

VOTE SHEET

DECEMBER 16, 1997

RE: DOCKET NO. 970410-EI - Proposal to extend plan for recording of certain expenses for years 1998 and 1999 for Florida Power & Light Company.

Issue 1: What is the appropriate revenue forecast to be used to determine the level of additional expenses allocated to this plan?

Recommendation: FPL's 1996 Revenue Forecast (including Most Likely Revenue equal to \$3,224.1 million and Low Band Revenue equal to \$3,140.9 million) is the appropriate revenue forecast to use to determine the level of additional expenses, or write-offs, allocated to the plan.

APPROVED

Language with respect to future proceedings is to be included in the final order.

COMMISSIONERS ASSIGNED: JN DS CL

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Susan J. Clark
[Signature]
J. Tom Deane

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

12886 DEC 17 97

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Issue 2: Should the Commission defer a decision to allow any additional decommissioning or dismantlement expense until there has been a full examination of FPL's nuclear decommissioning and fossil plant dismantlement studies?

Recommendation: No. Based on the base cost estimates and assumptions that underlie FPL's currently prescribed nuclear decommissioning and fossil dismantlement annual accruals, FPL has identified and quantified an existing reserve deficiency for nuclear decommissioning and for fossil dismantlement as of December 31, 1996. (Response to Staff Interrogatory 3, EXH 7) This historic failure to recover in the past demonstrates that correction as quickly as practical to reduce the spread of the misstatement into the future is required. While the 1998 studies will provide an update of this calculated deficiency, it is evident that a deficiency does exist and that the Commission need not defer a decision to correct the deficiency until the new studies are filed. The new studies will simply quantify the amount of the deficiencies at that time. At the time the reserve deficiencies are corrected, the annual accrual amounts should be revised to take that correction into consideration.

APPROVED

Issue 3: Should the Commission consider whether FPL has reserve depreciation surplus balances for any of its plant accounts to offset depreciation reserve deficiencies?

Recommendation: To the extent reserve transfers between functions can cause pricing implications, the Commission should not consider them. However, the Commission should continue its practice of considering reserve transfers between plant accounts within the same production unit and between units within the same production site.

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Issue 4: Should FPL be authorized to accelerate the write-off of Unamortized Loss on Reacquired Debt?

Recommendation: Yes. Based on the evidence in the record, the write-off of unamortized loss on reacquired debt should be allowed.

APPROVED

Issue 5: Should FPL be authorized to record, in an unspecified depreciation reserve, an expense amount greater than the amounts to correct any depreciation reserve deficiency, write off the Unamortized Loss on Reacquired Debt, correct any fossil dismantlement reserve deficiency, and correct any nuclear decommissioning reserve deficiency?

Recommendation: Yes. To the extent any revenues remain to be disposed of, they should be recorded as an expense to a non-account specific reserve account in Production Plant to either be allocated to specific accounts during a comprehensive depreciation rate review or otherwise disposed of by the Commission. If FPL justifies the need for additional depreciation expense to correct other reserve deficiencies, these monies should be used to that end. However, if the need for the additional depreciation expense is not proven to the Commission's satisfaction or there are no reserve deficiencies to correct, staff recommends that the Commission otherwise dispose of the monies recorded in the non-account specific reserve.

APPROVED

Issue 6: Should the plan be extended for 1998 and 1999 as set forth in Order No. PSC-97-0499-FOF-EI?

Recommendation: No. The plan, as modified in Attachment D of staff's December 12, 1997 memorandum, should be extended for 1998 and 1999.

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Issue 7: Should this docket be closed?

Recommendation: Yes. If no party files a motion for reconsideration or notice of appeal of the Commission's final order, no further action will be required in this docket, and it should be closed.

APPROVED