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ORIGINAL FILE COPY

September 15, 1989

Mr. Steve Tribble
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

RE: Docket No. 89014[illegible]-EI

Dear Mr. Tribble:

Enclosed for filing in Docket No. 890148-EI are the original and fifteen copies of Late Filed Exhibit No. 216. During Mr. Waters' testimony on the second day of the hearing, Commissioner Gunter requested an exhibit showing the calculation of AFUDC rates for the oil backout project and FPL's overall AFUDC rates. That exhibit was identified as late filed exhibit 216.

Very truly yours,

Charles A. Guyton

Charles A. Guyton

CAG:do
Enclosures

cc: Counsel for all parties of record

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Florida Industrial Power Users Group to Discontinue Florida Power & Light Company's Oil Backout Cost Recovery Factor	)))))	Docket No. 890148-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of September, 1989, a true and correct copy of Late Filed Exhibit No. 216 in Docket No. 890148-EI was served by hand delivery* and by U. S. Mail** on the persons listed below.

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Charles A. Guyton

Basis for AFUDC Cost Rates

Consistent with Rule 25-17.016 (6)(c) F.A.C., which states that the AFUDC rate for an Oil Backout project shall be computed using the cost of capital used to fund the project, FPL has used the incremental cost of capital to calculate AFUDC on the 500 kV Transmission Project (Project) and the deferred Martin Units No. 3 and No. 4 (deferred units).

The method used to calculate AFUDC for the Project was initially set forth on line 17, page 1 through line 22, page 2 of E. L. Hoffman's Document No. 1 in Docket No. 830001 (Attachment I). Mr. Hoffman's document has been consistently referred to in subsequent Oil-Backout testimony. The method used to calculate AFUDC on the deferred units is set forth on lines 7 through 21, page 1 of D. L. Babka's Document No. 1 (Attachment II). This document has been included in the prefiled testimony for every Oil-Backout cost recovery period in Docket Nos. 870001-EI through 890001-EI.

Briefly stated, in both instances, during the actual construction of the Project or assumed construction period of the deferred units, FPL used the incremental cost of long-term debt and preferred stock incurred during the actual or assumed construction period and the mid-point of the then currently allowed return on common equity in calculating the AFUDC rates applied to the Project or the deferred units. FPL is unable to trace specific dollars used to fund the Project or the deferred units. However, the weighted average cost of long-term debt and preferred stock issued during the actual or assumed construction period is used in determination of the incremental cost of capital. (The calculation of the cost of long-term debt used in the calculation of the 1981 AFUDC rate for the deferred units is included as Attachment VI.) The capital ratios for the AFUDC calculations are developed by first subtracting the actual investment tax credits and deferred taxes generated by the Project or the investment tax credits and deferred taxes that would have been generated if the deferred units had been constructed from the Project or specific deferred unit average CWIP balance. The remaining amount is then assumed to be financed prorata by FPL's common and preferred equity and long-term debt. As an example, the calculation of the capital ratios used to calculate the AFUDC rate in 1981 for Martin Unit No. 3 is shown on Attachment VII.

Accordingly, the Project and the deferred units' AFUDC rates differ from FPL's overall AFUDC rates for the same periods because FPL's overall AFUDC rates are based on the aggregate embedded cost of long-term debt and preferred stock, net of the capital associated with the Project. Even though the various AFUDC rates vary, it should be noted that the total amount of AFUDC calculated for each year would be the same whether a single AFUDC rate including both Oil-Backout and non Oil-Backout capital is used or separate rates reflecting incremental Oil-Backout capital and average embedded non Oil-Backout capital are used.

The separate AFUDC rates used for the Project and for the deferred units are shown on Attachments III, IV and V, respectively and FPL's overall AFUDC rates for the years 1979 through 1988 are shown on Attachment VIII.

Florida Power & Light Company
Docket No. 890148-EI
Late Filed Exhibit No. 216

FLORIDA POWER & LIGHT COMPANY

500 kV Transmission Project

Revenue Requirements Calculation Methodology

- By Component -

Straight-Line Depreciation

- The gross depreciable balances are developed by appropriate plant account numbers.

  - Actual data is used for the period from the start of construction through November 30, 1982, which was the latest actual data available.

