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RECORDS AND REPORTING

March 15, 1999

Ms. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Dear Ms. Bayo:

In accordance with Rule 25-6.1353, F.A.C., attached is FPL's 1999 Forecasted Earnings Surveillance Report.

The information contained in this report represents estimates and projections and is based upon certain assumptions. Such estimates, projections, and assumptions are subject to change and there can be no assurance that any will materialize due to operating considerations, external factors, and other reasons. Except as required by Rule 25-6.1353, FPL will not be responsible for providing revisions to these estimates and projections. This information is for the use of the Florida Public Service Commission for its regulatory purposes only and should not be utilized for any other purpose or by any other person.

If you should have any questions, please call me at (305) 552-3643.

Sincerely,

Handwritten signature: Terry J. Keith for

S.S. Waters
Director, Regulatory Affairs

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cc: Tim Devlin
Roger Howe, Public Counsel
W.G. Walker, III

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FPSC-RECORDS/REPORTING

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 (\$000'S)

Company: Florida Power & Light Company  
 Year: 1999

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$753,869	(\$9,710)	\$744,159
AVERAGE RATE BASE	\$7,696,966	\$986,221	\$8,683,187
AVERAGE RATE OF RETURN	9.79%		8.57%

AVERAGE CAPITAL STRUCTURE  
 (FPSC ADJUSTED BASIS)

LOW	7.60%
MIDPOINT	8.15%
HIGH	8.70%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.59	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	6.59	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	53.33%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	31.29%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	0.03%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY <sup>[1]</sup>	11.78%	(FPSC ADJUSTED BASIS)

<sup>[1]</sup> RETURN ON COMMON EQUITY REFLECTS AN APRIL 15, 1999 EFFECTIVE DATE FOR THE SETTLEMENT AGREEMENT WITH PUBLIC COUNSEL. THEREFORE, THIS REPORT DOES NOT REFLECT A FULL TWELVE MONTHS OF THE AGREEMENT.

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
RATE BASE (\$000's)

SCHEDULE 2  
PAGE 1 OF 2

Company: Florida Power & Light Company  
Year: 1999

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$17,344,013	\$9,632,769	\$7,711,244	\$66,519	\$302,801	\$180,000	\$8,260,564	(\$501,793)	\$7,758,771
JURISDICTIONAL PER BOOKS	17,251,569	9,579,789	7,671,780	66,164	301,187	180,000	8,219,131	(522,165)	7,696,966
<b>FPSC ADJUSTMENTS:</b>									
FUEL TRANSPORTATION EQUIPMENT	(51,185)	(23,332)	(27,853)	0	0	0	(27,853)	0	(27,853)
LOAD CONTROL	(88,158)	(52,592)	(35,566)	0	0	0	(35,566)	0	(35,566)
ECRC	(49,980)	(8,843)	(41,137)	0	0	0	(41,137)	0	(41,137)
CONSTRUCTION WORK IN PROGRESS	0	0	0	0	(0)	0	(0)	0	(0)
ACCUM PROVISION FOR DECOMMISSIONING	0	(1,227,739)	1,227,739	0	0	0	1,227,739	0	1,227,739
NUCLEAR FUEL	0	0	0	0	0	(180,000)	(180,000)	0	(180,000)
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	(281,969)	(281,969)
ACCUM PROV FOR PROPERTY INSURANCE	0	0	0	0	0	0	0	280,358	280,358
OTHER MISCELLANEOUS WORKING CAPITAL	0	0	0	0	0	0	0	44,649	44,649
TOTAL FPSC ADJUSTMENTS	(189,323)	(1,312,506)	1,123,183	0	(0)	(180,000)	943,183	43,038	986,221
FPSC ADJUSTED	\$17,062,246	\$8,267,283	\$8,794,963	\$66,164	\$301,187	\$0	\$9,162,314	(\$479,127)	\$8,683,187

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
INCOME STATEMENT (\$000's)

