



Paul Cutler, Treasurer  
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**ORIGINAL**

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May 16, 2007

Ms. Ann Cole, Commission Clerk  
 Office of Commission Clerk  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, Florida 32399-0850

Re: FPL's Petition for Issuance of a Storm Recovery Financing Order; Docket No. 060038-EI; Issuance Advice Letter and Initial True-Up Adjustment Letter

Dear Ms. Cole:

Pursuant to the financing order in the above-captioned Docket ("Financing Order"), Florida Power & Light Company ("Company") hereby transmits for filing this combined Issuance Advice Letter and Initial True-Up Adjustment Letter. Any terms not defined herein shall have the meanings ascribed thereto in the Financing Order or Section 366.8260, Florida Statutes.

In the Financing Order, the Commission requires the Company to file a combined Issuance Advice Letter and Initial True-Up Adjustment Letter following pricing of a series of Storm-Recovery Bonds.

The terms of pricing and issuance of the first series of Storm-Recovery Bonds are as follows:

- Name of Storm-Recovery Bonds: Senior Secured Bonds, Series A
- Name of SPE: FPL Recovery Funding LLC
- Name of Trustee: The Bank of New York
- Expected Closing Date: May 22, 2007
- Preliminary Bond Ratings: Moody's, Aaa; Standard & Poor's, AAA; Fitch, AAA (final ratings to be received prior to closing)
- Total Principal Amount of Storm-Recovery Bonds to be Issued (i.e., Amount of Storm-Recovery Costs and Up-Front Bond Issuance Costs to be Financed): \$652,000,000 (See Attachment 1)
- Estimated Up-Front Bond Issuance Costs: \$9,581,016 (See Attachment 2)
- Interest Rates and Expected Amortization Schedule: (See Attachment 3)
- Distributions to Investors: Semiannually
- Weighted Average Coupon Rate<sup>1</sup>: 5.1924%
- Annualized Weighted Average Yield<sup>2</sup>: 5.2295%
- Initial Balance of Capital Subaccount: \$3,260,000

<sup>1</sup>Weighted by modified duration and principal amount of each class.

<sup>2</sup>Weighted by modified duration and principal amount, calculated including selling commissions.

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Estimated/Actual Ongoing Costs for first year of Storm-Recovery Bonds:  
\$679,000 (See Attachment 4)

The initial Storm Bond Repayment Charge and Storm Bond Tax Charge (the "Initial Charges") have been calculated in accordance with the methodology described in the Financing Order and based upon the structuring and pricing terms of the Storm-Recovery Bonds set forth in this combined Issuance Advice Letter and Initial True-Up Adjustment Letter.

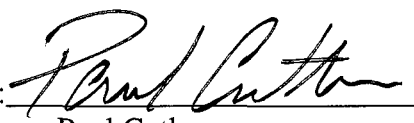
Attachment 5 provides the Revenue Requirements for calculating the Initial Charges. Attachments 6a and 6b calculate the Initial Charges based upon the cost allocation formula approved in the Financing Order. Also attached are the calculations and supporting data for such tables. The Company's certification as to lowest cost is Attachment 7.

Pursuant to the Financing Order, the transaction may proceed and the Initial Charges will take effect unless a stop order is issued by the Commission at the Internal Affairs meeting to be held May 21, 2007 (4 days after pricing); and the Company, as servicer, or any successor servicer and on behalf of the trustee as assignee of the SPE, is required to apply at least semiannually for mandatory periodic adjustment to the Storm Bond Repayment Charges and related Storm Bond Tax Charges. The Initial Charges shall remain in effect until changed in accordance with the provisions of finding of fact 78 of the Financing Order.

The Company's "lowest cost" certification required by the Financing Order is set forth on Attachment 7, which also includes the statement of the actions taken by the Bond Team as required by finding of fact 134 of the Financing Order.<sup>3</sup>

Respectfully submitted,

Florida Power & Light Company

By:   
Paul Cutler  
Treasurer

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<sup>3</sup> As indicated in the Company's Certification (Attachment 7) the Commission staff informed FPL that the adoption of the competitive sale process rendered moot the need for this letter to contain detailed analyses and representations regarding the actual structuring, marketing and pricing of the bonds (finding of fact 134) other than the information set forth in the attachments to this letter.

