

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Change in allowance for funds)	DOCKET NO. 900040-EI
used during construction (AFUDC) rates))	
of Florida Power and Light Company)	ORDER NO. 22589
effective 1/1/90.)	
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	ISSUED: 2-21-90

The following Commissioners participated in the disposition of this matter:

MICHAEL MCK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER APPROVING AFUDC RATE

BY THE COMMISSION:

On January 10, 1990, in Docket No. 890319-EI, we voted to change the return on equity for Florida Power and Light Company (FPL) to 12.8% for all regulatory purposes. FPL's current AFUDC rate is based on a return on equity of 15.6%. FPL projects that its construction expenditures will exceed \$1 billion each year for the next several years. That being the case, the effect of the current AFUDC rate on AFUDC accrual will be very significant. Therefore, we approve the use of a 12.8% return on equity in the calculation of FPL's AFUDC rate.

Pursuant to Rule 25-6.0141, Florida Administrative Code, we approve January 1, 1990 as the effective date for the new AFUDC rate and the 13-month average capital structure as of December 31, 1989, adjusted consistent with those adjustments approved by this body in the utility's last rate case, as the capital structure to be used in the calculation of the new AFUDC rate. Finally, we will require FPL to file schedules implementing our decisions in this docket pursuant to Rule 25-6.0141(4), Florida Administrative Code, on or before March 15, 1990.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. 22589
DOCKET NO. 900040-EI
PAGE 2

Therefore, it is

ORDERED by the Florida Public Service Commission that the appropriate return on equity to use in the calculation of Florida Power and Light Company's AFUDC rate is 12.8%. It is further

ORDERED that the effective date for the new AFUDC rate is January 1, 1990. It is further

ORDERED that the appropriate capital structure to use in the calculation of Florida Power and Light Company's new AFUDC rate is the 13-month average capital structure as of December 31, 1989. It is further

ORDERED that Florida Power and Light Company shall file the appropriate schedules required by Rule 25-6.0141, Florida Administrative Code, on or before March 15, 1990.

By Order of the Florida Public Service Commission
this 21st day of FEBRUARY, 1990.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)
(6059L)SBr: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.

ORDER NO. 22589
DOCKET NO. 900040-EI
PAGE 3

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 Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.