  - For the estimated/actual true-up period October 1982 through March 1983, as well as the projected period April 1983 through September 1983, additions to the gross depreciable balance are calculated based upon actual cash expenditures and completion dates through November 30, 1982 and current estimates thereafter.

  - An incremental AFUDC rate is employed in determining AFUDC applicable to the Transmission Project. The capital structure used in developing this rate for the estimated portion of the true-up period is based upon the portion of FPL's June 30, 1982 balance sheet that pertained to the Project. The allocation of externally financed capital is made by using the actual FPL long-term debt, preferred stock, and common equity balances as of June 30, 1982 and calculating the ratios of each to the total of these components. These ratios are then applied to the net investment (gross plant-in-service less accumulated deferred taxes and unamortized investment tax credit) associated with the Project. The costs of capital used are based upon the actual weighted average effective cost of long-term debt issued from the start of construction until June 30, 1982, the dividend rate of our last preferred stock offering (since there was no preferred stock offering during this period), and the mid-point of the currently allowed return on equity. For the projected April through September 1983 period, the same methodology is used, but the November 30, 1982 balance sheet is the basis for the AFUDC rate and allocation of externally financed capital. The cost of capital is based on the average cost of the long-term debt and preferred stock issued during the Project construction period through November 30, 1982. (When actual AFUDC is calculated, the cost of capital will be based on the December 31, 1982 balance sheet as well as the average cost of long-term debt and preferred stock issued during the Project construction period through December 31, 1982.)

- Straight-line depreciation is then calculated by applying the depreciation rates approved by the FPSC (adjusted to exclude salvage and removal cost) to the sum of the gross depreciable balances in the appropriate plant accounts at the beginning of each respective month and one half of the monthly additions, until such time as the depreciable portion of the investment is fully recovered.

<u>Return on Capital</u>

- The methodology used for determining the capital structure for the estimated/actual true-up period October 1982 through March 1983, as well as the April through September 1983 period, is essentially the same as used in the AFUDC calculation described above. The only difference is that the amount of externally financed capital allocated to the Project is changed for each of the months during the period based on the increasing or decreasing investment after considering accumulated deferred taxes, unamortized investment tax credit balance, and prepaid taxes.

- The cost of capital used to calculate the return on capital is also developed in generally the same manner as the AFUDC rate.

- In each month, the cost of capital is applied to the sum of the net plant in service balance and the prepaid tax balance at the beginning of the month.

  - The prepaid tax balance occurs when accelerated depreciation results in the accumulated book depreciation balance exceeding the balance of depreciation taken for tax purposes.

Taxes Other Than Income Taxes

- The real and personal property tax payments which occurred in November 1982 and are projected to occur in November of 1983 are distributed on a monthly basis.

  - The tax payments are projected based upon assumptions for appraisal values and millage rates for the property related to the Project.

Investment Tax Credit (ITC) and ITC Amortization

- ITC amounts are based upon actual, eligible Project expenditures for the period from October through November 1982 and estimated eligible Project expenditures for the period December 1982 through September 1983.

- Amortization of ITC is based upon the amount of ITC taken in prior years. ITC is amortized evenly over a 29-year period beginning in the month that the investment on which the ITC was taken is placed in service.

Deferred Taxes

- Deferred income taxes are provided on all known book/tax timing differences in accordance with the Company's present normalization practices.

Income Taxes

Current income taxes were calculated based on the following formula:

Current Income Taxes = (Equity and ITC portion of return on capital)

plus

(Equity component of AFUDC included in straight line depreciation)

minus

(ITC amortization)

multiplied by

(Effective income tax rate)

divided by

(One minus effective income tax rate)

minus

(Deferred taxes)

minus

(Investment tax credits)

Seminole Credits

. The estimates for the Seminole Credits (the Transmission Facilities use charges from Seminole Electric Cooperative, Inc.) were calculated in accordance with the provisions of the Seminole Interconnection Agreement.

O&M Expense

Non-fuel O&M expense projections were prepared separately for each type of equipment contained in the Project and were based on the Company's experience in the costs of operating and maintaining similar types of transmission equipment. The costs were escalated based upon FPL's current inflation rate forecast for the Consumer Price Index.

