



021213-EI  
**ORIGINAL**

December 6, 2002

Ms. Blanca S. Bayo, Director  
Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0865

RECEIVED - FPSC  
02 DEC -6 PM 3:10  
COMMISSION  
CLERK

Re: Request to Change AFUDC Rate

Dear Ms. Bayo:

Florida Power & Light Company (FPL) requests Commission approval to change its rate used to capitalize allowance for funds used during construction (AFUDC) from 8.26% to 7.84% effective November 1, 2002. The 7.84% AFUDC rate is calculated as of October 31, 2002 using 11.00% return on common equity as approved by the Commission in Order No. PSC-02-0501-AS-EI and is shown on the attached schedules.

Please forward this request to the appropriate Staff departments and let me know when this matter is scheduled for Commission consideration.

Sincerely,

Donald L. Babka  
Director, Regulatory and Tax Accounting  
Ph. 561-694-4331  
email: don\_babka@fpl.com

Attachments

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC 1
- OTH \_\_\_\_\_

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER DATE

13365 DEC -6 02

FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
OCTOBER 31, 2002

SCHEDULE A. PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 2,508,799,161	25.73	5.74	1.48
SHORT TERM DEBT	225,802,701	2.32	* 1.88	0.04
PREFERRED STOCK	227,169,438	2.33	6.59	0.15
CUSTOMER DEPOSITS	300,910,739	3.09	• 5.85	0.18
COMMON EQUITY	5,306,657,679	54.42	11.00	5.99
DEFERRED INCOME TAXES	1,048,882,263	10.76	0.00	0.00
INVESTMENT TAX CREDITS	133,858,769	1.37	0.00	0.00
<b>TOTAL</b>	<b>\$ 9,752,080,750</b>	<b>100.00</b>		<b>7.84*</b>

\* 13-MONTH AVERAGE

NOTE: EFFECTIVE JULY 1, 1993 THE COMMISSION APPROVED AFUDC RATE IS 8.26%  
PER DOCKET NO. 930383-EI, ORDER NO. PSC-93-1457-FOF-EI.

DOCUMENT NUMBER DATE  
13365 DEC-6 88  
FPSC-COMMISSION CLERK

ORIGINAL

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
OCTOBER 31, 2002

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 2,173,936,010	\$ 2,159,824,757	\$ (348,974,403)	\$ 2,508,799,161
SHORT TERM DEBT	187,635,234	186,417,274	(39,385,427)	225,802,701
PREFERRED STOCK	188,770,952	187,545,619	(39,623,819)	227,169,438
CUSTOMER DEPOSITS	248,659,584	248,659,584	(52,251,154)	300,910,739
COMMON EQUITY	4,455,179,121	4,426,260,074	(880,397,605)	5,306,657,679
DEFERRED INCOME TAXES	871,589,526	865,931,944	(182,950,318)	1,048,882,263
INVESTMENT TAX CREDITS	111,232,600	110,510,577	(23,348,192)	133,858,769
	-----			
TOTAL	\$ 8,237,003,028	\$ 8,185,149,830	\$ (1,566,930,919)	\$ 9,752,080,750
	=====			

\* SEE PAGES 2 AND 3 OF  
SCHEDULE B FOR DETAILS.

FLORIDA POWER & LIGHT COMPANY  
 AND SUBSIDIARIES  
 AVERAGE RATE OF RETURN  
 OCTOBER 31, 2002

SCHEDULE B. PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
-----	
PLANT IN SERVICE:	
ATRIUM	\$ 0
PLANT IN SERVICE CAPITAL LEASES (ACCT. 101.1)	0
ECRC	48,710,716
INVESTMENT IN FUEL TRANSPORTATION EQUIP	51,040,716
LOAD CONTROL	62,398,091
	-----
TOTAL	\$ 162,149,523
	-----
ACCUMULATED PROVISION FOR DEPRECIATION:	
ATRIUM	\$ 0
ECRC	(13,221,667)
ACCUM PROV FOR DECOMMISSIONING COSTS	(1,674,610,618)
FUEL TRANSPORTATION EQUIP	(34,421,986)
LOAD CONTROL	(32,607,335)
	-----
TOTAL	\$(1,754,861,606
	)
	-----
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 0
	-----
TOTAL	\$ 0
	-----
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS (ACCT. 120.1 & 120.2)	\$ 0
NUCLEAR FUEL CAPITAL LEASES (ACCT. 120.6)	133,779,987
	-----
TOTAL	\$ 133,779,987
	-----
WORKING CAPITAL (SEE PAGE 3B OF 3)	\$ (107,998,823)
	-----
TOTAL ADJUSTMENTS	\$ (1,566,930,919
	)
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FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
OCTOBER 31, 2002