**Attachment 1**

**TOTAL PRINCIPAL AMOUNT OF STORM-RECOVERY BONDS TO BE ISSUED  
(TOTAL AMOUNT OF STORM-RECOVERY COSTS, RESERVE AND  
UPFRONT BOND ISSUANCE COSTS TO BE FINANCED)**

2004 Jurisdictionalized Unrecovered Storm-Recovery Costs	\$198,680,432
2005 Jurisdictionalized Unrecovered Storm-Recovery Costs	\$735,569,138
Estimated Replenishment of Depleted Reserve	\$200,000,000
Total Costs Subject to Storm-Recovery Financing	\$1,134,249,570
Adjustment of Estimated Storm Deficiency <sup>[1]</sup>	(\$89,550,406)
Adjusted Costs Subject to Storm-Recovery Financing	\$1,044,699,164
Less: Income Taxes at 38.575%	\$402,992,703
After-tax Costs Subject to Storm-Recovery Financing	\$641,706,461
Estimated Upfront Bond Issuance Costs	\$9,581,016
Total After-tax Costs Subject to Storm-Recovery Financing	\$651,287,477
<b>Total Storm-Recovery Bond Issuance (rounded up)</b>	<b>\$652,000,000</b>

<sup>[1]</sup> Adjustment of Storm Deficiency to reflect changes in estimated storm costs, changes in estimated accrued interest on Storm Deficiency and changes in estimated collections through the 2004 Storm Cost Recovery Surcharge.

**Attachment 2**<sup>[1]</sup>

**ESTIMATED UP-FRONT BOND ISSUANCE COSTS**

Underwriters' Fees	\$2,608,000
SEC Fees	\$20,016
Rating Agency Fees	\$785,000
Legal Fees	\$3,000,000
Auditor Fees	\$100,000
Commission's Financial Advisor Fees	\$1,000,000
Trustee Fee	\$25,000
Servicer Set-up Fee	\$407,000
SPE Set-up Fee	\$15,000
Printing	\$20,000
Company's Financial Advisor's Fee	\$820,197
Original Issue Discount	\$326,000
Miscellaneous	\$454,803
<b>TOTAL ESTIMATED UP-FRONT BOND ISSUANCE COSTS</b>	<b>\$9,581,016</b>

<sup>[1]</sup> Pursuant to Section 366.8260(2)(b)5 and the Financing Order, the Company is required to file with the Commission the actual Up-Front Bond Issuance Costs within 120 days of the Closing Date.

**Attachment 3****EXPECTED AMORTIZATION SCHEDULE****A. General Terms**

Tranche	Price	Coupon	Fixed/ Floating	Average Life	Expected Final Maturity	Legal Final Maturity
A1	99.98373%	5.0530%	Fixed	1.97	1-Feb-11	1-Feb-13
A2	99.98379%	5.0440%	Fixed	4.98	1-Aug-13	1-Aug-15
A3	99.98326%	5.1273%	Fixed	7.31	1-Aug-15	1-Aug-17
A4	99.98243%	5.2555%	Fixed	10.38	1-Aug-19	1-Aug-21

**B. Scheduled Amortization Requirement**

Series A, Tranche A-1					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
2/1/2008	\$ 124,000,000	\$ 4,333,790	\$ 24,215,459	\$ 28,549,249	\$ 99,784,541
8/1/2008	\$ 99,784,541	\$ 2,521,056	\$ 16,566,340	\$ 19,087,396	\$ 83,218,201
2/1/2009	\$ 83,218,201	\$ 2,102,508	\$ 20,432,185	\$ 22,534,693	\$ 62,786,016
8/1/2009	\$ 62,786,016	\$ 1,586,289	\$ 18,043,404	\$ 19,629,693	\$ 44,742,612
2/1/2010	\$ 44,742,612	\$ 1,130,422	\$ 22,131,565	\$ 23,261,987	\$ 22,611,047
8/1/2010	\$ 22,611,047	\$ 571,268	\$ 19,652,734	\$ 20,224,002	\$ 2,958,313
2/1/2011	\$ 2,958,313	\$ 74,742	\$ 2,958,313	\$ 3,033,055	\$ -

