

ORIGINAL

Steel Hector & Davis LLP  
215 South Monroe, Suite 601  
Tallahassee, Florida 32301-1804  
850.222.2300  
850.222.8410 Fax  
www.steelhector.com

September 1, 1999

Charles A. Guyton  
850.222.3423

Blanca S. Bayó, Director  
Records and Reporting  
Florida Public Service Commission  
4075 Esplanade Way, Room 110  
Tallahassee, Florida 32399-0850

**By Hand Delivery**

991287-EI

**Re: Application of Florida Power & Light Company For Authority  
To Issue And Sell Securities During the Calendar Year 2000  
Pursuant To Section 366.04, Florida Statutes, And Chapter 258  
Florida Administrative Code**

RECORDED AND  
REPORTING

SEP - 1 PM 4:41

RECEIVED-FPSC

Dear Ms. Bayó:

Enclosed for filing on behalf of Florida Power & Light Company are the original and five (5) copies of the Application of Florida Power & Light Company For Authority to Issue and Sell Securities. A separate copy of the filing has been sent to the Office of Public Counsel.

Also enclosed to assist in processing this Application are five (5) copies of a proposed Notice for the Florida Administrative Weekly and a checklist of critical language. The date for final Commission action has been left blank in the proposed Notice; it is the hope of Florida Power & Light Company that the Application can be addressed by mid-October. The checklist, consistent with prior practice, has been provided to assist in the drafting of important portions of a final order if the Application is granted.

If you or your staff have any questions regarding this filing, please contact me.

Very truly yours,

Charles A. Guyton

Enclosure  
cc: Jack Shreve, Esq.  
TAL\_1998/32015-1

RECEIVED & FILED

DOCUMENT NUMBER-DATE

10496 SEP-1

FPSC-RECORDS/REPORTING

Miami West Palm Beach  
APPLICATION

DOCUMENT NUMBER-DATE

10497 SEP-1

FPSC-RECORDS/REPORTING

Tallahassee Key West  
Exhibit A

DOCUMENT NUMBER-DATE

10498 SEP-1

FPSC-RECORDS/REPORTING

London Caracas São Paulo  
Exhibit B

DOCUMENT NUMBER-DATE

10499 SEP-1

FPSC-RECORDS/REPORTING

Rio de Janeiro  
PROPOSED NOTICE

**ORIGINAL**

DOCKET No. 991287-EI

**FLORIDA PUBLIC SERVICE COMMISSION**  
Tallahassee, Florida

---

**APPLICATION OF**  
**FLORIDA POWER & LIGHT COMPANY**  
**FOR AUTHORITY TO ISSUE AND SELL SECURITIES**  
**PURSUANT TO SECTION 366.04, FLORIDA STATUTES**  
**AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE**

Address communications in connection with this Application to:

Paul I. Cutler  
Assistant Treasurer and Assistant  
Secretary  
Florida Power & Light Company  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 694-6204

Dennis P. Coyle  
General Counsel and Secretary  
Florida Power & Light Company  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 694-4644

William G. Walker, III  
Vice President, Regulatory Affairs  
Florida Power & Light Company  
215 S. Monroe Street, Suite 810  
Tallahassee, Florida 32301  
Telephone (850) 224-7517

The date of this Application is September 1, 1999.

DOCUMENT NUMBER-DATE

10496 SEP-19

FPSC-RECORDS/REPORTING

**APPLICATION OF  
FLORIDA POWER & LIGHT COMPANY  
FOR AUTHORITY TO ISSUE AND SELL SECURITIES  
PURSUANT TO SECTION 366.04, FLORIDA STATUTES  
AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE**

A. Applicability.

This Application is filed in accordance with Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

B. Contents of Application.

1. Name and Principal Business Office Address.

Florida Power & Light Company ("FPL")  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408

2. State and Date Incorporated.

· State of Florida – December 28, 1925  
· Also qualified to do business in the State of Georgia

3. Persons Authorized to Receive Notices and Communications.

Paul I. Cutler  
Assistant Treasurer and Assistant Secretary  
Florida Power & Light Company  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 694-6204

Dennis P. Coyle  
General Counsel and Secretary  
Florida Power & Light Company  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 694-4644

William G. Walker, III  
Vice President, Regulatory Affairs  
Florida Power & Light Company  
215 S. Monroe Street, Suite 810  
Tallahassee, Florida 32301  
Telephone (850) 224-7517

4. Capital Stock and Funded Debt.

4(a)(b)(c) Information responsive to description, amount authorized and amount outstanding: These items are contained in Exhibit C "Statement of Capital Stock and Debt – June 30, 1999."

