

ORIGINAL

Florida Power & Light Company, 215 S. Monroe St., Suite 810, Tallahassee, FL 32301



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RECORDS AND REPORTING

March 16, 2000

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

Dear Ms. Bayo:

In accordance with Rule 25-6.1353, F.A.C., attached is FPL's 2000 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. FPSC Adjusted Operating Revenues are net of approximately \$69,476,000 that represents the estimated amount of revenues to be refunded pursuant to FPL's March 1999 Stipulation and Settlement approved by Order No. PSC-99-0519-AS-EI. 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 have any questions, please call me at (850) 224-7595.

Sincerely,

William H. Feaster
Manager, Regulatory Affairs

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
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- OTH _____

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

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DOCUMENT NUMBER-DATE
03409 MAR 16 8
FPSC-RECORDS/REPORTING

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

**Company: Florida Power & Light Company
Year: 2000**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$806,118	(\$12,701)	\$793,417
AVERAGE RATE BASE	\$7,311,948	\$1,421,750	\$8,733,698
AVERAGE RATE OF RETURN	11.02%		9.08%

**AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	7.68%
MIDPOINT	8.23%
HIGH	8.78%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.51	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	6.51	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	28.43%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	30.27%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	1.98%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY	12.60%	(FPSC ADJUSTED BASIS)

DOCUMENT NUMBER-DATE
03409 MAR 16 8
FPSC-RECORDS/REPORTING

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: 2000

	(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	\$17,671,008	\$10,576,845	\$7,094,163	\$63,938	\$742,083	\$145,698	\$8,045,882	(\$626,452)	\$7,419,430
JURISDICTIONAL PER BOOKS	17,517,624	10,481,548	7,036,076	63,383	735,642	145,698	7,980,799	(668,851)	7,311,948
FPSC ADJUSTMENTS:									
FUEL TRANSPORTATION EQUIPMENT	(50,459)	(27,067)	(23,392)	0	0	0	(23,392)	0	(23,392)
LOAD CONTROL	(88,095)	(53,828)	(34,267)	0	0	0	(34,267)	0	(34,267)
ECRC	(47,198)	(12,477)	(34,721)	0	0	0	(34,721)	0	(34,721)
CONSTRUCTION WORK IN PROGRESS	0	0	0	0	0	0	0	0	0
ACCUM PROVISION FOR DECOMMISSIONING	0	(1,413,192)	1,413,192	0	0	0	1,413,192	0	1,413,192
NUCLEAR FUEL	0	0	0	0	0	(145,698)	(145,698)	0	(145,698)
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	(2,887)	(2,887)
ACCUM PROV FOR PROPERTY INSURANCE	0	0	0	0	0	0	0	229,662	229,662
OTHER MISCELLANEOUS WORKING CAPITAL	0	0	0	0	0	0	0	19,861	19,861
TOTAL FPSC ADJUSTMENTS	(185,752)	(1,506,564)	1,320,812	0	0	(145,698)	1,175,114	246,636	1,421,750
FPSC ADJUSTED	\$17,331,872	\$8,974,984	\$8,356,888	\$63,383	\$735,642	\$0	\$9,155,913	(\$422,215)	\$8,733,698

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

SCHEDULE 2
PAGE 2 OF 2

Company: Florida Power & Light Company
Year: 2000

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES ⁽¹⁾	OPERATION & MAINTENANCE		DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
		FUEL & NET INTERCHANGE	OTHER O&M						
SYSTEM PER BOOKS	\$6,075,381	\$2,254,779	\$1,096,513	\$974,175	\$596,686	\$352,242	\$0	\$5,274,395	\$800,986
JURISDICTIONAL PER BOOKS	6,052,537	2,233,141	1,087,897	971,113	595,858	358,410	0	5,246,419	806,118
<u>FPSC ADJUSTMENTS:</u>									
CAPACITY COST RECOVERY	(477,697)	(475,369)	0	0	(7,509)	1,998	0	(480,880)	3,183
CONSERVATION COST RECOVERY	(85,145)	0	(64,492)	(16,887)	(1,338)	(937)	0	(83,654)	(1,491)
ENVIRONMENTAL COST RECOVERY	(12,693)	0	(6,013)	(3,533)	(200)	(1,137)	0	(10,882)	(1,811)
FUEL COST RECOVERY	(1,733,171)	(1,681,417)	0	0	(27,557)	(9,334)	0	(1,718,308)	(14,863)
FRANCHISE REVENUE & EXPENSE	(245,264)	0	0	0	(242,812)	(946)	0	(243,758)	(1,507)
SUPPLEMENTAL GROSS RECEIPTS TAX	(55,374)	0	0	0	(55,374)	0	0	(55,374)	0
ECONOMY SALES	(650)	0	0	0	0	(251)	0	(251)	(399)
MISCELLANEOUS O&M EXPENSES	0	0	(5,500)	0	0	2,122	0	(3,378)	3,378
GAIN/LOSS ON SALE OF LAND	0	0	0	0	0	0	0	0	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	(809)	0	(809)	809
TOTAL FPSC ADJUSTMENTS	(2,609,994)	(2,156,786)	(76,005)	(20,420)	(334,789)	(9,293)	0	(2,597,293)	(12,701)
FPSC ADJUSTED	\$3,442,543	\$76,356	\$1,011,892	\$950,693	\$261,068	\$349,117	\$0	\$2,649,126	\$793,417

⁽¹⁾ Operating Revenues are net of \$69,476 revenue refund recorded in compliance with the March 1999 settlement agreement.

