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Admitted in Pennsylvania

July 31, 2020

Adam Teitzman, Commission Clerk  
Division of the Commission Clerk & Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Application of Florida Power & Light Company and Florida City Gas for Authority to Issue and Sell Securities During the Calendar Years 2020 and 2021 Pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code**

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Dear Mr. Teitzman:

Enclosed for filing, please find the Application of Florida Power & Light Company and Florida City Gas for Authority to Issue and Sell Securities. Included with this filing are the original and one copy of the Application, as well as a CD with electronic copies of the Application in pdf format.

Also enclosed to assist in processing this Application is a proposed Notice for the Florida Administrative Register. A copy of the proposed Notice in Microsoft Word format is provided on the enclosed CD. The date of the final Commission action has been left blank in the proposed Notice. It is the hope of Florida Power & Light Company and Florida City Gas that the Application can be addressed at the Agenda Conference on October 6, 2020.

If you or your staff have any question regarding this filing, please contact me at (561) 691-7144.

Respectfully submitted,

s/Christopher T. Wright  
Christopher T. Wright,  
Fla. Auth. House Counsel No. 1007055  
Florida Power & Light Company

cc: Office of Public Counsel (*via e-mail w/out attachments*)

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Florida Power & Light Company  
700 Universe Boulevard, Juno Beach, FL 33408

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20220069-GU

**DOCKET No.**

**FLORIDA PUBLIC SERVICE COMMISSION**  
Tallahassee, Florida

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**APPLICATION OF**  
**FLORIDA POWER & LIGHT COMPANY**  
**AND**  
**FLORIDA CITY GAS**  
**FOR AUTHORITY TO ISSUE AND SELL SECURITIES**  
**PURSUANT TO SECTION 366.04, FLORIDA STATUTES,**  
**AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE**

The date of this Application is July 31, 2020

**APPLICATION OF  
FLORIDA POWER & LIGHT COMPANY  
AND  
FLORIDA CITY GAS  
FOR AUTHORITY TO ISSUE AND SELL SECURITIES  
PURSUANT TO SECTION 366.04, FLORIDA STATUTES,  
AND CHAPTER 25-8, FLORIDA ADMINISTRATIVE CODE**

Florida Power & Light Company ("FPL") and Florida City Gas ("FCG"), pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, hereby file this Application requesting the Florida Public Service Commission: (a) authorize FPL to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$6.35 billion during calendar year 2021; (b) authorize FPL to issue and sell short-term securities in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.1 billion during calendar year 2021; (c) authorize FCG to make long-term borrowings from FPL in an aggregate principal amount not to exceed \$300 million during calendar year 2021; and (d) authorize FCG to make short-term borrowings from FPL in an aggregate principal amount not to exceed \$150 million at any one time during calendar year 2021.

FPL and its affiliate, Gulf Power Company ("Gulf"), currently have a merger application pending before the Federal Energy Regulatory Commission ("FERC"). If approved, Gulf will be merged with and into FPL with FPL being the surviving legal entity. Upon the effectiveness of the merger, Gulf will no longer be a legal entity able to issue or sell debt and equity securities; however, Gulf will continue to maintain separate books and records for all regulatory and ratemaking purposes unless and until otherwise ordered by the Commission. In this Application, FPL also seeks authority contingent upon the closing of the merger to finance the additional working capital and capital expenditure requirements of the regulated activities and operations of Gulf acquired by FPL as a result of the merger. Contingent upon the closing of the merger, FPL requests the Commission: (i) authorize FPL to issue and sell and/or exchange any combination of additional long-term debt and equity securities and/or to assume additional liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$1.5 billion during calendar year 2021 for purposes of financing the regulated operations of Gulf acquired by FPL as a result of the merger; and (ii) authorize FPL to issue and sell additional short-term securities during calendar year 2021 for purposes of financing the regulated operations of Gulf acquired by FPL as a result of the merger in an amount or amounts such that the aggregate

principal amount of such additional short-term securities outstanding at the time of and including any such sale shall not exceed \$800 million. These short- and long-term debt and equity securities requested for the purposes of financing the regulated operations of Gulf acquired by FPL are in addition to the amounts stated above to finance the regulated operations of FPL and FCG, and such additional amounts are contingent upon the effectiveness of the merger as further described herein.

Subject to FERC approval, FPL expects the merger to occur on or before January 1, 2021. Contemporaneously with the filing of this Application, Gulf is filing a separate Application ("Gulf Application") with the Commission to ensure it has the requisite authority to finance its regulated operations in 2021 in the event FERC approval of the pending merger application is not granted and/or the merger is delayed and the merger does not occur by January 1, 2021. Upon the effectiveness of the merger, Gulf will cease to exist as a separate legal entity and therefore there will be no remaining authority under the Gulf Application and the Gulf regulated activities would be financed by FPL as set forth in this Application. Upon the effectiveness of the merger, Gulf will provide prompt notice to the Commission that the authority granted under said Order should be terminated as of the effective date of the merger.

In support of this Application, FPL and FCG state:

A. Applicability.

This Application is filed in accordance with Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code.

B. Contents of Application.

1. Name and Principal Business Office Address.<sup>1</sup>

(a) Florida Power & Light Company ("FPL")  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408

(b) Florida City Gas ("FCG")  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408

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<sup>1</sup> Unless otherwise noted, the terms "FPL" and "FCG" as used in this Application refer to the individual regulated entity on an unconsolidated basis (*i.e.*, the term FPL does not include FCG and vice versa unless otherwise noted)."

