

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for ) DOCKET NO. 920955-EI  
authority to issue and sell ) ORDER NO. PSC-93-0917-FOF-EI  
securities during 1993 pursuant ) ISSUED: June 16, 1993  
to Section 366.04, Florida )  
Statutes and Chapter 25-8, )  
Florida Administrative Code, by )  
Florida Power & Light Company. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
SUSAN F. CLARK  
JULIA L. JOHNSON

ORDER AUTHORIZING FLORIDA POWER & LIGHT COMPANY  
TO ISSUE AND SELL LONG-TERM DEBT AND EQUITY SECURITIES

BY THE COMMISSION:

On December 17, 1992, this Commission issued Order No. PSC-92-1462-FOF-EI, later amended on January 8, 1993 by Order No. PSC-92-1462A-FOF-EI. In those orders the Commission approved Florida Power & Light Company's (FPL) application to issue, 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 during the calendar year 1993 in an aggregate amount not to exceed \$1.5 billion and authority to issue and sell short-term securities during calendar years 1993 and 1994 in an amount such that the aggregate principal amount of short-term securities outstanding at the time of sale does not exceed 25% of FPL's gross revenues for the preceding 12 months. FPL was also authorized to enter into forward refunding contracts during calendar year 1993 for the issuance of up to \$275 million of securities during the 12 months ending February 12, 1995, which FPL committed to deliver under the contracts.

On April 22, 1993, FPL filed an amendment to its application for the authority approved by the orders described above. The amendment indicates that FPL now seeks to increase its authority 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 from an aggregate amount not to exceed \$1.5 billion to an aggregate amount not to exceed \$3.0 billion during calendar year 1993.

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According to FPL, it initially estimated that its external long-term financings for 1993 (excluding refundings and other contingencies) would total \$400 million (\$300 million of long-term debt and \$100 million of preferred stock). These estimates were based upon a financial forecast prepared in March 1992 and market conditions existing near the time of the filing of the application. Since that time, the interest rates on new issue long-term debt and the dividend rate on preferred stock of FPL have decreased such that it has become economically beneficial for FPL to reacquire substantial amounts of its long-term debt securities and equity securities. This would provide FPL with an opportunity to reduce its interest and dividend expense even after accounting for such considerations as reacquisition premiums, other associated reacquisition expenses and related income tax effects.

At the time of the filing of the amendment, FPL indicated that it had issued and sold an aggregate of \$1,105,300,000 of first mortgage bonds and preferred stock for the purpose of obtaining new monies as well as for the reacquisition of higher cost securities. Proceeds of these issuances were used to call for redemption an aggregate of \$945 million of higher cost first mortgage bonds and preferred stock.

According to FPL, on April 19, 1993, it estimated that a new issue of its 30-year first mortgage bonds would have carried a yield to maturity of about 7.75% and a new issue of its perpetual preferred stock would have carried a dividend yield of about 7.125%.

Finally, according to FPL, its financing activity during 1993 has been beneficial to its customers and FPL by reducing interest and dividend expense. It indicates that if current interest and dividend rates continue, FPL may have opportunities, in the near term, to enter into additional refundings of its outstanding debt and equity securities which will be beneficial to the customers and FPL by lowering interest and dividend expense further.

Based upon the foregoing, it is

ORDERED that the Florida Power & Light Company's request to increase its authority 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 from an aggregate amount not to exceed \$1.5 billion to an aggregate

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amount not to exceed \$3 billion during calendar year 1993 is hereby approved. It is further

ORDERED that Florida Power & Light Company shall file with the Commission a consummation report in compliance with the Rule 25-8.009, Florida Administrative Code, within 90 days after the issuance of any long-term securities pursuant to the authorization conferred by this Order, provided that with respect to continuous offerings transactions which involve the issuance and sale of long-term securities from time to time, Florida Power & Light Company shall file with the Commission a consummation report containing the information required by Rule 25-8.009, Florida Administrative Code, not later than 90 days after the earlier of the (i) close of the calendar year or (ii) closing of the final sale which terminates the continuous offering transaction. It is further

ORDERED that Florida Power & Light Company file with the Commission on or before the 25th day of the first of month of each calendar quarter hereafter a statement showing the total amount of short-term securities outstanding and the estimated cumulative lease termination payment under its nuclear fuel leases, both at the end of the previous calendar quarter. It is further

ORDERED that the foregoing authorizations are without prejudice to the authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of costs, or any other matter whatsoever, now pending or which may come before this Commission as provided in Section 366.04, Florida Statutes.

By ORDER of the Florida Public Service Commission this 16th day of June, 1993.



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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
MRC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.