



080088

February 8, 2008

Ms. Ann Cole, Director
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC
08 FEB - 8 PM 2: 12
COMMISSION
CLERK

Re: Request to Change AFUDC Rate

Dear Ms. Cole:

Florida Power & Light Company (FPL) requests that the Florida Public Service Commission approve a change to the rate FPL uses to capitalize the allowance for funds used during construction (AFUDC) from 7.42% to 7.65%, effective January 1, 2008. The 7.65% rate is calculated as of December 31, 2007 using the 11.75% return on common equity approved by the Commission in Order No. PSC-05-0902-AS-EI and as shown on the attached schedules.

I would appreciate it very much if your office would forward this request to the appropriate Staff departments and let me know when this matter is scheduled for Commission consideration.

Sincerely,

H. Antonio Cuba

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

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC _____
- OTH _____

Attachments

DOCUMENT NUMBER-DATE

01006 FEB-8 8

FPSC-COMMISSION CLERK

080088

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2007

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 3,941,415,863	28.45%	5.59%	1.59%
SHORT TERM DEBT	361,849,659	2.61%	4.62% *	0.12%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	491,501,757	3.55%	5.86% *	0.21%
COMMON EQUITY	6,752,430,509	48.74%	11.75%	5.73%
DEFERRED INCOME TAX	2,271,221,185	16.39%	0.00%	0.00%
INVESTMENT TAX CREDITS	36,230,315	0.26%	0.00%	0.00%
TOTAL	\$ 13,854,649,288	100.00%		7.65%

• 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2005 THE COMMISSION APPROVED AFUDC RATE IS 7.42%

DOCUMENT NUMBER-DATE
01006 FEB-8 8
FPSC-COMMISSION CLERK

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2007

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 4,155,791,431	4,130,287,535	(188,871,671)	3,941,415,863
SHORT TERM DEBT	323,457,591	321,240,109	40,609,549	361,849,659
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	6,036,001,007	5,994,620,869	757,809,640	6,752,430,509
CUSTOMER DEPOSITS	436,588,338	436,341,653	55,160,104	491,501,757
DEFERRED INCOME TAX	2,225,925,636	2,212,007,175	59,214,010	2,271,221,185
INVESTMENT TAX CREDITS	32,386,297	32,164,271	4,066,044	36,230,315
TOTAL	\$ 13,210,150,300	13,126,661,612	727,987,676	13,854,649,288

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2007

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 160,713,240
FUEL TRANSPORTATION EQUIPMENT	49,826,486
LOAD CONTROL	26,510,625
ASSET RETIREMENT OBLIGATION	121,226,418
TOTAL	\$ 358,276,768
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (31,342,120)
ACCUM PROV DECOMMISSIONING COSTS	(2,600,856,430)
ASSET RETIREMENT OBLIGATION	(31,263,657)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,404,186,409
FUEL TRANSPORTATION EQUIPMENT	(42,980,884)
LOAD CONTROL	(14,148,891)
TOTAL	\$ (316,405,572)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 580,359,746
CWIP - ECRC PROJECTS	\$ 25,060,316
TOTAL	\$ 605,420,062
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	240,128,664
TOTAL	\$ 240,128,664
WORKING CAPITAL:	\$ (1,615,407,599)
(SEE SCHEDULE B, PAGE 3 OF 3)	
TOTAL ADJUSTMENTS	\$ (727,987,676)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2007

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 21,991,188
INTEREST & DIVIDENDS RECEIVABLE	36,739
ACCTS RECEIVABLE - TAX REFUND	28,069,655
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	133,373,760
OKEELANTA SETTLEMENT	0
DBT DEFERRED SECURITY	0
POLE ATTACHMENTS RENTS RECEIVABLE	10,812,094
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	3,208,497
RATE CASE EXPENSE	(467)
TEMPORARY CASH INVESTMENTS	19,480,556
ASSET RETIREMENT OBLIGATION	0
STORM DEFICIENCY RECOVERY	688,068,917
JOBGING ACCOUNTS	8,670,563
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 913,711,502
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCUM DEFERRED RETIREMENT BENEFITS	\$ (2,963,579)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(125,128,203)
ACCUM. PROV. - RATE REFUNDS	(929,168)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,479,707)
JOBGING ACCOUNTS	(10,972,823)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0
POLE ATTACHMENT RENTS PAYABLE	(6,031,763)
PREFERRED STOCK DIVIDENDS ACCRUED	0
SJRPP ACCELERATED RECOVERY	(45,286,260)
ASSET RETIREMENT OBLIGATION	(2,494,092,179)
MARGIN CALL CASH COLLATERAL	0
STORM DEFICIENCY RECOVERY	158,921,628
GREEN POWER DEFERRED CREDIT	(157,047)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (2,529,119,101)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (1,615,407,599)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2007

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12})-1 =$	APPROVED RATE
$((1+R/12)^{12})-1 =$	7.65%
$((1+R/12)^{12}) =$	1.07650000
$(1+R/12) =$	1.00616183
$(R/12) =$	0.00616183

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00616183	0.00616183
FEB	1.00616183	0.00619979	0.01236162
MAR	1.01236162	0.00623800	0.01859962
APR	1.01859962	0.00627643	0.02487605
MAY	1.02487605	0.00631511	0.03119116
JUN	1.03119116	0.00635402	0.03754518
JUL	1.03754518	0.00639317	0.04393835
AUG	1.04393835	0.00643257	0.05037092
SEP	1.05037092	0.00647220	0.05684312
OCT	1.05684312	0.00651208	0.06335521
NOV	1.06335521	0.00655221	0.06990742
DEC	1.06990742	0.00659258	0.07650000