2. State and Date Incorporated.

FPL – incorporated under the laws of the State of Florida on December 28, 1925 and qualified to do business in the State of Georgia

FCG – incorporated under the laws of the State of New Jersey on January 29, 1969 and qualified to do business in the State of Florida

3. Persons Authorized to Receive Notices and Communications.

Paul I. Cutler  
Treasurer  
Florida Power & Light Company  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 694-6204

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Florida Power & Light Company  
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Vice President & General  
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Juno Beach, Florida 33408  
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Kurt Howard  
Sr. Director & General Manager  
Florida City Gas  
700 Universe Boulevard  
P.O. Box 14000  
Juno Beach, Florida 33408  
Telephone (561) 304-5458

4. Capital Stock and Funded Debt.

FPL

4(a)(b)(c) Information responsive to description, amount authorized and amount outstanding: These items are contained in Exhibit C Statement of Capital Stock and Debt as of June 30, 2020.

4(d) The amount held as reacquired securities: As of June 30, 2020, none.

4(e) The amount pledged by applicant: As of June 30, 2020, FPL was the obligor on \$948.27 million aggregate principal amount of outstanding unsecured pollution control revenue bonds, solid waste disposal revenue bonds, and industrial development revenue bonds issued by certain political subdivisions of the States of Florida and Georgia which presently pay interest at variable rates (such bonds collectively referred to as Revenue Bonds). FPL has the option to cause the interest on the variable rate bonds to be paid at a fixed rate. If FPL exercises this option, except as otherwise permitted by the applicable bond documents, FPL would be required or permitted to pledge an equal aggregate principal amount of its first mortgage bonds (or other credit enhancement in accordance with the applicable bond documents) as security for the payment of principal and interest on such fixed rate bonds.

4(f) The amount owned by affiliated corporations: As of June 30, 2020, all of the common stock of FPL is owned by NextEra Energy, Inc., and FPL has no preferred or preference stock outstanding.

4(g) The amount of FPL capital stock and funded debt held in any fund: None.

**FCG**

4(a) FCG has authorized common stock, no par value, and preferred stock, no par value, under its Articles of Incorporation as set forth below.

4(b) FCG's Articles of Incorporation authorize 30,000,000 shares of common stock, of which 12,807,111 shares were issued and outstanding as of June 30, 2020.

4(c) FCG's Articles of Incorporation authorize 5,000,000 shares of preferred stock, of which no shares were issued and outstanding as of June 30, 2020. FCG had \$80,000,000 principal amount of funded debt outstanding as of June 30, 2020.

4(d) The amount of capital stock held as reacquired securities by FCG: As of June 30, 2020, none.

4(e) The amount of capital stock pledged by FCG or FPL: As of June 30, 2020, none.

4(f) The amount of FCG's capital stock held by affiliated corporations: As of June 30, 2020, all common stock is owned by FPL.

4(g) The amount of capital stock held in any fund by FCG or FPL: As of June 30, 2020, none. As of June 30, 2020, FCG had no outstanding funded debt.

5. Proposed Transactions.

FPL and FCG seek authority for the following:

- (a) FPL to (i) issue and sell and/or exchange any combination of the long-term debt and equity securities described below and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$6.35 billion during calendar year 2021 and (ii) issue and sell short-term securities during calendar year 2021 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.1 billion.
- (b) FCG to make (i) long-term borrowings from FPL described below in an aggregate principal amount not to exceed \$300 million during calendar year 2021 and (ii) short-term borrowings

from FPL described below in an aggregate principal amount not to exceed \$150 million at any one time during calendar year 2021.

- (c) Contingent upon the effectiveness of the merger of Gulf with and into FPL, as discussed below, FPL to (i) issue and sell and/or exchange any combination of the long-term debt and equity securities described below and/or to assume liabilities or obligations as guarantor, endorser or surety, together with the aggregate principal amount of long-term debt and equity securities issued by Gulf and liabilities and obligations assumed by Gulf as guarantor, endorser or surety, in each case issued or assumed by Gulf during calendar year 2021 prior to the effectiveness of the merger, in an aggregate principal amount not to exceed \$7.85 billion, and (ii) issue and sell short-term securities during calendar year 2021 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.9 billion.

The long-term debt securities may include first mortgage bonds, medium-term notes, extendible commercial notes, debentures, convertible or exchangeable debentures, notes, convertible or exchangeable notes or other similar rights exercisable for or convertible into debt securities, or other straight debt or hybrid debt securities, whether subordinated or unsubordinated, secured or unsecured, including renewals and extensions thereof, with maturities ranging from one to one hundred years. FPL may issue long-term debt securities by extending the maturity of short-term securities. FPL may enter into warrants, options, rights, interest rate swaps, currency swaps or other derivative instruments, or other arrangements. FPL may also enter into debt purchase contracts, obligating holders to purchase from FPL, and obligating FPL to sell, debt securities at a future date or dates.

In addition, FPL may enter into forward refunding or forward swap contracts during calendar year 2021. In conjunction with these forward contracts, FPL may issue and sell long-term debt through December 31, 2021, which FPL may commit to deliver under these forward contracts. Moreover, FPL may enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the States of Florida, Georgia, or other states, if any, where FPL becomes qualified to do business, and/or pledge debt securities and/or issue guaranties in connection with such political subdivisions' issuance, for the ultimate benefit of FPL, of Revenue Bonds or other "private activity bonds" with maturities

ranging from one to one hundred years, bond anticipation notes or commercial paper. Such obligations may or may not bear interest exempt from federal, state or local tax.

