



FPL

Writer's Direct Dial:
(561) 691-7101

R. Wade Litchfield
Senior Attorney
Florida Authorized House Council
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-7103 (Facsimile)

6.30

November 25, 1998

VIA HAND DELIVERY

Ms. Blanca S. Bayò
Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

RECORDS AND
REPORTING

NOV 25 PM 2:08

RECEIVED FPSC

981744-EI

**Re: Florida Power & Light Company's Request for
Confidential Classification of Certain Material Provided
in Connection With the Grey Tax Audit
Audit Control No. 98-190-4-1**

Dear Ms. Bayò:

I enclose and hand you herewith for filing in the above-referenced matter, the original and two (2) copies of Florida Power & Light Company's ("FPL") Request for Confidential Classification. The original includes Exhibits A, B, C, D and E. The two copies include only Exhibits B, C, and D.

Exhibit A contains the confidential information that is the subject of FPL's Request for Confidential Classification. Exhibit A is submitted for filing in a separate, sealed folder or carton marked "ATTACHMENT A - CONFIDENTIAL." Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been blocked out. Exhibit C contains FPL's justification for its request for confidential classification. Exhibit D contains affidavits in support of FPL's Request for Confidential Classification. Exhibit E, a computer diskette, contains the electronic version of Exhibit C.

X-ref 12833-98
DOCUMENT NUMBER-DATE
1-3326 NOV 25 98
FPSC-RECORDS/REPORTING

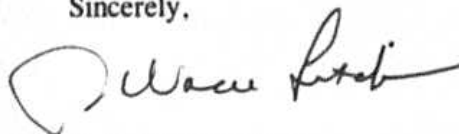
Ms. Blanca S. Bayò
Director of Records and Reporting
Florida Public Service Commission
November 25, 1998
Page 2

Pursuant to Rule 25-22.006(3)(d), FPL requests confidential treatment of the documents in Exhibit A pending disposition of FPL's Request for Confidential Classification.

Please do not hesitate to contact me should you or your Staff have any questions regarding this filing.

Thanking you for your attention to this matter, I remain,

Sincerely,

A handwritten signature in black ink, appearing to read "R. Wade Litchfield". The signature is written in a cursive style with a large initial "R" and a long, sweeping underline.

R. Wade Litchfield

RWL/bjw
Enclosures

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;) **FILED: November 25, 1998**
Audit Control No. 98-190-4-1)

**REQUEST FOR CONFIDENTIAL CLASSIFICATION
OF CERTAIN MATERIAL PROVIDED IN
CONNECTION WITH THE GREY TAX AUDIT**

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and, pursuant to section 25-22.006 of the Florida Administrative Code and section 366.093 of the Florida Statutes, hereby requests confidential classification of certain materials provided to the Florida Public Service Commission ("FPSC" or "Commission") staff ("Staff") in connection with the Grey Tax Audit, Audit Control No. 98-190-4-1 (the "Audit"). In support of its Request, FPL states as follows:

1. Petitioner's name and address are:

Florida Power & Light Company
P.O. Box 029100
Miami, Florida 33102-9100

Orders, notices, or other pleadings related to this request should be served on:

William G. Walker, III
Vice President
Florida Power & Light Company
212 South Monroe Street
Suite 810
Tallahassee, FL 32301-1859
(850) 224-7595

R. Wade Litchfield
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, Florida 33408-0420
(561) 691-7101

DOCUMENT NUMBER-DATE

13326 NOV 25 88

FPSC-RECORDS/REPORTING

2. During the Audit, Staff requested access to various FPL internal audit reports and other documents related to what Staff has characterized as "grey" tax matters. By letter dated November 4, 1998, Staff indicated its intent to retain certain workpapers for which confidential treatment previously had been requested. Pursuant to section 25-22.006(3)(a), FPL was given twenty-one days from the audit exit conference, or until November 25, 1998, within which to file a formal Request for Confidential Classification with respect to such workpapers. FPL hereby makes such request.

3. The following exhibits are included herewith and made a part hereof:

a. Composite Exhibit A consists of all documents for which FPL seeks confidential treatment, whether in whole or in part. All information in Exhibit A that FPL asserts is entitled to confidential treatment has been highlighted. Composite Exhibit A is submitted separately in a sealed folder or carton marked "CONFIDENTIAL."

b. Composite Exhibit B consists of edited versions of all documents for which FPL seeks confidential treatment. All information FPL asserts is entitled to confidential treatment has been blocked out in Composite Exhibit B.

c. Exhibit C is a table containing a line-by-line and page-by-page identification of the information for which confidential treatment is sought, and, with regard to each document or portions thereof, references to the specific statutory basis or bases for the claim of confidentiality and to the affidavits in support of the requested classification. Exhibit C is sometimes referred to hereinafter as the "Justification Table."

d. Exhibit D includes the affidavits of Donald F. Chasmar, Rick Del Cueto, and David Huss.

e. Exhibit E is a computer diskette containing FPL's Justification Table (Exhibit C).

4. Pursuant to section 366.093, FPL seeks confidential protection for the information highlighted in Exhibit A. FPL submits that such information is proprietary

confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

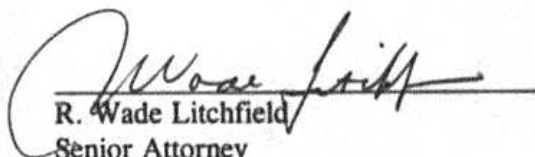
5. As discussed in the affidavits included as Exhibit D, the information for which FPL seeks confidential classification consists of internal audit reports, information pertaining to adjustments or issues on FPL's tax returns, some of which are the subject of agreements or settlements with the Internal Revenue Service and some of which are the subject of ongoing discussions or litigation or potential litigation. The disclosure of such information would afford competitors and potential competitors of FPL the benefits of FPL's efforts in certain tax initiatives, at no cost to such competitors, thus conferring a competitive benefit on such entities. Further, certain information such as the specific items underlying the booking of deferred taxes, if disclosed, could undermine FPL's position in the context of such discussions and/or litigation. FPL submits that the information highlighted in Exhibit A, and referenced in Exhibit C is proprietary confidential business information within the meaning of section 366.093(3). FPL submits that the information that is the subject of this Request for Confidential Classification should not be declassified for at least eighteen (18) months.

6. Upon a finding by the Commission that the material in Exhibit A for which FPL seeks confidential treatment is proprietary confidential business information within the meaning of section 366.093(3), pursuant to section 366.093(4) such materials should not be

declassified for the period established by the Commission and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and affidavits included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted,



R. Wade Litchfield
Senior Attorney
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 691-7101

Authorized House Counsel for
Florida Power & Light Company

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;) FILED: November 25, 1998
Audit Control No. 98-190-4-1)**

Exhibit A

CONFIDENTIAL DOCUMENTS

(SUBMITTED SEPARATELY)

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;)
Audit Control No. 98-190-4-1)**

FILED: November 25, 1998

Exhibit B

REDACTED DOCUMENTS

CONFIDENTIAL

SUMMARY OF SIGNIFICANT PROCEDURES

A

[REDACTED]

B

[REDACTED]

Obtained a list of FPL settlements with the IRS for the past five years and reviewed part of the IRS revenue report for these settlements.

Obtained a list of all items now pending in litigation with the IRS.

Interviewed company personnel to obtain an explanation of the issues involved in the settlements in the past five years and issues now in litigation.

Reviewed deferred tax accounts.

CONFIDENTIAL

AUDIT DISCLOSURE 1

SUBJECT: DEFINITION OF GREY TAX AREAS

STATEMENT OF FACTS:

The company representative stated they do not have a definition of grey tax areas. We asked what the company criteria was for deciding to take an aggressive stand or position on a tax item. The company stated that they do not have any criteria in writing. They may research a position and determine what the probability of success would be. In answer to our request for a list of grey tax areas and/or a list of aggressive stands, FPL provided us with a list of FPL tax items that are in litigation with the IRS.

A [REDACTED]

The company explained that these are items that FPL believes would be raised by the IRS, and they are national issues. National issues are issues that the IRS is raising with other utilities.

B [REDACTED]

For each litigation issue we also asked for the years effected, the amounts for each year, and the date an amended return was filed. They provided us with a representative to discuss the issues along with a spreadsheet showing the information. This is included as an exhibit to this disclosure.

Litigation Issues

The issues were separated into issues that FPL was claiming a refund for and issues on the tax returns that the IRS was disputing with FPL.

FPL Refund Claim Issues In Litigation

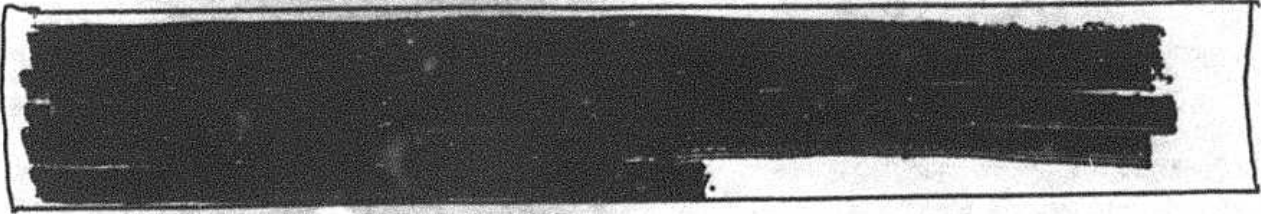
- A. Fuel Tax Credit
- B. Repair Expense Deduction
- C. Transitional Rules-Depreciation
- D. Transitional Rules- ITC
- E. 1341 Deduction
- F. Research and Experimental Credits.

Other FPL Litigation Items

- G. Asbestos Removal Costs
- H. Depreciation on Asbestos Removal Costs
- I. Research & Experimental Credits.

C [REDACTED]

A



A. Fuel Tax Credit.

This is a dollar for dollar tax credit on tax for "certain off highway vehicles." The company identified and stated that they were entitled to a refund for these vehicles. The company filed an amended return for the years 1988 through 1992 for a total amount of \$833,119 in December 1995. IRS has a disagreement with the vehicles that FPL identified as off highway use.

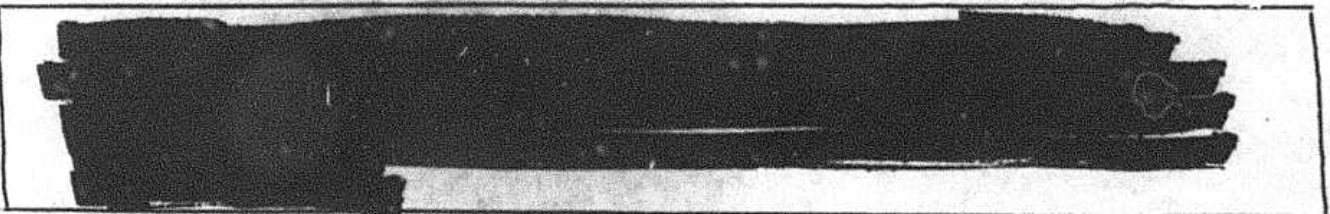
B. Repair Expense Deduction - This issue addresses the expense so the effect on the tax return would be 35%.

This was an item FPL brought up to the IRS. FPL has taken the position that certain items capitalized should have been deductible repairs for tax purposes. For example, a gasket could cost \$700,000. The PSC says this is a retirement unit. FPL says this particular gasket does not extend the life and should be expensed for tax purposes. FPL and the IRS engineers are in the process of determining this issue. The disputed expense amount for 1988 through 1992 is \$210,926,504. The amended court petition was filed in May 96.

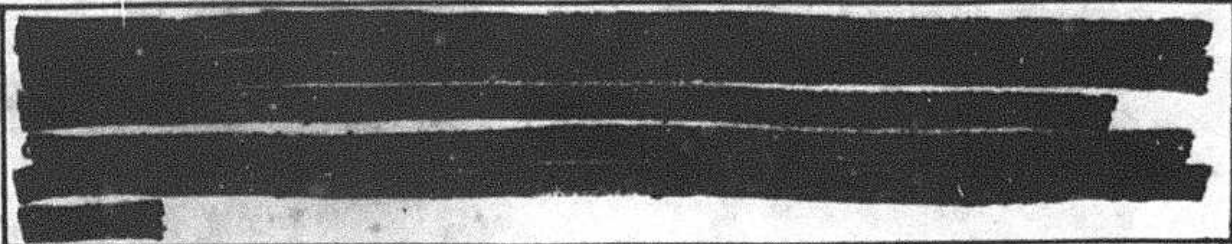
C and D. Transition Rules - Depreciation and ITC - The depreciation is a 35% issue and the ITC is a dollar for dollar credit.

