



Maria J. Moncada
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
(561) 304-5795
(561) 691-7135 (Facsimile)
maria.moncada@fpl.com

FILED 2/16/2018
DOCUMENT NO. 01379-2018
FPSC - COMMISSION CLERK

February 16, 2018

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 6.16% to 5.97%, effective January 1, 2018. As shown on the attached schedules, the 5.97% AFUDC rate is calculated as of December 31, 2017 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 J. Moncada

Enclosures

cc: Andrew Maurey

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2017

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 8,991,649,192	27.56%	4.09%	1.13%
SHORT TERM DEBT	1,119,522,663	3.43%	2.04% *	0.07%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	409,320,752	1.25%	2.09% *	0.03%
COMMON EQUITY	14,686,026,846	45.01%	10.55%	4.75%
DEFERRED INCOME TAX	7,316,779,674	22.42%	0.00%	0.00%
INVESTMENT TAX CREDITS	105,193,304	0.32%	0.00%	0.00%
TOTAL	\$ 32,628,492,431	100.00%		5.97%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2017 THE COMMISSION APPROVED AFUDC RATE IS 6.16%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2017

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 9,455,269,337	9,104,754,795	(113,105,603)	8,991,649,192
SHORT TERM DEBT	1,151,901,705	1,108,493,894	11,028,769	1,119,522,663
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	15,110,778,827	14,541,350,186	144,676,661	14,686,026,846
CUSTOMER DEPOSITS	405,774,045	405,288,405	4,032,347	409,320,752
DEFERRED INCOME TAX	7,879,311,685	7,582,634,079	(265,854,406)	7,316,779,674
INVESTMENT TAX CREDITS	251,656,621	240,572,185	(135,378,881)	105,193,304
TOTAL	\$ 34,254,692,219	32,983,093,544	(354,601,113)	32,628,492,431

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2017

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,548,316,648
FUEL AND CAPACITY	126,425,378
CAPITALIZED EXECUTIVE COMPENSATION	18,133,980
LOAD CONTROL	48,264,376
ASSET RETIREMENT OBLIGATION	420,501,091
CAPITAL LEASES	57,578,305
TOTAL	\$ 2,219,219,778
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (268,413,842)
ACCUM PROV DECOMMISSIONING COSTS	(4,076,104,882)
ASSET RETIREMENT OBLIGATION	3,239,546
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,825,783,894
FUEL AND CAPACITY	(37,470,370)
OTHER RATE CASE ADJUSTMENTS (1)	0
LOAD CONTROL	(21,223,220)
CAPITAL LEASES	(7,951,671)
TOTAL	\$ (582,140,545)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,780,033,540
CWIP - CLAUSE PROJECTS	\$ 35,918,799
TOTAL	\$ 1,815,952,338
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,098,430,459)
TOTAL ADJUSTMENTS	\$ 354,601,113

NOTES:

(1) 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, 2017

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 20,940,551
INTEREST & DIVIDENDS RECEIVABLE	22,242
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	21,982,186
POLE ATTACHMENTS RENTS RECEIVABLE	15,146,192
PREPAYMENTS - ECCR	50,655,155
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,507,987
TEMPORARY CASH INVESTMENTS	414,624
STORM DEFICIENCY RECOVERY	232,272,890
NUCLEAR COST RECOVERY	27,234
JOBGING ACCOUNTS	11,464,866
OTH REG ASSETS - CLAUSES	992,442
MISC. DEFFERED DEBIT - CLAUSES	15,778,342
CEDAR BAY TRANSACTION	640,987,318
ICL TRANSACTION	372,284,050
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,392,476,080
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(206,512)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	405,142,023
ACCUM. PROV. - RATE REFUNDS	(7,149)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,870)
JOBGING ACCOUNTS	(18,221,150)
POLE ATTACHMENT RENTS PAYABLE	(7,475,517)
SJRPP ACCELERATED RECOVERY	(13,730,936)
ASSET RETIREMENT OBLIGATION	(4,249,538,714)
MARGIN CALL CASH COLLATERAL	(497,164)
STORM DEFICIENCY RECOVERY	(353,268,071)
NUCLEAR COST RECOVERY	(247,893,679)
CEDAR BAY TRANSACTION	(5,206,801)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,490,906,539)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,098,430,459)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2017

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	5.97%
$((1+R/12)^{**12}) =$	1.05970000
$(1+R/12) =$	1.00484385
$(R/12) =$	0.00484385

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00484385	0.00484385
FEB	1.00484385	0.00486731	0.00971116
MAR	1.00971116	0.00489089	0.01460205
APR	1.01460205	0.00491458	0.01951662
MAY	1.01951662	0.00493838	0.02445501
JUN	1.02445501	0.00496230	0.02941731
JUL	1.02941731	0.00498634	0.03440365
AUG	1.03440365	0.00501049	0.03941415
SEP	1.03941415	0.00503476	0.04444891
OCT	1.04444891	0.00505915	0.04950806
NOV	1.04950806	0.00508366	0.05459172
DEC	1.05459172	0.00510828	0.05970000