Company: Florida Power & Light Company  
Year: 1999

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	\$6,004,375	\$2,186,630	\$1,143,448	\$1,019,037	\$571,105	\$329,356	\$0	\$5,249,576	\$754,799
JURISDICTIONAL PER BOOKS	5,976,394	2,162,659	1,139,895	1,014,808	570,267	334,895	0	5,222,525	753,869
<b>FPSC ADJUSTMENTS:</b>									
CAPACITY COST RECOVERY	(463,469)	(459,247)	0	0	(6,149)	744	0	(464,652)	1,184
CONSERVATION COST RECOVERY	(96,984)	0	(73,948)	(17,719)	(1,431)	(2,374)	0	(95,472)	(1,513)
ENVIRONMENTAL COST RECOVERY	(20,352)	0	(12,961)	(1,994)	(320)	(1,263)	0	(16,538)	(3,815)
FUEL COST RECOVERY	(1,670,309)	(1,625,494)	0	(4,284)	(26,073)	(5,577)	0	(1,661,428)	(8,881)
FRANCHISE REVENUE & EXPENSE	(226,960)	0	0	0	(226,876)	(33)	0	(226,908)	(52)
SUPPLEMENTAL GROSS RECEIPTS TAX	(55,571)	0	0	0	(55,571)	0	0	(55,571)	0
ECONOMY SALES	(589)	0	0	0	0	(227)	0	(227)	(362)
MISCELLANEOUS O&M EXPENSES	0	0	(5,352)	0	0	2,065	0	(3,287)	3,287
GAIN/LOSS ON SALE OF LAND	0	0	0	0	0	449	(1,164)	(715)	715
INTEREST SYNCHRONIZATION	0	0	0	0	0	273	0	273	(273)
TOTAL FPSC ADJUSTMENTS	(2,534,235)	(2,084,741)	(92,261)	(23,997)	(316,420)	(5,942)	(1,164)	(2,524,525)	(9,710)
FPSC ADJUSTED	\$3,442,159 <sup>(1)</sup>	\$77,919	\$1,047,634	\$990,811	\$253,847	\$328,953	(\$1,164)	\$2,698,000	\$744,159

<sup>(1)</sup> REVENUES REFLECT A MID-APRIL IMPLEMENTATION OF AN ANNUAL BASE RATE REDUCTION OF \$350 MILLION, AND THEREFORE, DO NOT REFLECT A FULL TWELVE MONTHS OF REDUCED RATES.

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 CAPITAL STRUCTURE (\$000'S)  
 FPSC ADJUSTED BASIS

Company: Florida Power & Light Company  
 Year: 1999

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT WEIGHTED COST RATE	LOWPOINT WEIGHTED COST	MIDPOINT WEIGHTED COST RATE	MIDPOINT WEIGHTED COST	HIGHPOINT WEIGHTED COST RATE	HIGHPOINT WEIGHTED COST
LONG TERM DEBT	\$2,169,150	\$2,152,644	\$253,091	(\$180,000)	\$2,225,735	25.63%	6.55%	1.68%	6.55%	1.68%	6.55%	1.68%
SHORT TERM DEBT	1,763	1,749	224	0	1,973	0.02%	5.50%	0.00%	5.50%	0.00%	5.50%	0.00%
PREFERRED STOCK	195,182	193,563	24,834	0	218,397	2.52%	6.52%	0.16%	6.52%	0.16%	6.52%	0.16%
CUSTOMER DEPOSITS	244,418	243,977	31,099	0	275,076	3.17%	6.00%	0.19%	6.00%	0.19%	6.00%	0.19%
COMMON EQUITY <sup>[1]</sup>	4,170,313	4,135,706	530,613	0	4,666,319	53.74%	10.00%	5.37%	11.00%	5.91%	12.00%	6.45%
DEFERRED INCOME TAXES	810,917	803,685	126,082	179,026	1,108,793	12.77%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	167,028	165,642	21,252	0	186,894	2.15%	8.81%	0.19%	9.47%	0.20%	10.13%	0.22%
<b>TOTAL</b>	<b>\$7,758,771</b>	<b>\$7,696,966</b>	<b>\$987,195</b>	<b>(\$974)</b>	<b>\$8,683,187</b>	<b>100.00%</b>		<b>7.60%</b>		<b>8.15%</b>		<b>8.70%</b>

[1] ROE HAS NOT BEEN PRORATED FOR THE YEAR TO REFLECT A REDUCTION IN ROE EFFECTIVE WITH THE PROPOSED SETTLEMENT WITH PUBLIC COUNSEL.

**FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
FINANCIAL INTEGRITY INDICATORS**

**SCHEDULE 4  
PAGE 1 OF 1**

**Company: Florida Power & Light Company  
Year: 1999**

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$773,607
AFUDC - DEBT	0
INCOME TAXES	335,128
TOTAL	<u>\$1,108,735</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$168,192
	<u>6.59</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$773,607
AFUDC - EQUITY	0
INCOME TAXES	335,128
TOTAL	<u>\$1,108,735</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$168,192
TIE WITH AFUDC	<u>6.59</u>

**C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON**

AFUDC - DEBT	\$0
X (1-INCOME TAX RATE)	61.43%
SUBTOTAL	0
AFUDC - OTHER	0
TOTAL	\$0
NET INCOME AVAILABLE TO COMMON	\$590,654
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.00%</u>

**D. PERCENT INTERNALLY GENERATED FUNDS**

NET INCOME	\$605,416
PREFERRED DIVIDENDS	(14,762)
COMMON DIVIDENDS	(578,235)
AFUDC (DEBT & OTHER)	0
DEPRECIATION & AMORTIZATION	911,909
DEFERRED INC TAXES & INVESTMENT CREDITS	(185,178)
DEFERRED CLAUSES	77,378
NUCLEAR DECOMMISSIONING RESERVE FUND	(103,576)
RETIREMENTS	(230,000)
TOTAL	<u>\$482,952</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & OTHER)	\$905,651
PERCENT INTERNALLY GENERATED FUNDS	53.33%

**E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL**

**RECONCILED AVERAGE RETAIL AMOUNTS:**

LONG TERM DEBT	\$2,225,735
SHORT TERM DEBT	1,973
PREFERRED STOCK	218,397
COMMON EQUITY	4,866,319
TOTAL	<u>\$7,112,424</u>
% LONG TERM DEBT TO TOTAL	31.29%
% SHORT TERM DEBT TO TOTAL	0.03%

**G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**

	<u>FPSC Adj</u>
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	8.57%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.68%
SHORT TERM DEBT	0.00%
PREFERRED STOCK	0.16%
CUSTOMER DEPOSITS	0.19%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.20%
SUBTOTAL	<u>2.24%</u>
TOTAL	6.33%
DIVIDED BY COMMON EQUITY RATIO	53.74%
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.78%</u>

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 FORECAST ASSUMPTIONS

SCHEDULE 5  
 PAGE 1 OF 1

Company: Florida Power & Light Company  
 Year: 1999

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	3,335,733	3,266,010
COMMERCIAL	406,288	396,752
INDUSTRIAL	15,392	15,129
OTHER	2,605	2,575
<b>TOTAL</b>	<b>3,760,018</b>	<b>3,680,466</b>

  

MWH SALES	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	44,127,747	45,482,192
COMMERCIAL	34,612,213	34,618,274
INDUSTRIAL	3,908,282	3,951,414
OTHER	1,118,622	1,079,034
<b>TOTAL</b>	<b>83,766,864</b>	<b>85,130,914</b>

OTHER MAJOR FORECASTED ASSUMPTIONS:

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):

1. CONSUMER PRICE INDEX (CPI)	2.7%
2. GROSS DOMESTIC PRODUCT (GDP) DEFULATOR	2.6%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	1.4%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	1.2%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	1.0%

B. CAPITAL OVERHEAD RATES

1. PENSION & WELFARE	0.2%
2. PAYROLL TAXES & INSURANCE	8.5%

C. OTHER CORPORATE ASSUMPTIONS

1. ACCELERATED AMORTIZATION	\$157 MILLION
2. INTEREST RATES -	
a) 30 DAY COMMERCIAL PAPER	5.5%
b) LONG TERM DEBT	6.3%

D. FOR PURPOSES OF THIS REPORT, FPL'S 1999 PLAN HAS BEEN ADJUSTED TO REFLECT THE IMPACT OF THE PROPOSED SETTLEMENT WITH FLORIDA PUBLIC COUNSEL AND INCLUDES AN ANNUAL BASE RATE REDUCTION OF \$350 MILLION BEGINNING MID-APRIL.

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082 OR S. 775.083

Dilek Samil  
 \_\_\_\_\_  
 NAME

*Dilek Samil*  
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 SIGNATURE

Treasurer  
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 TITLE

3/15/99  
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 DATE

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
INDIVIDUAL PROJECTS COMMENCING DURING 1999 WHICH EXCEED \$10 MILLION  
(AMOUNTS IN 000'S)

Company: Florida Power & Light Company  
Year: 1999

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Schedule of Individual projects that commence during 1999 and exceed a gross cost of \$10 million:

<u>Project</u>	<u>Estimated Total Cost</u>	<u>Estimated Construction Commencement Date</u>	<u>Estimated In-Service Date</u>
Ft. Myers Repowering	\$ 437,215	Dec-98	Jan-01 - Dec-01
Sanford Repowering	\$ 476,637	Dec-98	Jan-02 - Dec-02