In 1986 the investment tax credit was repealed. At that time, transitional rules were put into effect. To take advantage of the transitional rules for ITC there had to be a binding contract as of March 1986 and for depreciation there had to be a binding contract as of December 1986. If a binding contract was in effect at these dates, the transitional rule allowed FPL to continue to take ITC and depreciation with the method used prior to the Tax Reform Act of 1986. FPL says that state law obligates them to serve all people in franchise areas. The company is claiming any upgrades needed or new items needed to meet their obligations, for the franchise areas, constitutes a binding contract. Therefore, the company claims depreciation for 1988 through 1992 and ITC for 1987 through 1990 for items connected with the obligations in the franchise areas in the amounts of \$7,373,756 depreciation and \$125,263,911 for ITC. The amended tax return was filed in December 95.

3



A



F AND I. Research and Experimental Credits - This is a dollar for dollar credit.

For the years 1989 through 1992, the IRS said that none of the items claimed on FPL's returns qualified as research and experimental credits. The amount was \$5,739,134. FPL said that the IRS did not give a reason why these would not qualify and are fighting this in litigation. FPL performed a study of all other items in the company and came up with more items that they believed would qualify for research and experimental credits in the additional amount of \$2,301,477 for the years 1989 through 1992. FPL filed an amended return for the additional amount in December 1995.

G and H. Asbestos Removal - This issues address the expenses dollars. The effect on the tax return would be 35%.

The IRS says that the money spent to remove asbestos should be capitalized. FPL says costs to remove asbestos is a current deduction. IRS says that the elimination of a potential health hazard increases the value of the property. The total disputed asbestos costs net of depreciation calculated by FPL for 1988 through 1992 is \$11,623,014.

E. 1341 Deduction

This is a dollar for dollar deduction on the tax calculation.

Background

The corporate tax rate was 46% up to and including 1986. The rate was reduced to 34 percent in mid-1987. For the years 1987, 88 and 89 the customers were billed at rates which were established prior to the tax rate reduction to 34%. The PSC required the company to submit a tax saving filing in 87, 88 and 89 and to make refunds to customers for billing with rates that included 46% taxes when tax rates were actually 34%. In 1990 the commission ordered FPL to roll back rates across the board, reducing each rate class by 65 cents.

For the years 87, 88 and 89 this tax savings refund was recorded as a revenue reduction like a normal refund by debiting revenues and crediting the refund account.

Issue

The issue is described in the IRS "Coordinated Issue Papers" dated April 24, 1995. These

CONFIDENTIAL

papers are not official pronouncements by the IRS, but set forth the IRS' current thinking. The excess deferred taxes and section 1341 issue is as follows:

"Whether the taxpayer, a regulated public utility, may compute its Federal income tax liability under the provisions of section 1341(a) of the Internal Revenue Code after making rate reductions ordered by the appropriate regulatory authority related to 'excess deferred taxes' created as a result of the lowering of the Federal statutory tax rate by the Tax Reform Act of 1986".

According to the paper "If an item is to be granted special computations provided by Section 1341, that item must be shown to have been included in gross income in a prior taxable year because it appeared that the taxpayer had an unrestricted right to such item ((1341(a)(1))." Also, the IRS must consider the item a deduction to income, not a reduction of income. The paper gives examples of three prior cases Iowa Southern, Roanoke, and SouthWestern Energy, and points out that "As the 'return' of excess deferred taxes by regulatory bodies represents a future reduction in income and not a current deduction from income, the provisions of Section 1341 are not available."

Positions

FPL's position is that they are refunding the rates back to the customer because of the rate reduction by the commission in 1990 and that part of that 65 cent rate roll back included excess deferred taxes, which were collected at 46%. The IRS believes that the refund is a subsequent event taking place in 1990 and forward, not a result of a refund flowing back to the customer and not a Section 1341 item. FPL still contends that the excess deferred tax piece in the rate reduction belongs to prior years.

FPL believes that they are entitled to Section 1341 treatment.

A

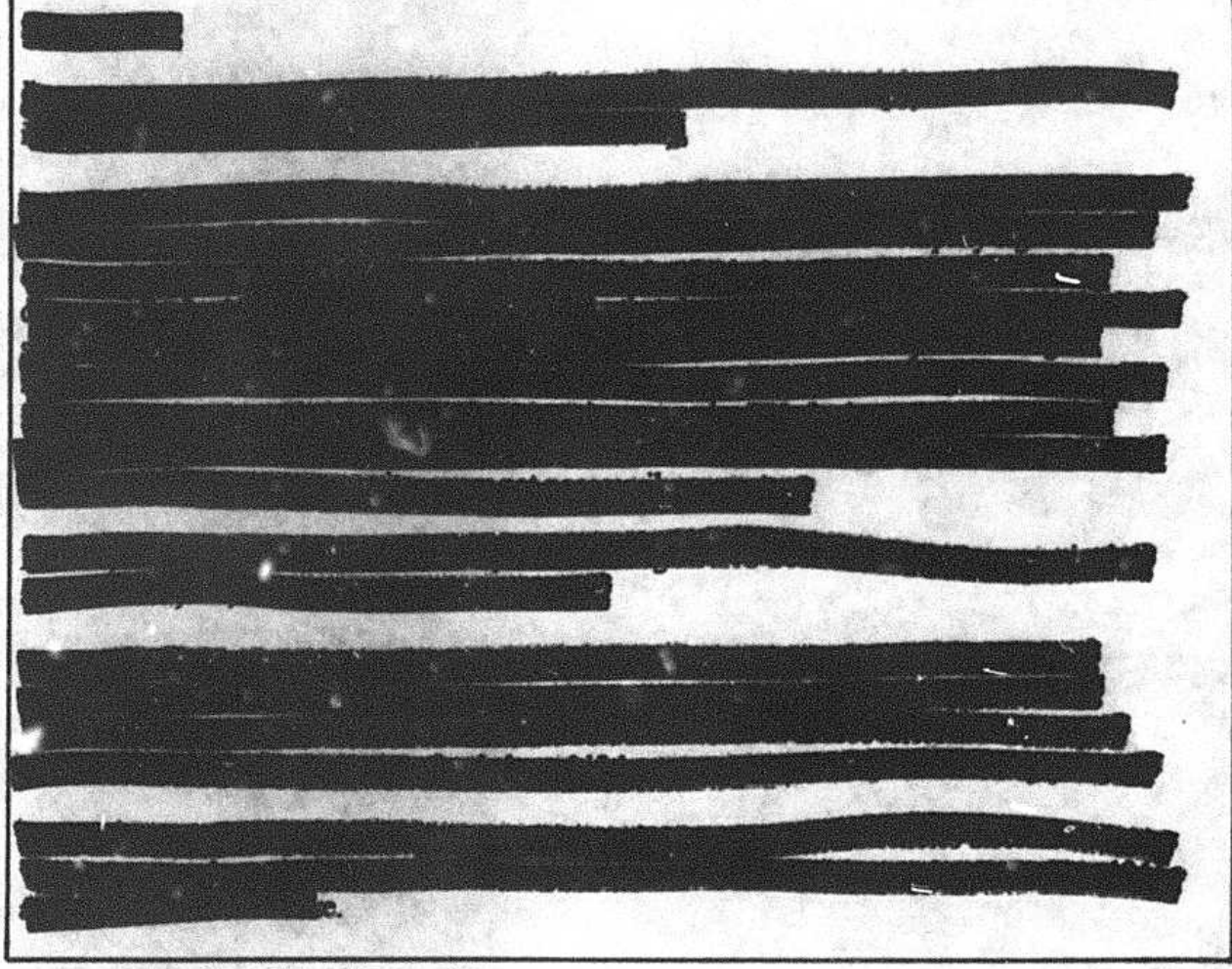
[REDACTED]

B

[REDACTED]