Contemplated to be included as long-term or short-term debt securities, as appropriate, are borrowings from banks and other lenders, and obligations pursuant to issuances of letters of credit, obtained under FPL's various credit facilities and other loan agreements, as those may be entered into and amended from time to time. Also contemplated to be included as long-term or short-term debt securities, as appropriate, are borrowings from banks and other lenders, and obligations pursuant to issuances of letters of credit, obtained under credit facilities and other loan agreements or other arrangements, as those may be entered into and amended from time to time by one or more wholly-owned, special purpose subsidiaries of FPL, with the proceeds of such borrowings to be used solely for the benefit of: (1) FPL's regulated utility operations; (2) short-term and long-term funding of the regulated utility operations of FCG; (3) FPL's or FCG's customers; and (4) upon the effectiveness of the merger of Gulf with and into FPL, the regulated utility operations and customers of Gulf acquired by FPL as a result of the merger.<sup>2</sup> In furtherance of the foregoing:

- On February 8, 2013, FPL entered into an amended and restated syndicated revolving credit and letter of credit agreement (as amended, referred to as the 2013 Revolving Credit Agreement) which, as amended, provides for approximately \$2.413 billion of commitments. As of June 30, 2020, approximately \$2.314 billion will expire on February 8, 2025, \$74.825 million will expire on February 8, 2023, \$9.375 million will expire on February 8, 2022 and \$15 million will expire on February 8, 2021. Borrowings and letter of credit issuances under the 2013 Revolving Credit Agreement are available for general corporate purposes, including, without limitation, to pay any interest or fees owing under that agreement, provide backup for FPL's self-insurance program covering its and its subsidiaries' operating facilities, and fund the cost of the prompt restoration, reconstruction and/or repair of facilities that may be damaged or destroyed due to the occurrence of any man-made or natural disaster or event or otherwise.
- On April 30, 2019, FPL entered into a \$500 million syndicated revolving credit agreement (referred to as the 2019 Revolving Credit Agreement) with an expiration date of April 30, 2022.

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<sup>2</sup> Following the legal merger, FPL will, unless and until otherwise ordered by the Commission, maintain separate books and records for the operations of Gulf acquired by FPL as a result of the merger for all regulatory and ratemaking purposes, and Gulf will continue to be operated as a separate regulatory entity.



The proceeds of borrowings under the 2019 Revolving Credit Agreement are available for FPL's general corporate purposes, including to provide additional liquidity in the event of a loss to FPL's operating facilities, including a transmission and distribution property loss.

- Borrowings and/or letter of credit issuances available to FPL under the 2013 Revolving Credit Agreement and the 2019 Revolving Credit Agreement also can be used to support the purchase of Revenue Bonds that are tendered by individual bond holders and not remarketed prior to maturity.
- On November 24, 2015, FPL entered into a term loan with a commercial bank, which facility was amended and converted on August 25, 2016, to a \$200 million revolving loan credit commitment and has a maturity date of December 30, 2021.
- On November 25, 2015, FPL entered into a term loan with a commercial bank, which facility was amended and converted on November 3, 2016, to a \$100 million revolving loan credit commitment with a maturity date of July 5, 2022.
- On March 31, 2016, FPL entered into a term loan with a commercial bank, which facility was amended and converted on August 26, 2016, to a \$100 million revolving loan credit commitment and has a maturity date of March 29, 2021.
- On September 27, 2016, FPL entered into a revolving credit agreement with a commercial bank which provides a \$150 million commitment and has a maturity date of August 30, 2022.
- On November 30, 2016, FPL entered into a revolving credit agreement with a commercial bank which provides a \$75 million commitment and has a maturity date of August 30, 2022.
- On July 24, 2019, FPL entered into a revolving credit agreement with a commercial bank which provides a \$55 million commitment and has a maturity date of July 24, 2022.
- On May 31, 2020, FPL entered into a revolving credit agreement with a commercial bank which provides a \$250 million commitment and has a maturity date of November 30, 2020.
- On May 31, 2020, FPL entered into a revolving credit agreement with a commercial bank which provides a \$250 million commitment and has a maturity date of November 30, 2020.
- On May 31, 2020, FPL entered into a revolving credit agreement with a commercial bank which provides a \$250 million commitment and has a maturity date of November 30, 2020.

- On May 31, 2020, FPL entered into a revolving credit agreement with a commercial bank which provides a \$200 million commitment and has a maturity date of November 30, 2020.
- Borrowings under each of the bilateral credit facilities described above may be used for general corporate purposes.
- In addition, FPL has established an uncommitted credit facility with a bank. The bank may, at its discretion upon the request of FPL, make a short-term loan or loans to FPL in an aggregate amount determined by the bank, which is subject to change at any time. The terms of specific borrowings under the uncommitted credit facility, including maturities, are set at the time borrowing requests are made by FPL. Borrowings under the uncommitted credit facility may be used for general corporate purposes.

Additionally, debt securities may be issued by FPL or its affiliates or subsidiaries in connection with one or more facilities secured by accounts receivable or involving the sale of accounts receivable or interests therein to be used solely for the benefit of FPL's or FCG's regulated utility operations.

Equity securities that may be issued by FPL include preferred stock, preference stock, convertible preferred or preference stock, or warrants, options or rights to acquire such securities, or other similar rights exercisable for or convertible into preferred or preference stock, or purchase contracts obligating holders to purchase such securities, or other equity securities, with such par values, terms and conditions and relative rights and preferences as deemed appropriate by FPL and as are permitted by its Restated Articles of Incorporation, as the same may be amended from time to time.

FPL may also enter into financings, whereby FPL would establish and make an equity investment in one or more special purpose limited partnerships, limited liability companies, statutory trusts or other entities. FPL, or a wholly-owned subsidiary of FPL, would act as or appoint the general partner, managing member, sponsor or other members of each such entity. The entity would offer preferred or debt securities to the public and use the proceeds to acquire debt securities from FPL. FPL would issue debt securities to the entity equal to the aggregate of FPL's equity investment and the amount of preferred or debt securities sold to the public by the entity. FPL may also guarantee, among other things, the distributions to be paid by the affiliated entity to the preferred or debt securities holders. Payments by FPL on the debt securities sold to the entity would be used by that entity to make payments on the preferred or debt securities as well as on FPL's equity

investment. Consequently, in the event of such a financing, to avoid double-counting, FPL would only count the total amount of its debt securities issued to the entity, and would not count the equity securities issued by the entity to FPL, the preferred or debt securities issued by the entity to the public, or the related FPL guaranties with respect to such preferred or debt securities issued by the entity to the public, against the total amount of proposed long-term debt and equity securities.

