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February 25, 2005

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COMMISSION
CLERK

Ms. Blanca Bayo, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

050153-E1

Re: Request to Change AFUDC Rate

Dear Ms. Bayo:

Florida Power & Light Company requests Commission approval to change its rate used to capitalize allowance for funds used during construction (AFUDC) from 7.29% to 7.42%, effective January 1, 2005. The 7.42% rate is calculated as of December 31, 2004 using 11.00% return on common equity as approved by the Commission in Order No. PSC-02-0501-AS-EI and is shown on the attached schedules.

Please forward this request to the appropriate Staff departments and let me know when this matter is scheduled for Commission consideration.

Sincerely,

H. Antonio Cuba
Director, Regulatory and Tax Accounting
Ph. 561-694-2358
Email: tony_cuba@fpl.com

Attachments

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

an FPL Group Company 01969 FEB 25 05

FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2004

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 2,890,461,088	27.07%	5.30%	1.43%
SHORT TERM DEBT	239,604,929	2.24%	2.05% *	0.05%
PREFERRED STOCK	21,788,111	0.20%	4.50%	0.01%
CUSTOMER DEPOSITS	345,583,068	3.24%	5.94% *	0.19%
COMMON EQUITY	5,574,422,793	52.20%	11.00%	5.74%
DEFERRED INCOME TAX	1,522,967,993	14.26%	0.00%	0.00%
INVESTMENT TAX CREDITS	84,138,635	0.79%	0.00%	0.00%
TOTAL	\$ 10,678,966,618	100.00%		7.42%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2004 THE COMMISSION APPROVED AFUDC RATE IS 7.29%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2004

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 2,695,694,828	2,672,461,424	217,999,664	2,890,461,088
SHORT TERM DEBT	213,439,358	211,549,130	28,055,799	239,604,929
PREFERRED STOCK	19,408,784	19,236,899	2,551,212	21,788,111
COMMON EQUITY	5,000,416,682	4,956,132,702	618,290,091	5,574,422,793
CUSTOMER DEPOSITS	305,445,522	305,118,086	40,464,982	345,583,068
DEFERRED INCOME TAX	1,356,655,357	1,344,640,758	178,327,234	1,522,967,993
INVESTMENT TAX CREDITS	74,950,446	74,286,682	9,851,954	84,138,635
TOTAL	\$ 9,666,010,978	9,583,425,682	1,095,540,936	10,678,966,618

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2004

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
<hr/>	
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 54,028,255
FUEL TRANSPORTATION EQUIPMENT	56,156,510
LOAD CONTROL	51,311,984
ASSET RETIREMENT OBLIGATION	432,002,225
TOTAL	<hr/> \$ 593,498,974
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (20,060,054)
ACCUM PROV DECOMMISSIONING COSTS	(2,084,669,314)
ASSET RETIREMENT OBLIGATION	(214,283,088)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	1,935,576,665
FUEL TRANSPORTATION EQUIPMENT	(42,248,926)
LOAD CONTROL	(30,583,022)
TOTAL	<hr/> \$ (456,267,740)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 721,923,480
TOTAL	<hr/> \$ 721,923,480
NUCLEAR FUEL:	
RB NUCL FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	152,571,734
TOTAL	<hr/> \$ 152,571,734
WORKING CAPITAL:	\$ (2,107,267,384)
(SEE SCHEDULE B, PAGE 3 OF 3)	
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TOTAL ADJUSTMENTS	\$ (1,095,540,936)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2004

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 21,232,720
INTEREST & DIVIDENDS RECEIVABLE	653,398
RB WC A MERCH ENERGY STORE PRG	0
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	195,915,779
OKEELANTA SETTLEMENT	109,962,849
DBT DEFERRED SECURITY	1,903,305
POLE ATTACHMENTS RENTS RECEIVABLE	10,331,388
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	2,338,043
#####	6,616
TEMPORARY CASH INVESTMENTS	26,600,817
ASSET RETIREMENT OBLIGATION	0
JOBGING ACCOUNTS	5,488,827
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 374,433,743
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCUM DEFERRED RETIREMENT BENEFITS	\$ (3,667,091)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(271,004,199)
ACCUM. PROV. - RATE REFUNDS	(483,610)
GAIN ON SALE OF EMISSION ALLOWANCE	(1,646,606)
JOBGING ACCOUNTS	(7,597,824)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	(5,671,229)
POLE ATTACHMENT RENTS PAYABLE	(6,071,693)
PREFERRED STOCK DIVIDENDS ACCRUED	(30,092)
SJRPP ACCELERATED RECOVERY	(32,232,981)
ASSET RETIREMENT OBLIGATION	(2,153,295,801)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (2,481,701,127)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (2,107,267,384)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2004

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	7.42%
$((1+R/12)^{**12}) =$	1.074200000
$(1+R/12) =$	1.005982507
$(R/12) =$	0.005982507

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.000000000	0.005982507	0.005982507
FEB	1.005982507	0.006018298	0.012000805
MAR	1.012000805	0.006054302	0.018055107
APR	1.018055107	0.006090522	0.024145630
MAY	1.024145630	0.006126959	0.030272588
JUN	1.030272588	0.006163613	0.036436202
JUL	1.036436202	0.006200487	0.042636689
AUG	1.042636689	0.006237582	0.048874270
SEP	1.048874270	0.006274898	0.055149168
OCT	1.055149168	0.006312438	0.061461606
NOV	1.061461606	0.006350202	0.067811808
DEC	1.067811808	0.006388192	0.074200000

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