Florida Power & Light Company

Assumptions Used for Calculating Deferred Capacity Carrying Charges for Deferred Martin Units No. 3 and 4

- Construction expenditures used are based on the original estimates that were included in the 500 kV Transmission Project certification filing in Docket No. 820155-EU, updated for actual inflation rates through the end of the construction period of both units.

- An incremental AFUDC rate was applied to the construction expenditures. The capital structures used in developing this rate was based on FPL's average capital structure for each year during the construction period. For Deferred Martin Units No. 3 and 4 the cost of capital was based on the actual weighted average cost of long-term debt and preferred stock issued during the construction period. The return on equity was based on the mid-point of the then current allowed return on equity during the assumed construction period. AFUDC was calculated on construction expenditures assumed to be incurred during a year based on the previous year's AFUDC rate. The method of applying the AFUDC rate to the assumed construction expenditures was consistent with current Commission Rules.

Florida Power & Light Company

Assumptions Used for Calculating Deferred

Capacity Carrying Charges for Deferred Martin Units No. 3 and 4

- State and federal income tax rates used were as follows: Federal 46%, State 5% for the years 1980 through 1984; Federal 46%, State 5.5% for the years 1985 and 1986; Federal 39.95%, State 5.5% for 1987; Federal 34%, State 5.5% for the years 1988 and 1989.

- Taxes other than income taxes are based on the system wide average for real and personal property taxes of 1.5% of the gross plant in service balance.

- Tax life for each unit is 15 years based on the election that could be made under the transition rules in the Tax Reform Act of 1986.

- The depreciation rate used was 4.6% based on the composite depreciation rate approved for St. John's River Power Park Unit No. 1 in Docket No. 870085-EI, Order No. 18002.

Florida Power & Light Company

Assumptions Used for Calculating Deferred

Capacity Carrying Charges for Deferred Martin Units No. 3 and 4

- The provision for ITC was based on the following rates: 10% for the years 1980 through 1982 and 8% for the years 1983 through 1985. In accordance with the transition rules in the Tax Reform Act of 1986, the rates used were 10%, 8.25% and 6.50% for 1986, 1987 and 1988 respectively, with a tax basis adjustment of $7,462,000 and $26,092,000 for Deferred Martin Units No. 3 and 4, respectively.

- ITC amortization rate used is the Company's composite overall amortization rate.

OIL-BACKOUT PROJECT
RATES USED FOR CALCULATION OF AFUDC

10/82-3/83	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	48.25%	16.50%	7.96%
PREFERRED	8.62%	8.70%	0.75%
EQUITY	36.27%	15.85%	5.75%
ITC	4.28%	15.11%	0.65%
DEF TAXES	2.59%	0.00%	0.00%
TOTAL	100.00%		15.11%

4/83-9/83	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	47.50%	15.78%	7.50%
PREFERRED	8.39%	14.59%	1.22%
EQUITY	34.97%	15.85%	5.54%
ITC	9.14%	15.70%	1.43%
DEF TAXES **	0.00%	0.00%	0.00%
TOTAL	100.00%		15.70%

10/83-3/84	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	47.61%	15.16%	7.22%
PREFERRED	9.16%	12.54%	1.15%
EQUITY	35.71%	15.85%	5.66%
ITC	7.52%	15.17%	1.14%
DEF TAXES **	0.00%	0.00%	0.00%
TOTAL	100.00%		15.17%

4/84-9/84	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	46.84%	14.80%	6.93%
PREFERRED	8.63%	12.54%	1.08%
EQUITY	36.61%	15.85%	5.80%
ITC	7.18%	14.89%	1.07%
DEF TAXES	0.74%	0.00%	0.00%
TOTAL	100.00%		14.89%

10/84-3/85	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.60%	14.32%	6.53%
PREFERRED	8.43%	12.54%	1.06%
EQUITY	36.63%	15.60%	5.71%
ITC	7.11%	14.32%	1.02%
DEF TAXES	2.23%	0.00%	0.00%
TOTAL	100.00%		14.32%

4/85-9/85*	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.97%	14.32%	6.58%
PREFERRED	7.97%	12.54%	0.99%
EQUITY	36.27%	15.60%	5.66%
ITC	7.00%	14.23%	1.00%
DEF TAXES	2.85%	0.00%	0.00%
TOTAL	100.06%		14.23%

* THE LAST SEGMENT OF 500 kV LINE WAS PLACED INTO SERVICE JUNE 1, 1985.