CONFIDENTIAL

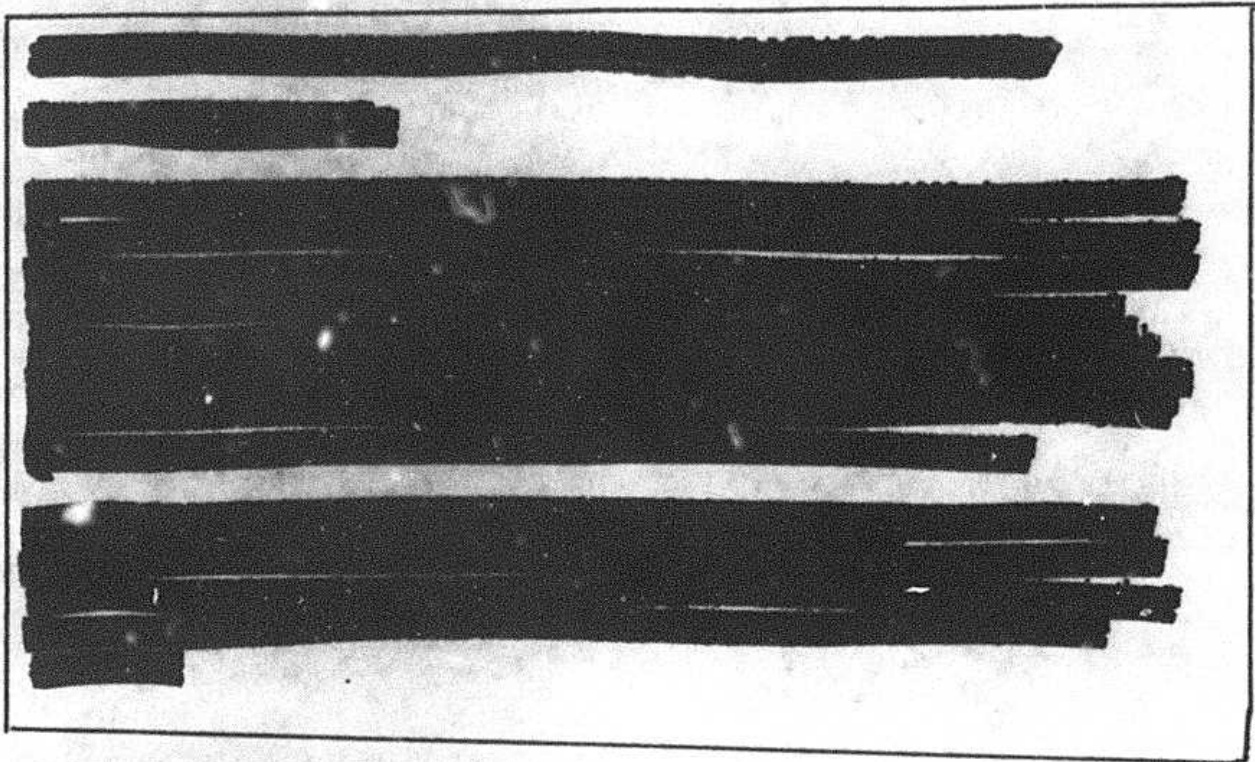
A



CONFIDENTIAL

AUDIT DISCLOSURE 2

A



#81
Review of Internal Controls

W 10/21/78
R 10/23/78

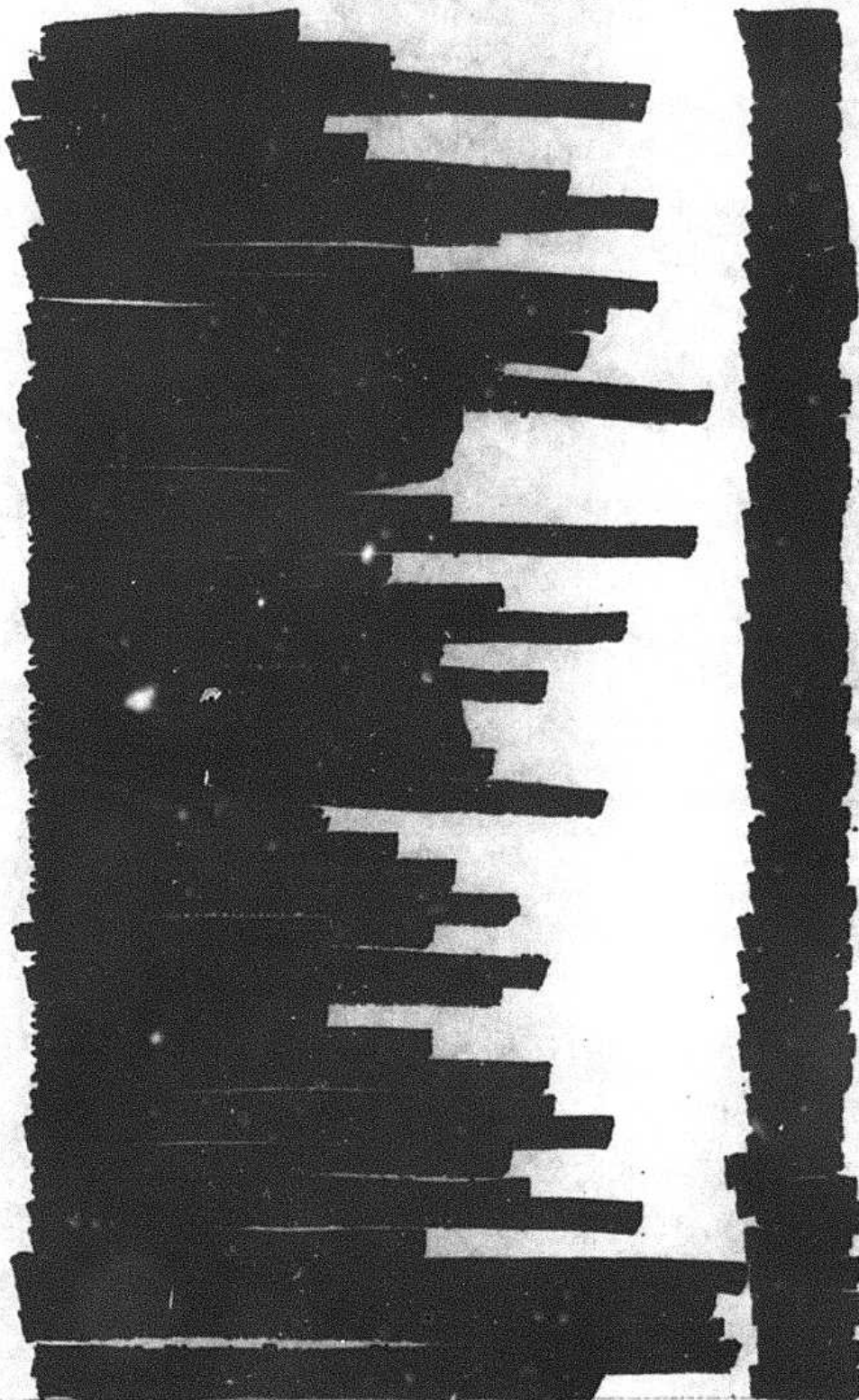
1	[REDACTED]					
2	[REDACTED]					
3	[REDACTED]					
4	[REDACTED]					
5	[REDACTED]					
6	[REDACTED]					
7	[REDACTED]					
8	[REDACTED]					
9	[REDACTED]					
10	[REDACTED]					
11	[REDACTED]					
12	[REDACTED]					
13	[REDACTED]					
14	[REDACTED]					
15	[REDACTED]					
16	[REDACTED]					
17	[REDACTED]					
18	[REDACTED]					
19	[REDACTED]					
20	[REDACTED]					
21	[REDACTED]					
22	[REDACTED]					
23	[REDACTED]					
24	[REDACTED]					
25	[REDACTED]					
26	[REDACTED]					
27	[REDACTED]					
28	[REDACTED]					
29	[REDACTED]					
30	[REDACTED]					
31	[REDACTED]					
32	[REDACTED]					
33	[REDACTED]					
34	[REDACTED]					
35	[REDACTED]					
36	[REDACTED]					
37	[REDACTED]					
38	[REDACTED]					
39	[REDACTED]					
40	[REDACTED]					
41	[REDACTED]					
42	[REDACTED]					

CONFIDENTIAL

Doc No.

PBC

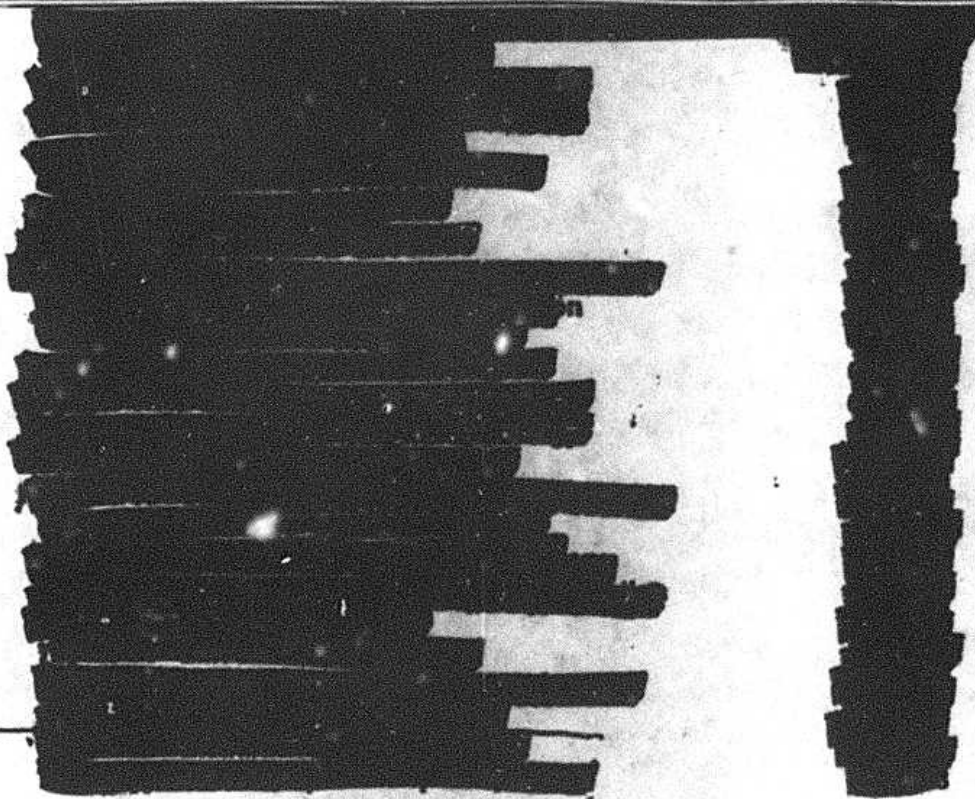
Issue Date



CONFIDENTIAL

Doc No.

Issue Date



CONFIDENTIAL

Doc No.

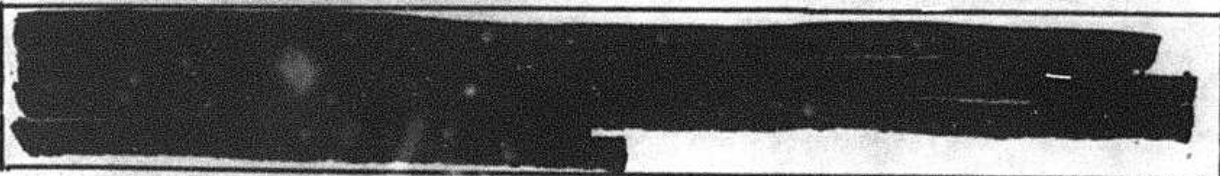
Issue Date



2/10/22/98

NOTES FROM MEETING WITH DON CHASMAR AND DAVE HUSS RE GREY TAX MATTERS. 10/13/98. AND OTHER MEETINGS WITH DAVE HUSS

1. Definition of grey tax matters.

A 

2. Utility's criteria for determining grey tax areas.

The company does not have any criteria in writing. They may research a position and determine what the probability of success would be.

3. Litigation issues.

When asked for a list of any grey tax issues, the company provided a list of items currently in litigation with the IRS from 1988 through 1992. The list is included as wp 54-1.

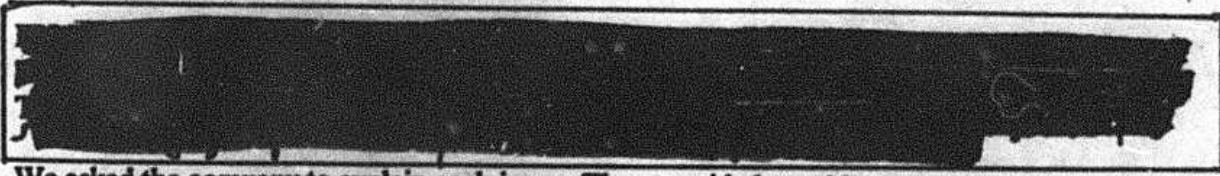
The issues were separated into issues that FPL was claiming a refund for and issues on the tax returns that the IRS was disputing with FPL.

FPL Refund Claim Issues In Litigation

- A. Fuel Tax Credit
- B. Repair Expense Deduction
- C. Transitional Rules-Depreciation
- D. Transitional Rules- ITC
- E. 1341 Deduction
- F. Research and Experimental Credits.

Other FPL Litigation Items:

- G. Asbestos Removal Costs
- H. Depreciation on Asbestos Removal Costs
- I. Total Asbestos issue
- J. Research & Experimental Credits.

B 

We asked the company to explain each issue. They provided us with a representative to discuss the issues. They also provided us with a spreadsheet showing the issues, the years at issue, the amounts for each year, and the date an amended return was filed. See WP 54-2.

A. Fuel Tax Credit.

This is a dollar for dollar reduction on tax for "off highway vehicles" identified and entitled to refund for federal tax for off highway use. The company filed an amended return for the years 1988 through 1992 for a total amount of \$833,119 in December 1995. IRS has a disagreement with the vehicles that FPL identified as off highway use. WP 54-2.

B. Repair Expense Deduction - This is a 35% deduction.

This was an item FPL brought up to the IRS. FPL has taken the position that certain items capitalized should have been deductible repairs for tax purposes. For example, a gasket could cost \$700,000. The PSC says this is a capital unit. FPL says this particular gasket does not extend the life and should be expensed for tax purposes. FPL and the IRS engineers are in the process of determining this issue. The total amount for 1988 through 1992 is \$210,926,534. The amended tax return was filed in May 96. WP 54-2.

C and D. Transition Rules - Depreciation and ITC - The depreciation is a 35% issue and the ITC is a dollar for dollar credit.

In 1986 the IRS repealed the ITC. At that time transitional rules were put into effect. To take advantage of the transitional rules, for ITC there had to be a binding contract as of March 1986 and for depreciation there had to be a binding contract as of December 1986. If a binding contract was in effect at these dates, the transitional rule is that FPL could continue to take ITC and depreciation with the method used prior to the tax repeal in 1986.

A

amounts of \$7,373,756 depreciation and \$125,263,911 for ITC. The amended tax return was filed in December 95. WP 54-2.

F AND J. Research and Experimental Credits - This is a dollar for dollar credit.

For the years 1989 through 1992, the IRS said that none of the items claimed on FPL's returns qualified as research and experimental credits. The amount was \$5,739,134. FPL said that the IRS did not give them a reason why these would not qualify and are fighting this in litigation. FPL performed a study of all other items in the company and came up with more items that they felt would qualify for research and experimental credits in the additional amount of \$2,301,477 for the years 1989 through 1992. FPL filed an amended return for the additional amount in December 95. WP 54-2.

G, H and I. Asbestos Removal - This is a 35% issue.

The IRS says that the money spent to remove asbestos should be capitalized. FPL says costs to remove asbestos is a current deduction. IRS says that the elimination of a potential health hazard increases the value of the property. The total asbestos costs net of depreciation calculated by FPL for 1988 through 1992 is \$11,623,014. 54-2

E. 1341 Deduction.

This is a dollar for dollar credit on the tax calculation.

The course w/ the IRS is described on 54-7.

Background

The corporate tax rate was 46% up to and including 1986. The rate was reduced to 34 percent in 1987. For the years 1987, 88 and 89 the customers were billed at rates which included the 46% tax rate. The PSC required the company to submit a tax saving filing in 87, 88 and 89 to make refunds back to the customer for billing with rates that included 46% taxes when taxes were actually 34%. In 1990 the commission ordered FPL to roll back rates across the board, reducing each rate class by 65 cents.