In connection with the issuance (i) by FPL of long-term or short-term debt securities or preferred or preference stock, or (ii) by an affiliated entity of preferred or debt securities, the terms of which preferred or debt securities or stock permit FPL or the affiliated entity (as applicable) to defer principal, interest or other distributions for certain payment periods, FPL may agree to sell additional equity securities and/or long-term or short-term debt securities and to use the proceeds from the sale of those other securities to make principal, interest or other distributions on such preferred or debt securities or stock as to which such principal, interest or other distributions have been deferred. In addition, in connection with the issuance (i) by FPL of long-term or short-term debt securities or preferred or preference stock or (ii) by an affiliated entity of preferred or debt securities, FPL may covenant, pledge or make other commitments in favor of holders of such new stock or preferred or debt securities or the holders of previously-issued stock or preferred or debt securities, providing that such stock or preferred or debt securities will not be acquired (by redemption, purchase, exchange or otherwise), or otherwise satisfied, discharged or defeased, in certain circumstances unless such acquisition (by redemption, purchase, exchange or otherwise), satisfaction, discharge or defeasance is accomplished by (1) the issuance of, or (2) proceeds from the issuance of, a security or securities satisfying the provisions set forth in such covenant, pledge or other commitment.

The exchange of FPL's securities may be by way of an exchange of a security of FPL for another security or securities of FPL or of one of its subsidiaries or affiliates, or the exchange of a security of FPL or of one of its subsidiaries or affiliates for the security or securities of another entity.

The manner of issuance and sale and/or exchange of securities will be dependent upon the type of security being offered, the type of transaction in which the securities are being issued and sold and/or exchanged and market conditions at the time of the issuance and sale and/or exchange.

The short-term securities will have maturities of not more than twelve months and may be secured or unsecured, subordinated or unsubordinated. FPL may enter into warrants, options, rights, interest rate

swaps, currency swaps or other derivative instruments, refunding transactions or other arrangements relating to, as well as contracts for the purchase or sale of, short-term securities. Consistent with Securities and Exchange Commission “no-action” letters, FPL may issue and sell commercial paper without compliance with the registration requirements of the Securities Act of 1933, as amended, subject to certain conditions.

The short-term securities are issued to provide funds to temporarily finance portions of FPL's or FCG's construction program and capital commitments and for other corporate purposes. Also, during 2021, FPL may need short-term financing for, among other purposes, seasonal fuel requirements, for contingency financing such as fuel adjustment under-recoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt or equity securities.

The interest rate that FPL could pay on debt securities will vary depending on the type of debt instruments and the terms thereof, including specifically the tenor (i.e., the term) of the debt and whether the debt is secured or unsecured and subordinated or unsubordinated, as well as market conditions. A new series of 5-year first mortgage bonds was issued by FPL on March 27, 2020, and upon issuance carried a yield to maturity of approximately 2.872%. A new series of 50-year variable rate notes was issued by FPL on March 13, 2020, which variable rate is based on the three-month London Interbank Offered Rate minus 0.30%. A new series of 3-year variable rate notes was issued by FPL on July 31, 2020, which variable rate is based on the three-month London Interbank Offered Rate plus 0.38%. The dividend rate for preferred or preference stock is similarly affected by the terms of the offering. It is estimated that a new issue of FPL preferred stock as of June 30, 2020, would have carried a dividend yield of approximately 4.75% to 5.25%.

In addition, FPL may from time to time issue instruments of guaranty, collateralize debt and other obligations, issue other securities, and arrange for the issuance of letters of credit and guaranties, in any such case to be issued or arranged by FPL or by one or more of its subsidiaries for the benefit of FPL's or FCG's regulated utility operations. FPL confirms that any such issuances described above will be used in connection with the regulated activities of FPL or FCG, including, upon the effectiveness of the merger of Gulf with and into FPL, the regulated activities of Gulf acquired by FPL pursuant to the merger, and not the nonregulated activities of its affiliates.

FPL expects that Gulf will merge with and into FPL in 2021, with FPL being the surviving legal entity. FPL seeks authority to issue additional long-term and short-term securities, contingent on the closing of the

merger, to finance the additional working capital and capital expenditure requirements in respect of the operations of Gulf acquired by FPL as a result of the merger. Contingent upon the closing of the merger, (i) the additional amount of long-term debt and equity to be issued by FPL and/or liabilities or obligations assumed by FPL as guarantor, endorser or surety during calendar year 2021 in respect of the operations of Gulf acquired by FPL as a result of the merger will be in an aggregate principal amount not to exceed \$1.5 billion and (ii) the additional aggregate principal amount of short-term debt incurred in respect of the operations of Gulf acquired by FPL as a result of the merger outstanding at the time of and including any such sale of short-term debt during calendar year 2021 shall not exceed \$800 million. The interest rate on any short-term or long-term borrowings in respect of the operations of Gulf acquired by FPL as a result of the merger is expected to be a pass-through of FPL's average weighted cost for borrowing these funds and will vary depending on the terms of the debt and whether the debt is secured or unsecured and subordinated or unsubordinated, as well as market conditions. In addition, upon the effectiveness of the merger of Gulf with and into FPL, all outstanding debt, liabilities or other obligations of Gulf will become debts, liabilities and obligations of FPL by operation of law. For the avoidance of doubt, none of such debt, liabilities or other obligations of Gulf outstanding immediately prior the effectiveness of the merger of Gulf with and into FPL shall count against the authority requested by FPL in this application. Unless and until otherwise ordered by the Commission, FPL will maintain separate books and records for the operations of Gulf acquired by FPL as a result of the merger for all regulatory and ratemaking purposes.

