

**Marguerite McLean**

100133-EI

**From:** Butler, John [John.Butler@fpl.com]  
**Sent:** Thursday, May 20, 2010 3:00 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Keino Young; 'Kelly.jr@leg.state.fl.us'  
**Subject:** Electronic Filing / Docket 100133-EI / FPL's Request to Change AFUDC Rate  
**Attachments:** 5.20.10 Letter re Request to change AFUDC rate.pdf

Electronic Filing

a. Person responsible for this electronic filing:

John T. Butler, Esq.  
700 Universe Boulevard  
Juno Beach, FL 33408  
561-304-5639  
[John.Butler@fpl.com](mailto:John.Butler@fpl.com)

b. Docket No. 100133-EI  
In re: Review of Florida Power & Light Company's current allowance for funds used during construction rate.

c. Documents are being filed on behalf of Florida Power & Light Company.

d. There are a total of 7pages in the attached document.

e. The document attached for electronic filing is Florida Power & Light Company's letter requesting a change to its AFUDC rate pursuant to Order No. PSC-10-0298-PCO-EI, with attached schedules

Thank you for your attention and cooperation to this request.

John T. Butler, Esq.  
700 Universe Boulevard  
Juno Beach, FL 33408  
561-304-5639  
[John.Butler@fpl.com](mailto:John.Butler@fpl.com)

The FPL Law Department is proud to be an ABA-EPA Law Office Climate Challenge Partner. Please think before you print!

The information contained in this electronic message is confidential information intended only for the use of the named recipient(s) and may be the subject of attorney-client privilege. If the reader of this electronic message is not the named recipient, or the employee or agent responsible to deliver it to the named recipient, you are hereby notified that any dissemination, distribution, copying or other use of this communication is strictly prohibited and no privilege is waived. If you have received this communication in error, please immediately notify us by telephone (305) 552-3922 or by replying to this electronic message. Thank you

5/20/2010

DOCUMENT NUMBER-DATE  
04288 MAY 20 09  
FPSC-COMMISSION CLERK



May 20, 2010

Ms. Anne Cole  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Request to Change AFUDC Rate

Dear Ms. Cole:

Per Order No. PSC-10-0298-PCO-EI in Docket No. 100133-EI – Review of Florida Power & Light Company's current allowance for funds used during construction rate, 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 7.41% to 6.41%, effective April 1, 2010. The 6.41% rate is calculated as of March 31, 2010 using the 10.00% return on common equity approved by the Commission in Order No. PSC-10-0153-FOF-EI and as shown on the attached schedules.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gloria J. Lopez', written over a circular stamp.

Gloria J. Lopez  
Director, Regulatory Accounting  
Ph. 305-552-4964  
Email: gloria.lopez@fpl.com

Attachments

DOCUMENT NUMBER-DATE  
04288 MAY 20 09  
FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
MARCH, 2010

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 4,571,064,540	29.02%	5.25%	1.53%
SHORT TERM DEBT	368,157,535	2.34%	0.57% *	0.01%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	542,844,787	3.45%	5.87% *	0.20%
COMMON EQUITY	7,341,990,742	46.61%	10.00%	4.66%
DEFERRED INCOME TAX	2,920,225,939	18.54%	0.00%	0.00%
INVESTMENT TAX CREDITS	6,463,254	0.04%	0.00%	0.00%
TOTAL	\$ 15,750,747,098	100.00%		6.41%

\* 13-MONTH AVERAGE

NOTE:  
EFFECTIVE JANUARY 1, 2009 THE COMMISSION APPROVED AFUDC RATE IS 7.41%

DOCUMENT NUMBER-DATE

04288 MAY 20 09

FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
MARCH, 2010

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 5,436,790,723	5,314,553,880	(743,489,040)	4,571,064,840
SHORT TERM DEBT	365,458,929	355,786,036	12,371,499	368,157,535
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	7,288,173,720	7,085,271,824	246,718,918	7,341,990,742
CUSTOMER DEPOSITS	525,293,132	524,903,130	18,241,657	542,844,787
DEFERRED INCOME TAX	3,173,726,081	3,097,000,689	(176,774,750)	2,920,225,939
INVESTMENT TAX CREDITS	26,594,221	26,208,574	(19,743,320)	6,463,254
TOTAL	\$ 16,816,036,806	16,413,422,133	(662,675,035)	15,750,747,098

