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ORIGINAL

July 26, 2000

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

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JUL 26 PM 3:04  
RECORDS AND REPORTING

**Re: Florida Power & Light Company's Request for  
Confidential Classification of Materials Provided  
In the Capacity Clause Recovery Audit No. 00-026-4-1  
Docket No. 000001-EI**


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 in connection with Audit No. 00-026-4-1. The original includes Exhibits A, B, C and D. 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 the affidavit in support of FPL's Request for Confidential Classification. Also included is a computer diskette containing the electronic version of FPL's Request for Confidential Classification and Exhibit C, in WordPerfect version 6/7/8.

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

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09029 JUL 26 8

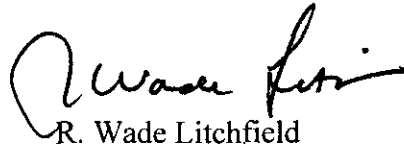
FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayò  
Director of Records and Reporting  
Florida Public Service Commission  
July 26, 2000  
Page 2

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,



R. Wade Litchfield

RWL/jsb  
Enclosures

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power ) DOCKET NO. 000001-EI  
Cost Recovery Clause and Generating )  
Performance Incentive Factor ) FILED: July 26, 2000

**REQUEST FOR CONFIDENTIAL CLASSIFICATION  
OF MATERIALS PROVIDED IN THE  
CAPACITY COST RECOVERY AUDIT NO. 00-026-4-1**

NOW, BEFORE THIS COMMISSION, through undersigned counsel, comes Florida Power & Light Company ("FPL") and, pursuant to rule 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 capacity cost recovery audit, Audit Control No. 00-026-4-1 (hereinafter 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  
Florida Power & Light Company  
Vice President  
215 South Monroe Street  
Suite 810  
Tallahassee, Florida 32301-1859  
(850) 224-7595

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

09029 JUL 26 8

FPSC-RECORDS/REPORTING

2. During the Audit, Staff requested access to various FPL reports and other documents. By letter dated July 5, 2000, Staff indicated its intent to retain certain workpapers for which confidential treatment previously had been requested. Pursuant to Rule 25-22.006(3)(a), FPL was given twenty-one days from the date of the letter, or until July 26, 2000, 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 affidavit of Osvaldo J. Lom.

4. FPL seeks confidential protection for the information highlighted in Exhibit A. FPL submits that the highlighted information is proprietary confidential business information within the meaning of section 366.093(3). Pursuant to section 366.093, such information is entitled to confidential treatment and is 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. The information for which FPL seeks confidential classification consists of contractual data such as pricing and other terms, payment records and contractor rates. Disclosure of this information would impair the efforts of FPL to contract for services on favorable terms and/or would impair the competitive interests of the suppliers/contractors. In some cases, the contractor names or other items that would identify confidential information have been blocked out, rather than blocking out the information itself.

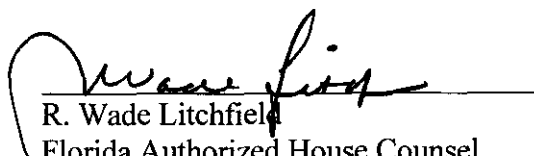
6. FPL submits that the information highlighted in Exhibit A, and referenced in Exhibit C is proprietary confidential business information within the meaning of section 366.093(3). FPL submits that the information that is the subject of this Request for Confidential Classification should not be declassified for at least eighteen (18) months.

7. 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 a

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

Florida Authorized House Counsel  
Attorney for  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, Florida 33408-0420  
(561) 691-7101

# **Exhibit A**

**CONFIDENTIAL DOCUMENTS**

**(SUBMITTED SEPARATELY)**

## **Exhibit B**

**REDACTED DOCUMENTS**



CONFIDENTIAL

Southern Company Services, Inc.  
270 Peachtree Street NW  
Atlanta, Georgia 30303-1205



1988 AGREEMENT  
INVOICE MONTH: MARCH 1999

FLORIDA POWER & LIGHT COMPANY  
MIAMI, FLORIDA

Southern Company Services, Inc., acting solely as agent for Alabama Power Company, Georgia Power Company, Gulf Power Company, Mississippi Power Company, and Savannah Electric and Power Company, and in accordance with rate schedules on file with the Federal Energy Regulatory Commission, submits this invoice for UNIT POWER SALES ELECTRIC CAPACITY to be delivered during MARCH 1999 as follows:

SEND REMITTANCE TO: Southern Company Services, Inc.  
Attention: Treasury Department

INVOICE NO. 88-UPS0399FPL

WE CHARGE YOUR ACCOUNT WITH:

	Monthly Capacity Rate (\$/KW-MO) (B)	Monthly Capacity Purchased (KW) (C)	Monthly Charges (\$/MO)
<b>BUDGET CHARGES FOR MARCH 1999:</b>			
1 [REDACTED]	43-1/2-1 [REDACTED]	[REDACTED]	837,698
2 [REDACTED]	[REDACTED]	[REDACTED]	1,321,875
3 [REDACTED]	[REDACTED]	[REDACTED]	1,815,814
4 [REDACTED]	[REDACTED]	[REDACTED]	1,895,339
5 [REDACTED]	[REDACTED]	[REDACTED]	533,358
6 [REDACTED]	[REDACTED]	[REDACTED]	1,048,336
7 Total			7,450,420
Coordination and Scheduling Service Charges			73,680
Total Production Charges			7,524,100
8 Transmission Charge: [REDACTED]	[REDACTED]	[REDACTED]	1,493,403
9 [REDACTED]	[REDACTED]	[REDACTED]	214,357
10 Total Transmission Charges			1,707,760
Total Budgeted Capacity Charges			9,231,860 (43-1)
<b>ADJUSTMENTS FOR MARCH 1999:</b>			
JANUARY 1999 Actual Capacity Charge True-Up			14,024 (43-
JANUARY 1999 Administrative Cost			7,195
Interest Charges			83,065
Previous Months Adjustment			311,754
Transmission True-up			-71,366
Variable O&M True-up			0
Other Charges			0
TOTAL CAPACITY CHARGES DUE SOUTHERN FOR MARCH 1999			9,576,532

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P-1061

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF MONTHLY CAPACITY CHARGES**

MARCH, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
2. (1) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	EXH K, LINE 1
(2) TOTAL NET INVESTMENT - SPECIFIC (\$)	43-1/2-1/1 81,218,626	179,432,238	314,127,848	340,345,266	EXH B, LINE 7
(3) TOTAL NET INVESTMENT - COMMON (\$)	43-1/2-1/2 35,491,256	35,492,258	55,113,603	55,125,940	EXH C, LINE 7
(4) TOTAL NET INVESTMENT (\$)	116,709,882	214,924,494	369,241,451	395,471,206	LINE 2 + LINE 3
(5) RETURN ON INVESTMENT (A) (%)	43-1/2-1/4 P1 8.635	9.563 P10	10.043 P4	9.925 P12	EXH M,N,O,P LINE 4
(6) ASSOCIATED INCOME TAX (%)	43-1/2-1/4 P9 2.932	3.208 P10	3.500 P11	3.570 P12	EXH M,N,O,P LINE 11
(7) RETURN ON INVESTMENT (\$)	Line 4 + Line 5 10,077,898	20,553,229	37,082,919	39,250,517	LINE 4 + LINE 5
(8) ASSOCIATED INCOME TAX (\$)	Line 4 + Line 6 3,421,934	6,894,778	12,923,451	14,118,322	LINE 4 + LINE 6
(9) RETURN ON INV & ASSOC INCOME TAX (\$)	13,499,832	27,448,007	50,006,370	53,368,839	LINE 7 + LINE 8
(10) TOTAL FIXED EXPENSE (\$)	43-1/2-1/3 19,559,772	24,970,368	28,277,904	28,401,240	EXH D, LINE 7
(11) TOTAL FIXED CHARGES (\$)	33,059,604	52,418,375	78,284,274	81,770,079	LINE 9 + LINE 10
(12) TOTAL FIXED CHARGES (\$/KW-MO)	53.872	85.481	116.132	117.977	LINE 11 / LINE 1
(13) FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	1.866	2.644	3.592	3.649	LINE 12 * ((100% / (100% - 3%)) - 1)
(14) TOTAL FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	55.538	88.125	119.724	121.626	LINE 12 + LINE 13
(15) MONTHLY CAPACITY CHARGES (\$/KW-MO)	4.628167 $\frac{43-1}{2}$	7.343750 $\frac{43-1}{2}$	9.977000 $\frac{43-1}{2}$	10.135500 $\frac{43-1}{2}$	LINE 14 / 12.0

43-1/2-1/3  
P. 1081

NOTES:  
(A) THE MONTHLY CAPACITY CHARGES ARE CALCULATED USING A

12.50 (%) RETURN ON COMMON EQUITY.

3.  
4.  
WORK PAPERS: EXHIBIT A  
ALABAMA POWER COMPANY  
MILLER PLANT  
MARCH, 1999

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL NET INVESTMENT - COMMON**

MARCH, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
(1) GROSS INVESTMENT (\$):					
PRODUCTION - UNIT (COMMON)	64,962,000	64,962,000	89,946,000	89,946,000	EXH K, LINE 3
TRANSMISSION - GSU (COMMON)	6,673,000	6,673,000	8,674,000	8,674,000	EXH L, LINE 2
TOTAL	71,635,000	71,635,000	98,620,000	98,620,000	
(2) ACCUMULATED DEPRECIATION (\$):					
PRODUCTION - UNIT (COMMON)	(31,480,000)	(31,480,000)	(34,014,000)	(34,014,000)	EXH K, LINE 8
TRANSMISSION - GSU (COMMON)	(2,883,000)	(2,883,000)	(3,139,000)	(3,139,000)	EXH L, LINE 5
TOTAL	(34,363,000)	(34,363,000)	(37,153,000)	(37,153,000)	
(3) NET INVESTMENT (\$):					
PRODUCTION - UNIT (COMMON)	33,482,000	33,482,000	55,932,000	55,932,000	LINE 1 + LINE 2
TRANSMISSION - GSU (COMMON)	3,790,000	3,790,000	3,535,000	3,535,000	LINE 1 + LINE 2
TOTAL	37,272,000	37,272,000	59,467,000	59,467,000	
(4) GENERAL PLANT (\$):					
PRODUCTION - UNIT (COMMON)	8,065,683	8,065,683	8,065,683	8,065,683	EXH H, LINE 10
TRANSMISSION - GSU (COMMON)	70,441	70,441	88,057	105,861	EXH I, LINE 10
TOTAL	8,136,124	8,136,124	8,153,740	8,171,344	
(5) WORKING CAPITAL (\$):					
PRODUCTION - UNIT (COMMON)	0	0	0	0	INCL IN UNIT (EXH B, LINE 5)
TRANSMISSION - GSU (COMMON)	0	0	0	0	INCL IN UNIT (EXH B, LINE 5)
TOTAL	0	0	0	0	
(6) ACCUMULATED DEFERRED INCOME TAX (\$):					
PRODUCTION - UNIT (COMMON)	(9,160,796)	(9,159,796)	(11,747,796)	(11,748,796)	EXH H, LINES 16 + 18
TRANSMISSION - GSU (COMMON)	(756,072)	(756,072)	(759,341)	(763,608)	EXH I, LINES 18 + 18
TOTAL	(9,916,868)	(9,915,868)	(12,507,137)	(12,512,404)	
(7) TOTAL NET INVESTMENT - COMMON (\$)	35,491,256	35,492,256	55,113,603	55,125,940	LINES 3+4+5+6

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p. 1081

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL FIXED EXPENSE**

MARCH, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
1) OPERATION & MAINTENANCE EXPENSE - FIXED (\$):					
PRODUCTION - UNIT	7,008,000	7,368,000	6,096,000	6,012,000	EXH K, LINE 14 * 12.0
TRANSMISSION - GSU	12,000	12,000	12,000	12,000	EXH L, LINE 8 * 12.0
TOTAL	7,020,000	7,380,000	6,108,000	6,024,000	
2) ADMINISTRATIVE & GENERAL EXPENSE (\$):					
PRODUCTION - UNIT	2,835,096	2,807,976	2,890,452	2,792,868	EXH H, LINE 23 * 12.0
TRANSMISSION - GSU	27,888	32,532	37,178	46,464	EXH I, LINE 23 * 12.0
TOTAL	2,862,984	2,840,508	2,927,628	2,839,332	
3) DEPRECIATION EXPENSE (\$):					
PRODUCTION - UNIT	7,984,056	11,859,492	15,290,918	15,062,928	EXH H, LINE 26 * 12.0
TRANSMISSION - GSU	282,852	343,992	357,132	395,424	EXH I, LINE 26 * 12.0
TOTAL	8,266,908	12,203,484	15,648,048	15,458,352	
4) AMORTIZATION OF INCOME TAX CREDITS (\$):					
PRODUCTION - UNIT	(488,340)	(596,184)	(800,328)	(692,028)	EXH H, LINE 29 * 12.0
TRANSMISSION - GSU	(36,084)	(36,096)	(24,108)	(24,144)	EXH I, LINE 29 * 12.0
TOTAL	(524,424)	(632,280)	(824,436)	(716,172)	
5) REAL & PERSONAL PROPERTY TAX (\$):					
PRODUCTION - UNIT	1,219,188	2,453,724	3,667,056	4,060,248	EXH H, LINE 32 * 12.0
TRANSMISSION - GSU	48,804	72,936	85,088	97,332	EXH I, LINE 32 * 12.0
TOTAL	1,267,992	2,526,660	3,752,124	4,157,580	
6) PAYROLL TAX (\$):					
PRODUCTION - UNIT	652,920	638,376	652,692	623,832	EXH H, LINE 8 * 12.0
TRANSMISSION - GSU	13,392	13,620	13,848	14,316	EXH I, LINE 8 * 12.0
TOTAL	666,312	651,996	666,540	638,148	
7) TOTAL FIXED EXPENSE (\$)	19,559,772	24,970,368	28,277,904	28,401,240	LINES 1+2+3+4+5+6
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NOTES:  
ALL EXPENSES ARE ANNUALIZED.

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CONFIDENTIAL

**UNIT POWER SALES AGREEMENT  
ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**

/ . **PRODUCTION - UNIT**  
MARCH, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
<b>INVESTMENT (SPECIFIC) (\$):</b> =====					
(1) GROSS INVESTMENT	210,201,000	384,541,000	479,465,000	471,828,000	EXH K, LINE 2
(2) ACCUMULATED DEPRECIATION	( 115,397,000 )	( 144,462,000 )	( 131,166,000 )	( 97,346,000 )	EXH K, LINE 5
(3) NET INVESTMENT	94,804,000	220,079,000	348,299,000	374,482,000	LINES 1+2
(4) GENERAL PLANT	2,359,830	2,166,111	2,342,227	1,972,392	EXH H, LINE 9
(5) WORKING CAPITAL	10,271,498	10,964,320	17,292,594	17,293,300	EXH G, LINE 8
(6) ACCUMULATED DEFERRED INCOME TAX	( 26,525,928 )	( 55,148,978 )	( 56,445,661 )	( 56,823,028 )	EXH H, LINES 15 + 17
(7) TOTAL NET INVESTMENT (SPECIFIC)	80,909,400	178,060,453	311,488,160	336,924,664	LINES 3+4+5+6
<b>INVESTMENT (COMMON) (\$):</b> =====					
(8) GROSS INVESTMENT	64,962,000	64,962,000	89,946,000	89,946,000	EXH K, LINE 3
(9) ACCUMULATED DEPRECIATION	( 31,480,000 )	( 31,480,000 )	( 34,014,000 )	( 34,014,000 )	EXH K, LINE 8
(10) NET INVESTMENT	33,482,000	33,482,000	55,932,000	55,932,000	LINE 8 + LINE 9
(11) GENERAL PLANT	8,065,683	8,065,683	8,065,683	8,065,683	EXH H, LINE 10
(12) WORKING CAPITAL	0	0	0	0	INCL IN UNIT (LINE 5)
(13) ACCUMULATED DEFERRED INCOME TAX	( 9,160,796 )	( 9,159,796 )	( 11,747,796 )	( 11,748,796 )	EXH H, LINES 16 + 18
(14) TOTAL NET INVESTMENT (COMMON)	32,386,887	32,387,887	52,249,887	52,248,887	LINES 10+11+12+13
<b>EXPENSE (\$):</b> =====					
(15) OPERATION & MAINTENANCE EXPENSE - FIXED	584,000	614,000	508,000	501,000	EXH K, LINE 14
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	7,382	9,375	12,381	12,368	EXH H, LINES 20 + 21
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	228,876	224,623	228,490	220,371	EXH H, LINE 22
(18) DEPRECIATION EXPENSE	665,338	988,291	1,274,243	1,255,244	EXH H, LINE 26
(19) AMORTIZATION OF INCOME TAX CREDITS	( 40,695 )	( 49,682 )	( 66,694 )	( 57,669 )	EXH H, LINE 29
(20) REAL & PERSONAL PROPERTY TAX	101,599	204,477	305,588	338,354	EXH H, LINE 32
(21) PAYROLL TAX	54,410	53,198	54,391	51,988	EXH H, LINE 8
(22) TOTAL EXPENSE	1,600,910	2,044,282	2,316,399	2,321,654	SUM LINES 15 TO 21