In addition, FCG seeks authority to finance its working capital and capital expenditure requirements through short-term and long-term borrowings from FPL. The timing of any borrowings made by FCG from FPL will depend on FCG's cash flow projections and other factors impacting FCG's cash and working capital requirements. The amount of short-term borrowings by FCG from FPL during calendar year 2021 will be an aggregate principal amount not to exceed \$150 million at any one time. In addition, the amount of long-term borrowings by FCG from FPL during calendar year 2021 will be an aggregate principal amount not to exceed \$300 million at any one time. The interest rate on any short-term or long-term borrowings from FPL is expected to be a pass-through of FPL's average weighted cost for borrowing these funds and will vary depending on the term of the debt and whether the debt is secured or unsecured and subordinated or unsubordinated, as well as market conditions. Any borrowings made by FCG from FPL

will be unsecured and may be subordinated or unsubordinated. Short-term borrowings from FPL will have maturities not to exceed one year. Long-term borrowings from FPL will have maturities ranging from more than one year to one hundred years.

FPL and FCG will file a consummation report with the Florida Public Service Commission (the Commission) in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days after the end of any fiscal year in which FPL and/or FCG issue securities.

6. Purposes of Issues.

FPL

It is expected that the net proceeds to be received from the issuance and sale and/or exchange (if there are any net proceeds from an exchange) of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any Revenue Bonds or other "private activity bonds" (whether structured as variable rate demand notes or otherwise) or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used to finance the acquisition or construction of additional regulated utility facilities and equipment, as well as capital improvements to and maintenance of existing facilities; to acquire (by redemption, purchase, exchange or otherwise), or to otherwise satisfy, discharge or defease, any of its outstanding debt securities or equity securities; to repay all or a portion of any maturing long-term debt obligations; to satisfy FPL's obligations under guaranties; to repay all or a portion of short-term bank borrowings, commercial paper and other short-term debt outstanding at the time of such transactions, and/or for other corporate purposes. Proceeds, if any, may be temporarily invested in short-term instruments pending their application to the foregoing purposes. As of June 30, 2020, approximately \$82 million of FPL's long-term debt will mature during 2021.

In addition, upon the effectiveness of the merger of Gulf with and into FPL, FPL plans to use a portion of such proceeds to provide both short-term and long-term funding during 2021 for the regulated utility operations of Gulf acquired by FPL as a result of the merger during 2021 as discussed above.

FPL plans to use a portion of such proceeds discussed to provide both short-term and long-term funding for the regulated utility operations of FCG. Each loan made by FPL to FCG will consist of one or more tranches. The timing of any loans made by FPL to FCG will be dependent on FCG's cash flow projections and other factors for availability by FCG to meet its cash and working capital requirements. FPL will provide short-

term and long-term funding to FCG from (1) surplus funds in the treasury of FPL and (2) proceeds from FPL's borrowings under its credit facilities, FPL's debt securities or FPL's issuance of commercial paper.

FPL maintains a continuous construction program, principally for electric generation, transmission and distribution facilities. FPL's long-range construction program is subject to periodic review and revision. The construction program referred to herein has been necessitated by continued growth in the demand for service on FPL's system and the replacement and improvements required to its existing system. It is manifestly in the public interest for FPL to raise the funds which are required to perform such service. A more detailed description of these projects is provided in FPL's 2020 Ten-Year Site Plan on file with the Commission. As of June 30, 2020, FPL estimated that capital expenditures under its 2021 construction program will be approximately \$6.6 billion, including Allowance for Funds Used During Construction ("AFUDC") (see Exhibit B).

At present, one project with anticipated construction expenditures during 2021 involves a certification of need by the Commission under the Florida Electrical Power Plant Siting Act or the Transmission Line Siting Act: the Dania Beach Clean Energy Center, a 1,163 megawatt (summer) natural gas-fired generating unit. The need for the Dania Beach Clean Energy Center was approved by the Commission in Order No. PSC-2018-0150-FOF-EI issued on March 19, 2018. The estimated construction cost for the Dania Beach Clean Energy Center is \$888 million, including AFUDC and transmission interconnection costs. As of June 30, 2020, development, design and construction costs, including AFUDC and transmission interconnection costs, expended on the Dania Beach Clean Energy Center were approximately \$553 million. A more detailed description of this project is provided in FPL's 2020 Ten-Year Site Plan on file with the Commission.

Under future market conditions, the interest rate on new issue long-term debt or the dividend rate on new issue preferred or preference stock of FPL and its subsidiaries may be such that it becomes economically attractive to acquire (by redemption, purchase, exchange or otherwise), or otherwise satisfy, discharge or defease, a portion or all of certain of its or its subsidiaries long-term debt securities or equity securities, providing an opportunity for FPL to reduce interest or dividend expense even after accounting for such other considerations as the (i) redemption or other reacquisition premium, (ii) other associated reacquisition or discharge expenses and (iii) related income tax effects. This reduction would be beneficial to

FPL's customers and, with proper regulatory treatment, would not be detrimental to FPL's common shareholder. Other important considerations in making such a decision would include an assessment of anticipated future interest and dividend rates and FPL's ability to raise enough new capital to finance its construction program while concurrently pursuing any refinancing opportunities. FPL might also consider acquiring or otherwise satisfying, discharging or defeasing a portion or all of certain of its or its subsidiaries long-term debt securities or equity securities for reasons other than interest or dividend expense reduction.