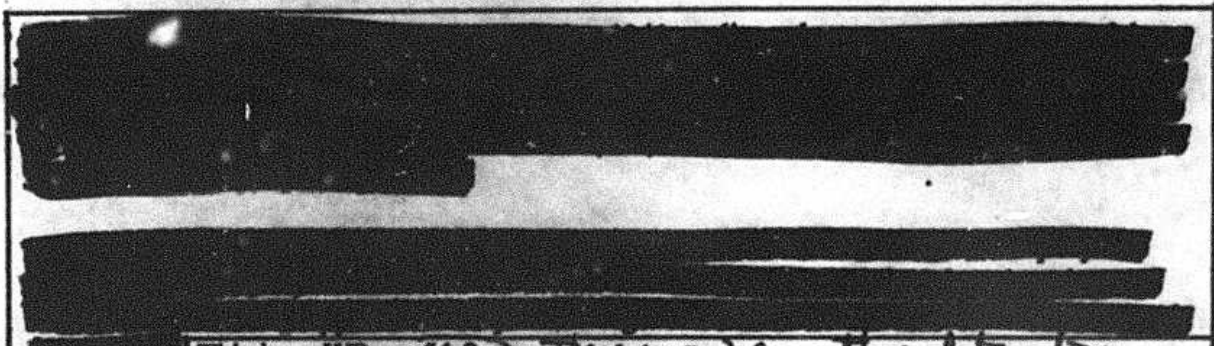
For the years 87,88 and 89 this tax savings refund was booked as a revenue reduction like a normal refund by debiting revenues and crediting refund account.

Positions

FPL's position is that they are refunding the rates back to the customer because of the rate reduction by the commission in 1990 and that part of that 65 cent rate roll back included excess deferred taxes, which were collected at 46%. The IRS believes that the refund is a subsequent event taking place then (1990) and forward, not a result of a refund flowing back to customer. FPL still contends that the excess deferred tax piece in the rate reduction belongs to prior years.

FPL believes that they are entitled to a Section 1341 deduction.

A

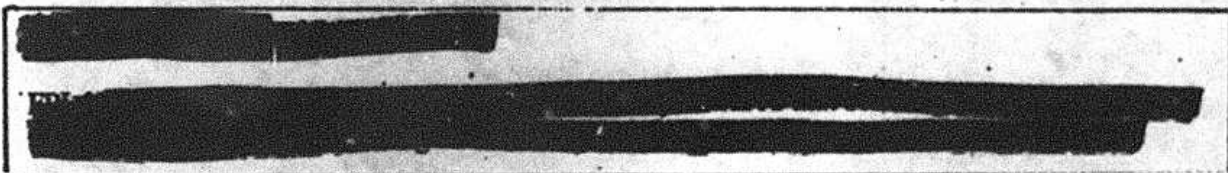


This is on WP no. 54-3. There was another litigation item on the FPL report. See 54-3.

4. Issues settled with the IRS in the last five years.

The staff requested a list of issues settled with the IRS in the past five years. The company provided us with the revenue agent report adjustments for FPL company for 1988 through 1992. WP 54-4 Staff selected certain issues to be explained and to provide IRS correspondence regarding these issues. These follow below.

B



A

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] ng

[REDACTED]

[REDACTED] s

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A

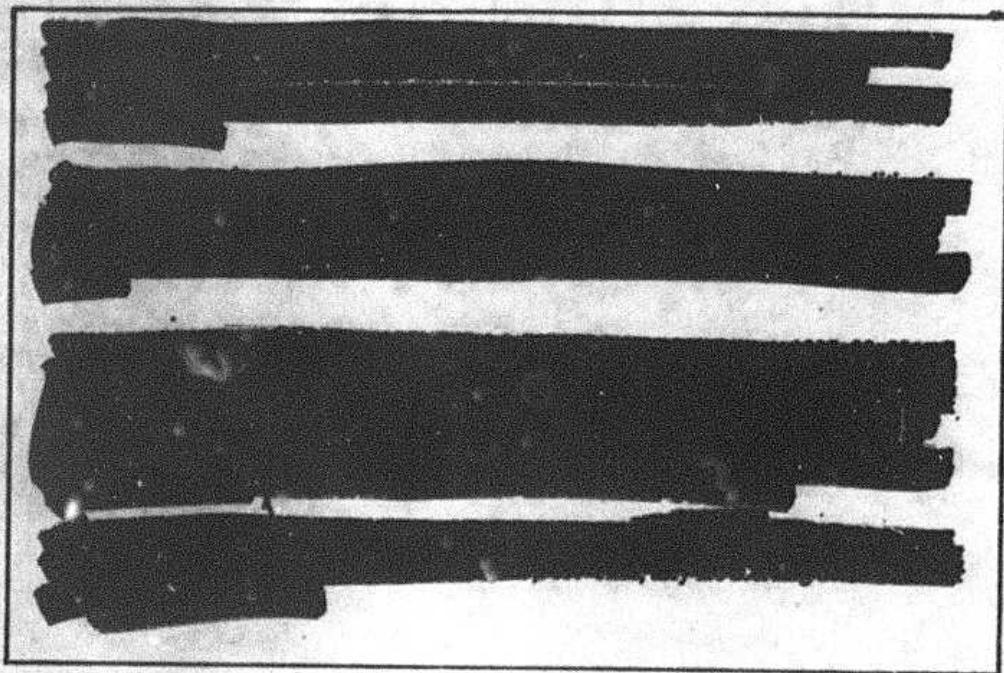
[REDACTED]

B

[REDACTED]

Handwritten signature or initials

A



6



INE: 98JUN
MOVE THE LINE:
REPAY BOOK INCOME

FPL - FEDERAL PPL - STATE
111,931,928 111,931,928

C



Dale

PERMANENT DIFFERENCES:

LUS: ADDBACKS



BUSINESS MEALS
TOTAL ADDBACKS 195,716 195,716

ESS: DEDUCTS

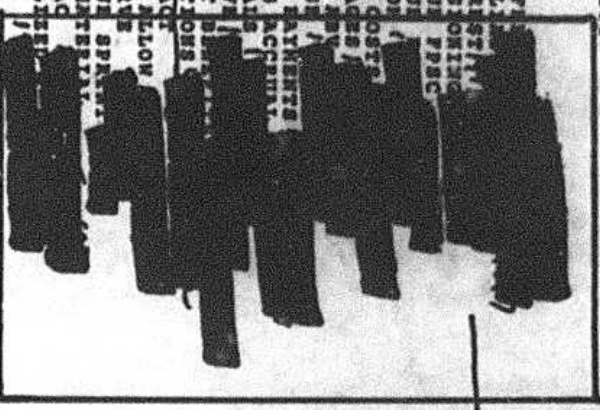
LITIGAT MARTIN EQUITY (91,499)
LITIGAT TP3 EQUITY (436,713)
LITIGAT TP4 EQUITY (289,196)
BOOK DEPRECIATION PERM (1,987,477)
TOTAL DEDUCTS (2,804,885) (2,804,122)

TOTAL PERMANENT DIFFERENCES 3,000,601 2,999,838

ULTIMATELY TAXABLE INCOME 114,932,529 114,931,766

UNRECORDED DIFFERENCES:

LUS: ADDBACKS



DEF FRACTIONISE F... (193,622)
ENVIRONMENTAL L... (30,953,193)
SREP DEF INTEREST... 56,418
SREP DECOMMISSIONING 22,200,904
UNBILLED REVENUE TP3C 996,766
DEF COMPREHENSION (6,752,107)
COST REDUCTION COSTS (674,369)
INJURIES & DAMAGES 502,220
GAIN DISP PROP REV (75,575)
BAD DEBT RESERVE 931,166
BANKLY CAPACITY PAYMENTS 261,299
DECOMMISSIONING ACCT 7,054,371
DONORAT MATERIALS 114,477
STORN FUND ABOVE 1,691,667
POST RETIREMENT BENEFITS 1,905,992
LEASE CANCELLATIONS (148,520)
REGULATORY IMPACT 1,250,000
CAP GAIN BRSS ALLOW 33,407
NUC MAINT RESERVE 4,480,809
DEFERRED REVENUE SP... (16,667)
THERMOLOG DEF MATER... (852,410)
METHOD LIFE CIAC 2,625,170
PENSION CAPITALIZED 981,789
METHOD LIFE CPI 427,245

Stals
Prin matter w/
Prin Stals 6/9

R STUDY PURPOSES ONLY; NOT TO BE CONSTRUED AS MANAGEMENTS PROJECTIONS OF ACTUAL RESULTS

FLORIDA POWER & LIGHT
ACQUIRE TAX SYSTEM
JUN98: ACCRUAL - ATL/BTL TAX COMPUTATION REPORT

LINE: 98JUN
MOVE THE LINE:

③ COST OF REMOVAL
④ POSSIL DISMANTLEMENT
⑤ DOOR DEPRIC VARIANCE/1%
⑥ DEP ITC INTEREST BENCH
⑦ NUCLEAR SPECIAL AMORT

TOTAL ADDBACKS

	FPL - FEDERAL	FPL - STATE
(2,450,069)	(2,450,069)	
1,413,509	1,413,509	
67,014,586	67,014,586	
171,785	171,785	
2,500,000	2,500,000	
136,494,025	136,494,025	

⑧ DEDUCTS

WELFARE CAPITALIZED	226,834	226,834
LITIGAT DEPR MARTIN DEBT	(45,439)	(45,439)
LITIGAT DEPR TP1	(73,796)	(73,796)
LITIGAT TP2 DEBT	(206,166)	(206,166)
LITIGAT DEPR TP4	(339,965)	(339,965)
LITIGAT TP4 DEBT	(144,148)	(144,148)
NUCLEAR FUEL INTEREST	(220,723)	(220,723)
REPAIR ALLOWANCE	85,450	85,450
REPAIR PROJECTS	833,333	833,333
TAX BOOK DEPR	812,388	812,388
NUCLEAR D & I	(11,959,892)	(10,582,870)
COMPUTER SOFTWARE	(1,394)	(1,394)
ORINDUSION	3,711,440	3,711,440
REAL PROP TAX	20,448,416	20,448,416
AMORT MIT BANK RIGHT	(13,791,667)	(13,791,667)
NUC THERMAL UPLATE	1,058,586	1,058,586
DEP ECRC COST	(344,221)	(344,221)
DEP FUEL COST - PPRC	(1,163,666)	(1,163,666)
DEP FUEL COST PERD	18,720,024	18,720,024
DEP ECRC COSTS	28,216	28,216
GAIR LOSS TRND DEBT	(758,718)	(758,718)
LOSS DISP PROP	(1,656,889)	(1,656,889)
PENSION SPAS	(1,111)	(1,111)
TOTAL DEDUCTS	6,633,095	6,633,095
TOTAL DEDUCTS	23,896,965	23,273,987

⑨ TOTAL NORMALIZED DIFFERENCES

114,597,061	113,220,039
229,529,590	228,151,805

⑩ SS: CURRENT STATE TAX

12,548,349	0
216,981,241	228,151,805
1,000,000	1,000,000
216,981,241	228,151,805

⑪ TAXABLE INCOME

35,008	5,508
75,943,434	12,548,349

⑫ BEFORE CREDITS

75,943,434	12,548,349
75,943,434	12,548,349

⑬ STUDY PURPOSES ONLY: NOT TO BE CONSTRUED AS MANAGEMENTS PROJECTIONS OF ACTUAL RESULTS

① Used to be recorded net
M Profit Return benefit
on prior yrs.

② In ty - correct double title
But proposed - Capitalized
when turned down
reproposed - See given with
input di done within by
with in last prod cycle.