4(d) The amount held as reacquired securities: At June 30, 1999, FPL held 120,000 shares of its 6.84% Preferred Stock, Series Q, \$100 par value; 500,000 shares of its 8.625% Preferred Stock, Series R, \$100 par value; 600,000 shares of its 7.28% Preferred Stock, Series F, \$100 par value; 400,000 shares of its 7.40% Preferred Stock, Series G, \$100 par value; and 5,000,000 shares of its \$2.00 No Par Preferred Stock, Series A, as reacquired securities resulting from the redemption or reacquisition without cancellation of such shares. The Restated Articles of Incorporation of FPL, as amended, prohibit the reissuance of shares of Preferred Stock after their redemption.

4(e) The amount pledged by applicant: The pollution control and industrial development first mortgage bonds, in aggregate principal amount of \$150,135,000 as of June 30, 1999, have been pledged as security for the payment of principal and interest on private activity bonds issued by political subdivisions of the State of Florida on behalf of FPL.

FPL is the obligor on \$483,135,000 aggregate principal amount of outstanding unsecured variable rate pollution control and industrial development bonds issued by certain political subdivisions of the State of Florida which presently pay interest at a variable rate. The proceeds from the issuance of \$463,185,000 aggregate principal amount of these variable rate bonds were used to redeem an equal amount of fixed rate pollution control and industrial development bonds, and FPL's first mortgage bonds pledged as security for the redeemed fixed rate bonds were released. FPL has the option to cause the interest on the variable rate bonds to be paid at a fixed rate. If FPL exercises this option, FPL will be required to pledge an equal aggregate principal amount of its first mortgage bonds as security for the payment of principal and interest on such fixed rate bonds.

4(f) The amount owned by affiliated corporations: All of the common stock of FPL is owned by FPL Group, Inc.

4(g) The amount held in any fund: None.

5. Proposed Transactions. FPL seeks permission to issue and sell and/or exchange any combination of the long-term debt and equity securities described below and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$2.3 billion during calendar year 2000. FPL also seeks permission to enter into forward refunding or forward swap contracts during calendar year 2000. In conjunction with these forward contracts, FPL seeks permission to issue and sell up to \$64 million of securities through December 31, 2002, which FPL would commit to deliver under these forward contracts. In addition, FPL seeks permission to issue and sell short-term securities during the calendar years 2000 and 2001 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of any such sale will not exceed 25% of FPL's gross revenues during the preceding twelve months of operation.

The long-term debt securities may include first mortgage bonds, medium-term notes, debentures, convertible or exchangeable debentures, notes, convertible or exchangeable notes, or other straight debt or hybrid debt securities, whether secured or unsecured, with maturities ranging from one to one-hundred years.

FPL may enter into options, rights, interest rate swaps or other derivative instruments. FPL may also enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the States of Florida or Georgia or pledge debt securities or issue guarantees in connection with such political subdivisions' issuance, for the ultimate benefit of FPL, of pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" with maturities ranging from one to forty years, bond anticipation notes or commercial paper. Such obligations may or may not bear interest exempt from federal tax.

The equity securities may include common stock, preferred stock, preference stock, convertible preferred or preference stock, or warrants, options or rights to acquire such securities, or other equity securities, with such par values, terms and conditions and relative rights and preferences as deemed appropriate by FPL and as are permitted by its Restated Articles of Incorporation, as amended and as they may be amended from time to time.

FPL may also enter into preferred securities financings, whereby FPL would establish and make an equity investment in a special purpose limited partnership or other entity. FPL, or a wholly-owned subsidiary of FPL, would act as the general partner or managing member of the entity. The entity would offer preferred securities to the public and lend the proceeds to FPL. FPL would issue debt securities to the entity equal to the aggregate of its equity investment and the amount of preferred securities borrowed. FPL may also guarantee, among other things, the distributions to be paid by the affiliated entity to the preferred securities holders.

The exchange of FPL's securities may be by way of an exchange of a security of FPL for another security or securities of FPL or of one of its subsidiaries or affiliates, or the exchange of a security of FPL or of one of its subsidiaries or affiliates for the security or securities of another entity.

The manner of issuance and sale and/or exchange of securities will be dependent upon the type of security being offered, the type of transaction in which the securities are being issued and sold and/or exchanged and market conditions at the time of the issuance and sale and/or exchange.