Under future market conditions, it may be economical to enter into forward refunding or forward swap contracts. The forward refunding contracts would be for the purpose of refunding long-term debt (including but not limited to refunding Revenue Bonds) which may be issued on FPL's behalf and which can be callable. Under federal tax law, the refunding of Revenue Bonds with tax-exempt bonds issued more than 90 days prior to the redemption or retirement of the outstanding issue is heavily restricted. However, through a forward refunding contract, FPL could lock-in prevailing tax-exempt fixed rates for refunding Revenue Bonds which would be issued 90 days prior to a call date of the outstanding issue. Alternatively, FPL could enter into a forward swap contract, to become effective on a call date of the outstanding issue, to lock-in prevailing tax-exempt fixed rates. Any anticipated savings generated by such forward transactions would be spread over the combined life of the outstanding bonds and the refunding bonds starting with the execution of the forward contract.

In connection with this application, FPL confirms that the capital raised pursuant to this application will be used in connection with the regulated activities of FPL and FPL's subsidiaries, including FCG, as described herein, and not the nonregulated activities of its affiliates.

**Operations of Gulf Acquired by FPL as a Result of the Merger**

It is anticipated in 2021 that Gulf will merge with and into FPL, with FPL being the surviving legal entity. As explained above, FPL seeks authority to issue additional long-term and short-term securities, contingent on the closing of the merger, to finance additional working capital and capital expenditure requirements of FPL during 2021 after giving effect to the merger. FPL will cause such proceeds to be used for capital expenditures, working capital requirements, and general corporate purposes related to the regulated utility operations of Gulf acquired by FPL as a result of the merger. Unless and until otherwise



ordered by the Commission, FPL will maintain separate books and records for the operations of Gulf acquired by FPL as a result of the merger for all regulatory and ratemaking purposes.

Gulf maintains a continuous construction program, principally for electric generation, transmission and distribution facilities. Gulf's long-range construction program is subject to periodic review and revision. The construction program referred to herein has been necessitated by continued growth in the demand for service on Gulf's system and the replacement and improvements required to its existing system. Following the effectiveness of the merger, it is manifestly in the public interest for FPL, as successor to Gulf, to raise the funds which are required to perform such service. A more detailed description of these projects is provided in Gulf's 2020 Ten-Year Site Plan on file with the Commission. As of June 30, 2020, Gulf estimated its capital expenditures under its 2021 construction program to be approximately \$840 million, including AFUDC (see Exhibit B).

At present, none of the planned expenditures in 2021 require a certification of need by the Commission under the Florida Electrical Power Plant Siting Act or the Transmission Line Siting Act.

In connection with this application, FPL confirms that the capital raised pursuant to this application will be used in connection with the regulated activities of FPL and FPL's subsidiaries, and upon effectiveness of the merger of Gulf with and into FPL, the regulated activities of Gulf acquired by FPL as a result of the merger, and not the nonregulated activities of its affiliates.

### **FCG**

FCG will cause the proceeds from any borrowings made by FCG to be used for capital expenditures, working capital requirements, and general corporate purposes related to FCG's regulated utility operations. As of June 30, 2020, FCG estimated that capital expenditures under its 2021 construction program will be approximately \$85 million, including AFUDC (see Exhibit B).

Although it does not require a certificate of need, the proceeds from the loans made by FPL will be used, in part, for the anticipated construction of a new Liquefied Natural Gas ("LNG") Facility in southern Florida in the 2021 period. As approved by the Commission in Order No. PSC-2018-0190-FOF-GU issued April 20, 2018, the new LNG Facility will be capable of providing an additional 10,000 Dth/day of capacity and will include the following: (i) truck loading facilities; (ii) three storage tanks holding a total of 270,000 gallons of LNG; (iii) vaporization equipment; and (iv) other related facilities. The estimated construction

cost for the new LNG Facility is \$58 million. As of June 30, 2020, development, design and construction costs expended on the new LNG Facility were approximately \$15.8 million.

In connection with this application, FCG confirms that the capital raised pursuant to this application will be used in connection with its regulated activities, and not the nonregulated activities of its affiliates.

7. Facts Supporting Legality, Necessity or Appropriateness. In addition to the reasons shown under “Purposes of Issues”, the proposed issues are consistent with the proper performance by each of FPL and FCG of service as a public utility, will enable and permit each of FPL and FCG to perform that service, and are necessary and appropriate for such purpose and other corporate purposes.

8. Name and Address of Counsel Passing upon the Legality of the Proposed Issues. It is expected that one or more of the following counsel will pass upon the legality of the proposed issues:

Hogan Lovells U.S. LLP  
555 Thirteenth Street, NW  
Washington, District of Columbia 20004  
Attention: Richard J. Parrino, Esq.

Morgan, Lewis & Bockius LLP  
101 Park Avenue  
New York, New York 10178  
Attention: Thomas P. Giblin, Jr., Esq.

Squire Patton Boggs (US) LLP  
200 South Biscayne Boulevard  
Suite 4700  
Miami, Florida 33131  
Attention: James E. Morgan III, Esq.

9. Other State or Federal Regulatory Body. If required, a Registration Statement and/or prospectus supplement with respect to each public sale or exchange of securities hereunder subject to the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549. In addition, certain state securities or “blue sky” laws may require the filing of consents to service of process or other documents with applicable state securities commissions in connection with a public or private sale of securities.

10. Control or Ownership.

There is no measure of control or ownership exercised by or over FPL by any other public utility. FPL is a subsidiary of NextEra Energy, Inc., which is a holding company as defined in the Public Utility Holding Company Act of 2005. FCG is a direct, wholly-owned subsidiary of FPL. Upon the effectiveness of

the merger of Gulf with and into FPL, FPL will be the surviving legal entity. Unless and until otherwise ordered by the Commission, FPL will maintain separate books and records for the operations of Gulf acquired by FPL as a result of the merger for all regulatory and ratemaking purposes.

11. Exhibits for FPL and FCG.

- \* A Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020.
- B 2021 Sources and Uses of Funds Forecast and Construction Budget for Gross Property Additions.
- C Statement of Capital Stock and Debt of Florida Power & Light Company as of June 30, 2020.

