

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for approval of) DOCKET NO. 930383-EI
change in allowance for funds) ORDER NO. PSC-93-1457-FOF-EI
used during construction (AFUDC)) ISSUED: October 7, 1993
rate from 8.61% to 8.67%)
effective 1/1/93 by Florida)
Power and Light Company.)
_____)

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION

ORDER GRANTING REVISED AFUDC RATE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On August 5, 1993 this Commission issued Order No. PSC-93-1142-FOF-EI, approving a change in Florida Power and Light Company's (FPL) AFUDC rate from 8.61% to 8.67% effective January 1, 1993. The instant docket was held open to receive from FPL a subsequent filing in order to effectuate a change in its AFUDC rate consistent with the return on equity (ROE) authorized by this Commission in Order No. PSC-93-1024-FOF-EI of 12.0%. The new ROE became effective July 13, 1993. Since the new ROE represented a significant reduction it was determined that the increase to FPL's AFUDC rate it should only be in effect during the six-month period of January 1, 1993 to June 30, 1993.

Using the new ROE of 12% and the implementation date of July 1, 1993, the June 30, 1993 surveillance report indicates the AFUDC rate should be reduced from 8.67% to 8.26%. Based on the projected level of construction work in progress eligible to earn AFUDC, the 1993 accrual would decrease approximately \$3,156,144 on an annual basis.

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Having reviewed the above, we find it appropriate to establish FPL's AFUDC rate as of July 1, 1993 at 8.26%.

It is therefore,

ORDERED that Florida Power and Light Company's allowance for funds used during construction rate shall be as of July 1, 1993 8.26% based upon a 13 month average capital structure for the period ending June 30, 1993. It is further

ORDERED that the appropriate compound monthly rate to maintain a simple rate of 8.26% is .663572%. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 7th day of October, 1993.



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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose

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substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on October 28, 1993.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater 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 of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.