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**UNIT POWER SALES AGREEMENT**  
**ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**  
**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS**  
**MARCH, 1999**

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
<b>INVESTMENT (SPECIFIC) (\$):</b>					
(1) GROSS INVESTMENT	1,845,000	4,115,000	4,514,000	5,347,000	EXH L, LINE 1
(2) ACCUMULATED DEPRECIATION	( 1,050,000 )	( 1,878,000 )	( 1,406,000 )	( 1,363,000 )	EXH L, LINE 4
(3) NET INVESTMENT	795,000	2,237,000	3,108,000	3,984,000	LINES 1+2
(4) GENERAL PLANT	35,220	52,837	52,837	70,441	EXH I, LINE 9
(5) WORKING CAPITAL	6,542	7,753	8,656	10,233	EXH G, LINE 15
(6) ACCUMULATED DEFERRED INCOME TAX	( 527,536 )	( 925,805 )	( 529,805 )	( 644,072 )	EXH I, LINES 15 + 17
(7) TOTAL NET INVESTMENT (SPECIFIC)	309,226	1,371,785	2,639,688	3,420,602	LINES 3+4+5+6
<b>INVESTMENT (COMMON) (\$):</b>					
(8) GROSS INVESTMENT	6,673,000	6,673,000	6,674,000	6,674,000	EXH L, LINE 2
(9) ACCUMULATED DEPRECIATION	( 2,883,000 )	( 2,883,000 )	( 3,139,000 )	( 3,139,000 )	EXH L, LINE 5
(10) NET INVESTMENT	3,790,000	3,790,000	3,535,000	3,535,000	LINE 8 + LINE 9
(11) GENERAL PLANT	70,441	70,441	88,057	105,661	EXH I, LINE 10
(12) WORKING CAPITAL	0	0	0	0	INCL IN UNIT (LINE 5)
(13) ACCUMULATED DEFERRED INCOME TAX	( 756,072 )	( 756,072 )	( 759,341 )	( 763,608 )	EXH I, LINES 16 + 18
(14) TOTAL NET INVESTMENT (COMMON)	3,104,369	3,104,369	2,863,716	2,877,053	LINES 10+11+12+13
<b>EXPENSE (\$):</b>					
(15) OPERATION & MAINTENANCE EXPENSE - FIXED	1,000	1,000	1,000	1,000	EXH L, LINE 8
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	4	5	5	6	EXH I, LINES 20 + 21
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	2,320	2,706	3,093	3,866	EXH I, LINE 22
(18) DEPRECIATION EXPENSE	23,571	28,666	29,761	32,952	EXH I, LINE 26
(19) AMORTIZATION OF INVESTMENT TAX CREDITS	( 3,007 )	( 3,008 )	( 2,009 )	( 2,012 )	EXH I, LINE 29
(20) REAL & PERSONAL PROPERTY TAX	4,067	6,078	7,089	8,111	EXH I, LINE 32
(21) PAYROLL TAX	1,116	1,135	1,154	1,193	EXH I, LINE 8
(22) TOTAL EXPENSE	29,071	36,582	40,093	45,116	SUM LINES 15 TO 21

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF WORKING CAPITAL**

MARCH, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
<b>PRODUCTION - UNIT</b>					
(1) OPERATION & MAINTENANCE EXPENSE - FIXED (\$)	7,008,000	7,368,000	6,096,000	6,012,000	EXH K, LINE 14 * 12.0
(2) OPERATION & MAINTENANCE EXPENSE - VARIABLE (\$)	14,076,000	19,116,000	69,264,000	69,396,000	EXH K, LINE 13 * 12.0
(3) ADMINISTRATIVE & GENERAL EXPENSE (\$)	2,835,096	2,807,976	2,890,452	2,792,868	EXH H, LINE 23 * 12.0
(4) BASIS FOR COMPUTING WORKING CAPITAL (\$)	23,919,096	29,291,976	78,250,452	78,200,868	LINE 1+2+3
(5) CASH WORKING CAPITAL (1/8 OF BASIS) (\$)	2,989,887	3,661,497	9,781,307	9,775,109	LINE 4 * 1/8
(6) PREPAID EXPENSE (\$)	99,303	120,515	153,287	160,114	EXH H, LINE 14
(7) MATERIALS AND SUPPLIES (\$)	7,182,308	7,182,308	7,358,000	7,358,077	EXH K, LINE 10
(8) WORKING CAPITAL (\$)	10,271,498	10,964,320	17,292,594	17,293,300	LINE 5+6+7
<b>TRANSMISSION - GSU</b>					
(9) OPERATION & MAINTENANCE EXPENSE - FIXED (\$)	12,000	12,000	12,000	12,000	EXH L, LINE 8 * 12.0
(10) ADMINISTRATIVE & GENERAL EXPENSE (\$)	27,888	32,532	37,176	46,464	EXH I, LINE 23 * 12.0
(11) BASIS FOR COMPUTING WORKING CAPITAL (\$)	39,888	44,532	49,176	58,464	LINE 9 + LINE 10
(12) CASH WORKING CAPITAL (1/8 OF BASIS) (\$)	4,986	5,567	6,147	7,308	LINE 11 * 1/8
(13) PREPAID EXPENSE (\$)	1,556	2,186	2,509	2,925	EXH I, LINE 14
(14) MATERIALS AND SUPPLIES (\$)	0	0	0	0	EXH L, LINE 7
(15) WORKING CAPITAL (\$)	6,542	7,753	8,656	10,233	LINE 12+13+14

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**UNIT POWER SALES AGREEMENT  
ALLOCATION OF INVESTMENT AND EXPENSE**

**PRODUCTION - UNIT  
MARCH, 1999**

	<u>TOTAL PRODUCTION (1) (C)</u>	<u>UNIT 1 (2)</u>	<u>UNIT 2 (3)</u>	<u>UNIT 3 (4)</u>	<u>UNIT 4 (5)</u>	<u>REFERENCES</u>
<b>SALARIES AND WAGES (\$):</b>						<b>SECTION 2.2.17</b>
(1) PROD-UNIT (SPECIFIC) (AS GIVEN)	0	134,000	123,000	133,000	112,000	
(2) PROD-UNIT (COMMON) (AS GIVEN)	0	458,000	458,000	458,000	458,000	
(3) TOTAL (AS GIVEN)	12,648,000	592,000	581,000	591,000	570,000	
(4) PROD-UNIT (SPECIFIC) (W/ A&G ALLOC) (B)	0	169,850	155,907	168,583	141,964	
(5) PROD-UNIT (COMMON) (W/ A&G ALLOC) (B)	0	580,532	580,532	580,532	580,532	
(6) TOTAL (W/ A&G ALLOC) (B)	16,031,816	750,382	736,439	749,115	722,496	
<b>PAYROLL TAX (\$):</b>						<b>SECTION 2.2.14</b>
(7) PRODUCTION - UNIT (AS GIVEN)	915,000	43,000	42,000	43,000	41,000	
(8) PRODUCTION - UNIT (W/ A&G ALLOC) (A)	1,158,772	54,410	53,198	54,391	51,986	
<b>GENERAL PLANT (\$):</b>						<b>SECTION 2.2.5</b>
(9) PRODUCTION - UNIT (SPECIFIC) (A)	0	2,359,830	2,166,111	2,342,227	1,972,392	
(10) PRODUCTION - UNIT (COMMON) (A)	0	8,065,683	8,065,683	8,065,683	8,065,683	
(11) TOTAL (A)	222,739,761	10,425,513	10,231,794	10,407,910	10,038,075	
<b>PREPAID EXPENSE (D) (\$):</b>						<b>SECTION 2.2.8</b>
(12) PRODUCTION - UNIT	1,485,308	90,077	111,461	144,077	151,231	
(13) GENERAL - UNIT (A)	197,107	9,228	9,054	9,210	8,883	
(14) TOTAL	1,682,415	99,303	120,515	153,287	160,114	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>						<b>SECTION 2.2.7</b>
(15) PRODUCTION - UNIT (SPECIFIC)	368,287,000	26,088,000	54,747,000	56,011,000	56,457,000	
(16) PRODUCTION - UNIT (COMMON)	0	7,664,000	7,663,000	10,251,000	10,252,000	
(17) GENERAL - UNIT (SPECIFIC) (A)	41,335,133	437,928	401,978	434,661	366,028	
(18) GENERAL - UNIT (COMMON) (A)	0	1,496,796	1,496,796	1,496,796	1,496,796	
(19) TOTAL	409,622,133	35,686,724	64,308,774	68,193,457	68,571,824	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>						<b>SECTION 2.2.10</b>
(20) PRODUCTION - UNIT (INCL INSURANCE)	105,000	7,000	9,000	12,000	12,000	
(21) GENERAL - UNIT (INCL INSURANCE) (A)	8,163	382	375	381	368	
(22) OTHER (EXCL INSURANCE) (A)	4,889,912	228,876	224,623	228,490	220,371	
(23) TOTAL	5,003,075	236,258	233,998	240,871	232,739	
<b>DEPRECIATION EXPENSE (\$):</b>						<b>SECTION 2.2.11</b>
(24) PRODUCTION - UNIT	7,547,000	609,000	933,000	1,218,000	1,201,000	
(25) GENERAL - UNIT (A)	1,203,648	56,338	55,291	56,243	54,244	
(26) TOTAL	8,750,648	665,338	988,291	1,274,243	1,255,244	
<b>AMORTIZATION OF INCOME TAX CREDITS (\$):</b>						<b>SECTION 2.2.12</b>
(27) PRODUCTION - UNIT	318,000	40,000	49,000	66,000	57,000	
(28) GENERAL - UNIT (A)	14,842	695	682	694	669	
(29) TOTAL	332,842	40,695	49,682	66,694	57,669	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>						<b>SECTION 2.2.13</b>
(30) PRODUCTION - UNIT	1,391,000	95,000	198,000	299,000	332,000	
(31) GENERAL - UNIT (A)	140,994	6,599	6,477	6,588	6,354	
(32) TOTAL	1,531,994	101,599	204,477	305,588	338,354	

NOTES: (A) ALLOCATED TO UNIT USING PRODUCTION FACTORS SHOWN ON EXHIBIT J.  
 (B) TOTAL PRODUCTION ALLOCATED TO UNIT BASED ON LINE 3.  
 (C) TOTAL ALABAMA POWER COMPANY FOSSIL STEAM AND COMBUSTION TURBINE PRODUCTION FACILITIES.  
 (D) PREPAID EXPENSES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT H

MARCH, 1999

CONFIDENTIAL

**UNIT POWER SALES AGREEMENT**  
**ALLOCATION OF INVESTMENT AND EXPENSE**  
**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS**  
**MARCH, 1999**

	TOTAL TRANSMISSION (1) (C)	UNIT 1 (2)	UNIT 2 (3)	UNIT 3 (4)	UNIT 4 (5)	REFERENCES
<b>SALARIES AND WAGES (\$):</b>						
(1) TRAN-GSU (SPECIFIC) (AS GIVEN)	0	2,000	3,000	3,000	4,000	SECTION 2.2.17
(2) TRAN-GSU (COMMON) (AS GIVEN)	0	4,000	4,000	5,000	6,000	
(3) TOTAL (AS GIVEN)	2,493,000	6,000	7,000	8,000	10,000	
(4) TRAN-GSU (SPECIFIC) (W/ A&G ALLOC) (B)	0	2,535	3,803	3,803	5,070	
(5) TRAN-GSU (COMMON) (W/ A&G ALLOC) (B)	0	5,070	5,070	6,338	7,605	
(8) TOTAL (W/ A&G ALLOC) (B)	3,159,971	7,605	8,873	10,141	12,675	
<b>PAYROLL TAX (\$):</b>						
(7) TRANSMISSION - GSU (AS GIVEN)	180,000	1,000	1,000	1,000	1,000	SECTION 2.2.14
(8) TRANSMISSION - GSU (W/ A&G ALLOC) (A)	228,049	1,116	1,135	1,154	1,193	
<b>GENERAL PLANT (\$):</b>						
(9) TRANSMISSION - GSU (SPECIFIC) (A)	0	35,220	52,837	52,837	70,441	SECTION 2.2.5
(10) TRANSMISSION - GSU (COMMON) (A)	0	70,441	70,441	88,057	105,661	
(11) TOTAL (A)	43,903,395	105,661	123,278	140,894	176,102	
<b>PREPAID EXPENSE (D) (\$):</b>						
(12) TRANSMISSION - GSU	216,000	1,462	2,077	2,384	2,769	SECTION 2.2.6
(13) GENERAL - GSU (A)	38,851	94	109	125	156	
(14) TOTAL	254,851	1,556	2,186	2,509	2,925	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>						
(15) TRANSMISSION - GSU (SPECIFIC)	137,450,000	521,000	916,000	520,000	631,000	SECTION 2.2.7
(16) TRANSMISSION - GSU (COMMON)	0	743,000	743,000	743,000	744,000	
(17) GENERAL - GSU (SPECIFIC) (A)	8,147,412	6,536	9,805	9,805	13,072	
(18) GENERAL - GSU (COMMON) (A)	0	13,072	13,072	16,341	19,608	
(19) TOTAL	145,597,412	1,283,808	1,681,877	1,289,146	1,407,680	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>						
(20) TRANSMISSION - GSU (INCL INSURANCE)	9,000	0	0	0	0	SECTION 2.2.10
(21) GENERAL - GSU (INCL INSURANCE) (A)	1,609	4	5	5	6	
(22) OTHER (EXCL INSURANCE) (A)	963,832	2,320	2,706	3,093	3,866	
(23) TOTAL	974,441	2,324	2,711	3,098	3,872	
<b>DEPRECIATION EXPENSE (\$):</b>						
(24) TRANSMISSION - GSU	3,554,000	23,000	28,000	29,000	32,000	SECTION 2.2.11
(25) GENERAL - GSU (A)	237,246	571	666	761	952	
(26) TOTAL	3,791,246	23,571	28,666	29,761	32,952	
<b>AMORTIZATION OF INCOME TAX CREDITS (\$):</b>						
(27) TRANSMISSION - GSU	70,000	3,000	3,000	2,000	2,000	SECTION 2.2.12
(28) GENERAL - GSU (A)	2,925	7	8	9	12	
(29) TOTAL	72,925	3,007	3,008	2,009	2,012	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>						
(30) TRANSMISSION - GSU	729,000	4,000	6,000	7,000	8,000	SECTION 2.2.13
(31) GENERAL - GSU (A)	27,791	67	78	89	111	
(32) TOTAL	756,791	4,067	6,078	7,089	8,111	

NOTES: (A) ALLOCATED TO UNIT USING TRANSMISSION FACTORS SHOWN ON EXHIBIT J.  
 (B) TOTAL TRANSMISSION ALLOCATED TO UNIT BASED ON LINE 3.  
 (C) TOTAL ALABAMA POWER COMPANY TRANSMISSION FACILITIES.  
 (D) PREPAID EXPENSES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT I

MARCH, 1999

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF ALLOCATION FACTORS**

MARCH, 1999

**EXHIBIT H  
PRODUCTION**

**EXHIBIT I  
TRANSMISSION**

UNIT 1 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 2	189,850	=	0.01059456
	LINE 6, COL 1	16,031,816	=	
	LINE 5, COL 2	580,532	=	
(B) COMMON			=	0.03621124
	LINE 6, COL 1	16,031,816	=	
	LINE 6, COL 2	750,382	=	
(C) TOTAL			=	0.04680580
	LINE 6, COL 1	16,031,816	=	

UNIT 2 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 3	155,907	=	0.00972485
	LINE 6, COL 1	16,031,816	=	
	LINE 5, COL 3	580,532	=	
(B) COMMON			=	0.03621124
	LINE 6, COL 1	16,031,816	=	
	LINE 6, COL 3	736,439	=	
(C) TOTAL			=	0.04593609
	LINE 6, COL 1	16,031,816	=	

UNIT 3 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 4	168,583	=	0.01051553
	LINE 6, COL 1	16,031,816	=	
	LINE 5, COL 4	580,532	=	
(B) COMMON			=	0.03621124
	LINE 6, COL 1	16,031,816	=	
	LINE 6, COL 4	749,115	=	
(C) TOTAL			=	0.04672677
	LINE 6, COL 1	16,031,816	=	

UNIT 4 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 5	141,964	=	0.00885514
	LINE 6, COL 1	16,031,816	=	
	LINE 5, COL 5	580,532	=	
(B) COMMON			=	0.03621124
	LINE 6, COL 1	16,031,816	=	
	LINE 6, COL 5	722,496	=	
(C) TOTAL			=	0.04506639
	LINE 6, COL 1	16,031,816	=	

UNIT 1 ALLOCATORS: .....

	LINE 4, COL 2	2,535	=	0.00080222
	LINE 6, COL 1	3,159,971	=	
	LINE 5, COL 2	5,070	=	
			=	0.00160445
	LINE 6, COL 1	3,159,971	=	
	LINE 6, COL 2	7,605	=	
			=	0.00240667
	LINE 6, COL 1	3,159,971	=	

UNIT 2 ALLOCATORS: .....

