



To: Jack Slimm **Date:** January 13, 2015
From: Jurisdictional Regulatory Analysis & Reporting **Department:** ACG/GO
Subject: AFUDC Rate Change

The Florida Public Service Commission approved the rate of **6.34%** in Docket No. **140035-EI** to be used to capitalize allowance for funds used during construction (AFUDC) effective **January 1, 2014**. This rate is to be used until further notice. This equates to a monthly AFUDC rate of **.513575%**.

The debt/equity split for the AFUDC rate has been revised effective **January 1, 2015** due to an updated methodology for reporting purposes.

Please classify the AFUDC rate beginning **January 1, 2015** for Income Statement purposes as follows:

Allocate **23.3544%** of AFUDC to Account 432.000
Allocate **76.6456%** of AFUDC to Account 419.110

The monthly rates are as follows:

Debt = **0.00119942**
Equity = **0.00393633**

Deferred income taxes on AFUDC should be provided on **23.3544%** of total AFUDC. This equates to a monthly debt AFUDC rate of **.119942%** for deferred tax purposes.

There is no longer a need to convert the monthly rates from the Income Statement amounts to those used for deferred tax purposes as they are now the same.

If you have any questions please contact Jason Chin at (305) 552-3802.

cc: M. Linton
S. Stamm
S. Bores
J. Grant-Keene
D.A. Huss
A. Leonard
L. Quintana

Florida Power & Light Company
AFUDC Calculation

Debt and Equity Percentages for Reporting Income	
Account 432.000	23.3544%
Account 419.110	76.6456%
	<hr/>
	100.0000%

AFUDC Rate 0.0634

Month Compound Rate 0.00513575

Components of FPSC AFUDC rate for Reporting Income and Deferred Taxes

		<u>Month Compound Rate</u>
Debt Component	0.233544	0.00119942
Equity Component	0.766456	0.00393633
	<hr/>	<hr/>
	1.000000	0.00513575

Florida Power & Light Company
 Debt/Equity Components Splits of AFUDC
 For the Period Beginning
 January 1, 2015

	FPSC AFUDC Rate -----
Debt Portion	1.4810%
Equity Portion	4.8604%

Total	6.3414%
	=====

DEFERRED TAX PURPOSES
 REGULAR AFUDC

Debt Portion	1.4810%	
	-----	= 23.3544%
AFUDC Rate	6.3414%	

INCOME STATEMENT
 PRESENTATION
 REGULAR AFUDC (Beginning January 1, 2015)

FPSC Debt	1.4810%	
	-----	= 23.3544% DEBT
FPSC Rate	6.3414%	
		76.6456% EQUITY