

910443 - EI

DOCKET NO. 910443 EI

REQUEST TO ESTABLISH DOCKET

Date 3/22/91

1. Division Name/Staff Name ELECTRIC + GAS / JAY REVELL

2. OPR JAY REVELL

3. OCR FRANK DODD, BETH SALK, KATHY WELCH

4. Suggested Docket Title FLORIDA POWER & LIGHT, REQUEST FOR REVISED AFUDC RATE OR

REQUEST FOR REVISED INCREASE IN ALLOWANCE FOR FUNDS used during construction (AFUDC) rates by FLORIDA POWER & LIGHT COMPANY

5. Suggested Docket Mailing List (attach separate sheet if necessary)

A. Parties (Provide names of regulated companies; provide names and addresses of nonregulated companies; provide names, addresses, and affiliation (i.e., attorney, company liaison officer, or customer) of individuals)

FP+L

B. Interested Persons/Companies (Provide names, complete mailing addresses, and affiliation)

C. This is a generic proceeding and the Interested Persons mailing list should be expanded to include the industries checked below:

- Investor-Owned Electrics
- Electric Cooperatives
- Municipal Electrics
- Gas Utilities
- Sewer Utilities

- Water Utilities
- Local Exchange Telephone Cos.
- Interexchange Telephone Cos.
- Coin-Operated Telephone Cos.
- Shared Tenant Telephone Cos.

6. Check One:

Documentation attached.

Documentation will be provided with recommendation.



February 26, 1991

Mr. John Slemkewicz
Bureau Chief of Electric & Gas Accounting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0865

RECEIVED
FEB 27 1991
ELECTRIC AND GAS

Dear Mr. Slemkewicz,

On July 3, 1990 the Commission in Docket No. 900040-EI, Order No. 23144 authorized Florida Power & Light Company to decrease its Allowance for Funds Used During Construction (AFUDC) rate to 8.36% effective January 1, 1990.

We are hereby requesting approval to increase our AFUDC rate to 8.46% effective January 1, 1991. The rate is calculated in accordance with the present Commission approved methodology and based upon the Company's thirteen month average capital structure at December 31, 1990. The return on equity (12.80%) used in the AFUDC rate calculation is the return approved in Docket No. 890319-EI.

Attached are Schedules A, B and C in compliance with Commission Rule 25-6.0141 F.A.C.

We await your response to the revised AFUDC rate.

Very truly yours,

K. M. Davis
Comptroller

KMD:DLB:jg

Attachments

DOCUMENT NUMBER-DATE
02881 MAR 22 1991
PSC-RECORDS/REPORTING

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER 31, 1990

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	DECEMBER 31, 1990 JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC% WEIGHTED% COMPONENTS%
LONG TERM DEBT	\$ 2,662,417,562	34.11	9.70	3.31%
SHORT TERM DEBT	42,880,180	0.55	* 8.19	0.05%
PREFERRED STOCK	496,376,950	6.36	8.18	0.52%
CUSTOMER DEPOSITS	178,794,465	2.29	* 7.96	0.18%
COMMON EQUITY	2,686,074,071	34.41	12.80	4.40%
DEFERRED INCOME TAXES	1,362,513,404	17.45	0.00	0.00%
INVESTMENT TAX CREDITS	377,261,411	4.83	0.00	0.00%
TOTAL	\$ 7,806,318,042	100.00		8.46%

* 13-MONTH AVERAGE

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER 31, 1990

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 2,851,046,945	\$ 2,815,200,321	\$ 152,782,759	\$ 2,662,417,562
SHORT TERM DEBT	44,235,091	43,678,917	798,737	42,880,180
PREFERRED STOCK	515,395,447	508,915,305	12,538,356	496,376,950
CUSTOMER DEPOSITS	181,909,941	181,909,941	3,115,476	178,794,465
COMMON EQUITY	2,784,569,636	2,749,558,841	63,484,770	2,686,074,071
DEFERRED INCOME TAXES	1,351,379,667	1,334,388,576	(28,124,828)	1,362,513,404
INVESTMENT TAX CREDITS	405,500,206	400,401,793	23,140,382	377,261,411
TOTAL	\$ 8,134,036,932	\$ 8,034,053,695	\$ 227,735,652	\$ 7,806,318,042

* SEE PAGES 2 AND 3 OF
SCHEDULE B FOR DETAILS.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER 31, 1990

