



040180 - E1

ORIGINAL

February 27, 2004

Ms. Blanca Bayo, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0865

RECEIVED 7:50
FEB 27 PM 1:53
COMMISSION
CLERK

Re: Request to Change AFUDC Rate

Dear Ms. Bayo:

Florida Power & Light Company requests Commission approval to change its rate used to capitalize allowance for funds used during constructions (AFUDC) from 7.84% to 7.29%, effective January 1, 2004. The 7.29% rate is calculated as of December 31, 2003 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,

H. Antonio Cuba
Director, Regulatory and Tax Accounting
Ph. 305-552-2358
Email: tony_cuba@fpl.com

Attachments

RECEIVED & FILED
Jh
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
02911 FEB 27 03
FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2003

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 2,588,775,187	25.01%	5.19%	1.30%
SHORT TERM DEBT	490,991,675	4.74%	1.56% *	0.07%
PREFERRED STOCK	182,100,468	1.76%	4.50%	0.08%
CUSTOMER DEPOSITS	317,064,458	3.06%	5.91% *	0.18%
COMMON EQUITY	5,318,869,552	51.40%	11.00%	5.65%
DEFERRED INCOME TAX	1,346,705,185	13.01%	0.00%	0.00%
INVESTMENT TAX CREDITS	104,486,406	1.01%	0.00%	0.00%
TOTAL	\$ 10,348,992,932	100.00%		7.29%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE NOVEMBER 1, 2002 THE COMMISSION APPROVED AFUDC RATE IS 7.84%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2003

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 2,431,981,211	2,418,070,674	170,704,514	2,588,775,187
SHORT TERM DEBT	434,032,391	431,397,006	59,594,669	490,991,675
PREFERRED STOCK	160,975,238	159,997,820	22,102,647	182,100,468
COMMON EQUITY	4,701,454,689	4,672,906,524	645,963,028	5,318,869,552
CUSTOMER DEPOSITS	278,868,996	278,580,403	38,484,055	317,064,458
DEFERRED INCOME TAX	1,190,475,728	1,183,247,345	163,457,840	1,346,705,185
INVESTMENT TAX CREDITS	92,365,079	91,804,249	12,682,158	104,486,406
TOTAL	\$ 9,290,153,331	9,236,004,021	1,112,988,911	10,348,992,932

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2003

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 47,666,392
FUEL TRANSPORTATION EQUIPMENT	50,323,454
LOAD CONTROL	57,749,349
ASSET RETIREMENT OBLIGATION	332,939,475
TOTAL	\$ 488,678,671
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (18,064,100)
ACCUM PROV DECOMMISSIONING COSTS	(1,824,543,972)
ASSET RETIREMENT OBLIGATION	(159,841,862)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	1,318,024,689
FUEL TRANSPORTATION EQUIPMENT	(38,386,458)
LOAD CONTROL	(30,194,417)
TOTAL	\$ (753,006,121)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 253,976,456
TOTAL	\$ 253,976,456
NUCLEAR FUEL:	
RB NUCL FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	142,040,078
TOTAL	\$ 142,040,078
WORKING CAPITAL:	\$ (1,244,677,982)
(SEE SCHEDULE B, PAGE 3 OF 3)	
TOTAL ADJUSTMENTS	\$ (1,112,988,898)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2003

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 12,230,177
INTEREST & DIVIDENDS RECEIVABLE	144,074
RB WC A MERCH ENERGY STORE PRG	0
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	318,898,002
OKEELANTA SETTLEMENT	154,219,632
POLE ATTACHMENTS RENTS RECEIVABLE	10,120,290
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,470,893
DEFERRED GRT - REVENUE REFUND	55,298
TEMPORARY CASH INVESTMENTS	112,574,691
ASSET RETIREMENT OBLIGATION	773,161
JOBGING ACCOUNTS	6,146,465
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 616,632,684
 ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCUM DEFERRED RETIREMENT BENEFITS	\$ (3,858,650)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(313,920,789)
ACCUM. PROV. - RATE REFUNDS	(3,729,517)
GAIN ON SALE OF EMISSION ALLOWANCE	(1,517,733)
JOBGING ACCOUNTS	(7,967,764)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	(5,696,881)
POLE ATTACHMENT RENTS PAYABLE	(6,051,924)
PREFERRED STOCK DIVIDENDS ACCRUED	(379,293)
SJRPP ACCELERATED RECOVERY	(26,292,651)
ASSET RETIREMENT OBLIGATION	(1,491,895,463)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (1,861,310,666)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (1,244,677,982)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2003

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)**12)-1 =$	APPROVED RATE
$((1+R/12)**12)-1 =$	7.29%
$((1+R/12)**12) =$	1.072858960
$(1+R/12) =$	1.005877791
$(R/12) =$	0.005877791

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.000000000	0.005877791	0.005877791
FEB	1.005877791	0.005912339	0.011790130
MAR	1.011790130	0.005947091	0.017737221
APR	1.017737221	0.005982047	0.023719268
MAY	1.023719268	0.006017208	0.029736476
JUN	1.029736476	0.006052576	0.035789052
JUL	1.035789052	0.006088152	0.041877203
AUG	1.041877203	0.006123936	0.048001140
SEP	1.048001140	0.006159932	0.054161072
OCT	1.054161072	0.006196138	0.060357210
NOV	1.060357210	0.006232558	0.066589768
DEC	1.066589768	0.006269192	0.072858960