** THE CAPITAL STRUCTURE FOR THESE PERIODS DO NOT REFLECT DEFERRED TAX BALANCES SINCE THERE WERE NEGATIVE DEFERRED TAXES, (PREPAID TAXES) AT THE TIME THE RATE WAS CALCULATED.

DEFERRED MARTIN UNIT #3
CALCULATION OF AFUDC

I. CAPITAL STRUCTURE:

1979	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	52.15%	13.74%	7.17%
PREFERRED	10.50%	8.75%	0.92%
EQUITY	37.35%	13.75%	5.14%
ITC	0	0	0
DEF TAXES	0	0	0
	100.00%		13.23%

1980	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	46.40%	13.74%	6.38%
PREFERRED	9.34%	8.75%	0.82%
EQUITY	33.24%	13.75%	4.57%
ITC	9.38%	13.22%	1.24%
DEF TAXES	1.64%	0.00%	0.00%
	100.00%		13.01%

1981	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	47.69%	15.41%	7.35%(3)
PREFERRED	8.53%	8.75%	0.75%
EQUITY	32.60%	15.85%	5.17%
ITC	9.18%	14.93%	1.37%
DEF TAXES	2.00%	0.00%	0.00%
	100.00%		14.64%

1982	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	46.33%	15.47%	7.17%
PREFERRED	8.23%	14.56%	1.20%
EQUITY	34.33%	15.85%	5.44%
ITC	9.23%	15.53%	1.43%
DEF TAXES	1.87%	0.00%	0.00%
	100.00%		15.24%

1983	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.47%	14.89%	6.77%
PREFERRED	8.44%	12.53%	1.06%
EQUITY	35.81%	15.85%	5.68%
ITC	7.92%	15.05%	1.19%
DEF TAXES	2.36%	0.00%	0.00%
	100.00%		14.70%

1984	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.63%	14.82%	6.76%
PREFERRED	7.99%	12.53%	1.00%
EQUITY	35.92%	15.60%	5.60%
ITC	7.17%	14.93%	1.07%
DEF TAXES	3.30%	0.00%	0.00%
	100.00%		14.43%

1985	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	44.81%	15.03%	6.73%
PREFERRED	7.98%	12.53%	1.00%
EQUITY	35.96%	15.60%	5.61%
ITC	6.56%	15.04%	0.99%
DEF TAXES	4.69%	0.00%	0.00%
	100.00%		14.33%

1986	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	42.12%	13.61%	5.73%
PREFERRED	8.26%	11.47%	0.95%
EQUITY	37.23%	15.60%	5.81%
ITC	5.96%	14.25%	0.85%
DEF TAXES	6.43%	0.00%	0.00%
	100.00%		13.34%

II. CALCULATION:

	BEGINNING CWIP	CONST. EXPEND	AVG. CWIP FOR AFUDC	APPLICABLE RATE	AFUDC ACCRUAL
1980	0	1,300	650	13.23%	$86
1981	1,386	5,100	3,936	13.01%	$512
1982	6,998	116,600	65,298	14.64%	$9,560
1983	133,158	361,900	314,108	15.24%	$47,870
1984	542,928	337,400	711,628	14.70%	$104,609
1985	984,937	220,400	1,095,137	14.43%	$158,028
1986	1,363,365	64,800	1,395,765	14.33%	$200,013
1987	1,628,178	11,900	1,634,128	5.56%	$90,830 (1)
TOTAL AFUDC					$611,508

NOTES:

1. Since construction ended May 31, 1987, only 5/12's of the 1986 rate was used.
2. Consistent with the final IRS regulation Section 1.46-6(4)(ii) and authorized by the FPSC in Docket No. 830465-EI, Order No. 16257, the cost of I.T.C. is based on the weighted cost of long-term debt, preferred stock, and common equity.
3. See attachment No. VI for derivation of cost rate.