5-2/5

5-2/5

A

JUN98: ACCRUAL - ATL/BTL TAX COMPUTATION REPORT

INR: 98JUN		FPL - FEDERAL	FPL - STATE
SHOW THE LINE:			
RETAX BOOK INCOME	39,041		39,041

PERMANENT DIFFERENCES:

LUS: ADDBACKS	A		
UC FUND BLW TR INC		0	659,122
UC FUND INC CAP GAIN		(24,743)	(24,743)
UC FUND INC PREF DIV		3,779	3,779
UC FUND INC TAXABLE		102,550	102,550
PRLTY & OTHR NON DEDUCT		169,873	169,873
TOTAL ADDBACKS		251,459	910,581

DEDUCTS

JEA ACQUISITN ADJ PERM	(171)	(171)
UC FUND BLW PERM SUBS	749,527	749,527
EQUITY HARRINGS SUBS	499,580	499,580
TAX_EXEMPT_INT_INC	148,860	0
TOTAL DEDUCTS	1,397,796	1,248,936

PERMANENT DIFFERENCES

	(1,146,337)	(338,355)
TIMATELY TAXABLE INCOME	(1,107,396)	(299,314)

NORMALIZED DIFFERENCES:

LUS: ADDBACKS		
JEA ACQUISITION ADJUSTMENTS	(171)	(171)
GAIN DISP PROP BLW	(71,561)	(71,561)
DECOMMISSIONING BLDG	1,130,633	1,130,633
STON FUND BELOW	971,668	971,668
PRINCO CIAC BELOW	(14,854)	(14,854)
TX REFUND INT BELOW	(57,692)	(57,692)
TOTAL ADDBACKS	1,958,023	1,958,023

DEDUCTS

LGSS DISP PROP BLW	(10,373)	(10,373)
TOTAL DEDUCTS	(10,373)	(10,373)

TOTAL NORMALIZED DIFFERENCES

	1,968,396	1,968,396
TOTAL TAXABLE INCOME	861,100	1,669,082

CURRENT STATE TAX

	91,800	0
--	--------	---

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Form 886-A

EXPLANATION OF ITEMS

Schedule No. or
Exhibits 701-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

Year/Period
1992

[REDACTED]

Handwritten notes: 10/1/92

Handwritten notes: 10/1/92

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

(9)

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

* * * *

[REDACTED]

[REDACTED]



EXPLANATION OF ITEMS

Name Of Taxpayer

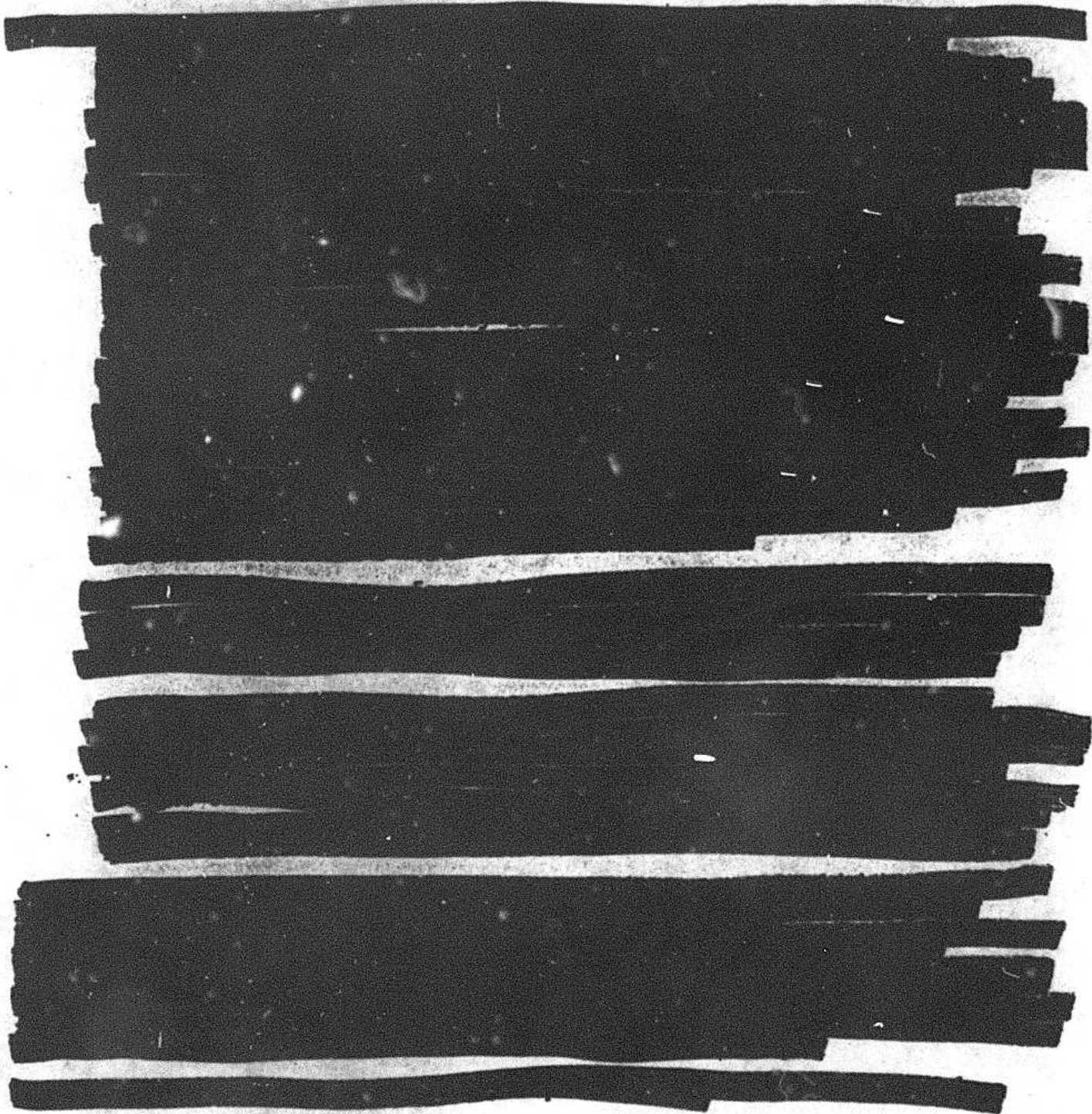
FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

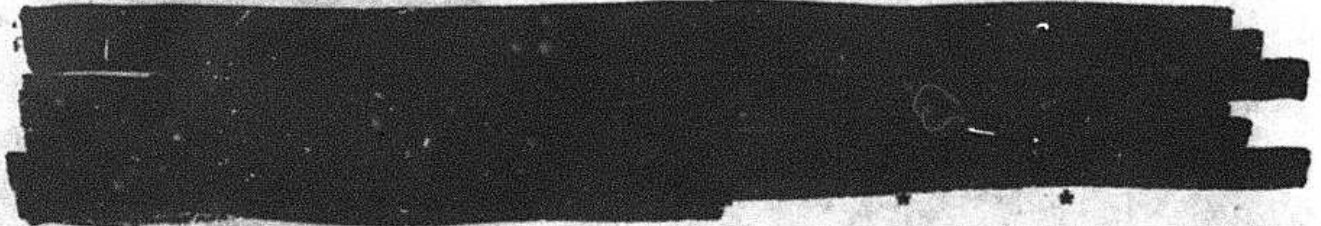
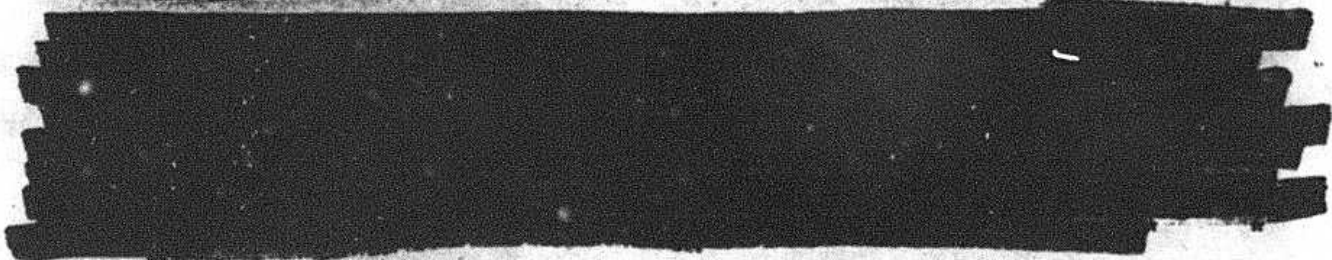
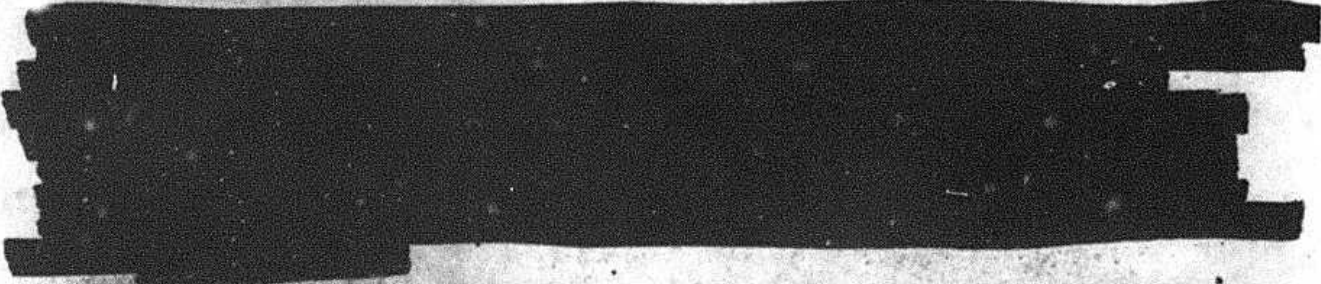
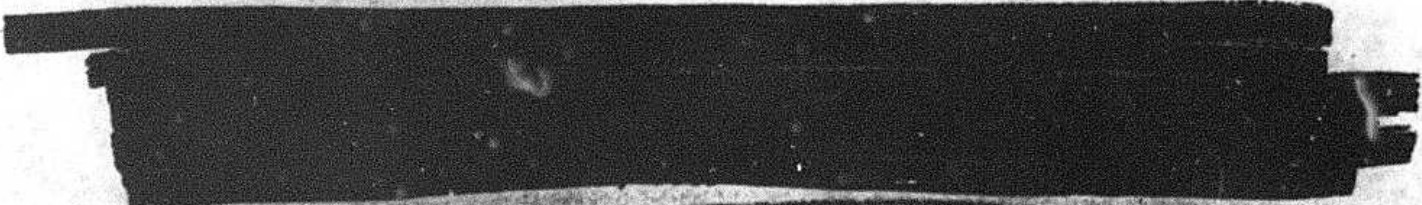
[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



(15)

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



(17)

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

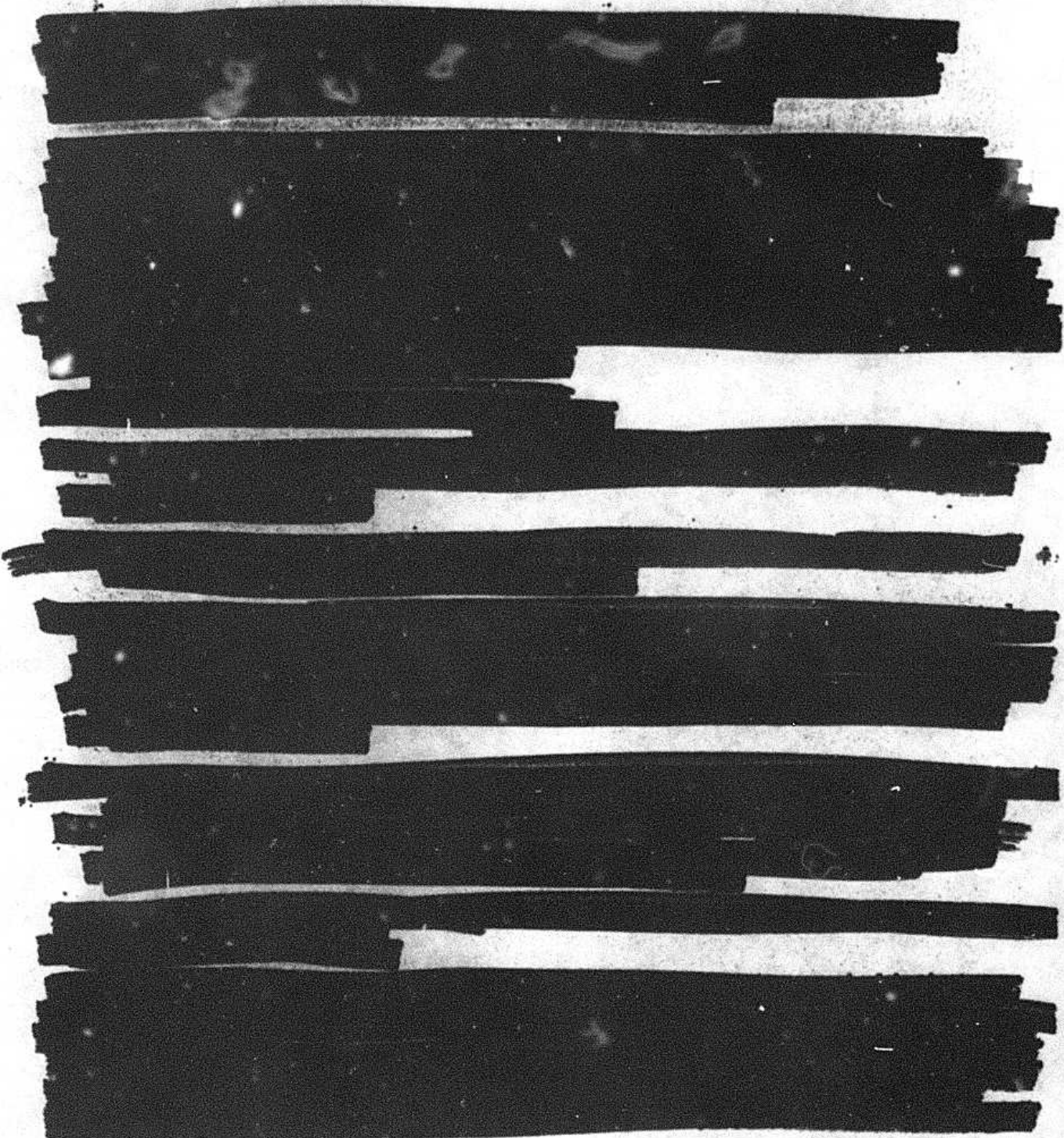
[REDACTED]