	LINE 4, COL 3	3,803	=	0.00120349
	LINE 6, COL 1	3,159,971	=	
	LINE 5, COL 3	5,070	=	
			=	0.00160445
	LINE 6, COL 1	3,159,971	=	
	LINE 6, COL 3	8,873	=	
			=	0.00280794
	LINE 6, COL 1	3,159,971	=	

UNIT 3 ALLOCATORS: .....

	LINE 4, COL 4	3,803	=	0.00120349
	LINE 6, COL 1	3,159,971	=	
	LINE 5, COL 4	6,338	=	
			=	0.00200571
	LINE 6, COL 1	3,159,971	=	
	LINE 6, COL 4	10,141	=	
			=	0.00320921
	LINE 6, COL 1	3,159,971	=	

UNIT 4 ALLOCATORS: .....

	LINE 4, COL 5	5,070	=	0.00160445
	LINE 6, COL 1	3,159,971	=	
	LINE 5, COL 5	7,605	=	
			=	0.00240667
	LINE 6, COL 1	3,159,971	=	
	LINE 6, COL 5	12,675	=	
			=	0.00401111
	LINE 6, COL 1	3,159,971	=	

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**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

**PRODUCTION - UNIT  
MARCH, 1999**

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCE - MANUAL</u>
2. (1) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	SECTION 2.2.1
<b>GROSS INVESTMENT (\$):</b>					SECTION 2.2.2
(2) PRODUCTION - UNIT (SPECIFIC)	210,201,000	364,541,000	479,465,000	471,828,000	
(3) PRODUCTION - UNIT (COMMON)	64,962,000	64,962,000	89,946,000	89,946,000	
(4) TOTAL	275,163,000	429,503,000	569,411,000	561,774,000	
<b>ACCUMULATED DEPRECIATION (\$):</b>					SECTION 2.2.3
(5) PRODUCTION - UNIT (SPECIFIC)	115,397,000	144,462,000	131,166,000	97,346,000	
(6) PRODUCTION - UNIT (COMMON)	31,480,000	31,480,000	34,014,000	34,014,000	
(7) TOTAL	146,877,000	175,942,000	165,180,000	131,360,000	
<b>MATERIALS AND SUPPLIES (A) (\$):</b>					SECTION 2.2.8
(8) PRODUCTION - UNIT	1,978,462	1,978,462	2,154,154	2,154,231	
(9) FUEL STOCK	5,203,846	5,203,846	5,203,846	5,203,846	
(10) TOTAL	7,182,308	7,182,308	7,358,000	7,358,077	
<b>OPERATION &amp; MAINTENANCE EXPENSE - VARIABLE (\$):</b>					SECTION 2.2.8
(11) PRODUCTION - UNIT	1,173,000	1,593,000	213,000	220,000	
(12) FUEL BURN	0	0	5,559,000	5,563,000	
(13) TOTAL	1,173,000	1,593,000	5,772,000	5,783,000	
<b>OPERATION &amp; MAINTENANCE EXPENSE - FIXED (\$):</b>					SECTION 2.2.8
(14) PRODUCTION - UNIT	584,000	614,000	508,000	501,000	

NOTES:

(A) MATERIAL & SUPPLIES ARE 13 MONTH AVERAGES.

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF MONTHLY CAPACITY CHARGES**

MARCH, 1999

**UNIT 3**

2.	(1) [REDACTED]		REFERENCES
	(2) TOTAL NET INVESTMENT - SPECIFIC (\$)	260,949,528	EXH K, LINE 1
	(3) TOTAL NET INVESTMENT - COMMON (\$)	42,528,387	EXH B, LINE 7 EXH C, LINE 7
	(4) TOTAL NET INVESTMENT (\$)	303,475,915	LINE 2 + LINE 3
	(5) RETURN ON INVESTMENT (A) (%)	9.362	EXH M LINE 4
	(8) ASSOCIATED INCOME TAX (%)	3.561	EXH M LINE 11
	(7) RETURN ON INVESTMENT (\$)	28,411,415	LINE 4 * LINE 5
	(8) ASSOCIATED INCOME TAX (\$)	10,806,777	LINE 4 * LINE 8
	(9) RETURN ON INV & ASSOC INCOME TAX (\$)	39,218,192	LINE 7 + LINE 8
	(10) TOTAL FIXED EXPENSE (\$)	24,068,952	EXH D, LINE 7
	(11) TOTAL FIXED CHARGES (\$)	63,287,144	LINE 9 + LINE 10
	(12) TOTAL FIXED CHARGES (\$/KW-MO)	98.544	LINE 11 / LINE 1
	(13) FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	3.048	LINE 12 * ((100% / (100% - 3%)) - 1)
	(14) TOTAL FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	101.592	LINE 12 + LINE 13
	(15) MONTHLY CAPACITY CHARGES (\$/KW-MO)	8.466000	LINE 14 / 12.0

NOTES:  
(A) THE MONTHLY CAPACITY CHARGES ARE CALCULATED USING A

12.50 (%) RETURN ON COMMON EQUITY.

W 5/11/99

WORK PAPERS: EXHIBIT A

MARCH, 1999

CONFIDENTIAL

**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
MARCH, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCE - MANUAL</u>
<b>GROSS INVESTMENT (\$):</b>					<b>SECTION 2.2.2</b>
(1) TRANSMISSION - GSU (SPECIFIC)	1,845,000	4,115,000	4,514,000	5,347,000	
(2) TRANSMISSION - GSU (COMMON)	6,673,000	6,673,000	6,674,000	6,674,000	
(3) TOTAL	8,518,000	10,788,000	11,188,000	12,021,000	
<b>ACCUMULATED DEPRECIATION (\$):</b>					<b>SECTION 2.2.3</b>
(4) TRANSMISSION - GSU (SPECIFIC)	1,050,000	1,878,000	1,406,000	1,363,000	
(5) TRANSMISSION - GSU (COMMON)	2,883,000	2,883,000	3,139,000	3,139,000	
(6) TOTAL	3,933,000	4,761,000	4,545,000	4,502,000	
<b>MATERIALS AND SUPPLIES (A) (\$):</b>					<b>SECTION 2.2.6</b>
(7) TRANSMISSION - GSU	0	0	0	0	
<b>OPERATION &amp; MAINTENANCE EXPENSE - FIXED (\$):</b>					<b>SECTION 2.2.9</b>
(8) TRANSMISSION - GSU	1,000	1,000	1,000	1,000	

NOTES:  
(A) MATERIAL & SUPPLIES ARE 13 MONTH AVERAGES.

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CONFIDENTIAL

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

MARCH, 1999

	PERCENTAGE OF CAPITALIZATION	COST	WEIGHTED COST
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	55.4326	6.6278	3.6740
(2) PREFERRED STOCK (%)	11.9859	7.4094	0.8881
(3) COMMON EQUITY (%)	32.5815	12.50	4.0727
(4) TOTAL (%)	100.0000		8.635
			43-1 2-1
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.8881 + 4.0727		
(8) EQUITY RETURN (%)	= 4.9608		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ * EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ * 4.9608		
(11) ASSOCIATED INCOME TAX (%)	= 2.932		
			43-1 2-1

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**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

MARCH, 1999

	PERCENTAGE OF CAPITALIZATION	COST	WEIGHTED COST
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	52.6731	7.8519	4.1358
(2) PREFERRED STOCK (%)	10.0964	7.6623	0.7736
(3) COMMON EQUITY (%)	37.2305	12.50	4.6538
(4) TOTAL (%)	100.0000		9.563
			<u>43-1</u>
			2-1
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7736 + 4.6538		
(8) EQUITY RETURN (%)	= 5.4274		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ * EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ * 5.4274		
(11) ASSOCIATED INCOME TAX (%)	= 3.208		
			<u>43-1</u>
			2-1

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43-1



**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

1. [REDACTED]

MARCH, 1999

	PERCENTAGE OF CAPITALIZATION	COST	WEIGHTED COST
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	48.7559	8.4541	4.1219
(2) PREFERRED STOCK (%)	9.8360	7.5704	0.7446
(3) COMMON EQUITY (%)	41.4081	12.50	5.1760
(4) TOTAL (%)	100.0000		10.043

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2-1

(5) INCOME TAX RATE (%) = 37.15

(6) EQUITY RETURN (%) = PREFERRED STOCK • COMMON EQUITY

(7) EQUITY RETURN (%) = 0.7446 + 5.1760

(8) EQUITY RETURN (%) = 5.9206

(9) ASSOCIATED INCOME TAX (%) =  $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$  • EQUITY RETURN

(10) ASSOCIATED INCOME TAX (%) =  $\frac{37.15}{100 - 37.15}$  • 5.9206

(11) ASSOCIATED INCOME TAX (%) = 3.500

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

MARCH, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	46.3331	8.3845	3.8848
(2) PREFERRED STOCK (%)	9.6011	5.5404	0.5319
(3) COMMON EQUITY (%)	44.0658	12.50	5.5082
(4) TOTAL (%)	100.0000		9.925

43-1  
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2-1

(5) INCOME TAX RATE (%)	=	37.15	
(6) EQUITY RETURN (%)	=	PREFERRED STOCK + COMMON EQUITY	
(7) EQUITY RETURN (%)	=	0.5319 + 5.5082	
(8) EQUITY RETURN (%)	=	6.0401	
(9) ASSOCIATED INCOME TAX (%)	=	$\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$	• EQUITY RETURN
(10) ASSOCIATED INCOME TAX (%)	=	$\frac{37.15}{100 - 37.15}$	• 6.0401
(11) ASSOCIATED INCOME TAX (%)	=	3.570	

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL NET INVESTMENT - SPECIFIC**

MARCH, 1999

**UNIT 3**

**REFERENCES**

(1) GROSS INVESTMENT (\$):		
PRODUCTION - UNIT (SPECIFIC)	439,000,000	EXH K, LINE 2
TRANSMISSION - GSU (SPECIFIC)	11,014,000	EXH L, LINE 1
TOTAL	450,014,000	
(2) ACCUMULATED DEPRECIATION (\$):		
PRODUCTION - UNIT (SPECIFIC)	( 140,800,000 )	EXH K, LINE 5
TRANSMISSION - GSU (SPECIFIC)	( 3,518,000 )	EXH L, LINE 4
TOTAL	( 144,318,000 )	
(3) NET INVESTMENT (\$):		
PRODUCTION - UNIT (SPECIFIC)	298,400,000	LINE 1 + LINE 2
TRANSMISSION - GSU (SPECIFIC)	7,496,000	LINE 1 + LINE 2
TOTAL	305,896,000	
(4) GENERAL PLANT (\$):		
PRODUCTION - UNIT (SPECIFIC)	6,292,961	EXH H, LINE 9
TRANSMISSION - GSU (SPECIFIC)	0	EXH I, LINE 9
TOTAL	6,292,961	
(5) WORKING CAPITAL (\$):		
PRODUCTION - UNIT (SPECIFIC)	21,209,472	EXH G, LINE 8
TRANSMISSION - GSU (SPECIFIC)	3,000	EXH G, LINE 15
TOTAL	21,212,472	
(6) ACCUMULATED DEFERRED INCOME TAX (\$):		
PRODUCTION - UNIT (SPECIFIC)	( 70,766,905 )	EXH H, LINES 15 + 17
TRANSMISSION - GSU (SPECIFIC)	( 1,685,000 )	EXH I, LINES 15 + 17
TOTAL	( 72,451,905 )	
(7) TOTAL NET INVESTMENT - SPECIFIC (\$)	260,949,528	LINES 3+4+5+6

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**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT**  
**DETERMINATION OF TOTAL NET INVESTMENT - COMMON**

MARCH, 1999

**UNIT 3**

**REFERENCES**

(1) GROSS INVESTMENT (\$):			
PRODUCTION - UNIT (COMMON)	84,500,000		EXH K, LINE 3
TRANSMISSION - GSU (COMMON)	3,967,000		EXH L, LINE 2
TOTAL	88,467,000		
(2) ACCUMULATED DEPRECIATION (\$):			
PRODUCTION - UNIT (COMMON)	( 33,300,000 )		EXH K, LINE 6
TRANSMISSION - GSU (COMMON)	( 1,285,000 )		EXH L, LINE 5
TOTAL	( 34,585,000 )		
(3) NET INVESTMENT (\$):			
PRODUCTION - UNIT (COMMON)	51,200,000		LINE 1 + LINE 2
TRANSMISSION - GSU (COMMON)	2,682,000		LINE 1 + LINE 2
TOTAL	53,882,000		
(4) GENERAL PLANT (\$):			
PRODUCTION - UNIT (COMMON)	1,541,779		EXH H, LINE 10
TRANSMISSION - GSU (COMMON)	0		EXH I, LINE 10
TOTAL	1,541,779		
(5) WORKING CAPITAL (\$):			
PRODUCTION - UNIT (COMMON)	0		INCL IN UNIT (EXH B, LINE 5)
TRANSMISSION - GSU (COMMON)	0		INCL IN UNIT (EXH B, LINE 5)
TOTAL	0		
(6) ACCUMULATED DEFERRED INCOME TAX (\$):			
PRODUCTION - UNIT (COMMON)	( 12,810,392 )		EXH H, LINES 16 + 18
TRANSMISSION - GSU (COMMON)	( 87,000 )		EXH I, LINES 16 + 18
TOTAL	( 12,897,392 )		
(7) TOTAL NET INVESTMENT - COMMON (\$)	42,526,387		LINES 3+4+5+6

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL FIXED EXPENSE**

MARCH, 1999

**UNIT 3**

**REFERENCES**

(1) OPERATION & MAINTENANCE EXPENSE - FIXED (\$):		
PRODUCTION - UNIT	5,556,000	EXH K, LINE 14 * 12.0
TRANSMISSION - GSU	24,000	EXH L, LINE 8 * 12.0
TOTAL	5,580,000	
(2) ADMINISTRATIVE & GENERAL EXPENSE (\$):		
PRODUCTION - UNIT	2,980,608	EXH H, LINE 23 * 12.0
TRANSMISSION - GSU	0	EXH I, LINE 23 * 12.0
TOTAL	2,980,608	
(3) DEPRECIATION EXPENSE (\$):		
PRODUCTION - UNIT	13,955,028	EXH H, LINE 26 * 12.0
TRANSMISSION - GSU	396,000	EXH I, LINE 26 * 12.0
TOTAL	14,351,028	
(4) AMORTIZATION OF INCOME TAX CREDITS (\$):		
PRODUCTION - UNIT	( 773,052 )	EXH H, LINE 29 * 12.0
TRANSMISSION - GSU	( 12,000 )	EXH I, LINE 29 * 12.0
TOTAL	( 785,052 )	
(5) REAL & PERSONAL PROPERTY TAX (\$):		
PRODUCTION - UNIT	1,563,384	EXH H, LINE 32 * 12.0
TRANSMISSION - GSU	60,000	EXH I, LINE 32 * 12.0
TOTAL	1,623,384	
(6) PAYROLL TAX (\$):		
PRODUCTION - UNIT	318,984	EXH H, LINE 8 * 12.0
TRANSMISSION - GSU	0	EXH I, LINE 8 * 12.0
TOTAL	318,984	
(7) TOTAL FIXED EXPENSE (\$)	24,068,952	LINES 1+2+3+4+5+6

NOTES:  
ALL EXPENSES ARE ANNUALIZED.