The short-term securities will have maturities of not more than twelve months and may be secured or unsecured. The Securities and Exchange Commission has heretofore indicated through a no action letter that FPL may issue and sell commercial paper without compliance with the registration requirements of the Securities Act of 1933, as amended, subject to certain conditions, including that FPL may have commercial

paper borrowings outstanding up to an amount not to exceed 25% of FPL's gross revenues during the preceding twelve months of operation. For the twelve months ended June 30, 1999, 25% of FPL's gross revenues was \$1.6 billion.

The interest rate FPL could pay on debt securities will vary depending on the type of debt instruments and the terms thereof, including specifically the length of maturity as well as market conditions. On August 31, 1999 a new issue of 30-year first mortgage bonds of FPL would have carried a yield to maturity of about 8.0%. The dividend rate for preferred stock is similarly affected by the terms of the offering.

On August 31, 1999 a new issue of tax deductible preferred stock of FPL would have carried a dividend yield of about 8.25%.

In addition, FPL may from time to time enter into nuclear fuel leases, issue instruments of guaranty, collateralize debt and other obligations, issue other securities, and arrange for the issuance of letters of credit and guaranties, in any such case to be issued (i) by or on behalf of one or more of its subsidiaries or affiliates for the benefit of FPL's utility operations, (ii) by non-affiliates (including employees) in connection with FPL's utility operations, (iii) by FPL or by or on behalf of one or more of its subsidiaries or affiliates in connection with FPL customers' installations of energy efficiency measures, and/or (iv) in connection with other financings by FPL or on its behalf. To the extent that FPL enters into fuel leases, issues instruments of guaranty, collateralizes debt or other obligations, issues other securities or arranges for the issuance of letters of credit or guaranties by FPL or by or on behalf of one or more of its subsidiaries, affiliates or non-affiliates to benefit its utility operations, FPL will clearly demonstrate such benefits.

FPL will file a consummation report with the Florida Public Service Commission (the Commission) in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which it issues securities.

6. Purposes of Issues. The net proceeds to be received from the issuance and sale and/or exchange of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used to provide additional electric facilities; to reacquire, by redemption, purchase, exchange or otherwise, any of its outstanding debt securities or equity securities; to repay all or a portion of any maturing long-term debt obligations; to satisfy

FPL's obligations under the nuclear fuel leases; to repay all or a portion of short-term bank borrowings and commercial paper outstanding at the time of such transactions; and/or for other corporate purposes. Excess proceeds, if any, will be temporarily invested in short-term instruments pending their application to the foregoing purposes. During the 2000-2001 period, \$125 million of FPL long-term debt will mature.

FPL maintains a continuous construction program, principally for electric generation, transmission and distribution facilities. FPL estimates that construction expenditures under its 2000-2001 construction program will approximate \$2.0 billion (see Exhibit B). There is no Allowance for Funds Used During Construction (AFUDC) assumed in the construction expenditures forecast for 2000-2001.

Under future market conditions, the interest rate on new issue long-term debt or the dividend rate on new issue preferred stock of FPL may be such that it becomes economically attractive to reacquire a portion or all of certain of its long-term debt securities or equity securities, providing an opportunity for FPL to reduce interest or dividend expense even after accounting for such other considerations as the (i) reacquisition premium, (ii) other associated reacquisition expenses and (iii) related income tax effects. This reduction would be beneficial to the ratepayers and, with proper regulatory treatment, would not be detrimental to FPL's shareholder. Other important considerations in making such a decision would include an assessment of anticipated future interest and dividend rates and FPL's ability to raise enough new capital to finance its construction program while concurrently pursuing any refinancing opportunities.

The forward refunding contracts would be for the purpose of refunding up to \$64 million of pollution control revenue bonds which were issued on FPL's behalf and which become callable in February 2001 and May 2002. These pollution control revenue bonds are collateralized by FPL First Mortgage Bonds which are more fully described in Exhibit C under the category of First Mortgage Bonds - Pollution Control and Industrial Development and include the following: 7.15% due February 2023 (\$15,000,000), 7.15% due February 2023 (\$32,985,000), 7.15% due February 2023 (\$4,000,000) and 6.7% due May 2027 (\$12,015,000). Under federal tax law, pollution control revenue bonds cannot be refunded with tax-exempt bonds issued more than 90 days prior to the redemption or retirement of the outstanding issue. However, through a forward refunding contract, FPL could lock in prevailing tax-exempt fixed rates for refunding pollution control revenue bonds which would be issued 90 days prior to the first call date of the outstanding issue. Alternatively, FPL could enter into a forward swap contract, to become effective on the first call date of the outstanding issue, to lock in prevailing tax-exempt fixed rates. Under future market conditions, it may be economical to enter into

forward refunding or forward swap contracts, and any anticipated savings generated by such forward transactions would be spread over the combined life of the outstanding bonds and the refunding bonds starting with the execution of the forward contract.