[REDACTED]

[REDACTED]

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



(16)

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

* * * *

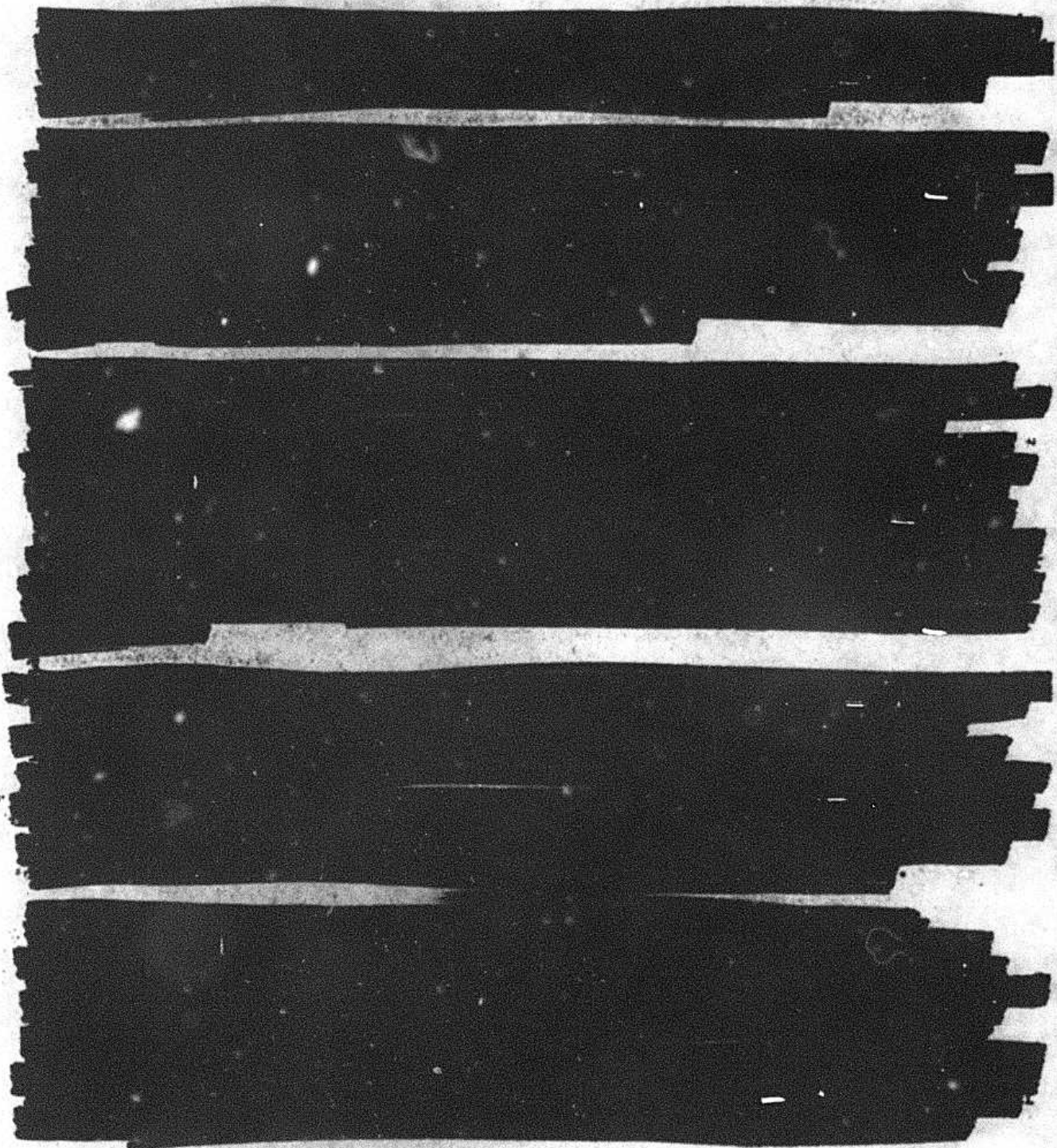
[REDACTED]

[REDACTED]

[REDACTED]

Name Of Taxpayer

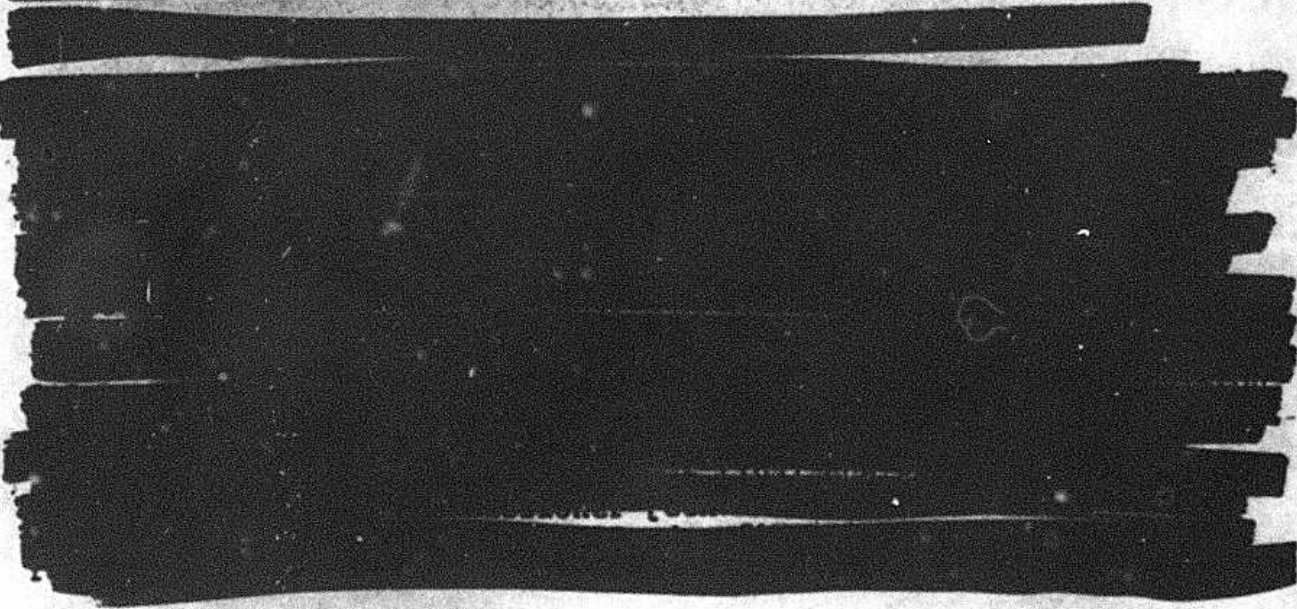
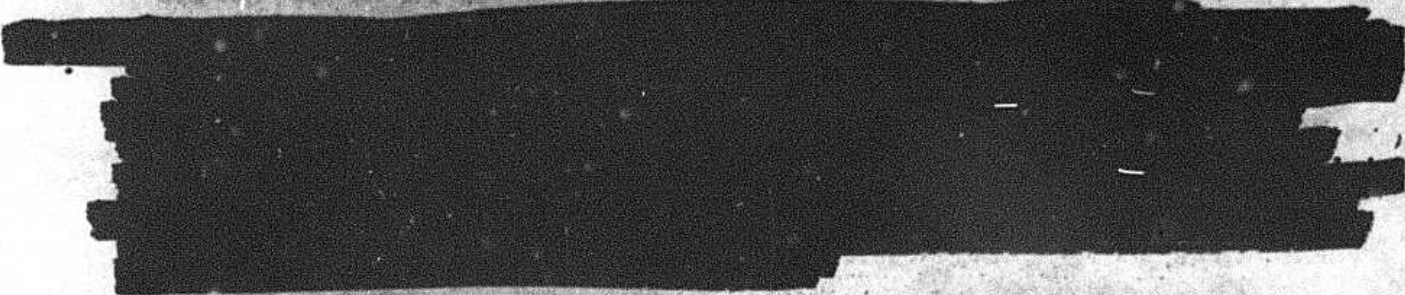
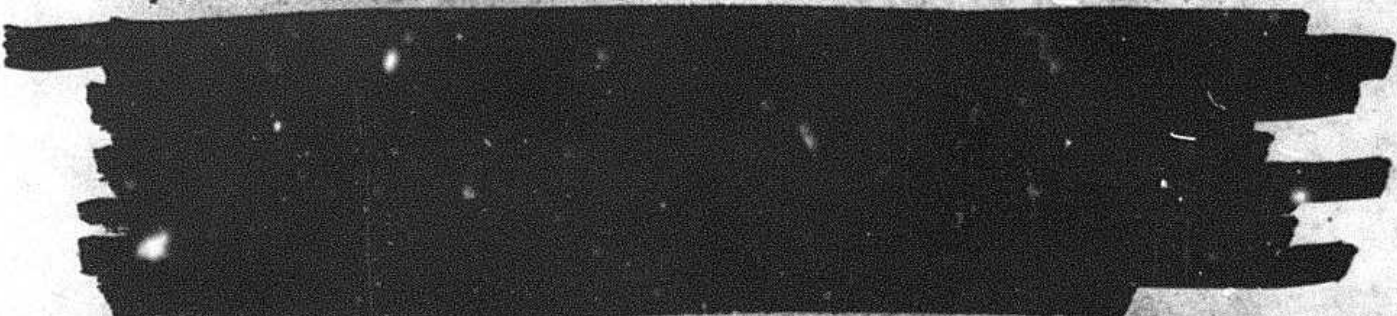
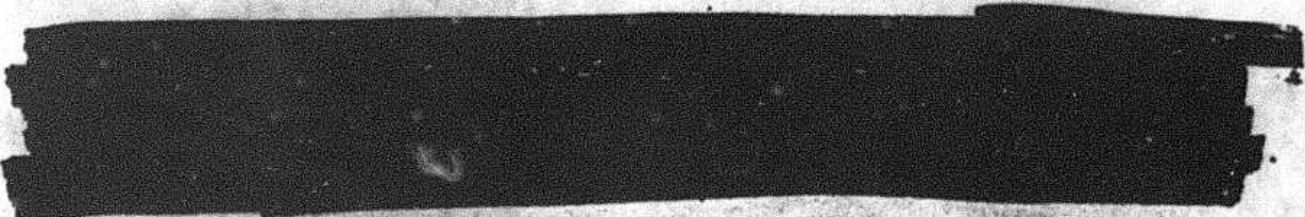
FLORIDA POWER & LIGHT COMPANY



EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



Name Of Taxpayer

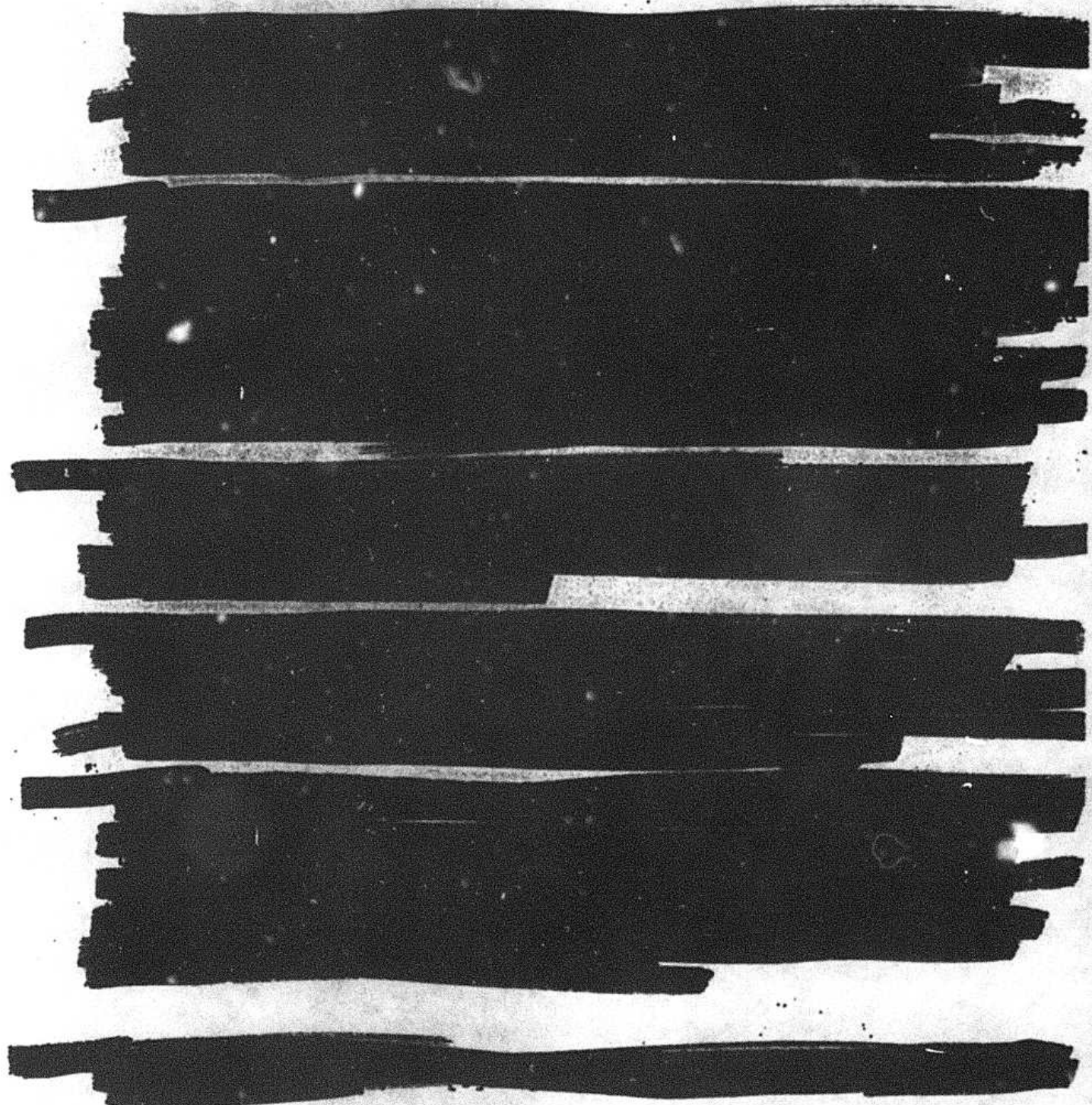
FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



EXPLANATION OF ITEMS

Name Of Taxpayer

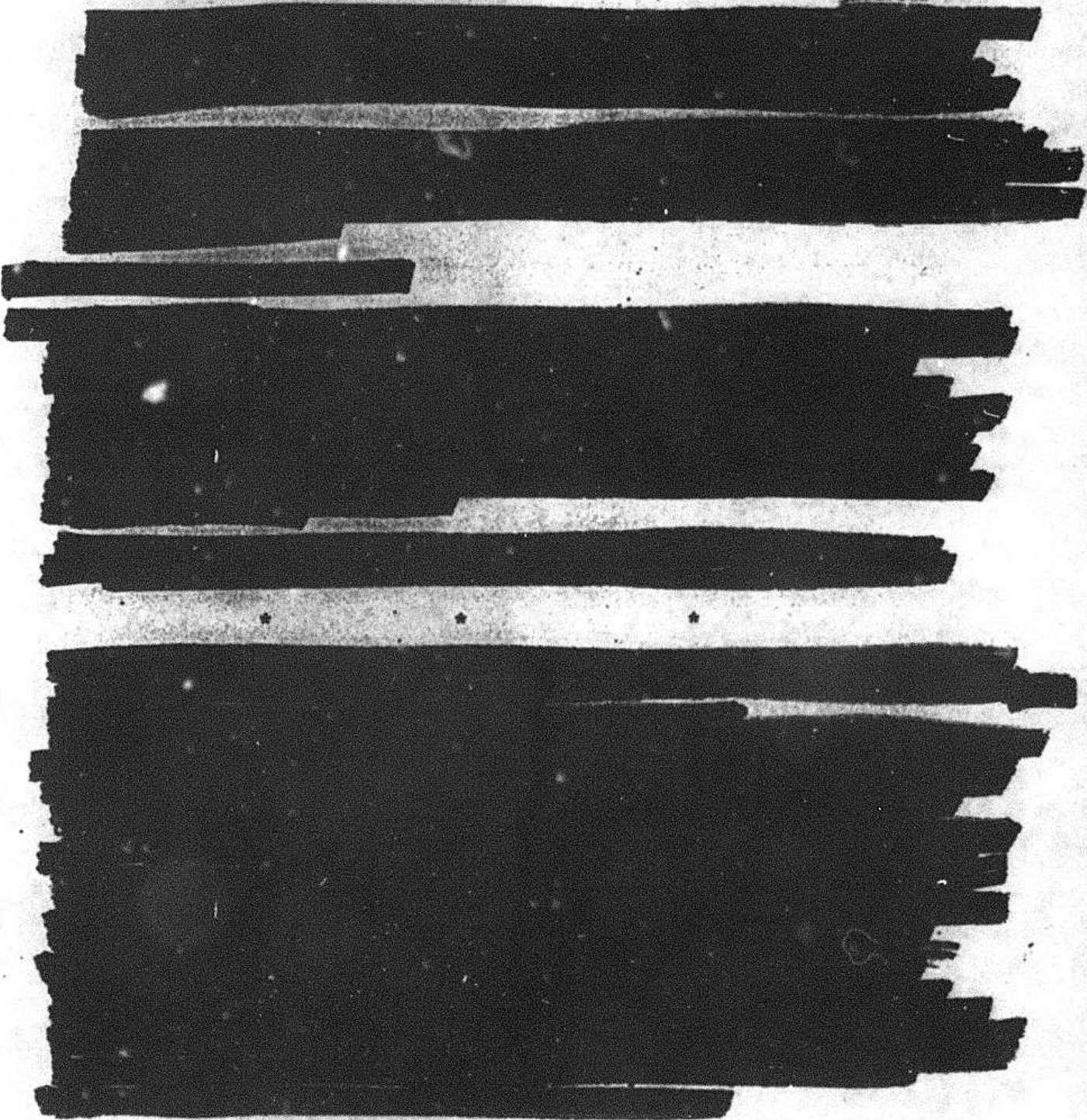
FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

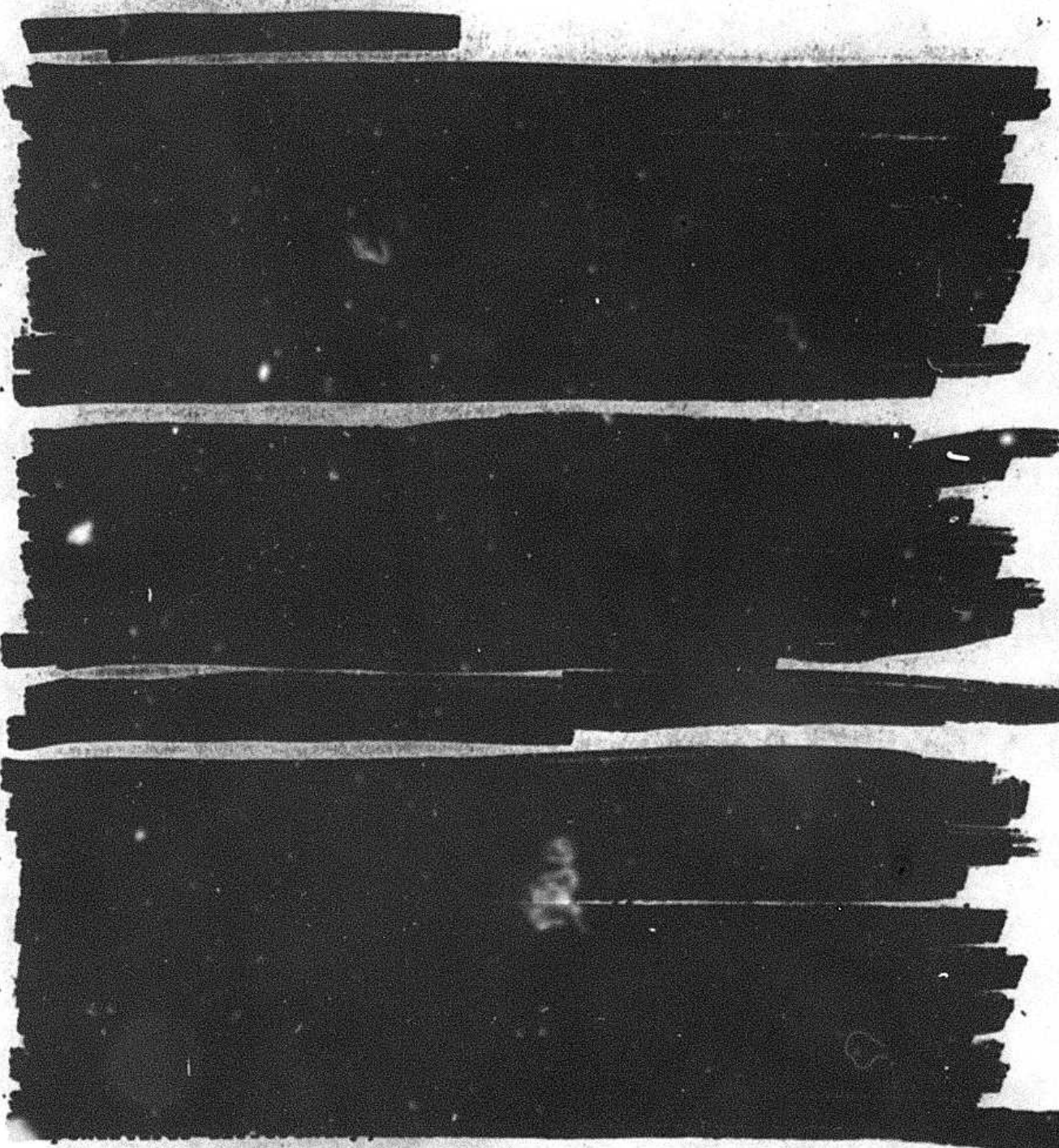


(27)

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

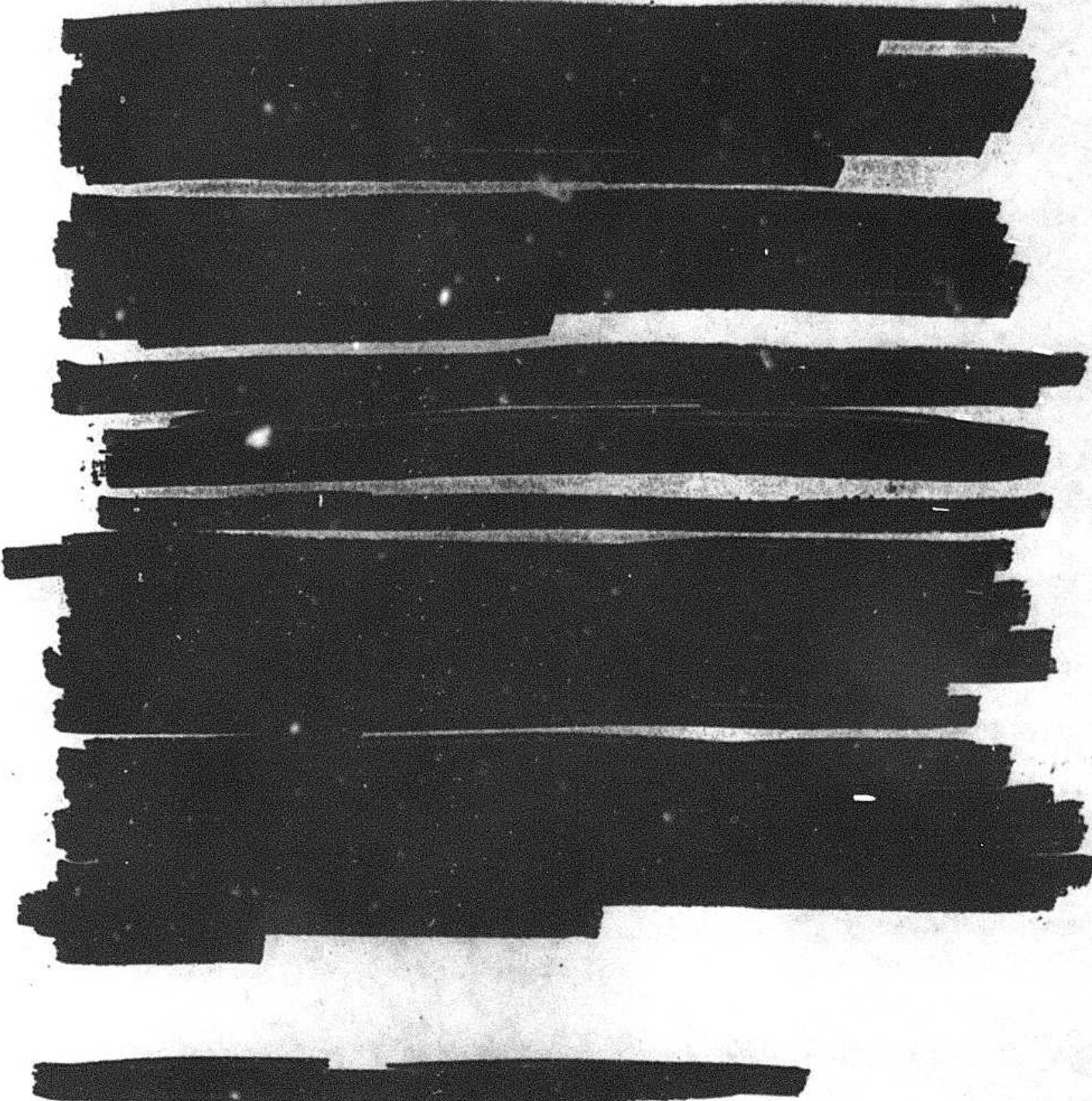


28

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY



72

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[Redacted]