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WORK PAPERS: EXHIBIT D

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3  
MARCH, 1999

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**

PRODUCTION - UNIT  
MARCH, 1999

UNIT 3

REFERENCES

INVESTMENT (SPECIFIC) (\$):

(1) GROSS INVESTMENT	439,000,000
(2) ACCUMULATED DEPRECIATION	( 140,600,000 )
(3) NET INVESTMENT	298,400,000
(4) GENERAL PLANT	6,292,961
(5) WORKING CAPITAL	21,209,472
(6) ACCUMULATED DEFERRED INCOME TAX	( 70,766,905 )
 (7) TOTAL NET INVESTMENT (SPECIFIC)	 255,135,528

EXH K, LINE 2  
EXH K, LINE 5  
LINES 1 + 2  
EXH H, LINE 9  
EXH G, LINE 8  
EXH H, LINES 15 + 17  
  
LINES 3+4+5+6

INVESTMENT (COMMON) (\$):

(8) GROSS INVESTMENT	84,500,000
(9) ACCUMULATED DEPRECIATION	( 33,300,000 )
(10) NET INVESTMENT	51,200,000
(11) GENERAL PLANT	1,541,779
(12) WORKING CAPITAL	0
(13) ACCUMULATED DEFERRED INCOME TAX	( 12,810,392 )
 (14) TOTAL NET INVESTMENT (COMMON)	 39,931,387

EXH K, LINE 3  
EXH K, LINE 8  
LINE 8 + LINE 9  
EXH H, LINE 10  
INCL IN UNIT (LINE 5)  
EXH H, LINES 16 + 18  
  
LINES 10+11+12+13

EXPENSE (\$):

(15) OPERATION & MAINTENANCE EXPENSE - FIXED	463,000
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	15,435
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	232,949
(18) DEPRECIATION EXPENSE	1,162,919
(19) AMORTIZATION OF INCOME TAX CREDITS	( 64,421 )
(20) REAL & PERSONAL PROPERTY TAX	130,282
(21) PAYROLL TAX	26,582
 (22) TOTAL EXPENSE	 1,966,746

EXH K, LINE 14  
EXH H, LINES 20 + 21  
EXH H, LINE 22  
EXH H, LINE 26  
EXH H, LINE 29  
EXH H, LINE 32  
EXH H, LINE 8  
  
SUM LINES 15 TO 21

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**UNIT POWER SALES AGREEMENT  
ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**

/ **GENERATOR STEP-UP SUBSTATIONS**  
MARCH, 1999

UNIT 3

REFERENCES

INVESTMENT (SPECIFIC) (\$):

(1) GROSS INVESTMENT	11,014,000
(2) ACCUMULATED DEPRECIATION	( 3,518,000 )
(3) NET INVESTMENT	7,496,000
(4) GENERAL PLANT	0
(5) WORKING CAPITAL	3,000
(6) ACCUMULATED DEFERRED INCOME TAX	( 1,685,000 )
 (7) TOTAL NET INVESTMENT (SPECIFIC)	 5,814,000

EXH L, LINE 1  
EXH L, LINE 4  
LINES 1 + 2  
EXH I, LINE 9  
EXH G, LINE 15  
EXH I, LINES 15 + 17  
  
LINES 3+4+5+6

INVESTMENT (COMMON) (\$):

(8) GROSS INVESTMENT	3,967,000
(9) ACCUMULATED DEPRECIATION	( 1,285,000 )
(10) NET INVESTMENT	2,682,000
(11) GENERAL PLANT	0
(12) WORKING CAPITAL	0
(13) ACCUMULATED DEFERRED INCOME TAX	( 87,000 )
 (14) TOTAL NET INVESTMENT (COMMON)	 2,595,000

EXH L, LINE 2  
EXH L, LINE 5  
LINE 8 + LINE 9  
EXH I, LINE 10  
INCL IN UNIT (LINE 5)  
EXH I, LINES 16 + 18  
  
LINES 10+11+12+13

EXPENSE (\$):

(15) OPERATION & MAINTENANCE EXPENSE - FIXED	2,000
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	0
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	0
(18) DEPRECIATION EXPENSE	33,000
(19) AMORTIZATION OF INCOME TAX CREDITS	( 1,000 )
(20) REAL & PERSONAL PROPERTY TAX	5,000
(21) PAYROLL TAX	0
 (22) TOTAL EXPENSE	 39,000

EXH L, LINE 8  
EXH I, LINES 20 + 21  
EXH I, LINE 22  
EXH I, LINE 28  
EXH I, LINE 29  
EXH I, LINE 32  
EXH I, LINE 8  
  
SUM LINES 15 TO 21

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**UNIT POWER SALES AGREEMENT  
ALLOCATION OF INVESTMENT AND EXPENSE**

PRODUCTION - UNIT  
MARCH, 1999

	<u>TOTAL PRODUCTION</u> (1) (C)	<u>UNIT 3</u> (2)	<u>REFERENCE - MANUAL</u>
<b>SALARIES AND WAGES (\$):</b>			
(1) PROD-UNIT (SPECIFIC) (AS GIVEN)	0	200,000	SECTION 2.2.17
(2) PROD-UNIT (COMMON) (AS GIVEN)	0	49,000	
(3) TOTAL (AS GIVEN)	8,677,000	249,000	
(4) PROD-UNIT (SPECIFIC) (W/ A&G ALLOC) (B)	0	237,673	
(5) PROD-UNIT (COMMON) (W/ A&G ALLOC) (B)	0	58,230	
(6) TOTAL (W/ A&G ALLOC) (B)	10,311,451	295,903	
<b>PAYROLL TAX (\$):</b>			
(7) PRODUCTION - UNIT (AS GIVEN)	662,000	23,000	SECTION 2.2.14
(8) PRODUCTION - UNIT (W/ A&G ALLOC) (A)	786,809	26,582	
<b>GENERAL PLANT (\$):</b>			
(9) PRODUCTION - UNIT (SPECIFIC) (A)	0	6,292,961	SECTION 2.2.5
(10) PRODUCTION - UNIT (COMMON) (A)	0	1,541,779	
(11) TOTAL (A)	273,020,349	7,834,740	
<b>PREPAID EXPENSE (D) (\$):</b>			
(12) PRODUCTION - UNIT	2,321,846	134,231	SECTION 2.2.6
(13) GENERAL - UNIT (A)	42,369,476	1,215,857	
(14) TOTAL	44,691,322	1,350,088	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>			
(15) PRODUCTION - UNIT (SPECIFIC)	416,732,000	69,500,000	SECTION 2.2.7
(16) PRODUCTION - UNIT (COMMON)	0	12,500,000	
(17) GENERAL - UNIT (SPECIFIC) (A)	54,964,732	1,266,905	
(18) GENERAL - UNIT (COMMON) (A)	0	310,392	
(19) TOTAL	471,696,732	83,577,297	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>			
(20) PRODUCTION - UNIT (INCL INSURANCE)	185,000	15,000	SECTION 2.2.10
(21) GENERAL - UNIT (INCL INSURANCE) (A)	15,142	435	
(22) OTHER (EXCL INSURANCE) (A)	8,117,652	232,949	
(23) TOTAL	8,317,794	248,384	
<b>DEPRECIATION EXPENSE (\$):</b>			
(24) PRODUCTION - UNIT	8,379,000	1,130,000	SECTION 2.2.11
(25) GENERAL - UNIT (A)	1,147,144	32,919	
(26) TOTAL	9,526,144	1,162,919	
<b>AMORTIZATION OF INCOME TAX CREDITS(\$):</b>			
(27) PRODUCTION - UNIT	303,000	64,000	SECTION 2.2.12
(28) GENERAL - UNIT (A)	14,683	421	
(29) TOTAL	317,683	64,421	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>			
(30) PRODUCTION - UNIT	1,641,000	123,000	SECTION 2.2.13
(31) GENERAL - UNIT (A)	253,748	7,282	
(32) TOTAL	1,894,748	130,282	

NOTES: (A) ALLOCATED TO UNIT USING PRODUCTION FACTORS SHOWN ON EXHIBIT J.  
 (B) TOTAL PRODUCTION ALLOCATED TO UNIT BASED ON LINE 3.  
 (C) TOTAL GEORGIA POWER COMPANY FOSSIL STEAM AND COMBUSTION TURBINE PRODUCTION FACILITIES.  
 (D) PREPAID EXPENSES ARE 13-MONTH AVERAGES.



**UNIT POWER SALES AGREEMENT  
ALLOCATION OF INVESTMENT AND EXPENSE**

**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
MARCH, 1999**

	<u>TOTAL TRANSMISSION</u> (1) (C)	<u>UNIT 3</u> (2)	<u>REFERENCE - MANUAL</u>
<b>SALARIES AND WAGES (\$):</b>			<b>SECTION 2.2.17</b>
(1) TRAN-GSU (SPECIFIC) (AS GIVEN)	0	0	
(2) TRAN-GSU (COMMON) (AS GIVEN)	0	0	
(3) TOTAL (AS GIVEN)	1,351,000	0	
(4) TRAN-GSU (SPECIFIC) (W/ A&G ALLOC) (B)	0	0	
(5) TRAN-GSU (COMMON) (W/ A&G ALLOC) (B)	0	0	
(6) TOTAL (W/ A&G ALLOC) (B)	1,605,482	0	
<b>PAYROLL TAX (\$):</b>			<b>SECTION 2.2.14</b>
(7) TRANSMISSION - GSU (AS GIVEN)	103,000	0	
(8) TRANSMISSION - GSU (W/ A&G ALLOC) (A)	122,433	0	
<b>GENERAL PLANT (\$):</b>			<b>SECTION 2.2.5</b>
(9) TRANSMISSION - GSU (SPECIFIC) (A)	0	0	
(10) TRANSMISSION - GSU (COMMON) (A)	0	0	
(11) TOTAL (A)	42,508,978	0	
<b>PREPAID EXPENSE (D) (\$):</b>			<b>SECTION 2.2.6</b>
(12) TRANSMISSION - GSU	1,608,077	0	
(13) GENERAL - GSU (A)	6,596,882	0	
(14) TOTAL	8,204,959	0	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>			<b>SECTION 2.2.7</b>
(15) TRANSMISSION - GSU (SPECIFIC)	281,866,000	1,685,000	
(16) TRANSMISSION - GSU (COMMON)	0	87,000	
(17) GENERAL - GSU (SPECIFIC) (A)	8,557,950	0	
(18) GENERAL - GSU (COMMON) (A)	0	0	
(19) TOTAL	270,423,950	1,772,000	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>			<b>SECTION 2.2.10</b>
(20) TRANSMISSION - GSU (INCL INSURANCE)	18,000	0	
(21) GENERAL - GSU (INCL INSURANCE) (A)	2,358	0	
(22) OTHER (EXCL INSURANCE) (A)	1,263,910	0	
(23) TOTAL	1,284,268	0	
<b>DEPRECIATION EXPENSE (\$):</b>			<b>SECTION 2.2.11</b>
(24) TRANSMISSION - GSU	4,029,000	33,000	
(25) GENERAL - GSU (A)	178,609	0	
(26) TOTAL	4,207,609	33,000	
<b>AMORTIZATION OF INCOME TAX CREDITS (\$):</b>			<b>SECTION 2.2.12</b>
(27) TRANSMISSION - GSU	118,000	1,000	
(28) GENERAL - GSU (A)	2,286	0	
(29) TOTAL	120,286	1,000	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>			<b>SECTION 2.2.13</b>
(30) TRANSMISSION - GSU	1,205,000	5,000	
(31) GENERAL - GSU (A)	39,508	0	
(32) TOTAL	1,244,508	5,000	

NOTES: (A) ALLOCATED TO UNIT USING TRANSMISSION FACTORS SHOWN ON EXHIBIT J.  
 (B) TOTAL TRANSMISSION ALLOCATED TO UNIT BASED ON LINE 3.  
 (C) TOTAL GEORGIA POWER COMPANY TRANSMISSION FACILITIES.  
 (D) PREPAID EXPENSES ARE 13-MONTH AVERAGES.

WORK PAPERS: EXHIBIT I

MARCH, 1999

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF ALLOCATION FACTORS**

MARCH, 1999

**EXHIBIT H  
PRODUCTION**

**EXHIBIT I  
TRANSMISSION**

UNIT 3 ALLOCATORS: .....

	LINE 4, COL 2	237,673	=	0.02304942
(A) UNIT	LINE 6, COL 1	10,311,451	=	
	LINE 5, COL 2	58,230	=	
(B) COMMON	LINE 6, COL 1	10,311,451	=	0.00564712
	LINE 6, COL 2	295,903	=	
(C) TOTAL	LINE 6, COL 1	10,311,451	=	0.02869654

.....

	LINE 4, COL 2	0	=	0.00000000
	LINE 6, COL 1	1,605,482	=	
	LINE 5, COL 2	0	=	
	LINE 6, COL 1	1,605,482	=	0.00000000
	LINE 6, COL 2	0	=	
	LINE 6, COL 1	1,605,482	=	0.00000000

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**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

**PRODUCTION - UNIT  
MARCH, 1999**

**REFERENCE - MANUAL**

	<u>UNIT 3</u>	
(1) NET DEPENDABLE CAPACITY (KW)	642,225	SECTION 2.2.1
ROSS INVESTMENT (\$):	439,000,000	SECTION 2.2.2
(2) PRODUCTION - UNIT (SPECIFIC)	84,500,000	
(3) PRODUCTION - UNIT (COMMON)	523,500,000	SECTION 2.2.3
(4) TOTAL		
CUMULATED DEPRECIATION (\$):	140,600,000	
(5) PRODUCTION - UNIT (SPECIFIC)	33,300,000	SECTION 2.2.6
(6) PRODUCTION - UNIT (COMMON)	173,900,000	
(7) TOTAL		
MATERIALS AND SUPPLIES (A) (\$):	3,000,000	
(8) PRODUCTION - UNIT	7,083,308	SECTION 2.2.8
(9) FUEL STOCK	10,083,308	
(10) TOTAL		
OPERATION & MAINTENANCE EXPENSE - VARIABLE (\$):	114,000	
(11) PRODUCTION - UNIT	5,692,000	SECTION 2.2.9
(12) FUEL BURN	5,806,000	
(13) TOTAL		
OPERATION & MAINTENANCE EXPENSE - FIXED (\$):	483,000	
(14) PRODUCTION - UNIT		

**NOTES:**

(A) MATERIALS AND SUPPLIES ARE 13-MONTH AVERAGES.

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WORK PAPERS: EXHIBIT K

MARCH, 1999

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
MARCH, 1999**

**UNIT 3**

**REFERENCE - MANUAL**

**GROSS INVESTMENT (\$):**

(1) TRANSMISSION - GSU (SPECIFIC)	11,014,000
(2) TRANSMISSION - GSU (COMMON)	3,967,000
(3) TOTAL	14,981,000

SECTION 2.2.2

**ACCUMULATED DEPRECIATION (\$):**

(4) TRANSMISSION - GSU (SPECIFIC)	3,518,000
(5) TRANSMISSION - GSU (COMMON)	1,285,000
(6) TOTAL	4,803,000

SECTION 2.2.3

**MATERIALS AND SUPPLIES (A) (\$):**

(7) TRANSMISSION - GSU	0
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SECTION 2.2.6

**OPERATION & MAINTENANCE EXPENSE - FIXED (\$):**

(8) TRANSMISSION - GSU	2,000
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SECTION 2.2.9

**NOTES:**

(A) MATERIALS AND SUPPLIES ARE 13-MONTH AVERAGES.

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

MARCH, 1999

	PERCENTAGE OF CAPITALIZATION	COST	WEIGHTED COST
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	50.8561	7.3091	3.7171
(2) PREFERRED STOCK (%)	9.6287	7.3308	0.7059
(3) COMMON EQUITY (%)	39.5152	12.50	4.9394
(4) TOTAL (%)	100.0000		9.362
(5) INCOME TAX RATE (%)	= 38.68		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7059 • 4.9394		
(8) EQUITY RETURN (%)	= 5.6453		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ • EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{38.68}{100 - 38.68}$ • 5.6453		
(11) ASSOCIATED INCOME TAX (%)	= 3.561		

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5/1/99

CONFIDENTIAL

**1988 UNIT POWER SALES AGREEMENT**

True-up for January 1999

Florida Power & Light

	(A)	(B)	(C)	(D)	Notes
	<u>Production at 13.75% ROE</u>	<u>Monthly Capacity Rate (\$/kw-mo)</u>	<u>Mo. Capacity Purchased (kw)</u>	<u>Monthly Charges (\$/mo)</u>	
1	[REDACTED]	+3 - 1/2 - 2/1	[REDACTED]	[REDACTED]	(a)
2	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
4	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
7	<b>Total at 13.75% ROE</b>				(a)
	<u>Production at 12.50% ROE</u>				
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
13	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b)
14	<b>Total at 12.50% ROE</b>				(b)
15	<b>Coordination and Scheduling Charges</b>				
	<b>Total Actual Production Charges</b>			7,821,130	
	<b>Total Budget Production Capacity Charges Previously Paid</b>			7,807,106	
	<b>True-up For Actual Production Capacity Charges</b>			14,024	

		<u>Monthly Capacity Rate (\$/kw-mo)</u>	<u>Mo. Capacity (kw)</u>	<u>Monthly Charges (\$/mo)</u>	
	<u>Transmission at 13.75% ROE</u>				
16	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
17	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(a)
17a	<b>Total at 13.75% ROE</b>				
	<u>Transmission at 12.50% ROE</u>				
18	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b), (c)
19	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	(b), (c)
19a	<b>Total at 12.50% ROE</b>				
	<b>Total Revised Budget Transmission Charges</b>			1,718,332	
	<b>Total Budget Transmission Charges Previously Paid</b>			1,789,698	
	<b>True-up For Transmission Charges</b>			-71,366	

**Notes:**

- (a) The 13.75% ROE was in effect January 1-4 therefore the charges have been pro-rated.
- (b) The 12.50% ROE was effective January 5 therefore the charges have been pro-rated.
- (c) The only revision that was made to the budget transmission charges was the change in ROE.