Series A, Tranche A-2					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
2/1/2008	\$ 140,000,000	\$ 4,884,273	\$ -	\$ 4,884,273	\$ 140,000,000
8/1/2008	\$ 140,000,000	\$ 3,530,800	\$ -	\$ 3,530,800	\$ 140,000,000
2/1/2009	\$ 140,000,000	\$ 3,530,800	\$ -	\$ 3,530,800	\$ 140,000,000
8/1/2009	\$ 140,000,000	\$ 3,530,800	\$ -	\$ 3,530,800	\$ 140,000,000
2/1/2010	\$ 140,000,000	\$ 3,530,800	\$ -	\$ 3,530,800	\$ 140,000,000
8/1/2010	\$ 140,000,000	\$ 3,530,800	\$ -	\$ 3,530,800	\$ 140,000,000
2/1/2011	\$ 140,000,000	\$ 3,530,800	\$ 20,784,320	\$ 24,315,120	\$ 119,215,680
8/1/2011	\$ 119,215,680	\$ 3,006,619	\$ 21,256,558	\$ 24,263,177	\$ 97,959,122
2/1/2012	\$ 97,959,122	\$ 2,470,529	\$ 25,455,616	\$ 27,926,145	\$ 72,503,506
8/1/2012	\$ 72,503,506	\$ 1,828,538	\$ 22,962,051	\$ 24,790,589	\$ 49,541,455
2/1/2013	\$ 49,541,455	\$ 1,249,435	\$ 27,139,930	\$ 28,389,365	\$ 22,401,525
8/1/2013	\$ 22,401,525	\$ 564,966	\$ 22,401,525	\$ 22,966,491	\$ -

**Attachment 3 (cont.)**  
**EXPECTED AMORTIZATION SCHEDULE**

**B. Scheduled Amortization Requirement**

Series A, Tranche A-3					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
2/1/2008	\$ 100,000,000	\$ 3,546,383	\$ -	\$ 3,546,383	\$ 100,000,000
8/1/2008	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
2/1/2009	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
8/1/2009	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
2/1/2010	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
8/1/2010	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
2/1/2011	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
8/1/2011	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
2/1/2012	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
8/1/2012	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
2/1/2013	\$ 100,000,000	\$ 2,563,650	\$ -	\$ 2,563,650	\$ 100,000,000
8/1/2013	\$ 100,000,000	\$ 2,563,650	\$ 1,988,330	\$ 4,551,980	\$ 98,011,670
2/1/2014	\$ 98,011,670	\$ 2,512,676	\$ 28,819,912	\$ 31,332,588	\$ 69,191,758
8/1/2014	\$ 69,191,758	\$ 1,773,835	\$ 26,058,781	\$ 27,832,616	\$ 43,132,977
2/1/2015	\$ 43,132,977	\$ 1,105,779	\$ 30,639,213	\$ 31,744,992	\$ 12,493,764
8/1/2015	\$ 12,493,764	\$ 320,296	\$ 12,493,764	\$ 12,814,060	\$ -

Series A, Tranche A-4					
Payment Date	Beginning Principal Balance	Interest	Principal	Total Payment	Ending Principal Balance
2/1/2008	\$ 288,000,000	\$ 10,468,956	\$ -	\$ 10,468,956	\$ 288,000,000
8/1/2008	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2009	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2009	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2010	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2010	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2011	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2011	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2012	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2012	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2013	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2013	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2014	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2014	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
2/1/2015	\$ 288,000,000	\$ 7,567,920	\$ -	\$ 7,567,920	\$ 288,000,000
8/1/2015	\$ 288,000,000	\$ 7,567,920	\$ 15,327,439	\$ 22,895,359	\$ 272,672,561
2/1/2016	\$ 272,672,561	\$ 7,165,153	\$ 32,555,479	\$ 39,720,632	\$ 240,117,082
8/1/2016	\$ 240,117,082	\$ 6,309,677	\$ 29,822,666	\$ 36,132,343	\$ 210,294,416
2/1/2017	\$ 210,294,416	\$ 5,526,012	\$ 34,510,521	\$ 40,036,533	\$ 175,783,895
8/1/2017	\$ 175,783,895	\$ 4,619,161	\$ 31,553,342	\$ 36,172,503	\$ 144,230,553
2/1/2018	\$ 144,230,553	\$ 3,790,018	\$ 36,531,800	\$ 40,321,818	\$ 107,698,753
8/1/2018	\$ 107,698,753	\$ 2,830,054	\$ 33,520,739	\$ 36,350,793	\$ 74,178,014
2/1/2019	\$ 74,178,014	\$ 1,949,213	\$ 38,623,933	\$ 40,573,146	\$ 35,554,081
8/1/2019	\$ 35,554,081	\$ 934,272	\$ 35,554,081	\$ 36,488,353	\$ -

