



090108-EI

March 6, 2009

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

RECEIVED-FPSC  
09 MAR - 6 PM 3:16  
COMMISSION  
CLERK

**Re: Request to Change AFUDC Rate**

Dear Ms. Cole:

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 7.65% to 7.41%, effective January 1, 2009. The 7.41% rate is calculated as of December 31, 2008 using 11.75% return on common equity as approved by the Commission in Order No. PSC-05-0902-AS-EI and as shown on the attached schedules.

I would appreciate it very much if your office would forward this request to the appropriate Staff departments and let me know when this matter is scheduled for Commission consideration.

Sincerely,

*ta*

H. Antonio Cuba  
Director, Regulatory Accounting  
Ph. 305-552-2358  
Email: [tony\\_cuba@fpl.com](mailto:tony_cuba@fpl.com)

Attachments

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FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER, 2008

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 4,407,092,709	29.83%	5.40%	1.61%
SHORT TERM DEBT	323,363,439	2.19%	2.52% *	0.06%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	506,921,098	3.43%	5.91% *	0.20%
COMMON EQUITY	6,968,461,581	47.17%	11.75%	5.54%
DEFERRED INCOME TAX	2,545,041,042	17.23%	0.00%	0.00%
INVESTMENT TAX CREDITS	21,115,507	0.14%	0.00%	0.00%
TOTAL	\$ 14,771,995,376	100.00%		7.41%

\* 13-MONTH AVERAGE

NOTE:  
EFFECTIVE JANUARY 1, 2008 THE COMMISSION APPROVED AFUDC RATE IS 7.65%

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FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER, 2008

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 5,073,480,734	5,043,713,903	(636,621,194)	4,407,092,709
SHORT TERM DEBT	304,710,752	302,638,184	20,725,255	323,363,439
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	6,566,497,356	6,521,833,657	446,627,924	6,968,461,581
CUSTOMER DEPOSITS	474,752,659	474,431,127	32,489,971	506,921,098
DEFERRED INCOME TAX	2,700,893,289	2,684,581,088	(139,540,046)	2,545,041,042
INVESTMENT TAX CREDITS	19,897,494	19,762,156	1,353,351	21,115,507
TOTAL	\$ 15,140,232,284	15,046,960,115	(274,964,739)	14,771,995,376

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

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2008

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>	
ENVIRONMENTAL	\$ 178,461,595
FUEL TRANSPORTATION EQUIPMENT	49,521,235
LOAD CONTROL	29,071,967
ASSET RETIREMENT OBLIGATION	120,843,155
TOTAL	\$ 378,897,952
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>	
ENVIRONMENTAL	\$ (36,795,562)
ACCUM PROV DECOMMISSIONING COSTS	(2,545,943,926)
ASSET RETIREMENT OBLIGATION	(15,586,934)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,351,685,799
FUEL TRANSPORTATION EQUIPMENT	(45,400,970)
LOAD CONTROL	(12,759,317)
TOTAL	\$ (304,800,910)
<b>CONSTRUCTION WORK IN PROGRESS:</b>	
CONSTRUCTION WORK IN PROGRESS	\$ 801,956,986
CWIP - ECRC PROJECTS	\$ 80,809,691
TOTAL	\$ 882,766,677
<b>NUCLEAR FUEL:</b>	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	314,051,762
TOTAL	\$ 314,051,762
<b>WORKING CAPITAL:</b>	\$ (995,950,742)
(SEE SCHEDULE B, PAGE 3 OF 3)	
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 274,964,739</b>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2008

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 28,627,236
INTEREST & DIVIDENDS RECEIVABLE	364,873
ACCTS RECEIVABLE - TAX REFUND	76,115,763
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	393,103,713
OKEELANTA SETTLEMENT	0
CASH CAPITAL SUB ACCOUNT	9,288,520
POLE ATTACHMENTS RENTS RECEIVABLE	12,047,798
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	2,275,891
RATE CASE EXPENSE	(467)
TEMPORARY CASH INVESTMENTS	304,711,508
ASSET RETIREMENT OBLIGATION	0
STORM DEFICIENCY RECOVERY	982,851,472
NUCLEAR COST RECOVERY	7,177,472
JOBGING ACCOUNTS	12,646,406
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,829,210,184
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>	
ACCOUNTS PAYABLE - ASSOC COS	\$ (32,555)
ACCUM DEFERRED RETIREMENT BENEFITS	(2,533,806)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(202,331,950)
ACCUM. PROV. - RATE REFUNDS	(6,563,945)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,483,010)
JOBGING ACCOUNTS	(12,967,950)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0
POLE ATTACHMENT RENTS PAYABLE	(6,326,619)
PREFERRED STOCK DIVIDENDS ACCRUED	0
SJRPP ACCELERATED RECOVERY	(48,261,734)
ASSET RETIREMENT OBLIGATION	(2,456,942,019)
MARGIN CALL CASH COLLATERAL	(79,943,889)
STORM DEFICIENCY RECOVERY	0
NUCLEAR COST RECOVERY	(6,524,835)
GREEN POWER DEFERRED CREDIT	(248,617)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (2,825,160,826)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (995,950,742)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
METHODOLOGY FOR MONTHLY COMPOUNDING  
OF THE AFUDC RATE  
DECEMBER, 2008

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12})-1 =$	APPROVED RATE
$((1+R/12)^{12})-1 =$	7.41%
$((1+R/12)^{12}) =$	1.07410000
$(1+R/12) =$	1.00597470
$(R/12) =$	0.00597470

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.0000000	0.00597470	0.00597470
FEB	1.00597470	0.00601040	0.01198510
MAR	1.01198510	0.00604631	0.01803141
APR	1.01803141	0.00608244	0.02411385
MAY	1.02411385	0.00611878	0.03023262
JUN	1.03023262	0.00615533	0.03638796
JUL	1.03638796	0.00619211	0.04258007
AUG	1.04258007	0.00622911	0.04880917
SEP	1.04880917	0.00626632	0.05507550
OCT	1.05507550	0.00630376	0.06137926
NOV	1.06137926	0.00634143	0.06772069
DEC	1.06772069	0.00637931	0.07410000