43-1  
2-2 P.1

43-1  
2-2 P.1

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF MONTHLY CAPACITY CHARGES**

JANUARY, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
(1) <del>████████████████████</del>	<del>████████████████████</del>	<del>████████████████████</del>	<del>████████████████████</del>	<del>████████████████████</del>	EXH K, LINE 7 <sup>2</sup>
(2) TOTAL NET INVESTMENT - SPECIFIC (\$)	91,556,233	188,498,546	320,664,741	340,966,504	EXH B, LINE 7
(3) TOTAL NET INVESTMENT - COMMON (\$)	31,226,480	31,227,480	56,004,112	58,002,112	EXH C, LINE 7
(4) TOTAL NET INVESTMENT (\$)	122,782,713	219,726,026	376,668,853	398,968,616	LINE 2 + LINE 3
(5) RETURN ON INVESTMENT (A) (%)	9.552	10.163	10.580	10.520	EXH M,N,O,P LINE 4
(6) ASSOCIATED INCOME TAX (%)	3.180	3.487	3.800	3.904	EXH M,N,O,P LINE 11
(7) RETURN ON INVESTMENT (\$)	11,728,205	22,330,756	39,851,565	41,761,098	LINE 4 * LINE 5
(8) ASSOCIATED INCOME TAX (\$)	3,904,490	7,661,847	14,313,416	15,497,655	LINE 4 * LINE 6
(9) RETURN ON INV & ASSOC INCOME TAX (\$)	15,832,695	29,992,603	54,164,981	57,258,753	LINE 7 + LINE 8
(10) TOTAL FIXED EXPENSE (\$)	19,442,880	25,100,352	29,473,944	29,310,672	EXH D, LINE 7
(11) TOTAL FIXED CHARGES (\$)	35,075,575	55,092,955	83,638,925	86,569,425	LINE 9 + LINE 10
(12) TOTAL FIXED CHARGES (\$/KW-MO)	57.157	89.843	124.075	124.902	LINE 11 / LINE 1
(13) FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	1.768	2.779	3.837	3.863	LINE 12 * ((100% / (100% - 3%)) - 1)
(14) TOTAL FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	58.925	92.622	127.912	128.765	LINE 12 + LINE 13
(15) MONTHLY CAPACITY CHARGES (\$/KW-MO)	4.910417	7.718500	10.659333	10.730417	LINE 14 / 12.0
	$\frac{43-1}{2-2}$	$\frac{43-1}{2-2}$	$\frac{43-1}{2-2}$	$\frac{43-1}{2-2}$	

**NOTES:**

A) THE MONTHLY CAPACITY CHARGES ARE CALCULATED USING A

13.75 (%) RETURN ON COMMON EQUITY.

WORK PAPERS: EXHIBIT A

JANUARY, 1999

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF MONTHLY CAPACITY CHARGES**

JANUARY, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
2. (1) [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	EXH K, LINE 1
(2) TOTAL NET INVESTMENT - SPECIFIC (\$)	91,556,233	188,498,546	320,664,741	340,966,504	EXH B, LINE 7
(3) TOTAL NET INVESTMENT - COMMON (\$)	31,226,480	31,227,480	56,004,112	56,002,112	EXH C, LINE 7
(4) TOTAL NET INVESTMENT (\$)	122,782,713	219,726,026	376,668,853	396,968,616	LINE 2 + LINE 3
(5) RETURN ON INVESTMENT (A) (%)	9.145	9.698	10.062	9.969	EXH M,N,O,P LINE 4
(6) ASSOCIATED INCOME TAX (%)	2.939	3.212	3.494	3.579	EXH M,N,O,P LINE 11
(7) RETURN ON INVESTMENT (\$)	11,228,479	21,309,030	37,900,420	39,573,801	LINE 4 * LINE 5
(8) ASSOCIATED INCOME TAX (\$)	3,608,584	7,057,600	13,160,810	14,207,507	LINE 4 * LINE 6
(9) RETURN ON INV & ASSOC INCOME TAX (\$)	14,837,063	28,366,630	51,061,230	53,781,308	LINE 7 + LINE 8
(10) TOTAL FIXED EXPENSE (\$)	19,442,880	25,100,352	29,473,944	29,310,672	EXH D, LINE 7
(11) TOTAL FIXED CHARGES (\$)	34,279,943	53,466,982	80,535,174	83,091,980	LINE 9 + LINE 10
(12) TOTAL FIXED CHARGES (\$/KW-MO)	55.860	87.191	119.471	119.885	LINE 11 / LINE 1
(13) FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	1.728	2.697	3.695	3.708	LINE 12 * ((100% / (100% - 3%)) - 1)
(14) TOTAL FIXED CHARGES ASSOC W/ LOSSES (\$/KW-MO)	57.588	89.888	123.166	123.593	LINE 12 + LINE 13
(15) MONTHLY CAPACITY CHARGES (\$/KW-MO)	4.799000	7.490667	10.263833	10.299417	LINE 14 / 12.0

43-1  
-----  
2-2

NOTES:

1) THE MONTHLY CAPACITY CHARGES ARE CALCULATED USING A

12.50 (%) RETURN ON COMMON EQUITY.

43-1  
1/2  
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1/2



**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL NET INVESTMENT - SPECIFIC**

JANUARY, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
(1) GROSS INVESTMENT (\$):					
PRODUCTION - UNIT (SPECIFIC)	204,112,747	360,586,830	472,003,127	458,647,989	EXH K, LINE 2
TRANSMISSION - GSU (SPECIFIC)	1,844,604	4,115,475	4,513,985	5,347,256	EXH L, LINE 1
TOTAL	205,957,351	364,702,305	476,517,112	463,995,245	
(2) ACCUMULATED DEPRECIATION (\$):					
PRODUCTION - UNIT (SPECIFIC)	( 115,361,625 )	( 143,969,760 )	( 129,097,826 )	( 97,006,626 )	EXH K, LINE 5
TRANSMISSION - GSU (SPECIFIC)	( 1,044,068 )	( 1,857,105 )	( 1,385,657 )	( 1,338,693 )	EXH L, LINE 4
TOTAL	( 116,405,693 )	( 145,826,865 )	( 130,483,483 )	( 98,343,319 )	
(3) NET INVESTMENT (\$):					
PRODUCTION - UNIT (SPECIFIC)	88,751,122	216,617,070	342,905,301	361,641,363	LINE 1 + LINE 2
TRANSMISSION - GSU (SPECIFIC)	800,536	2,258,370	3,128,328	4,010,563	LINE 1 + LINE 2
TOTAL	89,551,658	218,875,440	346,033,629	365,651,926	
(4) GENERAL PLANT (\$):					
PRODUCTION - UNIT (SPECIFIC)	12,079,842	12,142,542	12,807,918	12,805,452	EXH H, LINE 9
TRANSMISSION - GSU (SPECIFIC)	139,698	178,162	194,559	208,651	EXH I, LINE 9
TOTAL	12,219,340	12,320,704	13,002,477	13,014,103	
(5) WORKING CAPITAL (\$):					
PRODUCTION - UNIT (SPECIFIC)	19,076,418	14,922,859	20,114,618	21,305,925	EXH G, LINE 8
TRANSMISSION - GSU (SPECIFIC)	17,968	22,867	25,042	26,889	EXH G, LINE 15
TOTAL	19,094,384	14,945,726	20,139,660	21,332,814	
(6) ACCUMULATED DEFERRED INCOME TAX (\$):					
PRODUCTION - UNIT (SPECIFIC)	( 28,760,343 )	( 56,697,863 )	( 57,958,300 )	( 58,365,809 )	EXH H, LINES 15+17
TRANSMISSION - GSU (SPECIFIC)	( 548,806 )	( 945,461 )	( 552,725 )	( 668,530 )	EXH I, LINES 15+17
TOTAL	( 29,309,149 )	( 57,643,324 )	( 58,511,025 )	( 59,032,339 )	
(7) TOTAL NET INVESTMENT - SPECIFIC (\$)	91,556,233	188,498,546	320,664,741	340,966,504	LINES 3+4+5+6

$$\frac{43-1}{2-2}$$

$$= 1$$

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2-2  
1

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL NET INVESTMENT - COMMON**

JANUARY, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
(1) GROSS INVESTMENT (\$):					
PRODUCTION - UNIT (COMMON)	67,570,762	67,570,762	96,959,697	96,959,697	EXH K, LINE 3
TRANSMISSION - GSU (COMMON)	6,403,628	6,403,628	6,972,592	6,972,592	EXH L, LINE 2
TOTAL	73,974,390	73,974,390	103,932,289	103,932,289	
(2) ACCUMULATED DEPRECIATION (\$):					
PRODUCTION - UNIT (COMMON)	(31,422,817)	(31,422,817)	(33,844,674)	(33,844,674)	EXH K, LINE 6
TRANSMISSION - GSU (COMMON)	(2,852,093)	(2,852,093)	(3,105,503)	(3,105,503)	EXH L, LINE 5
TOTAL	(34,274,910)	(34,274,910)	(36,950,177)	(36,950,177)	
(3) NET INVESTMENT (\$):					
PRODUCTION - UNIT (COMMON)	36,147,945	36,147,945	63,115,023	63,115,023	LINE 1 + LINE 2
TRANSMISSION - GSU (COMMON)	3,551,535	3,551,535	3,867,089	3,867,089	LINE 1 + LINE 2
TOTAL	39,699,480	39,699,480	66,982,112	66,982,112	
(4) GENERAL PLANT (\$):					
PRODUCTION - UNIT (COMMON)	0	0	0	0	EXH H, LINE 10
TRANSMISSION - GSU (COMMON)	0	0	0	0	EXH I, LINE 10
TOTAL	0	0	0	0	
(5) WORKING CAPITAL (\$):					
PRODUCTION - UNIT (COMMON)	0	0	0	0	INCL IN UNIT (EXH B, LINE 5)
TRANSMISSION - GSU (COMMON)	0	0	0	0	INCL IN UNIT (EXH B, LINE 5)
TOTAL	0	0	0	0	
(6) ACCUMULATED DEFERRED INCOME TAX (\$):					
PRODUCTION - UNIT (COMMON)	(7,724,000)	(7,723,000)	(10,229,000)	(10,230,000)	EXH H, LINES 16 + 18
TRANSMISSION - GSU (COMMON)	(749,000)	(749,000)	(749,000)	(750,000)	EXH I, LINES 16 + 18
TOTAL	(8,473,000)	(8,472,000)	(10,978,000)	(10,980,000)	
(7) TOTAL NET INVESTMENT - COMMON (\$)	31,226,480	31,227,480	56,004,112	56,002,112	LINES 3+4+5+6

$$\frac{43-1}{2-2}$$

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**CONFIDENTIAL**

1/21/99

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF TOTAL FIXED EXPENSE**

JANUARY, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
(1) OPERATION & MAINTENANCE EXPENSE - FIXED (\$):					
PRODUCTION - UNIT	6,889,968	7,353,924	6,611,688	6,459,816	EXH K, LINE 14 * 12.0
TRANSMISSION - GSU	78,468	100,080	109,272	117,228	EXH L, LINE 8 * 12.0
TOTAL	6,968,436	7,454,004	6,720,960	6,577,044	
(2) ADMINISTRATIVE & GENERAL EXPENSE (\$):					
PRODUCTION - UNIT	3,662,052	3,696,096	3,924,672	3,930,096	EXH H, LINE 23 * 12.0
TRANSMISSION - GSU	44,196	56,292	61,464	65,904	EXH I, LINE 23 * 12.0
TOTAL	3,706,248	3,752,388	3,986,136	3,996,000	
(3) DEPRECIATION EXPENSE (\$):					
PRODUCTION - UNIT	7,489,044	11,482,116	15,103,140	14,762,460	EXH H, LINE 26 * 12.0
TRANSMISSION - GSU	259,032	330,336	360,732	386,904	EXH I, LINE 26 * 12.0
TOTAL	7,748,076	11,812,452	15,463,872	15,149,364	
(4) AMORTIZATION OF INCOME TAX CREDITS (\$):					
PRODUCTION - UNIT	( 490,476 )	( 598,524 )	( 803,100 )	( 695,100 )	EXH H, LINE 29 * 12.0
TRANSMISSION - GSU	( 36,120 )	( 36,156 )	( 24,168 )	( 24,180 )	EXH I, LINE 29 * 12.0
TOTAL	( 526,596 )	( 634,680 )	( 827,268 )	( 719,280 )	
(5) REAL & PERSONAL PROPERTY TAX (\$):					
PRODUCTION - UNIT	1,188,996	2,342,484	3,728,040	3,897,000	EXH H, LINE 32 * 12.0
TRANSMISSION - GSU	39,972	53,316	64,092	72,120	EXH I, LINE 32 * 12.0
TOTAL	1,228,968	2,395,800	3,792,132	3,969,120	
(6) PAYROLL TAX (\$):					
PRODUCTION - UNIT	314,112	315,756	333,048	333,000	EXH H, LINE 8 * 12.0
TRANSMISSION - GSU	3,636	4,632	5,064	5,424	EXH I, LINE 8 * 12.0
TOTAL	317,748	320,388	338,112	338,424	
(7) TOTAL FIXED EXPENSE (\$)	19,442,880	25,100,352	29,473,944	29,310,672	LINES 1+2+3+4+5+6

43-1  
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1

NOTES:  
ALL EXPENSES ARE ANNUALIZED.

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CONFIDENTIAL

**UNIT POWER SALES AGREEMENT  
ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**

PRODUCTION - UNIT  
JANUARY, 1999

	UNIT 1	UNIT 2	UNIT 3	UNIT 4	REFERENCES
<b>INVESTMENT (SPECIFIC) (\$):</b>					
(1) GROSS INVESTMENT	204,112,747	360,586,830	472,003,127	458,647,989	EXH K, LINE 2
(2) ACCUMULATED DEPRECIATION	( 115,361,825 )	( 143,969,760 )	( 129,097,826 )	( 97,006,626 )	EXH K, LINE 5
(3) NET INVESTMENT	88,751,122	216,617,070	342,905,301	361,641,363	LINES 1+2
(4) GENERAL PLANT	12,079,842	12,142,542	12,807,918	12,805,452	EXH H, LINE 9
(5) WORKING CAPITAL	19,076,418	14,922,859	20,114,618	21,305,925	EXH G, LINE 8
(6) ACCUMULATED DEFERRED INCOME TAX	( 28,760,343 )	( 56,697,863 )	( 57,958,300 )	( 58,365,809 )	EXH H, LINES 15 + 17
(7) TOTAL NET INVESTMENT (SPECIFIC)	91,146,839	186,984,608	317,869,537	337,386,931	LINES 3+4+5+6
<b>INVESTMENT (COMMON) (\$):</b>					
(8) GROSS INVESTMENT	67,570,762	67,570,762	96,959,697	96,959,697	EXH K, LINE 3
(9) ACCUMULATED DEPRECIATION	( 31,422,817 )	( 31,422,817 )	( 33,844,674 )	( 33,844,674 )	EXH K, LINE 6
(10) NET INVESTMENT	36,147,945	36,147,945	63,115,023	63,115,023	LINE 8 + LINE 9
(11) GENERAL PLANT	0	0	0	0	EXH H, LINE 10
(12) WORKING CAPITAL	0	0	0	0	INCL IN UNIT (LINE 5)
(13) ACCUMULATED DEFERRED INCOME TAX	( 7,724,000 )	( 7,723,000 )	( 10,229,000 )	( 10,230,000 )	EXH H, LINES 16 + 18
(14) TOTAL NET INVESTMENT (COMMON)	28,423,945	28,424,945	52,886,023	52,885,023	LINES 10+11+12+13
<b>EXPENSE (\$):</b>					
(15) OPERATION & MAINTENANCE EXPENSE - FIXED	574,164	612,827	550,974	538,318	EXH K, LINE 14
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	7,069	8,354	10,982	11,494	EXH H, LINES 20 + 21
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	298,102	299,654	316,074	316,014	EXH H, LINE 22
(18) DEPRECIATION EXPENSE	624,087	956,843	1,258,595	1,230,205	EXH H, LINE 26
(19) AMORTIZATION OF INCOME TAX CREDITS	( 40,873 )	( 49,877 )	( 66,925 )	( 57,925 )	EXH H, LINE 29
(20) REAL & PERSONAL PROPERTY TAX	99,083	195,207	310,670	324,750	EXH H, LINE 32
(21) PAYROLL TAX	26,176	26,313	27,754	27,750	EXH H, LINE 8
(22) TOTAL EXPENSE	1,587,808	2,049,321	2,408,124	2,390,606	SUM LINES 15 TO 21

