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February 17, 2017

VIA ELECTRONIC FILING

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Request to Change AFUDC Rate for Florida Power & Light Company (“FPL”)

Dear Ms. Stauffer:

Pursuant to Rule 25-6.0141, F.A.C. Florida Power & Light Company (FPL) requests that the Florida Public Service Commission approve a change to the rate FPL uses to capitalize the allowance for funds used during construction (“AFUDC”) from 6.34% to 6.16%, effective January 1, 2017. As shown on the attached schedules, the 6.16% AFUDC rate is calculated as of December 31, 2016 using the 10.55% midpoint return on common equity approved by the Commission in Order No. PSC-16-0560-AS-EI.

I would appreciate it if your office would forward this request to the appropriate Staff division.

Should you have any questions or concerns, please do not hesitate to contact my office at (561) 304-5795.

Sincerely,

s/ Maria J. Moncada
Maria Moncada

Enclosures

cc: Andrew Maurey

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2016

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 8,331,566,965	28.26%	4.47%	1.26%
SHORT TERM DEBT	693,288,518	2.35%	1.74% *	0.04%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	423,492,735	1.44%	2.10% *	0.03%
COMMON EQUITY	13,497,447,917	45.78%	10.55%	4.83%
DEFERRED INCOME TAX	6,527,139,075	22.14%	0.00%	0.00%
INVESTMENT TAX CREDITS	12,381,297	0.04%	0.00%	0.00%
TOTAL	\$ 29,485,316,506	100.00%		6.16%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2014, THE COMMISSION APPROVED AN AFUDC RATE OF 6.34%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2016

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 8,824,535,106	8,466,868,220	(135,301,255)	8,331,566,965
SHORT TERM DEBT	711,871,139	682,291,216	10,997,302	693,288,518
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	13,859,227,988	13,283,344,401	214,103,516	13,497,447,917
CUSTOMER DEPOSITS	416,832,756	416,775,074	6,717,661	423,492,735
DEFERRED INCOME TAX	7,103,445,615	6,809,052,102	(281,913,028)	6,527,139,075
INVESTMENT TAX CREDITS	162,338,693	154,154,636	(141,773,339)	12,381,297
TOTAL	\$ 31,078,251,297	29,812,485,648	(327,169,142)	29,485,316,506

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2016

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,538,789,441
FUEL AND CAPACITY	100,322,280
FUEL CLAUSE - GAS RESERVES (1)	77,746,965
CAPITALIZED EXECUTIVE COMPENSATION	14,291,441
LOAD CONTROL	49,950,842
ASSET RETIREMENT OBLIGATION	405,204,310
CAPITAL LEASES	57,168,466
TOTAL	\$ 2,243,473,745
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (222,270,635)
ACCUM PROV DECOMMISSIONING COSTS	(3,707,079,533)
ASSET RETIREMENT OBLIGATION	30,431,943
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,509,893,803
FUEL AND CAPACITY	(33,101,860)
FUEL CLAUSE - GAS RESERVES (1)	(7,045,808)
OTHER RATE CASE ADJUSTMENTS (2)	167,870
LOAD CONTROL	(23,586,262)
CAPITAL LEASES	(6,580,246)
TOTAL	\$ (459,170,729)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,700,513,047
CWIP - CLAUSE PROJECTS (1)	\$ 24,301,347
TOTAL	\$ 1,724,814,394
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,181,948,268)
TOTAL ADJUSTMENTS	\$ 327,169,142

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2016

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 15,709,587
INTEREST & DIVIDENDS RECEIVABLE	(299,332)
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	0
FUEL CLAUSE – GAS RESERVES (1)	4,049,619
CASH CAPITAL SUB ACCOUNT	1,360,011
POLE ATTACHMENTS RENTS RECEIVABLE	16,645,281
PREPAYMENTS - ECCR	53,649,549
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,896,219
TEMPORARY CASH INVESTMENTS	2,082,614
STORM DEFICIENCY RECOVERY	338,541,731
NUCLEAR COST RECOVERY	86,558
JOBGING ACCOUNTS	7,790,512
OTH REG ASSETS - CLAUSES	6,168,371
MISC. DEFFERED DEBIT - CLAUSES	13,308,959
CEDAR BAY TRANSACTION	657,280,218
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,125,269,897
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(94,936)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(38,204,968)
ACCUM. PROV. - RATE REFUNDS	(214,051)
GAIN ON SALE OF EMISSION ALLOWANCE	(11,159)
JOBGING ACCOUNTS	(13,965,380)
FUEL CLAUSE – GAS RESERVES	16,114,194
POLE ATTACHMENT RENTS PAYABLE	(7,747,011)
SJRPP ACCELERATED RECOVERY	(22,277,350)
ASSET RETIREMENT OBLIGATION	(3,945,718,416)
MARGIN CALL CASH COLLATERAL	(290,823)
STORM DEFICIENCY RECOVERY	(49,486,685)
NUCLEAR COST RECOVERY	(239,269,165)
CEDAR BAY TRANSACTION	(6,052,416)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,307,218,165)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,181,948,268)

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2016

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.16%
$((1+R/12)^{**12}) =$	1.06163745
$(1+R/12) =$	1.00499682
$(R/12) =$	0.00499682

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.0000000	0.00499682	0.00499682
FEB	1.00499682	0.00502178	0.01001860
MAR	1.01001860	0.00504688	0.01506548
APR	1.01506548	0.00507210	0.02013757
MAY	1.02013757	0.00509744	0.02523501
JUN	1.02523501	0.00512291	0.03035792
JUL	1.03035792	0.00514851	0.03550643
AUG	1.03550643	0.00517424	0.04068067
SEP	1.04068067	0.00520009	0.04588076
OCT	1.04588076	0.00522607	0.05110683
NOV	1.05110683	0.00525219	0.05635902
DEC	1.05635902	0.00527843	0.06163745