviewed the Auditor's Report, dated February 8, 2005, for the Commission Staff's audit of the Storm Cost Recovery Costs charged to Account 186.18 for Docket No. 041291-EI. Florida Power & Light Company has prepared a response to this report. It is enclosed.

If there are any questions regarding this transmittal, please contact me at 305-552-4159.

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Hepokoski', written in a cursive style.

John A. Hepokoski

Audit Disclosure No. 3

Subject: Bonuses Paid to Employees

FPL's Response

Certain employees, many of whom may have incurred storm damage or lost power and whose participation and performance was critical to the restoration effort, performed duties above and beyond what their normal jobs require -- and in an exceptional manner -- merited additional compensation for the work performed during the hurricane restoration. Despite the exceptionally long hours worked during three successive hurricanes, many of these individuals were not eligible for overtime compensation. The \$1,914,600 charged to the storm reserve, referenced in Audit Disclosure No. 3, was paid to 205 employees, averaging \$9,340 per employee. In many cases, these individuals were working virtually around the clock for days during the period of peak restoration activity; therefore, the awards were appropriate. Subsequently, FPL has charged these expenditures to normal operations rather than the storm reserve.

Audit Disclosure No. 5

Subject: Revision of Estimate to \$890,000,000

FPL's Response

Regarding Audit Disclosure No. 5, our records reflect ten additional pages of supporting documentation behind Journal Voucher No. JV-12-20A were provided on January 25. FPL welcomes having the Audit Staff spend additional time, as needed, to complete their review of the updated estimate of costs charged to the storm reserve. The records underlying the revised estimate are available upon request.