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
ALLOCATION AND ASSIGNMENT OF INVESTMENT AND EXPENSE**

**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
JANUARY, 1999**

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
<b>INVESTMENT (SPECIFIC) (\$):</b>					
(1) GROSS INVESTMENT	1,844,604	4,115,475	4,513,985	5,347,256	EXH L, LINE 1
(2) ACCUMULATED DEPRECIATION	( 1,044,068 )	( 1,857,105 )	( 1,385,657 )	( 1,336,693 )	EXH L, LINE 4
(3) NET INVESTMENT	800,536	2,258,370	3,128,328	4,010,563	LINES 1+2
(4) GENERAL PLANT	139,698	178,162	194,559	208,651	EXH I, LINE 9
(5) WORKING CAPITAL	17,966	22,867	25,042	26,889	EXH G, LINE 15
(6) ACCUMULATED DEFERRED INCOME TAX	( 548,806 )	( 945,461 )	( 552,725 )	( 666,530 )	EXH I, LINES 15 + 17
(7) TOTAL NET INVESTMENT (SPECIFIC)	409,394	1,513,938	2,795,204	3,579,573	LINES 3+4+5+6
<b>INVESTMENT (COMMON) (\$):</b>					
(8) GROSS INVESTMENT	6,403,628	6,403,628	6,972,592	6,972,592	EXH L, LINE 2
(9) ACCUMULATED DEPRECIATION	( 2,852,093 )	( 2,852,093 )	( 3,105,503 )	( 3,105,503 )	EXH L, LINE 5
(10) NET INVESTMENT	3,551,535	3,551,535	3,867,089	3,867,089	LINE 8 + LINE 9
(11) GENERAL PLANT	0	0	0	0	EXH I, LINE 10
(12) WORKING CAPITAL	0	0	0	0	INCL IN UNIT (LINE 5)
(13) ACCUMULATED DEFERRED INCOME TAX	( 749,000 )	( 749,000 )	( 749,000 )	( 750,000 )	EXH I, LINES 16 + 18
(14) TOTAL NET INVESTMENT (COMMON)	2,802,535	2,802,535	3,118,089	3,117,089	LINES 10+11+12+13
<b>EXPENSE (\$):</b>					
(15) OPERATION & MAINTENANCE EXPENSE - FIXED	6,539	8,340	9,106	9,769	EXH L, LINE 8
(16) ADMINISTRATIVE & GENERAL EXPENSE (INSURANCE)	238	294	321	343	EXH I, LINES 20 + 21
(17) ADMINISTRATIVE & GENERAL EXPENSE (OTHER)	3,447	4,397	4,801	5,149	EXH I, LINE 22
(18) DEPRECIATION EXPENSE	21,586	27,528	30,061	32,242	EXH I, LINE 28
(19) AMORTIZATION OF INVESTMENT TAX CREDITS	( 3,010 )	( 3,013 )	( 2,014 )	( 2,015 )	EXH I, LINE 29
(20) REAL & PERSONAL PROPERTY TAX	3,331	4,443	5,341	6,010	EXH I, LINE 32
(21) PAYROLL TAX	303	386	422	452	EXH I, LINE 8
(22) TOTAL EXPENSE	32,432	42,375	48,038	51,950	SUM LINES 15 TO 21

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3/2/99

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF WORKING CAPITAL**

JANUARY, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCES</u>
<b>PRODUCTION - UNIT</b>					
(1) OPERATION & MAINTENANCE EXPENSE - FIXED (\$)	6,889,968	7,353,924	6,611,688	6,459,816	EXH K, LINE 14 * 12.0
(2) OPERATION & MAINTENANCE EXPENSE - VARIABLE (\$)	75,879,900	41,940,276	77,575,536	87,079,320	EXH K, LINE 13 * 12.0
(3) ADMINISTRATIVE & GENERAL EXPENSE (\$)	3,662,052	3,696,096	3,924,672	3,930,096	EXH H, LINE 23 * 12.0
(4) BASIS FOR COMPUTING WORKING CAPITAL (\$)	88,431,920	52,990,296	88,111,896	97,469,232	LINES 1+2+3
(5) CASH WORKING CAPITAL (1/8 OF BASIS) (\$)	10,803,990	6,623,787	11,013,987	12,183,654	LINE 4 * 1/8
(6) PREPAID EXPENSE (\$)	84,939	107,184	140,142	143,601	EXH H, LINE 14
(7) MATERIALS AND SUPPLIES (\$)	8,187,489	8,191,888	8,960,489	8,978,670	EXH K, LINE 10
(8) WORKING CAPITAL (\$)	19,076,418	14,922,859	20,114,618	21,305,925	LINES 5+6+7
<b>TRANSMISSION - GSU</b>					
(9) OPERATION & MAINTENANCE EXPENSE - FIXED (\$)	78,468	100,080	109,272	117,228	EXH L, LINE 8 * 12.0
(10) ADMINISTRATIVE & GENERAL EXPENSE (\$)	44,196	56,292	61,464	65,904	EXH I, LINE 23 * 12.0
(11) BASIS FOR COMPUTING WORKING CAPITAL (\$)	122,664	156,372	170,736	183,132	LINE 9 + LINE 10
(12) CASH WORKING CAPITAL (1/8 OF BASIS) (\$)	15,333	19,547	21,342	22,892	LINE 11 * 1/8
(13) PREPAID EXPENSE (\$)	2,633	3,320	3,700	3,997	EXH I, LINE 14
(14) MATERIALS AND SUPPLIES (\$)	0	0	0	0	EXH L, LINE 7
(15) WORKING CAPITAL (\$)	17,966	22,867	25,042	26,889	LINES 12+13+14

4/3/99  
1/1

**UNIT POWER SALES AGREEMENT  
ALLOCATION OF INVESTMENT AND EXPENSE**

PRODUCTION - UNIT  
JANUARY, 1999

	TOTAL PRODUCTION (1) (C)	UNIT 1 (2)	UNIT 2 (3)	UNIT 3 (4)	UNIT 4 (5)	REFERENCES
<b>SALARIES AND WAGES (\$):</b>						SECTION 2.2.17
(1) PROD-UNIT (SPECIFIC) (AS GIVEN)	0	316,387	318,034	335,461	335,397	
(2) PROD-UNIT (COMMON) (AS GIVEN)	0	0	0	0	0	
(3) TOTAL (AS GIVEN)	4,979,011	316,387	318,034	335,461	335,397	
(4) PROD-UNIT (SPECIFIC) (W/ A&G ALLOC) (B)	0	377,180	379,144	399,920	399,843	
(5) PROD-UNIT (COMMON) (W/ A&G ALLOC) (B)	0	0	0	0	0	
(6) TOTAL (W/ A&G ALLOC) (B)	5,935,723	377,180	379,144	399,920	399,843	
<b>PAYROLL TAX (\$):</b>						SECTION 2.2.14
(7) PRODUCTION - UNIT (AS GIVEN)	345,543	21,957	22,072	23,281	23,277	
(8) PRODUCTION - UNIT (W/ A&G ALLOC) (A)	411,939	26,176	26,313	27,754	27,750	
<b>GENERAL PLANT (\$):</b>						SECTION 2.2.5
(9) PRODUCTION - UNIT (SPECIFIC) (A)	0	12,079,642	12,142,542	12,807,918	12,805,452	
(10) PRODUCTION - UNIT (COMMON) (A)	0	0	0	0	0	
(11) TOTAL (A)	190,098,659	12,079,642	12,142,542	12,807,918	12,805,452	
<b>PREPAID EXPENSE (D) (\$):</b>						SECTION 2.2.8
(12) PRODUCTION - UNIT	0	76,310	98,510	130,992	134,453	
(13) GENERAL - UNIT (A)	135,803	8,629	8,674	9,150	9,148	
(14) TOTAL	135,803	84,939	107,184	140,142	143,601	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>						SECTION 2.2.7
(15) PRODUCTION - UNIT (SPECIFIC)	0	26,358,000	54,281,000	55,409,000	55,817,000	
(16) PRODUCTION - UNIT (COMMON)	0	7,724,000	7,723,000	10,229,000	10,230,000	
(17) GENERAL - UNIT (SPECIFIC) (A)	37,837,417	2,404,343	2,416,863	2,549,300	2,548,809	
(18) GENERAL - UNIT (COMMON) (A)	0	0	0	0	0	
(19) TOTAL	37,837,417	36,484,343	64,420,863	68,187,300	68,595,809	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>						SECTION 2.2.10
(20) PRODUCTION - UNIT (INCL INSURANCE)	0	6,605	7,887	10,490	11,002	
(21) GENERAL - UNIT (INCL INSURANCE) (A)	7,305	464	467	492	492	
(22) OTHER (EXCL INSURANCE) (A)	4,691,265	298,102	299,654	316,074	316,014	
(23) TOTAL	4,698,570	305,171	308,008	327,056	327,508	
<b>DEPRECIATION EXPENSE (\$):</b>						SECTION 2.2.12
(24) PRODUCTION - UNIT	0	576,262	908,769	1,207,886	1,179,506	
(25) GENERAL - UNIT (A)	752,630	47,825	48,074	50,709	50,699	
(26) TOTAL	752,630	624,087	956,843	1,258,595	1,230,205	
<b>AMORTIZATION OF INCOME TAX CREDITS (\$):</b>						SECTION 2.2.13
(27) PRODUCTION - UNIT	0	40,000	49,000	66,000	57,000	
(28) GENERAL - UNIT (A)	13,735	873	877	925	925	
(29) TOTAL	13,735	40,873	49,877	66,925	57,925	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>						
(30) PRODUCTION - UNIT	0	93,866	189,962	305,138	319,219	
(31) GENERAL - UNIT (A)	82,107	5,217	5,245	5,532	5,531	
(32) TOTAL	82,107	99,083	195,207	310,670	324,750	

NOTES: (A) ALLOCATED TO UNIT USING PRODUCTION FACTORS SHOWN ON EXHIBIT J.  
(B) TOTAL PRODUCTION ALLOCATED TO UNIT BASED ON LINE 3.  
(C) TOTAL ALABAMA POWER COMPANY FOSSIL STEAM AND COMBUSTION TURBINE PRODUCTION FACILITIES.  
(D) PREPAID EXPENSES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT H

JANUARY, 1999

**UNIT POWER SALES AGREEMENT  
ALLOCATION OF INVESTMENT AND EXPENSE**

**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
JANUARY, 1999**

	TOTAL TRANSMISSION (1) (C)	UNIT 1 (2)	UNIT 2 (3)	UNIT 3 (4)	UNIT 4 (5)	REFERENCES
<b>SALARIES AND WAGES (\$):</b>						
(1) TRAN-GSU (SPECIFIC) (AS GIVEN)	0	3,659	4,666	5,096	5,465	SECTION 2.2.17
(2) TRAN-GSU (COMMON) (AS GIVEN)	0	0	0	0	0	
(3) TOTAL (AS GIVEN)	1,083,965	3,659	4,666	5,096	5,465	
(4) TRAN-GSU (SPECIFIC) (W/ A&G ALLOC) (B)	0	4,362	5,563	6,075	6,515	
(5) TRAN-GSU (COMMON) (W/ A&G ALLOC) (B)	0	0	0	0	0	
(6) TOTAL (W/ A&G ALLOC) (B)	1,292,248	4,362	5,563	6,075	6,515	
<b>PAYROLL TAX (\$):</b>						
(7) TRANSMISSION - GSU (AS GIVEN)	75,227	254	324	354	379	SECTION 2.2.14
(8) TRANSMISSION - GSU (W/ A&G ALLOC) (A)	89,682	303	386	422	452	
<b>GENERAL PLANT (\$):</b>						
(9) TRANSMISSION - GSU (SPECIFIC) (A)	0	139,698	178,162	194,559	208,651	SECTION 2.2.5
(10) TRANSMISSION - GSU (COMMON) (A)	0	0	0	0	0	
(11) TOTAL (A)	41,385,792	139,698	178,162	194,559	208,651	
<b>PREPAID EXPENSE (D) (\$):</b>						
(12) TRANSMISSION - GSU	0	2,533	3,193	3,561	3,848	SECTION 2.2.8
(13) GENERAL - GSU (A)	29,565	100	127	139	149	
(14) TOTAL	29,565	2,633	3,320	3,700	3,997	
<b>ACCUMULATED DEFERRED INCOME TAX (\$):</b>						
(15) TRANSMISSION - GSU (SPECIFIC)	0	521,000	910,000	514,000	625,000	SECTION 2.2.7
(16) TRANSMISSION - GSU (COMMON)	0	749,000	749,000	749,000	750,000	
(17) GENERAL - GSU (SPECIFIC) (A)	8,237,467	27,806	35,461	38,725	41,530	
(18) GENERAL - GSU (COMMON) (A)	0	0	0	0	0	
(19) TOTAL	8,237,467	1,297,806	1,694,461	1,301,725	1,416,530	
<b>ADMINISTRATIVE &amp; GENERAL EXPENSE (\$):</b>						
(20) TRANSMISSION - GSU (INCL INSURANCE)	0	231	287	314	335	SECTION 2.2.10
(21) GENERAL - GSU (INCL INSURANCE) (A)	1,590	5	7	7	8	
(22) OTHER (EXCL INSURANCE) (A)	1,021,321	3,447	4,397	4,801	5,149	
(23) TOTAL	1,022,911	3,683	4,691	5,122	5,492	
<b>DEPRECIATION EXPENSE (\$):</b>						
(24) TRANSMISSION - GSU	0	21,033	26,823	29,291	31,416	SECTION 2.2.11
(25) GENERAL - GSU (A)	163,853	553	705	770	826	
(26) TOTAL	163,853	21,586	27,528	30,061	32,242	
<b>AMORTIZATION OF INCOME TAX CREDITS (\$):</b>						
(27) TRANSMISSION - GSU	0	3,000	3,000	2,000	2,000	SECTION 2.2.12
(28) GENERAL - GSU (A)	2,990	10	13	14	15	
(29) TOTAL	2,990	3,010	3,013	2,014	2,015	
<b>REAL &amp; PERSONAL PROPERTY TAX (\$):</b>						
(30) TRANSMISSION - GSU	0	3,271	4,366	5,257	5,920	SECTION 2.2.13
(31) GENERAL - GSU (A)	17,875	60	77	84	90	
(32) TOTAL	17,875	3,331	4,443	5,341	6,010	

NOTES: (A) ALLOCATED TO UNIT USING TRANSMISSION FACTORS SHOWN ON EXHIBIT J.  
 (B) TOTAL TRANSMISSION ALLOCATED TO UNIT BASED ON LINE 3.  
 (C) TOTAL ALABAMA POWER COMPANY TRANSMISSION FACILITIES.  
 (D) PREPAID EXPENSES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT I

2. [REDACTED]  
 3. [REDACTED]  
 JANUARY, 1999



**UNIT POWER SALES AGREEMENT  
DETERMINATION OF ALLOCATION FACTORS**

JANUARY, 1999

**EXHIBIT H  
PRODUCTION**

**EXHIBIT I  
TRANSMISSION**

UNIT 1 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 2	377,180	=	0.06354407
	LINE 6, COL 1	5,935,723	=	
(B) COMMON	LINE 5, COL 2	0	=	0.00000000
	LINE 6, COL 1	5,935,723	=	
(C) TOTAL	LINE 6, COL 2	377,180	=	0.06354407
	LINE 6, COL 1	5,935,723	=	

UNIT 2 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 3	379,144	=	0.06387495
	LINE 6, COL 1	5,935,723	=	
(B) COMMON	LINE 5, COL 3	0	=	0.00000000
	LINE 6, COL 1	5,935,723	=	
(C) TOTAL	LINE 6, COL 3	379,144	=	0.06387495
	LINE 6, COL 1	5,935,723	=	

UNIT 3 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 4	399,920	=	0.06737511
	LINE 6, COL 1	5,935,723	=	
(B) COMMON	LINE 5, COL 4	0	=	0.00000000
	LINE 6, COL 1	5,935,723	=	
(C) TOTAL	LINE 6, COL 4	399,920	=	0.06737511
	LINE 6, COL 1	5,935,723	=	

UNIT 4 ALLOCATORS: .....