**Attachment 4**  
**ESTIMATED ONGOING COSTS**

	<b>Estimated Annual Amount</b>
Servicing Fee (0.05% of Storm-Recovery Bonds initial principal amount)(fixed)	\$326,000
Administration Fees (fixed)	\$125,000
Trustee Fees	\$15,000
Accounting Fees	\$60,000
Legal Fees	\$50,000
Independent Manager's Fee	\$5,000
Rating Agency Fees	\$20,000
Miscellaneous	\$78,000
<b>TOTAL ANNUAL ONGOING COSTS</b>	<b>\$679,000</b>

Estimated Ongoing Costs for the initial payment period from May 22, 2007 to February 1, 2008	\$469,642
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**Attachment 5**  
**REVENUE REQUIREMENT AND INPUT VALUES**

<b>Initial Payment Period from May 22, 2007 to February 1, 2008</b>	<b>Bond Repayment</b>	<b>Tax</b>	<b>Total</b>
Forecasted retail kWh sales			79,701,436,137
Percent of billed amounts expected to be charged-off			0.168%
Forecasted % of billings paid in the applicable period			91.891%
Forecasted retail kWh sales billed and collected			73,238,345,495
Storm-Recovery Bond principal payment	\$24,215,459	\$15,207,348	\$39,422,807
Storm-Recovery Bond interest payment	\$23,233,402	\$0	\$23,233,402
Forecasted ongoing costs (excluding principal and interest)	\$469,642	\$0	\$469,642
Tax Benefit for amortization of upfront issuance costs		(\$250,704)	(\$250,704)
<b>Total collection requirement for applicable period</b>	<b>\$47,918,502</b>	<b>\$14,956,644</b>	<b>\$62,875,146</b>



**Attachment 6A  
INITIAL STORM BOND REPAYMENT CHARGE AND STORM BOND TAX CHARGE**

Rate Schedule	Storm Charge Allocation Factor	Periodic Collection Requirement			Forecasted Sales Billed and Collected	Storm Charges (/kWh)		
		Bond	Tax	Total		Bond	Tax	Total
ALL KWH – RS-1, RST-1	63.013%	\$30,194,873	\$9,424,626	\$39,619,499	38,959,453,756	0.078	0.024	0.102
GS-1, GST-1, WIES-1	6.172%	\$2,957,488	\$923,111	\$3,880,600	4,364,248,690	0.068	0.021	0.089
GSD-1, GSDT-1, HLFT-1, SDTR	16.552%	\$7,931,572	\$2,475,655	\$10,407,228	16,879,309,179	0.047	0.015	0.062
GSLD-1, GSLDT-1, HLFT-2, SDTR	6.621%	\$3,172,730	\$990,294	\$4,163,024	7,475,738,515	0.042	0.013	0.055
CS-1, CST-1	0.154%	\$73,713	\$23,008	\$96,721	156,534,077	0.047	0.015	0.062
GSLD-2, GSLDT-2, HLFT-3, SDTR	0.934%	\$447,340	\$139,627	\$586,967	1,280,548,364	0.035	0.011	0.046
CS-2, CST-2	0.081%	\$38,967	\$12,163	\$51,129	73,556,112	0.053	0.017	0.07
GSLD-3, GSLDT-3, CS-3, CST-3	0.019%	\$9,130	\$2,850	\$11,980	141,385,416	0.006	0.002	0.008
OS-2	0.064%	\$30,530	\$9,529	\$40,060	14,154,023	0.216	0.067	0.283
MET	0.073%	\$34,773	\$10,853	\$45,626	64,757,354	0.054	0.017	0.071
CILC-1(G)	0.133%	\$63,810	\$19,917	\$83,727	143,366,445	0.045	0.014	0.059
CILC-1(D)	1.506%	\$721,435	\$225,179	\$946,614	2,159,971,404	0.033	0.010	0.043
CILC-1(T)	0.134%	\$64,189	\$20,035	\$84,225	967,871,545	0.007	0.002	0.009
SL-1, PL-1	3.589%	\$1,719,627	\$536,742	\$2,256,369	307,421,621	0.559	0.175	0.734
OL-1	0.897%	\$430,048	\$134,230	\$564,278	71,092,041	0.605	0.189	0.794
SL-2, GSCU-1	0.032%	\$15,390	\$4,804	\$20,194	58,416,176	0.026	0.008	0.034
SST-1(T), ISST-1(T)	0.014%	\$6,888	\$2,150	\$9,037	116,191,155	0.006	0.002	0.008
SST-1(D1), SST-1(D2), SST-1(D3), ISST-1(D)	0.013%	\$5,998	\$1,872	\$7,871	4,329,622	0.139	0.043	0.182
<b>TOTAL</b>	<b>100.00%</b>	<b>\$47,918,502</b>	<b>\$14,956,644</b>	<b>\$62,875,148</b>	<b>73,238,345,495</b>	<b>0.065</b>	<b>0.020</b>	<b>0.085</b>