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
-----	
ADJUSTMENTS TO ASSETS PER BOOKS:	
TEMPORARY CASH INVESTMENTS	\$ 35,423,821
EMPLOYEE INSTALLMENTS AND LOANS	0
ACCOUNTS RECEIVABLE - ASSOC COS	8,677,208
NON UTILITY CURRENT & ACCRUED ASSETS	0
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,290,003
MERCHANDISE ENERGY STORE PROGRAM	4,669
INTEREST & DIVIDENDS RECEIVABLE	141,544
DEFERRED GRT - REVENUE REFUND	663,366
POLE ATTACHMENT RENTS RECEIVABLE	9,516,917
JOBGING ACCOUNTS	3,400,907
AFUDC FPSC NUCLEAR IN PROCESS	0
OKEEELANTA SETTLEMENT	170,911,999
FUEL INVENTORY ADJ - HEAVY AND LIGHT FUEL OIL	0
NET UNDERRECOVERED FUEL, CONSERVATION, OIL BACKOUT	1,158,652
PTN THERMAL UPRATE	0
-----	
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 231,189,086
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ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCUM. PROV. FOR RATE REFUNDS	\$ (44,703,394)
ACCUM. PROV. FOR PROPERTY INSUR. - STORM DAMAGE	(245,477,626)
DIRECTORS DEFERRED COMPENSATION - INTEREST	0
ACCUM DEFERRED RETIREMENT BENEFITS	(2,691,473)
NON - UTILITY CURRENT & ACCRUED LIABILITIES	0
PAYABLE TO NUCLEAR DECOMMISSIONING RESERVE FUND	(11,049,232)
POLE ATTACHMENT RENTS PAYABLE	(5,770,027)
MISC. C & A LIAB. - JOBGING ACCTS.	(7,128,162)
GAINS ON SALE OF EMISSION ALLOWANCE	(1,586,809)
CONTRACTOR RETENTIONS	0
SURPP ACCELERATED RECOVERY	(20,403,808)
PREFERRED STOCK DIVIDEND ACCRUED	(377,379)
RB WC L VARIABLE GAS TURBINE MAINT	0
-----	
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (339,187,909)
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NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (107,998,823)
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NOTE \*: THE COMPANY MAINTAINS THE FUEL OIL INVENTORY LEVELS NECESSARY TO ACHIEVE THE LOWEST OVERALL FUEL COST FOR ITS CUSTOMERS. IF FUEL OIL INVENTORY LEVELS WERE ADJUSTED BASED ON THE METHODOLOGY DEVELOPED IN THE LAST RATE PROCEEDING, THE RATE BASE WOULD DECREASE BY \$0 AND \$0 FOR TOTAL COMPANY AND JURISDICTIONAL BASIS, RESPECTIVELY.

FLORIDA POWER & LIGHT COMPANY  
 AND SUBSIDIARIES  
 METHODOLOGY FOR MONTHLY COMPOUNDING  
 OF THE AFUDC RATE  
 OCTOBER 31, 2002

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING  
 $(1+R/12)^{**12} - 1 =$  APPROVED RATE  
 $(1+R/12)^{**12} - 1 =$  7.84%  
 $(1+R/12)^{**12} =$  1.0784000  
 $(1+R/12) =$  1.0063097  
 $(R/12) =$  0.0063097

MONTHS	AFUDC BASE	MONTHLY AFUDC	CUMULATIVE AFUDC
NOV	1.000000000	0.006309695	0.006309695
DEC	1.006309695	0.006349507	0.012659201
JAN	1.012659201	0.006389570	0.019048772
FEB	1.019048772	0.006429886	0.025478658
MAR	1.025478658	0.006470457	0.031949115
APR	1.031949115	0.006511284	0.038460399
MAY	1.038460399	0.006552368	0.045012767
JUN	1.045012767	0.006593711	0.051606478
JUL	1.051606478	0.006635316	0.058241794
AUG	1.058241794	0.006677182	0.064918976
SEP	1.064918976	0.006719313	0.071638290
OCT	1.071638290	0.006761710	0.078400000