(A) UNIT	LINE 4, COL 5	399,843	=	0.06736214
	LINE 6, COL 1	5,935,723	=	
(B) COMMON	LINE 5, COL 5	0	=	0.00000000
	LINE 6, COL 1	5,935,723	=	
(C) TOTAL	LINE 6, COL 5	399,843	=	0.06736214
	LINE 6, COL 1	5,935,723	=	

	LINE 4, COL 2	4,362	=	0.00337551
	LINE 6, COL 1	1,292,248	=	
	LINE 5, COL 2	0	=	0.00000000
	LINE 6, COL 1	1,292,248	=	
	LINE 6, COL 2	4,362	=	0.00337551
	LINE 6, COL 1	1,292,248	=	

	LINE 4, COL 3	5,563	=	0.00430490
	LINE 6, COL 1	1,292,248	=	
	LINE 5, COL 3	0	=	0.00000000
	LINE 6, COL 1	1,292,248	=	
	LINE 6, COL 3	5,563	=	0.00430490
	LINE 6, COL 1	1,292,248	=	

	LINE 4, COL 4	6,075	=	0.00470111
	LINE 6, COL 1	1,292,248	=	
	LINE 5, COL 4	0	=	0.00000000
	LINE 6, COL 1	1,292,248	=	
	LINE 6, COL 4	6,075	=	0.00470111
	LINE 6, COL 1	1,292,248	=	

	LINE 4, COL 5	6,515	=	0.00504160
	LINE 6, COL 1	1,292,248	=	
	LINE 5, COL 5	0	=	0.00000000
	LINE 6, COL 1	1,292,248	=	
	LINE 6, COL 5	6,515	=	0.00504160
	LINE 6, COL 1	1,292,248	=	

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

PRODUCTION - UNIT  
JANUARY, 1999

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCE - MANUAL</u>
(1) NET DEPENDABLE CAPACITY (KW)	613,675	613,216	674,100	693,100	SECTION 2.2.1
GROSS INVESTMENT (\$):					SECTION 2.2.2
(2) PRODUCTION - UNIT (SPECIFIC)	204,112,747	360,586,830	472,003,127	458,647,989	
(3) PRODUCTION - UNIT (COMMON)	67,570,762	67,570,762	96,959,697	96,959,697	
(4) TOTAL	271,683,509	428,157,592	568,962,824	555,607,686	
ACCUMULATED DEPRECIATION (\$):					SECTION 2.2.3
(5) PRODUCTION - UNIT (SPECIFIC)	115,361,625	143,969,760	129,097,826	97,006,626	
(6) PRODUCTION - UNIT (COMMON)	31,422,817	31,422,817	33,844,674	33,844,674	
(7) TOTAL	146,784,442	175,392,577	162,942,500	130,851,300	
MATERIALS AND SUPPLIES (A) (\$):					SECTION 2.2.6
(8) PRODUCTION - UNIT	2,049,119	2,049,119	2,231,184	2,231,184	
(9) FUEL STOCK	6,138,370	6,142,769	6,729,305	6,747,486	
(10) TOTAL	8,187,489	8,191,888	8,960,489	8,978,670	
OPERATION & MAINTENANCE EXPENSE - VARIABLE (\$):					SECTION 2.2.6
(11) PRODUCTION - UNIT	271,103	337,679	248,399	270,733	
(12) FUEL BURN	6,052,222	3,157,344	6,216,229	6,985,877	
(13) TOTAL	6,323,325	3,495,023	6,464,628	7,256,610	
OPERATION & MAINTENANCE EXPENSE - FIXED (\$):					SECTION 2.2.6
(14) PRODUCTION - UNIT	574,164	612,827	550,974	538,318	

NOTES:

(A) MATERIAL & SUPPLIES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT K

JANUARY, 1999

CONFIDENTIAL

**UNIT POWER SALES AGREEMENT  
ITEMS OF DIRECT ASSIGNMENT**

**TRANSMISSION - GENERATOR STEP-UP SUBSTATIONS  
JANUARY, 1999**

	<u>UNIT 1</u>	<u>UNIT 2</u>	<u>UNIT 3</u>	<u>UNIT 4</u>	<u>REFERENCE - MANUAL</u>
<b>GROSS INVESTMENT (\$):</b>					<b>SECTION 2.2.2</b>
(1) TRANSMISSION - GSU (SPECIFIC)	1,844,604	4,115,475	4,513,985	5,347,256	
(2) TRANSMISSION - GSU (COMMON)	6,403,628	6,403,628	6,972,592	6,972,592	
(3) TOTAL	8,248,232	10,519,103	11,486,577	12,319,848	
<b>ACCUMULATED DEPRECIATION (\$):</b>					<b>SECTION 2.2.3</b>
(4) TRANSMISSION - GSU (SPECIFIC)	1,044,068	1,857,105	1,385,657	1,336,693	
(5) TRANSMISSION - GSU (COMMON)	2,852,093	2,852,093	3,105,503	3,105,503	
(6) TOTAL	3,896,161	4,709,198	4,491,160	4,442,196	
<b>MATERIALS AND SUPPLIES (A) (\$):</b>					<b>SECTION 2.2.6</b>
(7) TRANSMISSION - GSU	0	0	0	0	
<b>OPERATION &amp; MAINTENANCE EXPENSE - FIXED (\$):</b>					<b>SECTION 2.2.9</b>
(8) TRANSMISSION - GSU	6,539	8,340	9,106	9,769	

NOTES:  
(A) MATERIAL & SUPPLIES ARE 13 MONTH AVERAGES.

WORK PAPERS: EXHIBIT I

JANUARY, 1999

**CONFIDENTIAL**

1/24/99

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	55.4326	7.5281	4.1730
(2) PREFERRED STOCK (%)	11.9859	7.5039	0.8994
(3) COMMON EQUITY (%)	32.5815	12.50	4.0727
(4) TOTAL (%)	100.0000		9.145
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.8994 + 4.0727		
(8) EQUITY RETURN (%)	= 4.9721		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ * EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ * 4.9721		
(11) ASSOCIATED INCOME TAX (%)	= 2.939		

*JMS  
2/6/99*

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	55.4328	7.5281	4.1730
(2) PREFERRED STOCK (%)	11.9859	7.5039	0.8994
(3) COMMON EQUITY (%)	32.5815	13.75	4.4800
(4) TOTAL (%)	100.0000		9.552
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK • COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.8994 + 4.4800		
(8) EQUITY RETURN (%)	= 5.3794		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ • EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ • 5.3794		
(11) ASSOCIATED INCOME TAX (%)	= 3.180		

1/23/99

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**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	52.6731	8.0957	4.2643
(2) PREFERRED STOCK (%)	10.0964	7.7231	0.7798
(3) COMMON EQUITY (%)	37.2305	12.50	4.6538
(4) TOTAL (%)	100.0000		9.698
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7798 + 4.6538		
(8) EQUITY RETURN (%)	= 5.4336		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ • EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ • 5.4336		
(11) ASSOCIATED INCOME TAX (%)	= 3.212		

*FINIS*

**CONFIDENTIAL**

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	52.6731	8.0957	4.2643
(2) PREFERRED STOCK (%)	10.0964	7.7231	0.7798
(3) COMMON EQUITY (%)	37.2305	13.75	5.1192
(4) TOTAL (%)	100.0000		10.163
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7798 • 5.1192		
(8) EQUITY RETURN (%)	= 5.8990		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ • EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ • 5.8990		
(11) ASSOCIATED INCOME TAX (%)	= 3.487		

5/2/99  
2/2/99

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	48.7559	8.5139	4.1510
(2) PREFERRED STOCK (%)	9.8360	7.4740	0.7351
(3) COMMON EQUITY (%)	41.4081	12.50	5.1760
(4) TOTAL (%)	100.0000		10.062
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7351 + 5.1760		
(8) EQUITY RETURN (%)	= 5.9111		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ • EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ • 5.9111		
(11) ASSOCIATED INCOME TAX (%)	= 3.494		

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WORK PAPERS: EXHIBIT O

2. [REDACTED]  
3. [REDACTED]  
JANUARY, 1999

*5/12/99*

11



**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	48.7559	8.5139	4.1510
(2) PREFERRED STOCK (%)	9.8360	7.4740	0.7351
(3) COMMON EQUITY (%)	41.4081	13.75	5.6936
(4) TOTAL (%)	100.0000		10.580
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.7351 + 5.6936		
(8) EQUITY RETURN (%)	= 6.4287		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$ * EQUITY RETURN		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15}$ * 6.4287		
(11) ASSOCIATED INCOME TAX (%)	= 3.800		

11

*1/21/99  
1/21/99*

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	PERCENTAGE OF CAPITALIZATION	COST	WEIGHTED COST
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	46.3331	8.4480	3.9142
(2) PREFERRED STOCK (%)	9.6011	5.6920	0.5465
(3) COMMON EQUITY (%)	44.0658	12.50	5.5082
(4) TOTAL (%)	100.0000		9.969

(5) INCOME TAX RATE (%)	=	37.15	
(6) EQUITY RETURN (%)	=	PREFERRED STOCK + COMMON EQUITY	
(7) EQUITY RETURN (%)	=	0.5465 + 5.5082	
(8) EQUITY RETURN (%)	=	6.0547	
(9) ASSOCIATED INCOME TAX (%)	=	$\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}}$	• EQUITY RETURN
(10) ASSOCIATED INCOME TAX (%)	=	$\frac{37.15}{100 - 37.15}$	• 6.0547
(11) ASSOCIATED INCOME TAX (%)	=	3.579	

1/21/99

**UNIT POWER SALES AGREEMENT  
DETERMINATION OF COST OF CAPITAL**

JANUARY, 1999

	<u>PERCENTAGE OF CAPITALIZATION</u>	<u>COST</u>	<u>WEIGHTED COST</u>
(1) LONG TERM DEBT AND CAPITALIZED LEASES (%)	46.3331	8.4480	3.9142
(2) PREFERRED STOCK (%)	9.6011	5.6920	0.5465
(3) COMMON EQUITY (%)	44.0658	13.75	6.0590
(4) TOTAL (%)	100.0000		10.520
(5) INCOME TAX RATE (%)	= 37.15		
(6) EQUITY RETURN (%)	= PREFERRED STOCK + COMMON EQUITY		
(7) EQUITY RETURN (%)	= 0.5465 + 6.0590		
(8) EQUITY RETURN (%)	= 6.6055		
(9) ASSOCIATED INCOME TAX (%)	= $\frac{\text{INCOME TAX RATE}}{100 - \text{INCOME TAX RATE}} \cdot \text{EQUITY RETURN}$		
(10) ASSOCIATED INCOME TAX (%)	= $\frac{37.15}{100 - 37.15} \cdot 6.6055$		
(11) ASSOCIATED INCOME TAX (%)	= 3.904		

1.2

2/2/99  
2/3/99

**1988 UNIT POWER SALES AGREEMENT**  
**DETERMINATION OF MONTHLY TRANSMISSION CAPACITY CHARGES**  
**TRANSMISSION FACILITIES RATED 115KV AND ABOVE**

	<b>(A)</b> ALABAMA JANUARY - MAY	<b>1988 (C)</b> ALABAMA JUNE - DECEMBER	<b>(D)</b> GEORGIA JANUARY - MAY	<b>(E)</b> GEORGIA JUNE - DECEMBER
(1) LOAD (KW)	10,406,574	10,406,574	13,502,978	13,502,978
(2) INVESTMENT (\$)	570,950,516 <sub>72</sub>	570,950,516 <sub>72</sub>	867,067,506 <sub>72</sub>	867,067,506 <sub>72</sub>
(3) EXPENSE (\$)	38,380,762 <sub>72</sub>	38,380,762 <sub>72</sub>	58,560,764 <sub>72</sub>	58,560,764 <sub>72</sub>
<b>ANNUAL TRANSMISSION CAPACITY CHARGES:</b>				
(4) INVESTMENT (\$/KW-YR)	54.864407	54.864407	64.213058	64.213058
(5) RETURN ON INVESTMENT (A) (%)	9.29	9.36	9.37	9.43
(6) ASSOCIATED INCOME TAX (%)	3.58	3.55	4.22	4.27
(7) RETURN ON INVESTMENT (\$/KW-YR)	5.096903	5.135308	6.016764	6.055291
(8) ASSOCIATED INCOME TAX (\$/KW-YR)	1.984146	1.947686	2.709791	2.741898
(9) RETURN ON INV & ASSOC. INCOME TAX (\$/KW-YR)	7.061049	7.082994	8.726555	8.797189
(10) TRANSMISSION FIXED EXPENSE (\$/KW-YR)	3.688127	3.688127	4.336878	4.336878
(11) TOTAL TRANSMISSION CAPACITY CHARGES (\$/KW-YR)	10.749176	10.771121	13.063433	13.134067
(12) ASSOCIATED LOSSES (\$/KW-YR)	0.332448	0.333127	0.404023	0.406208
(13) TOTAL TRANS CAPACITY CHARGES (W/ LOSSES) (\$/KW-YR)	11.081624	11.104248	13.467456	13.540275

1. [REDACTED]

2. [REDACTED]

3. (15) [REDACTED]

4. (16) [REDACTED]

43-1  
2-2

**NOTES:**

- (A) THE TRANSMISSION CAPACITY CHARGES ARE CALCULATED USING A 12.50 (%) RETURN ON COMMON EQUITY.  
 (B) THE TRANSMISSION CAPACITY CHARGE FOR MILLER SALES IS THE TOTAL OF ALABAMA AND GEORGIA.

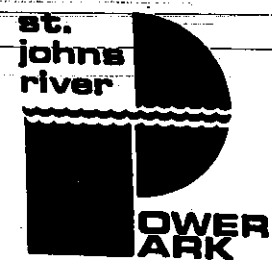
*Because the Miller Plant is located in Alabama, the*

*M/NTA  
1/15/99*

**CONFIDENTIAL**

**CONFIDENTIAL**

**INVOICE  
PARTICIPANT BILL # 151  
July 15, 1999**



**Mr. Mario Villar  
Manager, Wholesale Services  
Florida Power & Light Company  
9250 West Flagler Street  
Miami, Florida 33174**

Please wire transfer the funds by noon on the dates indicated below to:

- 1. First Union National Bank
- 2. ABA # [REDACTED]  
Bank Account # ( See below)

(A)

SALEBACK	DATE DUE	AMOUNT	BANK ACCOUNT #
Cost of Operations	08/02/99	\$ 510,775.18	[REDACTED]
Cost of Operations	08/16/99	\$ 510,775.17	[REDACTED]
Cost of Fuel/Limestone	08/02/99	\$ (111,453.31)	REFUND TO FPL
Cost of Fuel/Limestone	08/16/99	\$ 4,085,536.73	[REDACTED]
JEA'S Carrying Cost of Inv	08/02/99	\$ 49,222.06	[REDACTED]
Bond Resolution Exp.	08/02/99	\$ 4,237.16	[REDACTED]
Debt Svc & R & R Deposit	08/31/99	\$ -	[REDACTED]
C. C. R. A.		\$ -	[REDACTED]
<b>TOTAL</b>		<b>\$ 5,049,092.99</b>	

*Laurette S. Kessler*  
**Laurette S. Kessler  
C.P.A. - General Accounting**

**E Mary Arditti, VP/CFO  
E Bob Fowler, Treasurer's Office**

**E Alan White (JEA)**

**SJRPP Central File-UFP ACG 12-12**

**E E-MAIL ALL PAGES**

44-2  
p. 1 of 1

CONFIDENTIAL

FPL ACH TRANSFER

REQUESTOR'S NAME Cynthia Reavy REQUESTOR'S LOC'N 0 5 5  
 SIGN NAME Cynthia Reavy DATE July 27, 1999  
 PRINT NAME CYNTHIA REAVY PHONE 552-2281

MAIL STATION	
DEPT LOC'N	BUILDING
SYMBOL	CODE
RAP	GO

PMS VENDOR NUMBER  
 V 062499

Please complete date and initial this area if vendor number not in PMS:  
 Date \_\_\_\_\_ Initial \_\_\_\_\_

Taxpayer Identification No. or Vendor's Social Security No.

Mail Check To Vendor       With Enclosure  
 Return Check To Requestor       Invoice Attach

Please issue a check in the amount of \$ 510,775.18

PAYABLE TO ST. JOHNS RIVER POWER PARK  
 ADDRESS/ P.O. BOX 11201 NEW BERLIN ROAD  
 CITY JACKSONVILLE STATE FL ZIP 32226

REIMBURSEMENT OF JEA'S COST OF OPERATIONS. 2/11/01  
WJH

REMARKS:  
 PLEASE INITIATE ACH TRANSFER ON FRIDAY, JULY 30, 1999  
 PAYMENT DUE ON MONDAY, AUGUST 2, 1999.

PLEASE MAKE THE FOLLOWING NOTATION ON THE TRANSFER:  
 1. SALEBACK BILLING STATEMENT NO. 151, DATED JULY 15, 1999.  
 2. FIRST UNION NATIONAL BANK  
 3. JAX/JABA NO. \_\_\_\_\_  
 BANK ACCOUNT # \_\_\_\_\_

VEHICLE/ WORK ORDER	BLK ER	ACCOUNT NO./			CHARGE LOCATION	SALES TAX IND	DISTRIBUTION AMOUNT	DESCRIPTION				
		COMP	SECT.	UC								
W	E	A	242	15	1	L	054	X	743		\$ 517,886.97	Cost of Operations (Aug-99)
W	E	A	418	91	0	L	054	X	790		\$ (7,111.79)	Interest Income
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				
W	E	A				L		X				

\$ 510,775.18

44

NO. RAP-0899-02-20  
 SJ-OPER-1

METRO APPROVAL  
 Approval Number: 293569  
 Authorized by: [Signature]  
 Check Number: 25546

APPROVED BY <u>[Signature]</u>	DATE <u>7/28/99</u>	AUTHORIZED BY <u>[Signature]</u>	DATE <u>8/17/99</u>
PRINT NAME OSVALDO J. LOM	PRINT NAME MARIO VILLAR	PRINT POSITION TITLE SUPERVISOR, PURCHASED POWER CONTRACTS	PRINT POSITION TITLE MANAGER, WHOLESALE SERVICES

CONFIDENTIAL

FPL

ACH TRANSFER

REQUESTOR'S NAME

*Cynthia Reavy*  
CYNTHIA REAVY

REQUESTOR'S LOC'N

0 5 5

SIGN NAME

DATE 7/27/1999

PRINT NAME

PHONE 652-2281

MAIL STATION

DEPT LOC'N

BUILDING

SYMBOL

CODE

RAP

GO

ISSUE VENDOR NUMBER

V 082499

Please complete date and initial this area if vendor number not in PMS.

Date

Initial

Taxpayer Identification No. or Vendor's Social Security No.

Mail Check

With

To Vendor

Enclosure

Return Check

Invoice

To Requestor

Attach

Please issue a check in the amount of \$

\$ 510,776.17

PAYABLE TO

ST. JOHNS RIVER POWER PARK

ADDRESS/ P.O. BOX

11201 NEW BERLIN ROAD

CITY JACKSONVILLE

STATE FL

ZIP

32228

REIMBURSEMENT OF JEA'S COST OF OPERATIONS.