DEFERRED MARTIN UNIT #4
CALCULATION OF AFUDC

I. CAPITAL STRUCTURE:

1981	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	53.69%	16.49%	8.85%(3)
PREFERRED	9.60%	14.56%	1.40%
EQUITY	36.71%	15.85%	5.82%
ITC	0.00%	0.00%	0.00%
DEF TAXES	0.00%	0.00%	0.00%
	100.00%		16.07%

1982	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	46.26%	16.05%	7.42%
PREFERRED	8.22%	14.56%	1.20%
EQUITY	34.27%	15.85%	5.43%
ITC	9.26%	15.83%	1.47%
DEF TAXES	1.99%	0.00%	0.00%
	100.00%		15.52%

1983	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.55%	15.18%	6.92%
PREFERRED	8.46%	12.53%	1.06%
EQUITY	35.87%	15.85%	5.69%
ITC	7.82%	15.20%	1.19%
DEF TAXES	2.30%	0.00%	0.00%
	100.00%		14.86%

1984	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	46.11%	15.08%	6.95%
PREFERRED	8.07%	12.53%	1.01%
EQUITY	36.30%	15.60%	5.66%
ITC	7.33%	15.06%	1.10%
DEF TAXES	2.19%	0.00%	0.00%
	100.00%		14.72%

1985	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.52%	15.06%	6.86%
PREFERRED	8.10%	12.53%	1.01%
EQUITY	36.53%	15.60%	5.70%
ITC	7.06%	15.05%	1.06%
DEF TAXES	2.80%	0.00%	0.00%
	100.00%		14.63%

1986	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	42.85%	13.53%	5.80%
PREFERRED	8.40%	11.47%	0.96%
EQUITY	37.86%	15.60%	5.91%
ITC	6.90%	14.22%	0.98%
DEF TAXES	3.98%	0.00%	0.00%
	100.00%		13.65%

1987	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	40.62%	12.76%	5.18%
PREFERRED	8.32%	9.39%	0.78%
EQUITY	39.27%	15.60%	6.13%
ITC	6.47%	13.72%	0.89%
DEF TAXES	5.32%	0.00%	0.00%
	100.00%		12.98%

II. CALCULATION:

	BEGINNING CWIP	CONST. EXPEND	AVG. CWIP FOR AFUDC	APPLICABLE RATE	AFUDC ACCRUAL	
1982	0	5,500	2,750	16.07%	$442	
1983	5,942	23,500	17,692	15.52%	$2,746	
1984	32,188	161,900	113,138	14.86%	$16,812	
1985	210,900	280,900	351,350	14.72%	$51,719	
1986	543,519	186,700	636,869	14.63%	$93,174	
1987	823,393	63,800	855,293	13.65%	$116,747	
1988	1,003,940	33,200	1,020,540	11.90%	$121,427	(1)
TOTAL AFUDC					$403,067	

NOTES:

1. Since construction ended November 31, 1988, only 11/12's of the 1987 rate was used.
2. Consistent with the final IRS regulation Section 1.46-6(4)(ii) and authorized by the FPSC in Docket No. 830465-EI, Order No. 16257, the cost of I.T.C. is based on the weighted cost of long-term debt, preferred stock, and common equity.
3. See attachment No. VI for derivation of cost rate.

CALCULATION OF THE COST OF LONG-TERM DEBT, USED IN THE CALCULATION OF THE 1981 AFUDC RATE, FOR MARTIN UNITS NO. 3 AND NO. 4

MARTIN No. 3

First Mortgage Bonds Issued	Due	Rate	Debt Amount	Unamortized Balance: Debt Expense	Unamortized Balance: Discount	Net Amount Outstanding	Interest Expense	Amortization: Discount /Premium	Amortization: Debt Expense	Total Cost	Effective Cost Rate (1)
3/1/80	3/1/10	15.250%	$125,000,000.00	488,555.34	1,026,909.82	123,484,534.84	$19,062,500.00	$36,458.33	$17,345.00	$19,116,303.33	0.1548
5/1/80	5/1/10	11.300%	$100,000,000.00	406,027.40	1,226,833.40	98,367,139.20	$11,300,000.00	$43,300.00	$14,330.30	$11,357,630.30	0.1155
3/1/81	3/1/11	15.875%	$125,000,000.00	488,123.68	1,063,368.00	123,448,508.32	$19,843,750.00	$36,458.33	$53,080.00	$19,933,288.33	0.1615
5/1/81	5/1/11	17.000%	$125,000,000.00	423,722.42	1,069,444.40	123,506,833.18	$21,250,000.00	$36,458.33	$16,167.00	$21,302,625.33	0.1725
11/1/81	11/1/11	15.750%	$100,000,000.00	252,388.50	870,138.88	98,877,472.62	$15,750,000.00	$29,166.67	$13,701.00	$15,792,867.67	0.1597
Total			$575,000,000.00	$2,058,817.34	$5,256,694.50	$567,684,488.16	$87,206,250.00	$181,841.67	$114,623.30	$87,502,714.97	0.1541

