

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Florida  
Power & Light Company for  
authority to issue and sell  
securities during the calendar  
year 2000 pursuant to Section  
366.04, F.S., and Chapter 25-8,  
F.A.C.

DOCKET NO. 991287-EI  
ORDER NO. PSC-99-2210-FOF-EI  
ISSUED: November 9, 1999

The following Commissioners participated in the disposition of  
this matter:

JOE GARCIA, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
E. LEON JACOBS, JR.

FINAL ORDER GRANTING APPROVAL FOR AUTHORITY  
TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Florida Power & Light Company (FPL) filed an application on  
September 1, 1999, seeking authority pursuant to Section 366.04,  
Florida Statutes, and Chapter 25-8, Florida Administrative Code, to  
issue and sell securities. Notice of FPL's application was given  
in the Florida Administrative Weekly on October 1, 1999.

FPL seeks permission 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 \$2.3 billion during calendar  
year 2000. FPL also seeks permission to enter into forward  
refunding or forward swap contracts during calendar year 2000. In  
conjunction with these forward contracts, FPL seeks permission to  
issue and sell up to \$64 million of securities through December 31,  
2002, which FPL states it would commit to deliver under these  
forward contracts. FPL also seeks permission to issue and sell  
short-term securities during the calendar years 2000 and 2001 in an  
amount or amounts such that the aggregate principal amount of  
short-term securities outstanding at the time of any such sale will  
not exceed 25% of FPL's gross revenues during the preceding twelve  
months of operation.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

FPL states that the long-term debt securities may include first mortgage bonds, medium-term notes, debentures, convertible or exchangeable debentures, notes, convertible or exchangeable notes, or other straight debt or hybrid debt securities, whether secured or unsecured, with maturities ranging from one to one-hundred years. FPL may enter into options, rights, interest rate swaps or other derivative instruments. FPL may also enter into installment purchase and security agreements, loan agreements, or other arrangements with political subdivisions of the States of Florida or Georgia or pledge debt securities or issue guarantees in connection with such political subdivisions' issuance, for the ultimate benefit of FPL, of pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" with maturities ranging from one to forty years, bond anticipation notes or commercial paper. According to FPL, such obligations may or may not bear interest exempt from federal tax.

FPL maintains that the equity securities may include common stock, preferred stock, preference stock, convertible preferred or preference stock, or warrants, options or rights to acquire 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 amended and as they may be amended from time to time.

FPL states that it may enter into preferred securities financings, whereby FPL would establish and make an equity investment in a special purpose limited partnership or other entity. FPL, or a wholly-owned subsidiary of FPL, would act as the general partner or managing member of the entity. The entity would offer preferred securities to the public and lend the proceeds to FPL. FPL would issue debt securities to the entity equal to the aggregate of its equity investment and the amount of preferred securities borrowed. FPL states that it may also guarantee, among other things, the distributions to be paid by the affiliated entity to the preferred securities holders.

FPL further states the exchange of its 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.

FPL indicates that the short-term securities will have maturities of not more than twelve months and may be secured or unsecured. FPL advises that the Securities and Exchange Commission has heretofore indicated through a "no action letter" that 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, including that FPL may have commercial paper borrowings outstanding up to an amount not to exceed at the time of sale 25 per cent of FPL's gross revenues during the preceding twelve months of operation. For the twelve months ended June 30, 1999, FPL asserts that 25 per cent of its gross revenues was \$1.6 billion.

FPL advises that the interest rate it could pay on debt securities will vary depending on the type of debt instruments and the terms thereof, including specifically the length of maturity as well as market conditions. FPL notes that the dividend rate for preferred stock is similarly affected by the terms of the offering.

FPL further advises that it may, from time to time, enter into nuclear fuel leases, 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 (1) by or on behalf of one or more of its subsidiaries or affiliates for the benefit of FPL's utility operations; (2) by FPL or non-affiliates in connection with FPL's utility operations; (3) by FPL or by or on behalf of one or more of its subsidiaries or affiliates in connection with FPL customers' installations of energy efficiency measures; and/or (4) in connection with other financings by FPL or on its behalf. To the extent that FPL enters

into nuclear fuel leases, issues instruments of guaranty, collateralizes debt or other obligations, issues other securities, or arranges for the issuance of letters of credit or guaranties by FPL or by or on behalf of one or more of its subsidiaries, affiliates, or non-affiliates to benefit its utility operations, FPL acknowledges its burden to clearly demonstrate a benefit and the appropriateness to its utility operations.