\*As permitted by Rule 25-8.003(1)(a)(6), Florida Administrative Code, FPL and FCG are satisfying the requirements for Schedules A(1) through A(5) by submitting NextEra Energy's and FPL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020, in conjunction with this Application.

WHEREFORE, FPL and FCG respectfully request that the Commission:

- (a) Publish notice of intent to consider this Application pursuant to Section 366.04(1), Florida Statutes, as soon as possible;
- (b) Schedule this matter for agenda as early as possible;
- (c) Authorize FPL to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$6.35 billion during calendar year 2021, for the purposes and in the manner described herein;
- (d) Authorize FPL to issue and sell short-term securities in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.1 billion during calendar year 2021, for the purposes and in the manner described herein;
- (e) Authorize FCG to make long-term borrowings from FPL in an aggregate principal amount not to exceed \$300 million during calendar year 2021, for the purposes and in the manner described herein;

- (f) Authorize FCG to make short-term borrowings from FPL in an aggregate principal amount not to exceed \$150 million at any one time during calendar year 2021, for the purposes and in the manner described herein;
- (g) Upon the effectiveness of the merger of Gulf with and into FPL, authorize FPL to (i) issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety, together with the aggregate principal amount of long-term debt and equity securities issued by Gulf and liabilities and obligations assumed by Gulf as guarantor, endorser or surety, in each case issued or assumed by Gulf during calendar year 2021 prior to the effectiveness of the merger, in an aggregate principal amount not to exceed \$7.85 billion, for the purposes and in the manner described herein and (ii) issue and sell short-term securities during calendar year 2021 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.9 billion; and
- (h) Grant such other relief as the Commission deems appropriate.

Respectfully submitted this 31 day of July, 2020.

Florida Power & Light Company  
Florida City Gas

By: \_\_\_\_\_

  
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Juno Beach, Florida 33408

By: \_\_\_\_\_

  
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# **Exhibit A**

**Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020**

# **Exhibit B**

## **2021 Sources and Uses of Funds Forecast and Construction Budget for Gross Property Additions**

**FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**2021 Sources and Uses of Funds Forecast**  
(Millions of Dollars)

<u>Selected cash flow items (1)</u>	<u>2021</u>
Depreciation and amortization (2)	\$2,026
Deferred income taxes	351
Deferred investment tax credit – net	411
Total	\$2,788

<u>Capital requirements</u>	<u>2021</u>
Construction expenditures (3)	\$6,558
Long-term debt maturities	54
Total capital requirements	\$6,612

**FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES**  
**Construction Budget Forecast for Gross Property Additions**  
(Millions of Dollars)

	<u>2021</u>
Construction expenditures (3):	\$6,558

NOTES

- (1) Projected amounts do not include any effect of potential changes in retail base rates or other regulated activities which could cause the projections to change.
- (2) Excludes nuclear plant decommissioning costs. Projections presented on a GAAP basis and calculates depreciation expense based on current approved accrual rates. Amounts include the Company's projected use of reserve amortization for 2021 based on the most recent forecast and are subject to change.
- (3) Amounts include AFUDC. All of the estimated construction expenditures are subject to continuing review and adjustment and actual construction expenditures may vary from these estimates due to factors such as changes in customers, energy sales, demand, business and economic conditions, construction and design requirements, fuel supply and costs, availability and cost of labor, supplies and materials, regulatory treatment, environmental and conservation requirements, pending requests for proposals, and existing and proposed legislation. FPL is keeping its construction program as flexible as possible with the intention of accommodating those factors that may develop or change. Excludes nuclear fuel purchases.



**FLORIDA CITY GAS**  
**2021 Sources and Uses of Funds Forecast**  
**(Millions of Dollars)**

<u>Selected cash flow items (1)</u>	<u>2021</u>
Depreciation and amortization	\$17
Deferred income taxes	-
Deferred investment tax credit – net	-
<b>Total</b>	<b>\$17</b>

<b>Capital requirements</b>	<u>2021</u>
Construction expenditures (2)	\$85
Long-term debt maturities	84
<b>Total capital requirements</b>	<b>\$170</b>

**FLORIDA CITY GAS**  
**Construction Budget Forecast for Gross Property Additions**  
**(Millions of Dollars)**

Construction expenditures (2):	<u>2021</u> \$85
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NOTES

- (1) Projected amounts do not include any effect of potential changes in retail base rates or other regulated activities which could cause the projections to change.
- (2) All of the estimated construction expenditures are subject to continuing review and adjustment and actual construction expenditures may vary from these estimates due to factors such as changes in customers, energy sales, demand, business and economic conditions, construction and design requirements, fuel supply and costs, availability and cost of labor, supplies and materials, regulatory treatment, environmental and conservation requirements, pending requests for proposals, and existing and proposed legislation. Florida City Gas is keeping its construction program as flexible as possible with the intention of accommodating those factors that may develop or change.

**GULF POWER**  
**2021 Sources and Uses of Funds Forecast**  
(Millions of Dollars)

<u>Selected cash flow items (1)</u>	<u>2021</u>
Depreciation and amortization	\$308
Deferred income taxes	66
Deferred investment tax credit – net	58
Total	\$432

<u>Capital requirements</u>	<u>2021</u>
Construction expenditures (2)	\$840
Long-term debt maturities	300
Total capital requirements	\$1,140

**GULF POWER**  
**Construction Budget Forecast for Gross Property Additions**  
(Millions of Dollars)

Construction expenditures (2):	<u>2021</u> \$840
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NOTES

- (1) Projected amounts do not include any effect of potential changes in retail base rates or other regulated activities which could cause the projections to change.
- (2) Amounts include AFUDC. All of the estimated construction expenditures are subject to continuing review and adjustment and actual construction expenditures may vary from these estimates due to factors such as changes in customers, energy sales, demand, business and economic conditions, construction and design requirements, fuel supply and costs, availability and cost of labor, supplies and materials, regulatory treatment, environmental and conservation requirements, pending requests for proposals, and existing and proposed legislation. Gulf Power is keeping its construction program as flexible as possible with the intention of accommodating those factors that may develop or change.