MARTIN No. 4

First Mortgage Bonds Issued	Due	Rate	Debt Amount	Unamortized Balance: Debt Expense	Unamortized Balance: Discount	Net Amount Outstanding	Interest Expense	Amortization: Discount /Premium	Amortization: Debt Expense	Total Cost	Effective Cost Rate (1)
3/1/81	3/1/11	15.875%	$125,000,000.00	488,123.68	1,063,368.00	123,448,508.32	$19,843,750.00	$36,458.33	$53,080.00	$19,933,288.33	0.1615
5/1/81	5/1/11	17.000%	$125,000,000.00	423,722.42	1,069,444.40	123,506,833.18	$21,250,000.00	$36,458.33	$16,167.00	$21,302,625.33	0.1725
11/1/81	11/1/11	15.750%	$100,000,000.00	252,388.50	870,138.88	98,877,472.62	$15,750,000.00	$29,166.67	$13,701.00	$15,792,867.67	0.1597
Total			$350,000,000.00	$1,164,234.60	$3,002,951.28	$345,832,814.12	$56,843,750.00	$102,083.33	$82,948.00	$57,028,781.33	0.1649

(1) The Effective Cost Rate = Total Cost / Net Amount Outstanding

ATTACHMENT VI

ATTACHMENT VII

CALCULATION OF CAPITAL RATIOS USED TO CALCULATE THE AFUDC RATE IN 1981 FOR MARTIN UNIT No. 3

			(000 Omitted)
I.	Average CWIP in 1981		$4,192
	Less: Average Deferred Tax Balance if Martin Unit No. 3 would have been built.		84
	Average Investment tax credit balance if Martin Unit No. 3 would have been built.		385
	Average Investment of CWIP to be financed by Common and Preferred equity, and long-term debt.		$3,723
II.	FPL 1981 Capital Ratios:		
	Long-Term Debt	53.69%	$1,999
	Preferred Stock	9.60%	357
	Common Equity	36.71%	1,367
			$3,723

III. Capital ratios used to calculate the Martin Unit No. 3 AFUDC rate in 1981, (see Attachment IV).

	Amount	Ratios
Debt	$1,999	47.69%
Preferred	358	8.53
Equity	1,367	32.60
ITC	385	9.18
Deferred Taxes	84	2.00
	$4,192	100.00%

CALCULATION OF OVERALL AFUDC RATES FOR THE YEARS 1979 TO 1988

1979	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	44.96%	7.79%	3.50%
PREFERRED	9.89%	8.33%	0.82%
EQUITY	33.58%	13.75%	4.62%
CUSTOMER DEPOSITS	2.03%	5.67%	0.12%
DEFERRED INC TAX	9.26%	0.00%	0.00%
DEFERRED INVESTMENT CREDIT 3%	0.28%	0.00%	0.00%
TOTAL	100.00[illegible]		9.06%

JAN - AUG 1980	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	43.33%	8.16%	3.54%
PREFERRED	10.38%	8.38%	0.87%
EQUITY	33.42%	13.75%	4.60%
CUSTOMER DEPOSITS	2.15%	5.32%	0.11%
DEFERRED INC TAX	10.48%	0.00%	
DEFERRED INVESTMENT CREDIT 3%	0.24%	0.00%	
TOTAL	100.00%		9.12%

SEP 1980 - JUN 1981	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.38%	8.79%	3.99%
PREFERRED	9.61%	8.36%	0.80%
EQUITY	31.81%	13.75%	4.37%
CUSTOMER DEPOSITS	2.12%	5.80%	0.12%
DEFERRED INC TAX	10.86%	0.00%	0.00%
DEFERRED INVESTMENT CREDIT 3%	0.22%	0.00%	0.00%
TOTAL	100.00%		9.28%

