



P.O. Box 029100, Miami, FL 33102

RECEIVED - FPSC
01 MAR 16 PM 1:46

ORIGINAL

RECORDS AND REPORTING

March 16, 2001

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 2001 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 have any questions, please call me at (305)552-4332.

Sincerely,

Anne M. Grealy, Director
Regulatory Affairs

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

APP
MFE
MP
DOM
DIR
GCR
LEG
OPC
PAL
RUC
SEC
SER
OTH

an FPL Group company

DOCUMENT NUMBER-DATE

03387 MAR 16 01

FPSC-RECORDS/REPORTING

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

Company: Florida Power & Light Company
 Year: 2001

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$893,857	(\$8,925)	\$884,932
AVERAGE RATE BASE	\$8,309,342	\$1,648,772	\$9,958,114
AVERAGE RATE OF RETURN	10.76%		8.89%

AVERAGE CAPITAL STRUCTURE
 (FPSC ADJUSTED BASIS)

LOW	7.68%
MIDPOINT	8.23%
HIGH	8.77%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.17	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	6.17	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	0.00%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	67.29%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	31.00%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	2.77%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY ^[1]	12.23%	(FPSC ADJUSTED BASIS)

^[1] Does not include any of the \$100 million of discretionary depreciation allowed per Order No. PSC-99-0519-AS-EI

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: 2001

	(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	\$18,512,632	\$11,292,313	\$7,220,319	\$61,338	\$837,909	\$127,315	\$8,246,881	\$161,406	\$8,408,287
JURISDICTIONAL PER BOOKS	18,401,556	11,231,335	7,170,221	60,970	830,787	127,315	8,189,293	120,049	8,309,342
FPSC ADJUSTMENTS:									
FUEL TRANSPORTATION EQUIPMENT	(50,964)	(30,717)	(20,247)	0	0	0	(20,247)	0	(20,247)
LOAD CONTROL	(85,163)	(39,911)	(45,252)	0	0	0	(45,252)	0	(45,252)
ECRC	(47,434)	(11,153)	(36,281)	0	0	0	(36,281)	0	(36,281)
CONSTRUCTION WORK IN PROGRESS	0	0	0	0	0	0	0	0	0
ACCUM PROVISION FOR DECOMMISSIONING	0	(1,608,139)	1,608,139	0	0	0	1,608,139	0	1,608,139
NUCLEAR FUEL	0	0	0	0	0	(127,315)	(127,315)	0	(127,315)
TEMPORARY CASH INVESTMENTS	0	0	0	0	0	0	0	(5,014)	(5,014)
ACCUM PROV FOR PROPERTY INSURANCE	0	0	0	0	0	0	0	242,561	242,561
OTHER MISCELLANEOUS WORKING CAPITAL	0	0	0	0	0	0	0	32,181	32,181
TOTAL FPSC ADJUSTMENTS	(183,561)	(1,689,920)	1,506,359	0	0	(127,315)	1,379,044	269,728	1,648,772
FPSC ADJUSTED	\$18,217,995	\$9,541,415	\$8,676,580	\$60,970	\$830,787	\$0	\$9,568,337	\$389,777	\$9,958,114

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: 2001

	(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	\$7,197,373	\$3,245,823	\$1,097,006	\$884,628	\$691,734	\$385,146	\$12	\$6,304,349	\$893,024
JURISDICTIONAL PER BOOKS	7,155,290	3,218,658	1,084,324	881,199	690,947	386,292	12	6,261,432	893,857
FPSC ADJUSTMENTS:									
CAPACITY COST RECOVERY	(446,935)	(443,486)	0	0	(7,026)	1,380	0	(449,132)	2,197
CONSERVATION COST RECOVERY	(85,098)	0	(61,825)	(17,040)	(1,338)	(1,888)	0	(82,092)	(3,007)
ENVIRONMENTAL COST RECOVERY	(7,253)	0	0	(2,884)	(114)	(1,641)	0	(4,639)	(2,614)
FUEL COST RECOVERY	(2,752,733)	(2,693,598)	0	0	(43,703)	(5,953)	0	(2,743,254)	(9,479)
FRANCHISE REVENUE & EXPENSE	(297,758)	0	0	0	(297,758)	0	0	(297,758)	0
SUPPLEMENTAL GROSS RECEIPTS TAX	(67,225)	0	0	0	(67,225)	0	0	(67,225)	0
ECONOMY SALES	(120)	0	0	0	0	(46)	0	(46)	(74)
MISCELLANEOUS O&M EXPENSES	0	0	(5,300)	0	0	2,044	0	(3,256)	3,256
GAIN/LOSS ON SALE OF LAND	0	0	0	0	0	(347)	900	553	(553)
INTEREST SYNCHRONIZATION	0	0	0	0	0	(1,349)	0	(1,349)	1,349
TOTAL FPSC ADJUSTMENTS	(3,657,123)	(3,137,085)	(67,125)	(19,924)	(417,164)	(7,800)	900	(3,648,198)	(8,925)
FPSC ADJUSTED	\$3,498,166	\$81,573	\$1,017,199	\$861,275	\$273,782	\$378,492	\$912	\$2,613,234	\$884,932