REIMBURSEMENT OF JEA'S COST OF OPERATIONS.

2-2-99  
1-2-99  
1-20-99

PLEASE INITIATE ACH TRANSFER ON FRIDAY, AUGUST 13, 1999  
PAYMENT DUE ON MONDAY, AUGUST 16, 1999

PLEASE MAKE THE FOLLOWING NOTATIONS ON THE TRANSFER:

1. SALEBACK BILLING STATEMENT NO. 151, DATED, JULY 15, 1999.
2. FIRST UNION NATIONAL BANK
3. JAX/ABA NO. [REDACTED]  
BANK ACCOUNT # [REDACTED]

VEHICLE/WORK ORDER	BLK ER	ACCOUNT NO./			CHARGE LOCATION	SALES TAX IND	DISTRIBUTION AMOUNT	DESCRIPTION	
		COMP	SECT.	UC					
W	E	A	242	15	1	L	054 X 743	\$ 517,886.96	Cost of Operations (Aug-99)
W	E	A	418	81	0	L	054 X 780	\$ (7,111.78)	Interest Income
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		
W	E	A				L	X		

\$ 510,776.17

44.2  
K

INVOICE NUMBER:  
RAP-0899-02-26  
SJ-OPER-2

APPROVAL

Approval Number: 302045  
Authorized by: [Signature] 8/16/99  
Check Number: 24424

APPROVED BY [Signature] DATE 8/16/99  
PRINT NAME OSVALDO J. LON  
PRINT POSITION TITLE SUPERVISOR, PURCHASED POWER CONTRACTS

APPROVED BY [Signature] DATE 8/17/99  
PRINT NAME MANO VILLAR  
PRINT POSITION TITLE MANAGER, WHOLESALE SERVICES

CONFIDENTIAL

FPL ACH TRANSFER

REQUESTOR'S NAME: Cynthia Rivavy, REQUESTOR'S LOC'N: 0 5 5, SIGN NAME: Cynthia Rivavy, DATE: July 27, 1999, PRINT NAME: CYNTHIA RIVAVY, PHONE: 552-2281

MAIL STATION: DEPT LOC'N, BUILDING, SYMBOL, CODE, RAP, GO

FMS VENDOR NUMBER: V 082499

Please complete date and initial this area if vendor number not in FMS. Date: \_\_\_\_\_ Initial: \_\_\_\_\_

Taxpayer Identification No. or Vendor's Social Security No.

Mail Check To Vendor [ ] With Enclosure [ ] Return Check To Requestor [ ] Invoice Attach [x]

Please issue a check in the amount of \$ 48,222.08

PAYABLE TO: ST. JOHN'S RIVER POWER PARK, ADDRESS/P.O. BOX: 11201 NEW BERLIN ROAD, CITY: JACKSONVILLE, STATE: FL, ZIP: 32226

REIMBURSEMENT OF JEA'S CARRYING COST OF INVENTORIES. REMARK: PLEASE INITIATE ACH TRANSFER ON FRIDAY, JULY 30, 1999. PAYMENT DUE MONDAY, AUGUST 2, 1999. SALEBACK BILLING STATEMENT NO. 151, DATED, JULY 15, 1999. FIRST UNION NATIONAL BANK, JAX/ABA NO. [REDACTED], BANK ACCOUNT # [REDACTED]

2302  
7/27/99

Table with columns: VEHICLE/WORK ORDER, BLK, ACCOUNT NO./COMP, SECT., UC, CHARGE LOCATION, SALES TAX IND, DISTRIBUTION AMOUNT, DESCRIPTION. Row 1: W, E, A, 242, 18, 1, L, 054, X, 743, 48,222.08, JEA's Carrying Cost Inventories

48,222.08

INVOICE NUMBER: RAP-0899-02-22, S.J-CCOI

MEETING APPROVAL: Approval Number: 293570, Authorized by: [Signature] 7/28/99, Check Number: 23542

APPROVED BY: [Signature] DATE: 7/28/99, AUTHORIZED BY: [Signature] DATE: 8/12/99, PRINT NAME: OSVALDO J. LON, PRINT POSITION TITLE: SUPERVISOR, PURCHASED POWER CONTRACTS, PRINT NAME: MANO VILLAR, PRINT POSITION TITLE: MANAGER, WHOLESALE SERVICES



CF Capacity Forecast

(A)

FACILITY (RATE)	JAN-99	FEB-99	MAR-99	APR-99	MAY-99	JUN-99	JUL-99	AUG-99	SEP-99	OCT-99	NOV-99	DEC-99
	28.36	28.36	28.36	30.12	30.12	30.12	30.12	30.12	30.12	30.12	30.12	30.12
	31.86	31.86	31.86	31.86	33.66	33.66	33.66	33.66	33.66	33.66	33.66	33.66
	28.12	28.12	28.12	27.82	27.82	27.82	27.82	27.82	27.82	27.82	27.82	27.82
	25.47	25.47	25.47	25.85	25.85	25.85	25.85	25.85	25.85	25.85	25.85	25.85
	23.405	23.405	23.405	24.668	24.668	24.668	24.668	24.668	24.668	24.668	24.668	24.668
	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2	14.2
	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6
	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6
	29.05	29.05	29.05	29.05	29.05	29.05	29.05	29.05	29.05	29.05	29.05	29.05
	28.56	28.56	28.56	28.56	28.56	28.56	28.56	28.56	28.56	28.56	28.56	28.56

FACILITY (MW)	JAN-99	FEB-99	MAR-99	APR-99	MAY-99	JUN-99	JUL-99	AUG-99	SEP-99	OCT-99	NOV-99	DEC-99
	133	133	133	133	133	133	133	133	133	133	133	133
	0	0	0	0	0	0	0	0	0	0	0	0
	43.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5	43.5
	45	45	45	45	45	45	45	45	45	45	45	45
	50.6	50.6	50.6	50.6	50.6	50.6	50.6	50.6	50.6	50.6	50.6	50.6
	10	10	10	10	10	10	10	10	10	10	10	10
	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
	11	11	11	11	11	11	11	11	11	11	11	11
	250	250	250	250	250	250	250	250	250	250	250	250
	330	330	330	330	330	330	330	330	330	330	330	330
	865.8	865.8	865.8	865.8	865.8	865.8	865.8	865.8	865.8	865.8	865.8	865.8

FACILITY (\$)	JAN-99	FEB-99	MAR-99	APR-99	MAY-99	JUN-99	JUL-99	AUG-99	SEP-99	OCT-99	NOV-99	DEC-99
	\$3,771,880	\$3,771,880	\$3,771,880	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980	\$4,005,980
	\$288,650	\$288,650	\$288,650	\$302,040	\$302,040	\$302,040	\$302,040	\$302,040	\$302,040	\$302,040	\$302,040	\$302,040
	\$1,138,220	\$1,138,220	\$1,138,220	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120	\$1,197,120
	\$1,146,150	\$1,146,150	\$1,146,150	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280	\$1,208,280
	\$1,184,293	\$1,184,293	\$1,184,293	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201	\$1,248,201
	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000
	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100	\$79,100
	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600	\$248,600
	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319	\$8,101,319
	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280	\$10,367,280
	\$28,463,482	\$28,463,482	\$28,463,482	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670	\$28,669,670

Monthly totals include 11.56% bonus for Cedar Bay and 10% bonus for ICL.  
 Note: Due to Cedar Bay's Judgement/Appeal by FPL, Capacity Payments might be affected starting 9/98.

These are estimates, the estimates are based on prior months of charges. These estimates were used to determine actual of charges for 1/97-12/97. See up 49-1

*Doc Reversed # didn't change*

CONFIDENTIAL

17-F-67  
 P 1061  
 10/1

**CONFIDENTIAL**

COMPANY:  
TITLE  
PERIOD:  
AUDITOR  
WORKPAPER NO.  
DATE

OF FPL  
USE-CAPACITY CHARGES  
12 MONTHS ENDED DECEMBER 31, 1999  
Raymond Grant  
43-1  
May 18, 1999 2:00D

Power Vendors	Monthly Capacity Payment	Non Deductible & Early Offset Capacity Payment	Total
<b>January 1999</b>			
Bio-Energy Partners	\$0.00		
Whisperer North Broward	\$1,342,885.45		
Whisperer South Broward	\$1,184,283.00		
Cedar Bay Generating Company	\$7,013,582.50		
Indiantown Co Generating LP	\$10,304,784.14		
Central Power & Line	\$3,777,808.80		
Royster Company	\$250,187.44		
Solid Waste Authority of Palm Beach Cty	\$1,136,220.00		
<b>Total</b>	<b>\$25,009,751.33</b>		
<b>April 1999</b>			
Bio-Energy Partners			
Whisperer North Broward	\$1,408,900.09		
Whisperer South Broward	\$1,248,200.80		
Cedar Bay Generating Company	\$7,262,500.00		
Indiantown Co Generating LP	\$10,286,171.93		
Central Power & Line			
Royster Company	\$266,324.24		
Solid Waste Authority of Palm Beach Cty	\$1,197,120.00		
<b>Total</b>	<b>\$21,711,297.06</b>		
<b>August 1999</b>			
Bio-Energy Partners	\$142,000.00		
Whisperer North Broward	\$1,394,255.19		
Whisperer South Broward	\$1,266,407.62		
Cedar Bay Generating Company	\$7,262,500.00		
Indiantown Co Generating LP	\$10,309,822.37		
Central Power & Line	\$3,802,983.83		
Royster Company	\$302,040.00		
Solid Waste Authority of Palm Beach Cty	\$1,197,120.00		
<b>Total</b>	<b>\$25,697,230.11</b>		
<b>December 1999</b>			
Bio-Energy Partners	\$142,000.00		
Whisperer North Broward	\$1,414,440.85		
Whisperer South Broward	\$1,317,042.12		
Cedar Bay Generating Company	\$7,582,332.53		
Indiantown Co Generating LP	\$10,316,783.88		
Central Power & Line	\$3,810,445.72		
Royster Company	\$266,644.09		
Solid Waste Authority of Palm Beach Cty	\$1,197,120.00		
<b>Total</b>	<b>\$26,056,819.27</b>		

Source: Billing Statements

(WP 49-1)

49-1  
2 P. 1081

# **Exhibit C**

## **Justification Table**

**EXHIBIT C**

**COMPANY:** Florida Power & Light Company  
**TITLE:** List of Confidential Workpapers  
**AUDIT:** Capacity Cost Recovery Clause  
**PERIOD ENDING:** December 31, 1999  
**AUDIT CONTROL NO:** 00-026-4-1

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

<b>WKPAPER NO.</b>	<b>DESCRIPTION</b>	<b>NO. OF PAGES</b>	<b>CONF. Y/N</b>	<b>LINE NO./ COL. NO.</b>	<b>FLORIDA STATUTE 366.093(3) Subsection:</b>	<b>AFFIANT</b>
1	Disclosure	1	N			
43	Summary of Unit Power Capacity Charges	2	N			
43-1	UPS Capacity Charges	1	N			
43-1/1	Check Request	1	N			
43-1/2	Southern Company Services Invoice	1	Y	Col. A-C, Lines 1-10	(d), (e)	O. Lom
43-1/2-1	Determination of Monthly Capacity Charges	1	Y	Lines 1-4	(d), (e)	O. Lom
43-1/2-1/1	Determination of Total Net Investment	1	Y	Lines 1-3	(d), (e)	O. Lom
43-1/2-1/2	Determination of Total Net Investment- Common	1	Y	Lines 1-3	(d), (e)	O. Lom
43-1/2-1/3	Determination of Total Fixed Expense	1	Y	Lines 1-3	(d), (e)	O. Lom
43-1/2-1/4	Allocation & Assignment of Investment and Expense	1-6 7 8-12 13 14-25	Y	Lines 1-3 Lines 1-4 Lines 1-3 Lines 1-4 Lines 1-3	(d), (e)	O. Lom

<b>WK PAPER NO.</b>	<b>DESCRIPTION</b>	<b>NO. OF PAGES</b>	<b>CONF. Y/N</b>	<b>LINE NO./ COL. NO.</b>	<b>FLORIDA STATUTE 366.093(3) Subsection:</b>	<b>AFFIANT</b>
43-1/2-2	Unit Power Sales Agreement-True up-January 1999	1	Y	Col. A-D, Lines 1-19a	(d), (e)	O. Lom
43-1/2-2/1	U.P.S. Agreement-Deter. Of Monthly Capacity Charges-Jan. 1999	2	Y	Lines 1-4	(d), (e)	O. Lom
43-1/2-2/1-1	U.P.S. Agreement-Supporting Sch-January 1999	1-19 20	Y N	Lines 1-3 -----	(d), (e) -----	O. Lom -----
43-1/2-2/2	Determination of Monthly Transmission Capacity Charges	1 2	Y N	Col. A-E, Lines 1-4 -----	(d), (e) -----	O. Lom -----
43-1/2-2/2-1	Determination of Monthly Investment & Expense Components	12	N			
44-1	Purchased Power Accruals	12	N			
44-1/1	Debt Service	1	N			
44-1/1-1	SJRPP-FPL Semi Annual Debt Service & R&R Deposit	2	N			

<b>WKPAPER NO.</b>	<b>DESCRIPTION</b>	<b>NO. OF PAGES</b>	<b>CONF. Y/N</b>	<b>LINE NO./ COL. NO.</b>	<b>FLORIDA STATUTE 366.093(3) Subsection:</b>	<b>AFFIANT</b>
44-1/2	Transmission Capacity	1	N			
44-1/2-1	SJRPP-FPL Semi Annual Transmission Billing	2	N			
44-1/2-1/1	Debt Service for Fiscal Year 98/99	1	N			
44-1/3	CCRA Payment Schedule	1	N			
44-1/3-1	FPL Semi-Annual CCRA Payments	2	N			
44-1/4	Property Taxes	2	N			
44-1/4-1	Property Taxes Invoices	1	N			
44-1/4-2	Projected Property Taxes	1	N			
44-1/5	SJRPP-Dismantlement Accrual	1	N			
44-1/6	Deferred Interest	3	N			
44-1/6-1	Revenue requirement-JEA	2	N			
4-1/7	Other Deferred Interest payments	1	N			
44-2	SJRPP Bill	1	Y	Line 2, Col. A	(e)	O. Lom

<b>WKPAPER NO.</b>	<b>DESCRIPTION</b>	<b>NO. OF PAGES</b>	<b>CONF. Y/N</b>	<b>LINE NO./ COL. NO.</b>	<b>FLORIDA STATUTE 366.093(3) Subsection:</b>	<b>AFFIANT</b>
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44-2/1	SJRPP Reimbursement of JEA Fuel Billing No. 151	1	N			
44-2/1-1	SJRPP Cost of Operations	1	N			
44-2/1-1/1	SJRPP Fuel Inventory Analysis	4	N			
44-2/1-2	Check Request	2	Y	Lines 2 and 3	(e)	O. Lom
44-2/2	Carrying Cost of Inventories	1 2	N Y	----- Lines 2 and 3	----- (e)	----- O. Lom
49-1/1	QF-Capacity Forecast	1	Y	Col. A	(d), (e)	O. Lom
49-1/2	Summary of QF Invoices-1/99, 4/99, 8/99& 12/99	1	Y	Col. A and B	(d), (e)	O. Lom
49-1/3	Actual Interchange & Purchased Billing Summary	2				

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and Purchased Power ) DOCKET NO. 000001-EI  
Cost Recovery Clause and Generating )  
Performance Incentive Factor )

STATE OF FLORIDA )  
 )  
COUNTY OF DADE ) **AFFIDAVIT OF OSVALDO J. LOM**

**BEFORE ME**, the undersigned authority, personally Osvaldo J. Lom who, being first duly sworn, deposes and says:

1. My name is Osvaldo J. Lom. I am currently employed by Florida Power & Light Company ("FPL") as Supervisor, purchase Power Administration, Wholesale Services. 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: (i) information concerning bids or other contractual data, the disclosure of which would impair the efforts of FPL or its affiliates to contract for goods or services on favorable terms; and/or (ii) information relating to competitive interests, the disclosure of which would impair the competitive business of FPL and/or, if other than FPL, the provider of the information. To the best of my knowledge, 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.

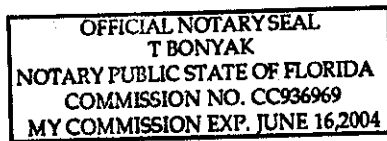


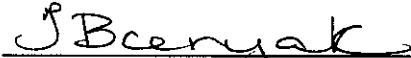
Affidavit of Osvaldo J. Lom  
Request for Confidential Classification  
Docket No. 000001-EI/Capacity Clause Audit No. 00-026-4-1  
Page 2 of 2



Osvaldo J. Lom

**SWORN TO AND SUBSCRIBED** before me this 20 day of July, 2000, by Osvaldo J. Lom, 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

My Commission Expires: 6/16/04