# Exhibit C

## Statement of Capital Stock and Debt of Florida Power & Light Company as of June 30, 2020

### FLORIDA POWER & LIGHT COMPANY Statement of Capital Stock and Debt as of June 30, 2020

Description	Issue Date	Authorized Shares	Outstanding Shares
Preferred Stock, undesignated, \$100 par		10,414,100	
Preferred Stock, undesignated, no par		5,000,000	
Subordinated Preferred Stock, no par		5,000,000	
Common Stock, no par	12/84	1,000	1,000
	<b>Total</b>	<b>20,415,100</b>	<b>1,000</b>

**FLORIDA POWER & LIGHT COMPANY**  
**Statement of Capital Stock and Debt as of June 30, 2020**

**First Mortgage Bonds:**

<b>Series</b>	<b>Issue Date</b>	<b>Maturity</b>	<b>Principal Outstanding</b>
5.850%	12/02	02/01/33	\$170,695,000
5.625%	04/03	04/01/34	\$418,172,000
5.950%	10/03	10/01/33	\$272,444,000
5.650%	01/04	02/01/35	\$204,431,000
4.950%	06/05	06/01/35	\$300,000,000
5.400%	09/05	09/01/35	\$229,586,000
5.650%	01/06	02/01/37	\$394,991,000
6.200%	04/06	06/01/36	\$219,161,000
5.850%	04/07	05/01/37	\$230,521,000
5.950%	01/08	02/01/38	\$600,000,000
5.960%	03/09	04/01/39	\$500,000,000
5.690%	02/10	03/01/40	\$500,000,000
5.250%	12/10	02/01/41	\$400,000,000
5.125%	06/11	06/01/41	\$250,000,000
4.125%	12/11	02/01/42	\$600,000,000
4.050%	05/12	06/01/42	\$600,000,000
3.800%	12/12	12/15/42	\$400,000,000
2.750%	06/13	06/01/23	\$500,000,000
3.250%	05/14	06/01/24	\$500,000,000
4.050%	09/14	10/01/44	\$500,000,000
3.125%	11/15	12/01/25	\$600,000,000
3.700%	11/17	12/01/47	\$700,000,000
3.950%	02/18	03/01/48	\$1,000,000,000
4.125%	05/18	06/01/48	\$500,000,000
3.990%	02/19	03/01/49	\$600,000,000
3.150%	09/19	10/01/49	\$800,000,000
2.850%	03/20	04/01/25	\$1,100,000,000
<b>Total</b>			<b>\$13,090,001,000</b>

**Floating Rate Notes:**

<b>Issue Date</b>	<b>Maturity</b>	<b>Principal Outstanding</b>
06/18	06/68	\$94,121,000
11/18	11/68	\$99,330,000
03/19	03/69	\$42,720,000
03/20	03/70	\$174,657,000
<b>Total</b>		<b>\$410,828,000</b>

**FLORIDA POWER & LIGHT COMPANY**  
**Statement of Capital Stock and Debt as of June 30, 2020**

**Unsecured Pollution Control, Solid Waste Disposal and Industrial Development Revenue Bonds:**

Series	Issue Date	Maturity	Principal Outstanding
Variable Rate Jacksonville	05/92	05/01/27	\$28,300,000
Variable Rate Dade	12/93	06/01/21	\$45,750,000
Variable Rate Jacksonville	03/94	09/01/24	\$45,960,000
Variable Rate Manatee	03/94	09/01/24	\$16,510,000
Variable Rate Putnam	03/94	09/01/24	\$4,480,000
Variable Rate Dade	03/95	06/01/21	\$8,635,000
Variable Rate Jacksonville	06/95	05/01/29	\$51,940,000
Variable Rate Martin	04/00	07/15/22	\$95,700,000
Variable Rate St. Lucie	09/00	09/01/28	\$242,210,000
Variable Rate St. Lucie	05/03	05/01/24	\$78,785,000
Variable Rate Miami-Dade	06/03	02/01/23	\$15,000,000
Variable Rate Broward	06/15	06/01/45	\$85,000,000
Variable Rate Lee	12/16	12/01/46	\$60,000,000
Variable Rate Monroe, Georgia	12/17	11/01/47	\$60,000,000
Variable Rate Miami-Dade	11/18	11/01/48	\$55,000,000
Variable Rate Monroe, Georgia	06/19	06/01/49	\$55,000,000
<b>Total</b>			<b>\$948,270,000</b>

**Other Debt:**

Series	Issue Date	Maturity	Principal Outstanding
West County Tax Exempt	07/09	10/01/40	\$50,866,145 (1)
Indiantown First Mortgage Bonds – 9.77%	01/17	12/15/20	\$45,474,506 (2)
Fixed Rate Martin County Bonds – 3.95%	01/17	12/15/21	\$27,790,000 (2)
Fixed Rate Martin County Bonds – 4.2%	01/17	12/15/25	\$100,000,000 (2)
Other Debt			\$291,023
<b>Total</b>			<b>\$224,421,674</b>

(1) These bonds were issued by Palm Beach County (the County) and are not obligations of FPL. FPL is party to a reclaimed water supply agreement (the Supply Agreement) with the County with a 30-year supply term (subject to extensions). Under that agreement, FPL makes payments for reclaimed water which the County provides to FPL's West County plant.

(2) These bonds were issued by Indiantown Cogeneration Funding Corporation and are not obligations of FPL.