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

**SCHEDULE 4
PAGE 1 OF 1**

**Company: Florida Power & Light Company
Year: 2001**

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$888,657
AFUDC - DEBT	0
INCOME TAXES	372,625
TOTAL	\$1,261,282
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$204,517
TIE WITH AFUDC	6 17

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$888,657
AFUDC - EQUITY	0
INCOME TAXES	372,625
TOTAL	\$1,261,282
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$204,517
TIE WITHOUT AFUDC	6 17

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	\$669,378
PERCENT AFUDC TO AVAILABLE NET INCOME	0 00%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$684,140
PREFERRED DIVIDENDS	(14,762)
COMMON DIVIDENDS	(590,381)
AFUDC (DEBT & OTHER)	0
DEPRECIATION & AMORTIZATION	884,628
DEFERRED INC TAXES & INVESTMENT CREDITS	(230,338)
DEFERRED CLAUSES	184,629
NUCLEAR DECOMMISSIONING RESERVE FUND	(81,487)
RETIREMENTS	(65,420)
TOTAL	\$771,008
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & OTHER)	\$1,145,737
PERCENT INTERNALLY GENERATED FUNDS	67 29%

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

RECONCILED AVERAGE RETAIL AMOUNTS	
LONG TERM DEBT	\$2,604,919
SHORT TERM DEBT	232,608
PREFERRED STOCK	228,257
COMMON EQUITY	5,336,200
TOTAL	\$8,401,984
% LONG TERM DEBT TO TOTAL	31 00%
% SHORT TERM DEBT TO TOTAL	2 77%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	FPSC Adj
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	8 89%
LESS RECONCILED AVERAGE RETAIL WEIGHTED COST RATES	
LONG TERM DEBT	1 72%
SHORT TERM DEBT	0 15%
PREFERRED STOCK	0 15%
CUSTOMER DEPOSITS	0 17%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0 14%
SUBTOTAL	2 33%
TOTAL	6 55%
DIVIDED BY COMMON EQUITY RATIO	53 59%
JURISDICTIONAL RETURN ON COMMON EQUITY ⁽¹⁾	12 23%

⁽¹⁾ Does not include any of the \$100 million of discretionary depreciation allowed per Order No. PSC-99-0519-AS-EI

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

**Company: Florida Power & Light Company
Year: 2001**

FORECASTED ASSUMPTIONS:

	FORECASTED YEAR	PRIOR YEAR
CUSTOMERS		
RESIDENTIAL	3,480,018	3,413,956
COMMERCIAL	427,221	415,295
INDUSTRIAL	17,000	16,413
OTHER	2,591	2,692
TOTAL	3,926,830	3,848,356
MWH SALES		
RESIDENTIAL	48,033,117	46,319,806
COMMERCIAL	39,214,610	37,001,161
INDUSTRIAL	3,826,469	3,767,606
OTHER	578,421	870,768
TOTAL	91,652,617	87,959,341

OTHER MAJOR FORECASTED ASSUMPTIONS:

A INFLATION FACTORS (ANNUAL RATE OF CHANGE)	
1 CONSUMER PRICE INDEX (CPI)	2.4%
2 GROSS DOMESTIC PRODUCT (GDP) DEFLATOR	2.2%
3 PRODUCER PRICE INDEX (PPI) - ALL GOODS	0.4%
4 PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	0.4%
5 PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	0.7%
B CAPITAL OVERHEAD RATES	
1 PENSION & WELFARE	0.0%
2 PAYROLL TAXES & INSURANCE	8.4%
C OTHER CORPORATE ASSUMPTIONS	
1 DISCRETIONARY DEPRECIATION ⁽¹⁾	\$0
2 INTEREST RATES -	
a) 30 DAY COMMERCIAL PAPER	6.5%
b) LONG TERM DEBT	7.5%

⁽¹⁾ Does not include any of the \$100 million of discretionary depreciation allowed per Order No. PSC-99-0519-AS-EI

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

SIGNATURE

Treasurer

TITLE

3/15/01

DATE

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
INDIVIDUAL PROJECTS COMMENCING DURING 2001 WHICH EXCEED \$10 MILLION
(AMOUNTS IN 000'S)

Company: Florida Power & Light Company
Year: 2001

Schedule of Individual projects that commence during 2001 and exceed a gross cost of \$10 million:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
Ft. Myers Peaking CTs	\$129,452	Jan-01	Apr-03
Martin Peaking CTs	\$91,622	Jan-01	Jan-02
St. Lucie Spent Fuel Storage Expansion	\$24,101	Jan-01	Nov-05