JULY - SEPT 1981	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	47.91%	10.14%	4.86%
PREFERRED	8.50%	8.35%	0.71%
EQUITY	29.78%	13.75%	4.09%
CUSTOMER DEPOSITS	1.99%	7.52%	0.15%
DEFERRED INC TAX	11.64%	0.00%	0.00%
DEFERRED INVESTMENT CREDIT 3%	0.18%		0.00%
TOTAL	100.00%		9.81%

OCT 1981 - MAR 1982	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	44.62%	10.20%	4.55%
PREFERRED	7.86%	8.34%	0.66%
EQUITY	29.23%	15.85%	4.63%
CUSTOMER DEPOSITS	1.87%	7.74%	0.14%
DEFERRED INC TAX	10.84%	0.00%	0.00%
POST 1970 ITC	5.41%	10.55%	0.57%
DEFERRED INVESTMENT CREDIT 3%	0.17%	0.00%	0.00%
TOTAL	100.00%		10.55%

APR 1982 - JUL 1984	% OF CAPITAL	COST RATE	WEIGHTED COST
DEBT	45.15%	10.74%	4.85%
PREFERRED	7.70%	8.34%	0.64%
EQUITY	28.96%	15.85%	4.59%
CUSTOMER DEPOSITS	1.97%	7.85%	0.15%
DEFERRED INC TAX	10.75%	0.00%	0.00%
POST 1970 ITC	5.31%	10.80%	0.57%
DEFERRED INVESTMENT CREDIT 3%	0.16%	0.00%	0.00%
TOTAL	100.00%		10.80%

AUG 1984 - DEC 1985	% OF CAPITAL	RATE	COST
DEBT	40.47%	10.75%	4.35%
PREFERRED	7.20%	9.11%	0.66%
EQUITY	30.31%	15.60%	4.73%
CUSTOMER DEPOSITS	1.90%	7.64%	0.15%
DEFERRED INC TAXES	14.23%	0.00%	0.00%
POST 1970 ITC	5.78%	10.50%	0.61%
DEFERRED INVESTMENT CREDIT 3%	0.11%	0.00%	0.00%
TOTAL	100.00%		10.50%

JAN - DEC 1986	% OF CAPITAL	RATE	COST
DEBT	38.08%	10.59%	4.03%
PREFERRED	6.78%	8.94%	0.61%
EQUITY	30.66%	15.60%	4.78%
CUSTOMER DEPOSITS	2.15%	7.64%	0.16%
DEFERRED INC TAXES	16.28%	0.00%	0.00%
POST 1970 ITC	5.96%	10.19%	0.61%
DEFERRED INVESTMENT CREDIT 3%	0.09%	0.00%	0.00%
TOTAL	100.00%		10.19%

JAN - DEC 1987	% OF CAPITAL	RATE	COST
DEBT	36.93%	10.05%	3.71%
PREFERRED	6.84%	8.90%	0.61%
EQUITY	30.77%	15.60%	4.80%
CUSTOMER DEPOSITS	2.33%	7.74%	0.18%
DEFERRED INC TAXES	17.00%	0.00%	0.00%
POST 1970 ITC	6.05%	12.23%	0.74%
DEFERRED INVESTMENT CREDIT 3%	0.08%	0.00%	0.00%
TOTAL	100.00%		10.04%

JAN - DEC 1988	% OF CAPITAL	RATE	COST
DEBT	34.44%	9.81%	3.38%
PREFERRED	7.12%	8.41%	0.60%
EQUITY	31.81%	13.60%	4.33%
CUSTOMER DEPOSITS	2.39%	8.06%	0.19%
DEFERRED INC TAXES	18.30%	0.00%	0.00%
POST 1970 ITC	5.88%	0.00%	0.00%
DEFERRED INVESTMENT CREDIT 3%	0.06%	0.00%	0.00%
TOTAL	100.00%		8.50%

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of the Florida Industrial Power Users Group to Discontinue Florida Power & Light Company's Oil Backout Cost Recovery Factor	)))))	Docket No. 890148-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 15th day of September, 1989, a true and correct copy of Late Filed Exhibit No. 216 in Docket No. 890148-EI was served by hand delivery* and by U. S. Mail** on the persons listed below.

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