Details showing how allocation factors were derived are on the sheet labeled allocation factors by rate class. Allocation factors were based on the methodology ordered in the Financing Order - ORDERED that the storm-recovery charge shall be allocated to the customer classes in accordance with the Petition and FPL's testimony, using the criteria set out in Section 366.06(1), Florida Statutes, in the manner in which these costs or their equivalent were allocated in the cost-of-service study filed in Docket No. 050045-EI, until altered by a subsequent rate case.

**Attachment 6B  
ALLOCATION OF STORM CHARGE BY RATE CLASS**

	(\$ millions)	(\$ millions)	Weights
<b>Weights Used in Storm Charge:</b>			
2004 Jurisdictional Unrecovered Storm-Recovery Costs	\$198.7		
Adjustment of Estimated Storm Deficiency	(\$90.0)		
Less: Income Taxes at 38.575%	\$41.9	\$66.7	10%
2005 Jurisdictional Unrecovered Storm-Recovery Costs	\$735.6		
Adjustment of Estimated Storm Deficiency	(\$21.5)		
Less: Income Taxes at 38.575%	\$275.4	\$438.6	68%
Estimated Replenishment of Depleted Reserve - Future Storm Costs	\$200.0		
Adjustment of Estimated Storm Deficiency	\$22.0		
Less: Income Taxes at 38.575%	\$85.6	\$136.4	21%
<b>After-Tax Costs Subject to Storm-Recovery Financing</b>		<b>\$641.7</b>	<b>100%</b>

**Note:** Adjustments have been made to reflect changes in estimated storm costs, changes in estimated accrued interest on Storm Deficiency and changes in estimated collections through the 2004 Storm Cost Recovery Surcharge which have occurred since the Financing Order was issued. Total excludes upfront issuance costs estimated at \$9.6 million.