According to FPL, the net proceeds to be received from the issuance and sale and/or exchange of the additional long-term debt and equity securities (with the exception of the proceeds of the issuance and sale of any pollution control revenue bonds, solid waste disposal revenue bonds, industrial development revenue bonds, variable rate demand notes or other "private activity bonds" or similar securities which will be used for specific purposes) will be added to FPL's general funds and will be used to provide additional electric facilities; to reacquire, by redemption, purchase, exchange or otherwise, 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 its nuclear fuel leases; to repay all or a portion of short-term bank borrowings and commercial paper outstanding at the time of such transactions; and/or for other corporate purposes. Excess proceeds, if any, will be temporarily invested in short-term instruments pending their application to the foregoing purposes. During the 2000-2001 period, FPL asserts that \$125 million of its long-term debt will mature.

FPL states that the short-term securities are to provide funds to temporarily finance portions of FPL's construction program and capital commitments and for other corporate purposes. FPL claims that significant parts of FPL's construction program may temporarily be financed through the sale of short-term securities from time to time. Also, during the 2000-2001 period, FPL may need short-term financing capabilities for seasonal fuel requirements, for contingency financing such as fuel adjustment underrecoveries or storm restoration costs, and for the temporary funding of maturing or called long-term debt securities.

Additionally, FPL states the forward refunding contracts would be for the purpose of refunding up to \$64 million of pollution

control revenue bonds which were issued on FPL's behalf and which become callable in February 2001 and May 2002. These pollution control revenue bonds are collateralized by FPL First Mortgage Bonds and include the following: 7.15% due February 2023 (\$15,000,000), 7.15% due February 2023 (\$32,985,000), 7.15% due February 2023 (\$4,000,000) and 6.7% due May 2027 (\$12,015,000). FPL asserts that under federal tax law, pollution control revenue bonds cannot be refunded with tax-exempt bonds issued more than 90 days prior to the redemption or retirement of the outstanding issue. However, through a forward refunding contract, FPL contends it could lock in prevailing tax-exempt fixed rates for refunding pollution control revenue bonds which would be issued 90 days prior to the first call date of the outstanding issue. Alternatively, FPL states it could enter into a forward swap contract, to become effective on the first call date of the outstanding issue, to lock in prevailing tax-exempt fixed rates. Under future market conditions, FPL asserts it may be economical to enter into forward refunding or forward swap contracts, and 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.

FPL notes that it presently has an affiliate which promotes the installation of energy efficiency measures by contracting with customers to guarantee the anticipated energy savings. To facilitate FPL's customers' installation of energy efficient measures, FPL advises that it may issue instruments of guaranty, collateralize debt or other obligations, issue other securities, or arrange for the issuance of letters of credit or guaranties to promote energy efficiency savings contracted for by FPL or FPL subsidiaries or affiliates with FPL customers.

Having reviewed the application, it is the finding of this Commission that the transactions described in the application will not impair the ability of FPL to perform the services of a public utility. These transactions are for such lawful purposes within FPL's corporate powers. Accordingly, FPL's application is granted in its entirety.

Our approval of the proposed issuance of securities by FPL does not indicate specific approval of any rates, terms, or

ORDER NO. PSC-99-2210-FOF-EI  
DOCKET NO. 991287-EI  
PAGE 6

conditions associated with the issuance. Such matters are properly reserved for review by the Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request for authority to issue and sell and/or exchange any combination of long-term debt and equity securities and/or assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$2.3 billion during the calendar year 2000 is granted. It is further

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request for authority to issue and sell short-term securities during the calendar years 2000 and 2001, in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of sale does not exceed 25 percent of FPL's gross revenues for the preceding 12 months of operation is granted. It is further

ORDERED by the Florida Public Service Commission that Florida Power & Light Company's request for authority to enter into forward refunding contracts or forward swap contracts during calendar year 2000, and to issue and sell up to \$64 million of securities through December 31, 2002, which FPL shall commit to deliver under the forward refunding contracts or forward swap contracts is granted. It is further

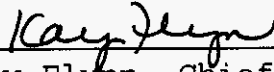
ORDERED by the Florida Public Service Commission that Florida Power & Light Company shall file a consummation report in compliance with Rule 25-8.009, Florida Administrative Code, within 90 days of the end of the fiscal year in which it issues any securities authorized by this Order. It is further

ORDERED by the Florida Public Service Commission that this docket remain open pending the submission of the consummation report by Florida Power & Light Company.

ORDER NO. PSC-99-2210-FOF-EI  
DOCKET NO. 991287-EI  
PAGE 7

By ORDER of the Florida Public Service Commission this 9th  
day of November, 1999.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

  
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Kay Flynn, Chief  
Bureau of Records

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/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 after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. This notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.