EXPLANATION OF ITEMS

Schedule No. or Exhibit 701-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[Redacted]

[Large redacted area covering the main body of the document]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or Exhibit 5781-31

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 701-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or Exhibit 791-51

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Name Of Taxpayer

FLORIDA POWER & LIGHT COMPANY

[REDACTED]

440 210

Name and Address of Taxpayer
FPL GROUP, INC. & SUBSIDIARIES FPL GROUP, INC. - TAX DEPT.
P.O. BOX 008891

S.S.N. or E.I.N.: 59-2449419

Issue No: 0097

Date Issued: 4/6/95

NORTH PALM BEACH FL 33408

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or Exhibit

FPL Group, Inc. & Subsidiaries
Subsidiary: Florida Power & Light Company

YEAR/PERIOD COVERED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit

ee of Taxpayer

FPL Group, Inc. & Subsidiaries
Subsidiary: Florida Power & Light Company

YEAR/PERIOD ENDED

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit

Is or taxpayer

FPL Group, Inc. & Subsidiaries
Subsidiary: Florida Power & Light Company

YEAR/PERIOD ENDED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

TIP COPY

Name and Address of Taxpayer
FPL GROUP, INC. & SUBSIDIARIES FPL GROUP, INC. - 100 DEPT.
P.O. BOX 008001

S.S.N. or C.I.N.: 59-2449119

Issue No: 0055

Date Issued: //1379+

NORTH PALM BEACH FL 33400

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

For Explanation of Items See Attached Pages

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-055.NPY

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-055.NP2

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-055.WP

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-855.WP7

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended
[REDACTED]



[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-055.NFF

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended
[REDACTED]

[REDACTED]

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit 5701-055.NP7

Name of Taxpayer
FPL Group, Inc. and Subsidiaries
Subsidiary: Florida Power & Light Company

Year/Period Ended
[REDACTED]

[REDACTED]

Name and Address of Taxpayer
FPL GROUP, INC. & SUBSIDIARIES FPL GROUP, INC. - TAX DEPT.
P.O. BOX 000001

S.S.N. or C.T.N.: 59-2449119

NORTH PALM BEACH FL 33408

Entity No: 000002 Entity: FLORIDA POWER & LIGHT COMPANY

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] } 54-c

For Explanation of Items See Attached Pages

[REDACTED]

EXPLANATION OF ITEMS

Schedule No. or
Exhibit
F5701-17
Year/Period Ended

Name of Taxpayer
GROUP, INC.
FLORIDA POWER & LIGHT

[Redacted]

[Redacted] [Redacted] [Redacted] [Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;)
Audit Control No. 98-190-4-1)**

FILED: November 25, 1998

Exhibit C

Justification Table

LIST OF CONFIDENTIAL WORKPAPERS

Grey Tax Audit

EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: List of Confidential Workpapers
AUDIT: Grey Tax Audit
DATE: November 18, 1998
AUDIT CONTROL NO: 98-190-4-1

**FLORIDA
STATUTE
366.093(3)
Subsection: AFFIDAVIT**

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIDAVIT
1	Audit Report	Page 2	Y	Text @ A	(e)	D. Huss
1	Audit Report	Page 2	Y	Text @ B	(b)	R. Del Cueto
1	Audit Report	Page 3	Y	Text @ A Text @ B	(e)	D. Chasmar
1	Audit Report	Page 3	Y	Text @ C	(e)	D. Huss
1	Audit Report	Page 4	Y	Text @ A Text @ B	(e)	D. Huss
1	Audit Report	Page 5	Y	Text @ A	(e)	D. Huss
1	Audit Report	Page 6	Y	Text @ A	(e)	D. Huss
1	Audit Report	Page 6	Y	Text @ B	(e)	D. Chasmar
1	Audit Report	Page 7	Y	Text @ A	(e)	D. Chasmar
1	Audit Report	Page 9	Y	Text @ A	(e)	D. Huss
9	Review of Internal Audits	1	Y	Entire page	(b)	R. Del Cueto
9	Internal Audits	4	Y	All 4 pages	(b)	R. Del Cueto
54, pg. 1	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A Text @ B	(e)	D. Chasmar

WK PAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIDAVIT
54, pg. 2	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A	(e)	D. Huss
54, pg. 3	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A	(e)	D. Huss
54, pg. 3	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ B	(e)	D. Chasmar
54, pg. 4	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A	(e)	D. Chasmar
54, pg. 5	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A	(e)	D. Chasmar
54, pg. 5	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ B	(b)	R. Del Cueto
54, pg. 6	Notes from Meeting with D. Chasmar and D. Huss	1	Y	Text @ A	(e)	D. Huss
54-3	Deferred Taxes	1	Y	Text @ A	(e)	D. Huss
54-3/3, pg. 1	Acufile Tax System	1	Y	Text @ A, B, and C	(e)	D. Huss
54-3/3, pg. 2	Acufile Tax System	1	Y	Text @ A	(e)	D. Huss

WKPAPER NO.	DESCRIPTION	NO. OF PAGES	CONF. Y/N	LINE NO./ COL. NO.	FLORIDA STATUTE 366.093(3) Subsection:	AFFIDAVIT
54-3/3, pg. 4	Acufile Tax System	1	Y	Text @ A, B, C, D, and E	(e)	D. Huss
54-4, pg. 1	1988-1992 RAR Adjustments	1	Y	Entire page	(e)	D. Chasmar
54-4, pg. 2	1988-1992 RAR Adjustments	1	Y	Entire page	(e)	D. Chasmar
54-4/1	Summary Adjustments	40	Y	Entire work paper	(e)	D. Chasmar
54-4/2	Notice of Proposed Adjustment	6	Y	Entire work paper	(e)	D. Chasmar
54-4/3	Notice of Proposed Adjustment	9	Y	Entire work paper	(e)	D. Chasmar
54-4/4	Notice of Proposed Adjustment	3	Y	Entire work paper	(e)	D. Chasmar

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;)
Audit Control No. 98-190-4-1)**

FILED: November 25, 1998

Exhibit D

AFFIDAVITS

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;)
Audit Control No. 98-190-4-1)

FILED: November 25, 1998

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH)

AFFIDAVIT OF DONALD F. CHASMAR

BEFORE ME, the undersigned authority, personally appeared Donald F. Chasmar who, being first duly sworn, deposes and says:

1. My name is Donald F. Chasmar. I am currently employed by Florida Power & Light Company ("FPL") as Manager, Tax Compliance & Audits. I have personal knowledge of the matters stated in this affidavit.

2. With respect to Exhibit C, I have reviewed the documents and information for which I am listed as Affiant and which are included in Exhibit A to FPL's Request for Confidential Classification. Such documents or materials that I have reviewed and which are asserted by FPL to be proprietary confidential business information, as noted on Exhibit C, contain or constitute information relating to FPL's competitive interests. In particular, such information constitutes or relates to agreements or settlements between FPL and the Internal Revenue Service ("IRS") as to specific issues or adjustments on FPL's tax return. The outcome or resolution of such issues or adjustments has economic value to FPL. In addition, such issues or adjustments may have actual cash flow effects for FPL. FPL has realized such value through significant expenditures of time and effort in analysis and in discussions with the IRS leading up to such agreements. If the results of such efforts are disclosed, FPL's competitors and potential competitors would realize the results of FPL's efforts at no cost to themselves, thus obtaining a competitive benefit. FPL has maintained the confidentiality of these documents and materials. Moreover, the IRS does not disclose such information.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.

Donald F. Chasmar

Donald F. Chasmar

SWORN TO AND SUBSCRIBED before me this 20th day of November, 1998, by Donald F. Chasmar, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.

Francine Mc Guire

Notary Public, State of Florida

My Commission Expires: 10/21/2002



BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;))
Audit Control No. 98-190-4-1)

FILED: November 25, 1998

STATE OF FLORIDA)
)
COUNTY OF DADE)

AFFIDAVIT OF RICK DEL CUETO


BEFORE ME, the undersigned authority, personally appeared Rick Del Cueto who, being first duly sworn, deposes and says:

1. My name is Rick Del Cueto. I am currently employed by Florida Power & Light Company ("FPL") as Manager, Internal Auditing. I have personal knowledge of the matters stated in this affidavit.

2. With respect to Exhibit C, I have reviewed the documents and information for which I am listed as Affiant and which are included in Exhibit A to FPL's Request for Confidential Classification. Such documents or materials that I have reviewed and which are asserted by FPL to be proprietary confidential business information, as noted on Exhibit C, contain or constitute internal auditing controls and reports of internal auditors or information relating to same. FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than 18 months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



Rick Del Cueto

SWORN TO AND SUBSCRIBED before me this 18 day of November, 1998, by Rick Del Cueto, who is personally known to me or who has produced _____ (type of identification) as identification and who did take an oath.



Notary Public, State of Florida



Maura Hernandez
MY COMMISSION # CCS28988 EXPIRES
May 25, 2000
BONDED THIRD TRUST FARM INSURANCE, INC.

My Commission Expires:

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of Florida Power & Light)
Company's Request for Confidential)
Classification in the Grey Tax Audit;)
Audit Control No. 98-190-4-1) FILED: November 25, 1998

STATE OF FLORIDA)
)
COUNTY OF DADE) **AFFIDAVIT OF DAVID HUSS**

BEFORE ME, the undersigned authority, personally appeared David Huss who, being first duly sworn, deposes and says:

1. My name is David Huss. I am currently employed by Florida Power & Light Company ("FPL") as Supervisor, Tax & Depreciation. I have personal knowledge of the matters stated in this affidavit.

2. With respect to Exhibit C, I have reviewed the documents and information for which I am listed as Affiant and which are included in Exhibit A to FPL's Request for Confidential Classification. Such documents or materials that I have reviewed and which are asserted by FPL to be proprietary confidential business information, as noted on Exhibit C, contain or constitute information relating to FPL's competitive interests. In particular, such information constitutes or relates to specific issues or adjustments on FPL's tax return and, in light of litigation or anticipated litigation, for which unspecified deferred taxes have been recorded. The outcome or resolution of litigation pertaining to such issues or adjustments has economic value to FPL and could be compromised by premature disclosure of the information at issue. In addition, such issues or adjustments may have actual cash flow effects for FPL. FPL has realized such value through significant expenditures of time and effort in analysis and in discussions with the Internal Revenue Service. FPL has maintained the confidentiality of these documents and materials.

3. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of not less than eighteen (18) months. In addition, they

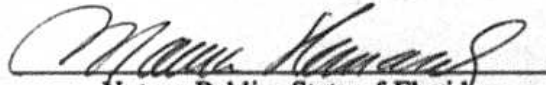
should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

4. Affiant says nothing further.



David Huss

SWORN TO AND SUBSCRIBED before me this 23 day of November, 1998, by David Huss, who is personally known to me or who has produced NOVEMBER (type of identification) as identification and who did take an oath.



Notary Public, State of Florida
Maura Hernandez
MY COMMISSION # CC526988 EXPIRES
May 25, 2000
BONDED THRU TROY FAIN INSURANCE, INC.

My Commission Expires: