

Florida Power & Light Company
Docket No. 080009-EI
Total Adjustment to Revenue Requirements

080009-EI

Summary: Impact to revenue requirements without CPI - Site Selection, Pre-Construction and Uprate

1) In the 5/2008 filing, FPL calculated the production period of a unit of tangible property to begin on the first date by which the taxpayer's accumulated production expenditures, including planning and design expenditures, are at least 5 percent of the taxpayer's total estimated accumulated production expenditures for the unit of property. After careful analysis of Internal Revenue Code §263A(f) and Treasury Regulation §1.263A-12, FPL determined that Turkey Point 6 & 7 project qualifies as real property. Real property is subject to capitalization of CPI once physical construction begins. Site Selection and Pre-Construction costs are not deemed to be physical construction activities, as such, CPI should not have been calculated for these costs. Additionally, reasoning for calculating CPI related to the uprate project was also revised. FPL summarizes the impact of such change to revenue requirements as follows:

Site Selection

	Rev. Req. per 5/2008 filing	Rev. Req. without CPI	Difference - Decrease
2007 Site Selection (Schedule AE-1, Line 6)	6,539,498	6,539,167	(331)
2008 Site Selection (Schedule AE-1, Line 6)	729,564	718,765	(10,799)
2009 Site Selection (Schedule P-1, Line 6)	535,351	508,816	(26,535)
Total Revenue Requirements	7,804,413	7,766,748	(37,665)

Pre-Construction

	Rev. Req. per 5/2008 filing	Rev. Req. without CPI	Difference - Decrease
2007 Pre-Construction (Schedule AE-1, Line 6)	2,543,239	2,543,239	0
2008 Pre-Construction (Schedule AE-1, Line 6)	108,441,513	108,419,479	(22,034)
2009 Pre-Construction (Schedule P-1, Line 6)	119,696,175	119,451,626	(244,549)
Total Revenue Requirements	230,680,927	230,414,344	(266,583)

Uprate

	Rev. Req. per 5/2008 filing	Rev. Req. without CPI	Difference - Decrease
2008 Uprate (Schedule AE-1, Line 6)	3,746,283	3,733,007	(13,276)
2009 Uprate (Schedule P-1, Line 6)	16,748,149	16,553,023	(195,126)
Total Revenue Requirements	20,494,432	20,286,030	(208,402)

Decrease to Revenue Requirements (CPI adjustment) (512,650)

Summary: Impact to revenue requirements with the formula adj - Site Selection and Pre-Construction

1) After the 5/2008 filing, FPL adjusted the 2008 AE-2 Line 2 - beginning balance "Unamortized CWIP Base Eligible for Return" due to a linking adjustment. In the 5/2008 filing, FPL linked the 2008 AE-2 Line 2 Schedules beginning balance to include: 2007 AE-2 Line 1(a) "Nuclear CWIP Additions" and Line 6 "Total Return Requirements" (12 month total - ending balance). After consideration of the above, FPL deemed the correct beginning balance for 2008 AE-2 Schedule Line 2 to only include 2007 AE-2 Line 1(b) "Nuclear CWIP Additions for the calculation of carrying charges" and Line 6 "Total Return Requirements" (12 month total - ending balance). Refer below for a summary of the revised revenue requirements.

Site Selection

	Rev. Req. per 5/2008 filing	Rev. Req. with formula adjustment	Difference - Increase
2007 Site Selection (Schedule AE-1, Line 6)	6,539,498	6,539,498	-
2008 Site Selection (Schedule AE-1, Line 6)	729,564	734,283	4,719
2009 Site Selection (Schedule P-1, Line 6)	535,351	535,584	233
Total Revenue Requirements	7,804,413	7,809,365	4,952

Pre-Construction

	Rev. Req. per 5/2008 filing	Rev. Req. with formula adjustment	Difference - Decrease
2007 Pre-Construction (Schedule AE-1, Line 6)	2,543,239	2,543,239	-
2008 Pre-Construction (Schedule AE-1, Line 6)	108,441,513	108,378,738	(62,775)
2009 Pre-Construction (Schedule P-1, Line 6)	119,696,175	119,693,067	(3,108)
Total Revenue Requirements	230,680,927	230,615,044	(65,883)

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Summary: Impact to revenue requirements with correction to participants - Uprates

1) In the 5/2008 filing, FPL corrected the March 2008 participant credits on Schedule AE-6 Line 13 and Line 14 to agree to the general ledger participant work order balance and participant schedule. FPL inadvertently copied the Projected April 2008 participants credits into Actual March 2008.

