



February 25, 2013

**Ms. Ann Cole, Director
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850**

RECEIVED-PPSC
13 FEB 25 PM 3:41
COMMISSION
CLERK

130057-EI

Re: Request to Change AFUDC Rate

Dear Ms. Cole:

Pursuant to Rule 25-6.0140, F.A.C. 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 6.41% to 6.52%, effective January 1, 2013. The 6.52% rate is calculated as of December 31, 2012 using the 10.50% return on common equity approved by the Commission in Order No. PSC-13-0023-S-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,

Sol Stamm
Director, Regulatory Accounting
Ph. 561-691-7489
Email: sol_stamm@fpl.com

COM _____ Attachments
AFD 5
APA 1
ECO _____
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GCL 1
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DOCUMENT NUMBER-DATE
01014 FEB 25 2013
FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2012

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 6,038,662,298	29.76%	4.88%	1.45%
SHORT TERM DEBT	405,152,411	2.00%	1.80% *	0.04%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	432,601,638	2.13%	4.38% *	0.09%
COMMON EQUITY	9,549,720,152	47.06%	10.50%	4.94%
DEFERRED INCOME TAX	3,885,555,870	19.05%	0.00%	0.00%
INVESTMENT TAX CREDITS	1,871,650	0.01%	0.00%	0.00%
TOTAL	\$ 20,293,584,020	100.00%		6.52%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE APRIL 1, 2010 THE COMMISSION APPROVED AFUDC RATE IS 6.41%

DOCUMENT NUMBER-DATE

01014 FEB 25 2012

FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2012

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 6,980,541,916	6,838,457,190	(799,794,892)	6,038,662,298
SHORT TERM DEBT	435,003,892	425,540,188	(20,387,777)	405,152,411
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	10,253,340,017	10,030,274,032	(480,553,880)	9,549,720,152
CUSTOMER DEPOSITS	454,478,870	454,370,695	(21,789,056)	432,601,638
DEFERRED INCOME TAX	4,358,990,388	4,266,697,268	(403,141,398)	3,865,555,870
INVESTMENT TAX CREDITS	178,453,629	173,065,146	(171,193,486)	1,871,650
TOTAL	\$ 22,658,808,712	22,190,404,519	(1,896,840,500)	20,293,564,020

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2012

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,222,541,114
FUEL AND CAPACITY	755,257,958
AVIATION - PLANT	0
LOAD CONTROL	36,986,156
ASSET RETIREMENT OBLIGATION	11,385,347
CAPITAL LEASES	57,504,148
TOTAL	\$ 2,083,654,723
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (96,787,211)
ACCUM PROV DECOMMISSIONING COSTS	(3,039,696,459)
ASSET RETIREMENT OBLIGATION	40,550,439
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,824,715,767
AVIATION - RESERVE	0
FUEL AND CAPACITY	(36,537,461)
OTHER RATE CASE ADJUSTMENTS	(199,817)
LOAD CONTROL	(18,696,394)
CAPITAL LEASES	(1,889,945)
TOTAL	\$ (328,521,081)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 2,350,730,550
CWIP - ECRC PROJECTS	\$ 223,121,098
TOTAL	\$ 2,573,851,648
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (2,432,144,790)
TOTAL ADJUSTMENTS	\$ 1,896,840,500

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2012

SCHEDULE B: PAGE 3 OF 3

<u>WORKING CAPITAL ADJUSTMENTS</u>	<u>JURISDICTIONAL</u>
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 21,310,842
INTEREST & DIVIDENDS RECEIVABLE	856,182
ACCTS RECEIVABLE - TAX REFUND	0
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	81,187,654
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	12,350,635
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,264,404
RATE CASE EXPENSE	3,019,558
TEMPORARY CASH INVESTMENTS	5,603,122
ASSET RETIREMENT OBLIGATION	0
STORM DEFICIENCY RECOVERY	705,558,381
NUCLEAR COST RECOVERY	7,237,435
JOBGING ACCOUNTS	13,789,740
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	<u>\$ 858,177,951</u>
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(3,300,001)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(169,719,085)
ACCUM. PROV. - RATE REFUNDS	(345,075)
GAIN ON SALE OF EMISSION ALLOWANCE	(1,470,715)
JOBGING ACCOUNTS	(14,191,057)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0
LEHMAN HEDGE	0
POLE ATTACHMENT RENTS PAYABLE	(6,572,729)
PREFERRED STOCK DIVIDENDS ACCRUED	0
SJRPP ACCELERATED RECOVERY	(54,828,023)
ASSET RETIREMENT OBLIGATION	(2,876,635,289)
MARGIN CALL CASH COLLATERAL	0
STORM DEFICIENCY RECOVERY	0
NUCLEAR COST RECOVERY	(163,129,902)
TRANSMISSION RELIABILITY ENHANCEMENT	(130,867)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	<u>\$ (3,290,322,742)</u>
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	<u>\$ (2,432,144,790)</u>

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2012

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12}-1) =$	APPROVED RATE
$((1+R/12)^{12}-1) =$	6.52%
$((1+R/12)^{12}) =$	1.06520000
$(1+R/12) =$	1.00527742
$(R/12) =$	0.00527742

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00527742	0.00527742
FEB	1.00527742	0.00530528	0.01058270
MAR	1.01058270	0.00533327	0.01591597
APR	1.01591597	0.00536142	0.02127739
MAY	1.02127739	0.00538971	0.02666711
JUN	1.02666711	0.00541816	0.03208527
JUL	1.03208527	0.00544675	0.03753202
AUG	1.03753202	0.00547550	0.04300752
SEP	1.04300752	0.00550439	0.04851191
OCT	1.04851191	0.00553344	0.05404535
NOV	1.05404535	0.00556265	0.05960800
DEC	1.05960800	0.00559200	0.06520000