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

Company: Florida Power & Light Company
 Year: 2000

	(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		MIDPOINT WEIGHTED		HIGHPOINT WEIGHTED	
			PRORATA	SPECIFIC			COST RATE	COST	COST RATE	COST	COST RATE	COST
LONG TERM DEBT	\$2,015,932	\$1,987,862	\$352,886	(\$145,698)	\$2,195,050	25.13%	6.61%	1.66%	6.61%	1.66%	6.61%	1.66%
SHORT TERM DEBT	122,375	120,538	23,090	0	143,628	1.64%	6.10%	0.10%	6.10%	0.10%	6.10%	0.10%
PREFERRED STOCK	190,699	187,836	35,982	0	223,818	2.56%	6.53%	0.17%	6.53%	0.17%	6.53%	0.17%
CUSTOMER DEPOSITS	247,992	246,953	46,793	0	293,746	3.36%	6.10%	0.21%	6.10%	0.21%	6.10%	0.21%
COMMON EQUITY	3,996,111	3,936,132	754,009	0	4,690,141	53.70%	10.00%	5.37%	11.00%	5.91%	12.00%	6.44%
DEFERRED INCOME TAXES	701,176	689,660	163,491	163,810	1,016,961	11.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	145,145	142,967	27,387	0	170,354	1.95%	8.84%	0.17%	9.50%	0.19%	10.16%	0.20%
TOTAL	\$7,419,430	\$7,311,948	\$1,403,638	\$18,112	\$8,733,698	100.00%		7.68%		8.23%		8.78%

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

**SCHEDULE 4
PAGE 1 OF 1**

**Company: Florida Power & Light Company
Year: 2000**

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$800,612
AFUDC - DEBT	0
INCOME TAXES	336,676
TOTAL	<u>\$1,137,288</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$174,701
TIE WITH AFUDC	<u>6.51</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$800,612
AFUDC - EQUITY	0
INCOME TAXES	336,676
TOTAL	<u>\$1,137,288</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$174,701
TIE WITHOUT AFUDC	<u>6.51</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	\$611,149
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>0.00%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$625,911
PREFERRED DIVIDENDS	(14,762)
COMMON DIVIDENDS	(635,565)
AFUDC (DEBT & OTHER)	0
DEPRECIATION & AMORTIZATION	974,175
DEFERRED INC TAXES & INVESTMENT CREDITS	(173,278)
DEFERRED CLAUSES	(193,651)
NUCLEAR DECOMMISSIONING RESERVE FUND	(81,487)
RETIREMENTS	<u>(125,000)</u>
TOTAL	\$376,341
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & OTHER)	\$1,323,608
PERCENT INTERNALLY GENERATED FUNDS	28.43%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$2,195,050
SHORT TERM DEBT	143,628
PREFERRED STOCK	223,818
COMMON EQUITY	<u>4,690,141</u>
TOTAL	<u>\$7,252,637</u>
% LONG TERM DEBT TO TOTAL	30.27%
% SHORT TERM DEBT TO TOTAL	1.98%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	FPSC Adj
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	9.08%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.66%
SHORT TERM DEBT	0.10%
PREFERRED STOCK	0.17%
CUSTOMER DEPOSITS	0.21%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	<u>0.19%</u>
SUBTOTAL	<u>2.32%</u>
TOTAL	6.77%
DIVIDED BY COMMON EQUITY RATIO	<u>53.70%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>12.60%</u>

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FORECAST ASSUMPTIONS**

**SCHEDULE 5
PAGE 1 OF 1**

**Company: Florida Power & Light Company
Year: 2000**

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	3,391,356	3,332,425
COMMERCIAL	414,252	404,944
INDUSTRIAL	15,728	16,042
OTHER	2,637	2,601
TOTAL	3,823,973	3,756,012

MWH SALES	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	46,654,619	44,187,226
COMMERCIAL	36,542,491	35,520,544
INDUSTRIAL	3,977,893	3,947,643
OTHER	1,063,943	946,153
TOTAL	88,238,946	84,601,566

OTHER MAJOR FORECASTED ASSUMPTIONS:

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):	
1. CONSUMER PRICE INDEX (CPI)	2.1%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR	2.1%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	1.1%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	1.1%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	-0.6%
B. CAPITAL OVERHEAD RATES	
1. PENSION & WELFARE	0.0%
2. PAYROLL TAXES & INSURANCE	8.6%
C. OTHER CORPORATE ASSUMPTIONS	
1. DISCRETIONARY DEPRECIATION ⁽¹⁾	\$100 MILLION
2. INTEREST RATES -	
a) 30 DAY COMMERCIAL PAPER	6.1%
b) LONG TERM DEBT	7.5%

⁽¹⁾ Assumes \$100 of discretionary depreciation. Settlement agreement provides for up to \$100 million per year for each twelve months of the term of the agreement.

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

Robert McGrath
NAME

Treasurer
TITLE



SIGNATURE

3/14/00
DATE

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
INDIVIDUAL PROJECTS COMMENCING DURING 2000 WHICH EXCEED \$10 MILLION
(AMOUNTS IN 000'S)

Company: Florida Power & Light Company
Year: 2000

Schedule of Individual projects that commence during 2000 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>
Miami - Miami Beach 138/230 KV Lines	\$ 30,900	Mar-00	Jun-04