Uprate

	Rev. Req. per 5/2008 filing	Rev. Req. with part. correction	Difference - Decrease
2008 Uprate (Schedule AE-1, Line 6)	3,746,283	3,746,272	(11)
2009 Uprate (Schedule P-1, Line 6)	16,748,149	16,748,134	(15)
Total Revenue Requirements	<u>20,494,432</u>	<u>20,494,406</u>	<u>(26)</u>

Summary: Impact to revenue requirements with jurisdictional factor correction - Uprates

1) In the 5/2008 filing, FPL double jurisdictionalized Other Adjustments (Pension & Welfare Benefit Credit). The February and March Other Adjustments amount on Schedule AE-6 Note (c) had previously been jurisdictionalized when entered into the schedule.

Uprate

	Rev. Req. per 5/2008 filing	Rev. Req. with juris. factor correction	Difference - Increase
2008 Uprate (Schedule AE-1, Line 6)	3,746,283	3,746,291	8
2009 Uprate (Schedule P-1, Line 6)	16,748,149	16,748,159	10
Total Revenue Requirements	<u>20,494,432</u>	<u>20,494,450</u>	<u>18</u>

Decrease to Revenue Requirements (Additional adjustments) (60,939)

Total Decrease to Revenue Requirements (573,589)

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Docket No. 080009-EI
Total Adjustment to Revenue Requirements by year

Summary: Impact to revenue requirements including all adjustments for Site Selection, Pre-Construction & Uprate

	Rev. Req. per 5/2008 filing	Rev. Req. with adjustment	Difference - Decrease
Site Selection (2007)			
CPI Excluded (Schedule AE-1, Line 6)	6,539,498	6,539,167	(331)
Formula adjustment (Schedule AE-1, Line 6)	6,539,498	6,539,498	-
Total Revenue Requirements	13,078,996	13,078,665	(331)
Site Selection (2008)			
CPI Excluded (Schedule AE-1, Line 6)	729,564	718,765	(10,799)
Formula Adjustment (Schedule AE-1, Line 6)	729,564	734,283	4,719
Total Revenue Requirements	1,459,128	1,453,048	(6,080)
Site Selection (2009)			
CPI Excluded (Schedule P-1, Line 6)	535,351	508,816	(26,535)
Formula Adjustment (Schedule P-1, Line 6)	535,351	535,584	233
Total Revenue Requirements	1,070,702	1,044,400	(26,302)
Site Selection Total Decrease to Revenue Requirements			(32,713)
Pre-Construction (2007)			
CPI Excluded (Schedule AE-1, Line 6)	2,543,239	2,543,239	0
Formula Adjustment (Schedule AE-1, Line 6)	2,543,239	2,543,239	-
Total Revenue Requirements	5,086,478	5,086,478	0
Pre-Construction (2008)			
CPI Excluded (Schedule AE-1, Line 6)	108,441,513	108,419,479	(22,034)
Formula Adjustment (Schedule AE-1, Line 6)	108,441,513	108,378,738	(62,775)
Total Revenue Requirements	216,883,026	216,798,217	(84,809)
Pre-Construction (2009)			
CPI Excluded (Schedule P-1, Line 6)	119,696,175	119,451,626	(244,549)
Formula Adjustment (Schedule P-1, Line 6)	119,696,175	119,693,067	(3,108)
Total Revenue Requirements	239,392,350	239,144,693	(247,657)
Pre-Construction Total Decrease to Revenue Requirements			(332,466)
Uprate (2008)			
CPI Excluded (Schedule AE-1, Line 6)	3,746,283	3,733,007	(13,276)
Participant Correction (Schedule AE-1, Line 6)	3,746,283	3,746,272	(11)
Jurisdictional Factor Correction (Schedule AE-1, Line 6)	3,746,283	3,746,291	8
Total Revenue Requirements	11,238,849	11,225,570	(13,279)
Uprate (2009)			
CPI Excluded (Schedule P-1, Line 6)	16,748,149	16,553,023	(195,126)
Participant Correction (Schedule P-1, Line 6)	16,748,149	16,748,134	(15)
Jurisdictional Factor Correction (Schedule P-1, Line 6)	16,748,149	16,748,159	10
Total Revenue Requirements	50,244,447	50,049,316	(195,131)
Uprates Total Decrease to Revenue Requirements			(208,410)
Total Decrease to Revenue Requirements			(573,589)