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ATRIUM	\$ 312,076
PLANT IN SERVICE CAPITAL LEASES (ACCT. 101.1)	711,469
OIL BACKOUT COST RECOVERY	329,332,842
INVESTMENT IN SJRPP COAL CARS	2,874,598
RESIDENTIAL LOAD CONTROL	31,626,392
TOTAL	\$ 364,857,377
ACCUMULATED PROVISION FOR DEPRECIATION:	
ATRIUM	\$ (98,996)
OIL BACKOUT COST RECOVERY	(321,257,944)
ACCUM PROV FOR DECOMMISSIONING COSTS	(244,221,735)
SJRPP COAL CARS	(842,973)
RESIDENTIAL LOAD CONTROL	(4,120,842)
TOTAL	\$ (570,542,490)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 309,504,909
TOTAL	\$ 309,504,909
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS (ACCT. 120.1 & 120.2)	\$ 77,756,994
NUCLEAR FUEL CAPITAL LEASES (ACCT. 120.6)	83,875,578
TOTAL	\$ 161,632,573
WORKING CAPITAL (SEE PAGE 3B OF 3)	\$ (37,716,716)
TOTAL ADJUSTMENTS	\$ 227,735,652

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER 31, 1990

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
TEMPORARY CASH INVESTMENTS	\$ 7,170,185
EMPLOYEE INSTALLMENTS AND LOANS	1,163,277
ACCOUNTS RECEIVABLE - ASSOC COS	440,847
ACCOUNTS RECEIVABLE FROM IRS	30,023,835
NON UTILITY CURRENT & ACCRUED ASSETS	1,451,444
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	51,544
PREPAYMENT SJRPP	(11,679,667)
MERCHANDISE ENERGY STORE PROGRAM	50,244
INTEREST & DIVIDENDS RECEIVABLE	361,276
POLE ATTACHMENT RENTS RECEIVABLE	5,385,693
JOBING ACCOUNTS	6,566,473
AFUDC FPSC NUCLEAR IN PROCESS	3,312,397
AFUDC FPSC NUCLEAR IN STOCK	2,354,276
MISC DEF DEBITS - ADVANCE PAYMENTS	0
DEFERRED DEBITS - LITIGATION	0
FUEL INVENTORY ADJ - HEAVY AND LIGHT FUEL OIL	0
NET UNDERRECOVERED FUEL, CONSERVATION, OIL BACKOUT	31,589,171
UNCOLLECTIBLE ACCOUNTS	(2,537,308)
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 75,703,688
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCUM. PROV. FOR RATE REFUNDS	\$ (41,835,334)
ACCUM. PROV. FOR PROPERTY INSUR. - STORM DAMAGE	(57,991,201)
ACCUM DEFERRED RETIREMENT BENEFITS	(938,918)
NON - UTILITY CURRENT & ACCRUED LIABILITIES	(1,489,708)
PAYABLE TO NUCLEAR DECOMMISSIONING RESERVE FUND	(2,888,928)
POLE ATTACHMENT RENTS PAYABLE	(3,290,115)
MISC. C & A LIAB. - JOBBING ACCTS.	(3,078,674)
ACCOUNTS PAYABLE - SAVINGS BOND ALLOTMENTS	(218,392)
UNAMORTIZED GAINS ON SALE OF LAND - DIT	262,177
CONTRACTOR RETENTIONS	(973,857)
PREFERRED STOCK DIVIDEND ACCRUED	(1,377,455)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (113,420,405)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (37,716,716)

NOTE *: THE FUEL INVENTORY ADJUSTMENT HAS BEEN EXCLUDED
SINCE EMERGENCY LEVELS OF INVENTORY ARE REQUIRED
DUE TO THE UNCERTAINTY OF THE GULF CRISIS.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 METHODOLOGY FOR MONTHLY COMPOUNDING
 OF THE AFUDC RATE
 DECEMBER 31, 1990

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING
 $((1+R/12)^{**12})-1 =$ APPROVED RATE
 $((1+R/12)^{**12})-1 =$ 8.46%
 $((1+R/12)^{**12}) =$ 1.0846000
 $(1+R/12) =$ 1.0067906
 $(R/12) =$ 0.0067906

MONTHS	AFUDC BASE	MONTHLY AFUDC	CUMULATIVE AFUDC
JAN	1.000000000	0.006790557	0.006790557
FEB	1.006790557	0.006836668	0.013627225
MAR	1.013627225	0.006883093	0.020510318
APR	1.020510318	0.006929833	0.027440151
MAY	1.027440151	0.006976891	0.034417041
JUN	1.034417041	0.007024267	0.041441309
JUL	1.041441309	0.007071966	0.048513275
AUG	1.048513275	0.007119989	0.055633264
SEP	1.055633264	0.007168337	0.062801601
OCT	1.062801601	0.007217014	0.070018616
NOV	1.070018616	0.007266022	0.077284638
DEC	1.077284638	0.007315362	0.084600000