**Factors By Rate Class:**

Rate Schedule	2004 Storm Costs			2005 Storm Costs			Future Storm Costs			Storm Charge Allocation Factor
	factor <sup>(1)</sup>	weight	wgt factor	factor <sup>(1)</sup>	weight	wgt factor	factor <sup>(1)</sup>	weight	wgt factor	
ALL KWH – RS-1, RST-1	62.870%	10%	6.539%	63.297%	68%	43.264%	62.168%	21%	13.210%	63.013%
GS-1, GST-1, WIES-1	6.129%	10%	0.638%	6.203%	68%	4.240%	6.093%	21%	1.295%	6.172%
GSD-1, GSDT-1, HLFT-1, SDTR	16.598%	10%	1.726%	16.292%	68%	11.135%	17.368%	21%	3.690%	16.552%
GSLD-1, GSLDT-1, HLFT-2, SDTR	6.664%	10%	0.693%	6.481%	68%	4.430%	7.051%	21%	1.498%	6.621%
CS-1, CST-1	0.155%	10%	0.016%	0.151%	68%	0.103%	0.163%	21%	0.035%	0.154%
GSLD-2, GSLDT-2, HLFT-3, SDTR	0.939%	10%	0.098%	0.910%	68%	0.622%	1.005%	21%	0.214%	0.934%
CS-2, CST-2	0.082%	10%	0.009%	0.080%	68%	0.055%	0.084%	21%	0.018%	0.081%
GSLD-3, GSLDT-3, CS-3, CST-3	0.017%	10%	0.002%	0.011%	68%	0.008%	0.045%	21%	0.009%	0.019%
OS-2	0.065%	10%	0.007%	0.066%	68%	0.045%	0.055%	21%	0.012%	0.064%
MET	0.073%	10%	0.008%	0.071%	68%	0.048%	0.078%	21%	0.016%	0.073%
CILC-1(G)	0.134%	10%	0.014%	0.131%	68%	0.089%	0.141%	21%	0.030%	0.133%
CILC-1(D)	1.510%	10%	0.157%	1.460%	68%	0.998%	1.649%	21%	0.350%	1.506%
CILC-1(T)	0.118%	10%	0.012%	0.084%	68%	0.057%	0.303%	21%	0.064%	0.134%
SL-1, PL-1	3.673%	10%	0.382%	3.767%	68%	2.575%	2.972%	21%	0.632%	3.589%
OL-1	0.918%	10%	0.095%	0.942%	68%	0.644%	0.743%	21%	0.158%	0.897%
SL-2, GSCU-1	0.032%	10%	0.003%	0.031%	68%	0.021%	0.035%	21%	0.007%	0.032%
SST-1(T), ISST-1(T)	0.012%	10%	0.001%	0.008%	68%	0.005%	0.036%	21%	0.008%	0.014%
SST-1(D1), SST-1(D2), SST-1(D3), ISST-1(D)	0.012%	10%	0.001%	0.013%	68%	0.009%	0.012%	21%	0.002%	0.013%
<b>Total Retail</b>			<b>100.000%</b>			<b>100.000%</b>			<b>100.000%</b>	<b>100.000%</b>



Paul Cutler, Treasurer  
Florida Power & Light Company  
700 Universe Boulevard  
Juno Beach, FL 33408-0420  
(561) 694-6204

May 16, 2007

**TO:** Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re:** Attachment 7; Company Certification

Florida Power & Light Company (the "Company") submits this Certification pursuant to an ordering paragraph of the Financing Order on pages 58-59 in *Petition for issuance of a storm recovery financing order by Florida Power and Light Company*, Docket No. 060038-EI (the "Financing Order"). All capitalized terms not defined in this letter shall have the meanings ascribed to them in the Financing Order.

In its issuance advice and initial true-up adjustment letter dated May 16, 2007, the Company has set forth the following particulars of the Storm Recovery Bonds:

Name of Storm-Recovery Bonds: Senior Secured Bonds, Series A  
Name of SPE: FPL Recovery Funding LLC  
Name of Trustee: The Bank of New York  
Expected Closing Date: May 22, 2007  
Preliminary Bond Ratings: Moody's Aaa; Standard & Poor's AAA; Fitch AAA (final ratings to be received prior to closing)  
Total Principal Amount of Storm Recovery Bonds to be Issued: \$652,000,000 (See Attachment 1)  
Estimated Up-Front Bond Issuance Costs: \$9,581,016 (See Attachment 2)  
Interest Rates and Expected Amortization Schedule: (See Attachment 3)  
Distributions to Investors: Semiannually  
Weighted Average Coupon Rate<sup>1</sup>: 5.1924%  
Annualized Weighted Average Yield<sup>2</sup>: 5.2295%  
Initial Balance of Capital Subaccount: \$3,260,000  
Estimated/Actual Ongoing Costs for first year of Storm-Recovery Bonds: \$679,000

As required by the Financing Order, a Bond Team comprised of representatives of the Company, the Commission and their designated advisors and legal counsel was established to ensure that the structuring, marketing and pricing of the storm recovery bonds would achieve the lowest cost objective and that the transaction documents include adequate protections for the customers. Beginning in July of 2006, the Bond Team began meeting to address the details of the storm-recovery bond issuance in accordance with the terms of the Commission's

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<sup>1</sup> Weighted by modified duration and principal amount of each class.

<sup>2</sup> Weighted by modified duration and principal amount, calculated including selling commissions.

Financing Order. In contemplation of a negotiated sale of the bonds, the Bond Team evaluated alternative structures and extensively explored whether the bonds could be issued and sold as corporate securities, whether fixed rate or variable rate bonds should be offered, and what ongoing reporting investors would require.