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

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
MARCH, 2010

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>	
ENVIRONMENTAL	\$ 334,764,070
FUEL TRANSPORTATION EQUIPMENT	49,196,157
LOAD CONTROL	31,791,289
ASSET RETIREMENT OBLIGATION	120,289,052
TOTAL	\$ 536,020,567
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>	
ENVIRONMENTAL	\$ (45,856,604)
ACCUM PROV DECOMMISSIONING COSTS	(2,480,427,927)
ASSET RETIREMENT OBLIGATION	(16,572,880)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,274,066,296
FUEL TRANSPORTATION EQUIPMENT	(48,135,139)
OTHER RATE CASE ADJUSTMENTS	0
LOAD CONTROL	(13,387,362)
TOTAL	\$ (310,343,616)
<b>CONSTRUCTION WORK IN PROGRESS:</b>	
CONSTRUCTION WORK IN PROGRESS	\$ 1,195,765,602
CWIP - ECRC PROJECTS	\$ 398,800,062
TOTAL	\$ 1,594,565,664
<b>NUCLEAR FUEL:</b>	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	341,398,261
TOTAL	\$ 341,398,261
<b>WORKING CAPITAL:</b>	\$ (1,498,965,841)
(SEE SCHEDULE B, PAGE 3 OF 3)	
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 662,675,035</b>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
MARCH, 2010

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 19,852,378
INTEREST & DIVIDENDS RECEIVABLE	5,844
ACCTS RECEIVABLE - TAX REFUND	211,128,761
NET UNDERRECOVERED FUEL CAPACITY, ECCR, ECRC	70,572,667
CASH CAPITAL SUB ACCOUNT	346,858
POLE ATTACHMENTS RENTS RECEIVABLE	11,285,481
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,423,308
RATE CASE EXPENSE	2,696,843
TEMPORARY CASH INVESTMENTS	94,912,620
ASSET RETIREMENT OBLIGATION	0
STORM DEFICIENCY RECOVERY	904,023,847
NUCLEAR COST RECOVERY	12,991,918
JOBGING ACCOUNTS	27,888,525
<b>TOTAL ADJUSTMENTS TO ASSETS PER BOOKS</b>	<b>\$ 1,357,138,050</b>
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>	
ACCOUNTS PAYABLE - ASSOC COS	\$ (24,119,558)
ACCUM DEFERRED RETIREMENT BENEFITS	(1,612,580)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(196,098,358)
ACCUM. PROV. - RATE REFUNDS	(1,350,635)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,269,093)
JOBGING ACCOUNTS	(27,160,922)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0
LEHMAN HEDGE	(16,024,586)
POLE ATTACHMENT RENTS PAYABLE	(6,045,923)
PREFERRED STOCK DIVIDENDS ACCRUED	0
SJRPP ACCELERATED RECOVERY	(51,065,288)
ASSET RETIREMENT OBLIGATION	(2,377,762,468)
MARGIN CALL CASH COLLATERAL	(1,834,621)
STORM DEFICIENCY RECOVERY	0
NUCLEAR COST RECOVERY	(148,448,484)
TRANSMISSION RELIABILITY ENHANCEMENT	(2,293,276)
<b>TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS</b>	<b>\$ (2,856,103,991)</b>
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ (1,498,965,841)</b>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
METHODOLOGY FOR MONTHLY COMPOUNDING  
OF THE AFUDC RATE  
MARCH, 2010

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12}-1) =$	APPROVED RATE
$((1+R/12)^{12}-1) =$	6.41%
$((1+R/12)^{12}) =$	1.06410000
$(1+R/12) =$	1.00519087
$(R/12) =$	0.00519087

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
APR	1.00000000	0.00519087	0.00519087
MAY	1.00519087	0.00521782	0.01040869
JUN	1.01040869	0.00524490	0.01565360
JUL	1.01565360	0.00527213	0.02092573
AUG	1.02092573	0.00529950	0.02622522
SEP	1.02622522	0.00532701	0.03155223
OCT	1.03155223	0.00535466	0.03690689
NOV	1.03690689	0.00538245	0.04228934
DEC	1.04228934	0.00541039	0.04769973
JAN	1.04769973	0.00543848	0.05313821
FEB	1.05313821	0.00546671	0.05860492
MAR	1.05860492	0.00549508	0.06410000

**CERTIFICATE OF SERVICE**  
**Docket No. 100133-EI**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic delivery this 20th day of May, 2010, to the following:

Keino Young, Esq. Division of Legal Services Florida Public Service Commission 2540 Shumard Oak Blvd Tallahassee, Florida 32399-0850 <a href="mailto:kyoung@psc.state.fl.us">kyoung@psc.state.fl.us</a>	J. R. Kelly, Esq. Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Room 812 Tallahassee, Florida 32399 <a href="mailto:Kelly.jr@leg.state.fl.us">Kelly.jr@leg.state.fl.us</a>

By: /s/ John T. Butler  
John T. Butler, Esq.  
Fla. Bar No. 283479