FPL's nuclear fuel leases obligate FPL to purchase portions of the nuclear fuel from the non-affiliated lessor company (the Fuel Company) at the net investment value of such fuel, if required to enable the Fuel Company to pay maturing notes or other borrowings. Also, upon the occurrence of certain events which constitute a default by FPL under such fuel leases or give rise to termination of such fuel leases, FPL may be required to purchase all of the Fuel Company's interest in such leased nuclear fuel at a purchase price equal to (i) the net investment value of such fuel, plus (ii) such additional amounts as are sufficient to enable the Fuel Company to retire all of its debt obligations and any other charges or fees under the appropriate financing agreements which correspond to such fuel leases and to which the Fuel Company is a party. As of June 30, 1999, the net investment value of the nuclear fuel outstanding under both fuel leases was approximately \$137 million, and FPL estimates that if it had been required to repurchase all of the outstanding nuclear fuel on such date, the cumulative lease termination payment would have been approximately \$158 million.

FPL presently has an affiliate which promotes the installation of energy efficiency measures by contracting with customers to guarantee the anticipated energy savings. To facilitate FPL's customers' installations of energy efficiency measures, FPL may issue instruments of guaranty, collateralize debt or other obligations, issue other securities, or arrange for the issuance of letters of credit or guaranties to promote energy efficiency savings contracted for by FPL or FPL subsidiaries or affiliates with FPL customers.

The short-term securities are to provide funds temporarily to finance portions of FPL's construction program and capital commitments and for other corporate purposes. Significant parts of FPL's construction program may temporarily be financed through the sale of short-term securities from time to time. Also, during the 2000-2001 period, FPL may need short-term financing capabilities for seasonal fuel requirements, for contingency financing such as fuel adjustment underrecoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt securities.



7. Facts Supporting Legality, Necessity or Appropriateness. In addition to the reasons shown under "Purposes of Issues", the proposed issues are consistent with the proper performance by FPL of service as a public utility, will enable and permit FPL to perform that service, and are necessary and appropriate for such purpose and other corporate purposes.

8. Name and Address of Counsel Passing upon the Legality of the Proposed Issues:

Steel Hector & Davis LLP  
1900 Phillips Point West  
777 South Flagler Drive  
West Palm Beach, Florida 33401-6198  
Attention: Jeffrey I. Mullens, P.A.

9. Other State or Federal Regulatory Body. If required, a Registration Statement with respect to each public sale of securities hereunder subject to the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549. In addition, certain state securities or "blue sky" laws may require the filing of consents to service of process or other documents with applicable state securities commissions.

10. Control or Ownership. There is no measure of control or ownership exercised by or over FPL by any other public utility. FPL is a wholly-owned subsidiary of FPL Group, Inc., a holding company which is exempt from regulation under the Public Utility Holding Company Act of 1935, except for that section which regulates the acquisition of securities of public utility companies.

11. Exhibits.

Exhibit Number

- \* A(6) Annual Report on Form 10-K for the fiscal year ended December 31, 1998 and Form 10-Q for the three months ended June 30, 1999.
- B 2000 and 2001 Sources and Uses of Funds Forecast and Construction Budget for Gross Property Additions.
- C Statement of Capital Stock and Debt as of June 30, 1999.

\* As permitted by Rule 25-8.003(1)(a)(6), Florida Administrative Code, FPL is satisfying the requirements for Schedules A(1) through A(5) by submitting its Annual Report on Form 10-K for the fiscal year ended December 31, 1998 and Form 10-Q for the three months ended June 30, 1999 in conjunction with this Application.

**SIGNATURE**

Pursuant to the provisions of Section 366.04, Florida Statutes and Chapter 25-8, Florida Administrative Code, Florida Power & Light Company has caused its duly authorized officer to execute this Application on this 31<sup>st</sup> day of August, 1999.

Florida Power & Light Company

By: Paul I. Cutler  
Paul I. Cutler  
Assistant Treasurer and Assistant Secretary  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408

ATTORNEYS FOR APPLICANT:

Steel Hector & Davis LLP

By: Charles A. Gayton  
Charles A. Gayton  
Suite 601  
215 South Monroe Street  
Tallahassee, Florida 32301  
(850) 222-2300