After exploring and pursuing these and other alternatives for providing the lowest cost to customers, the Bond Team concluded that customers could most efficiently achieve all the benefits of these alternatives through use of a competitive sale of the storm-recovery bonds as asset-backed securities coupled with FPL's assurance that the storm-recovery bonds would price at least equal to the all-in pricing achieved in either (a) the 2006 American Electric Power ("AEP") securitization transaction or (b) the Monongahela Power ("MP") securitization if it closed by the time the Company's securitization closes, or within 30 days thereafter, whichever all in-pricing is lower.<sup>3</sup> All-in pricing is the weighted summation of 1) credit spreads and 2) underwriting commissions for the comparable tranches of the relevant transaction.

The attached spreadsheet shows FPL's storm-recovery bonds priced more favorably than the AEP and MP transactions. FPL's bonds priced 6.752 basis points better than the AEP benchmark and 3.837 basis points better than the MP benchmark.<sup>4</sup>

The Commission staff informed FPL that the use of a competitive sale process eliminated the requirement for a "lowest cost" certification from an underwriter. Furthermore, the Commission staff informed FPL that the adoption of the competitive sale process rendered moot the need for further advice or certifications from the Commission's financial advisor, as well as the requirement that the combined Issuance Advice Letter and Initial True-Up Adjustment Letter contain detailed analyses and representations regarding the actual structuring, marketing and pricing of the bonds (finding of fact 134) other than the information set forth below and in the attachments to such letter.

In accordance with the standards and procedures set forth in the Financing Order, the following actions were taken by the Bond Team in connection with the structuring, marketing, and pricing of the storm-recovery bonds in order to satisfy the lowest cost objective:

- Included credit enhancement in the form of the true-up mechanism and an equity contribution to FPL Recovery Funding LLC of 0.50% of the original principal amount of the bonds;
- Registered the storm-recovery bonds under the Securities and Exchange Act of 1933 to facilitate greater liquidity;
- Developed rating agency presentations and worked actively with the rating agencies during the rating agency process to achieve Aaa/AAA/AAA ratings from each of the three major rating agencies;

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<sup>3</sup> The Monongahela Power transaction closed on April 11, 2007.

<sup>4</sup> The net present value of one basis point is equal to approximately \$370,000.

- Worked to select key transaction participants through a competitive bid process, that have relevant experience and execution capability;
- Developed all bond transaction documentation, marketing materials (prospectus, term sheet, etc), and legal opinions;
- Published and distributed a “Notice of Sale” to potential bidders announcing the Company’s intent to publicly auction the storm-recovery bonds;
- Provided package of transaction materials for potential bidders to participate in the auction of storm-recovery bonds;
- Allowed sufficient time for potential bidders to review the transaction documents and preliminary prospectus and to ask questions regarding the transaction;
- Held a group conference call for potential bidders to describe the legislative, political and regulatory framework and the bond structure;
- Held numerous one-on-one conferences with potential bidders to respond to questions;
- Provided potential investors with access to transaction presentation and held a group conference call for potential investors to describe the legislative, political and regulatory framework and the bond structure. Similar transaction information was also available for one-on-one and group meetings with investors if so requested;
- Solicited a wide range of potential bidders to pursue competitive pricing for the bonds.

The Financing Order directed that “[t]he members of the Bond Team shall work cooperatively to achieve the lowest cost objective” and the Financing Order established standards and procedures which the Bond Team was to follow to ensure that the lowest cost objective would be achieved. The Financing Order defines the “lowest-cost objective” as “ensuring that the structuring, marketing and pricing of storm-recovery bonds will result in the lowest storm-recovery charges consistent with (i) the terms of this Financing Order and applicable law and (ii) the prevailing market conditions at the time of the offering and pricing of the storm-recovery bonds”. In addition, the Financing Order requires that the Company provide a certification that “the structuring, marketing, and pricing of the storm-recovery bonds achieved the lowest cost objective” as described in the Financing Order. Within the parameters set forth for this financing by the Financing Order and the decisions taken by the Bond Team as outlined above, the Company hereby certifies that the structuring, marketing and pricing of the Senior Secured Bonds, Series A has achieved the “lowest cost objective” as defined in the Financing Order.

This certification is being provided to the Commission by the Company in accordance with the terms of the Financing Order, and no one other than the Commission shall be entitled to rely on the certification provided herein for any purpose.

Florida Power & Light Company

By:  \_\_\_\_\_

Name: Paul Cutler

Title: Treasurer, Florida Power & Light Company

**FPL Storm-Recovery Bond Issuance Benchmark Pricing Comparisons**

**Comparison to AEP Pricing**

**AEP Benchmark (FPL comparable tranches with AEP Pricing)**

AEP Benchmark				E	F	G	C	D	(C + D/B) x G
A	B	C	D	A X D/100	A X B	F / Total F	Spread to Swap Rate	Selling Commission	Benchmark All-In Spread
Class	Size (\$)	Avg. Life in Years	Spread to Swap Rate	Fees	Bond Year Dollars	% Bond Year Dollars			
A-1	124,000,000	1.97	(7.00)	\$ 403,000	\$ 244,280,000	5.240%	(7.00)	32.50	9.50
A-2	140,000,000	4.98	(2.00)	\$ 504,000	\$ 697,200,000	14.955%	(2.00)	36.00	5.23
A-3	100,000,000	7.31	3.00	\$ 385,000	\$ 731,000,000	15.680%	3.00	38.50	8.27
A-4	288,000,000	10.38	6.00	\$ 1,209,600	\$ 2,989,440,000	64.125%	6.00	42.00	10.05
	652,000,000			\$ 2,501,600	\$ 4,661,920,000	100.000%		38.37	<b>9.018</b>

**FPL Pricing (for comparison to AEP Benchmark)**

FPL Pricing				E	F	G	C	D	(C + D/B) x G
A	B	C	D	A X D/100	A X B	F / Total F	Spread to Swap Rate	Selling Commission	Benchmark All-In Spread
Class	Size (\$)	Avg. Life in Years	Spread to Swap Rate	Fees	Bond Year Dollars	% Bond Year Dollars			
A-1	124,000,000	1.97	(9.00)	\$ 186,000	\$ 244,280,000	5.240%	(9.00)	15.00	(1.39)
A-2	140,000,000	4.98	(5.00)	\$ 245,000	\$ 697,200,000	14.955%	(5.00)	17.50	(1.49)
A-3	100,000,000	7.31	(3.00)	\$ 250,000	\$ 731,000,000	15.680%	(3.00)	25.00	0.42
A-4	288,000,000	10.38	1.00	\$ 864,000	\$ 2,989,440,000	64.125%	1.00	30.00	3.89
	652,000,000			\$ 1,545,000	\$ 4,661,920,000	100.000%		23.70	<b>2.266</b>

**Comparison to MP Pricing**

**MP Benchmark (FPL comparable tranches with MP Pricing)**

MP Benchmark				E	F	G	C	D	(C + D/B) x G
A	B	C	D	A X D/100	A X B	F / Total F	Spread to Swap Rate	Selling Commission	Benchmark All-In Spread
Class	Size (\$)	Avg. Life in Years	Spread to Swap Rate	Fees	Bond Year Dollars	% Bond Year Dollars			
A-2	140,000,000	4.98	(1.00)	\$ 420,000	\$ 697,200,000	18.912%	(1.00)	30.00	5.02
A-4	288,000,000	10.38	3.25	\$ 1,152,000	\$ 2,989,440,000	81.088%	3.25	40.00	7.10
	428,000,000			\$ 1,572,000	\$ 3,686,640,000	100.000%		36.73	<b>6.710</b>

**FPL Pricing (for comparison to MP Benchmark)**

FPL Pricing				E	F	G	C	D	(C + D/B) x G
A	B	C	D	A X D/100	A X B	F / Total F	Spread to Swap Rate	Selling Commission	Benchmark All-In Spread
Class	Size (\$)	Avg. Life in Years	Spread to Swap Rate	Fees	Bond Year Dollars	% Bond Year Dollars			
A-2	140,000,000	4.98	(5.00)	\$ 245,000	\$ 697,200,000	18.912%	(5.00)	17.50	(1.49)
A-4	288,000,000	10.38	1.00	\$ 864,000	\$ 2,989,440,000	81.088%	1.00	30.00	3.89
	428,000,000			\$ 1,109,000	\$ 3,686,640,000	100.000%		25.91	<b>2.873</b>