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VIA ELECTRONIC FILING

Mr. Adam Teitzman
Commission Clerk
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Boulevard, Room 110
Tallahassee, FL 32399-0850

Re: FPL Request for 2019 AFUDC Rate Change

Dear Mr. Teitzman:

Pursuant to Rule 25-6.0141, F.A.C. 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 5.97% to 6.22%, effective January 1, 2019. As shown on the attached schedules, the 6.22% AFUDC rate is calculated as of December 31, 2018 using the 10.55% midpoint return on common equity approved by the Commission in Order No. PSC-16-0560-AS-EI.

I would appreciate it if your office would forward this request to the appropriate Staff division.

Please contact me if you or your Staff has any questions regarding this filing.

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada

Attachments
cc: Andrew Maurey

:7234865

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2018

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 10,140,445,803	28.19%	4.62%	1.30%
SHORT TERM DEBT	988,064,957	2.75%	2.74% *	0.08%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	400,365,587	1.11%	2.08% *	0.02%
COMMON EQUITY	16,417,140,649	45.64%	10.55%	4.81%
DEFERRED INCOME TAX	7,769,361,560	21.60%	0.00%	0.00%
INVESTMENT TAX CREDITS	256,366,864	0.71%	0.00%	0.00%
TOTAL	\$ 35,971,745,420	100.00%		6.22%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2018 THE COMMISSION APPROVED AFUDC RATE IS 5.97%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2018

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 10,607,209,967	10,189,623,606	(49,177,803)	10,140,445,803
SHORT TERM DEBT	1,020,625,524	980,122,740	7,942,217	988,064,957
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	16,958,149,021	16,285,177,159	131,963,490	16,417,140,649
CUSTOMER DEPOSITS	397,688,599	397,147,387	3,218,200	400,365,587
DEFERRED INCOME TAX	8,268,612,494	7,940,230,102	(170,868,542)	7,769,361,560
INVESTMENT TAX CREDITS	402,031,406	384,979,418	(128,612,554)	256,366,864
TOTAL	\$ 37,654,317,011	36,177,280,412	(205,534,992)	35,971,745,420

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2018

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,503,325,374
FUEL AND CAPACITY	146,175,336
CAPITALIZED EXECUTIVE COMPENSATION	26,603,471
LOAD CONTROL	50,422,215
ASSET RETIREMENT OBLIGATION	422,843,188
CAPITAL LEASES	57,685,994
TOTAL	\$ 2,207,055,579
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (297,168,136)
ACCUM PROV DECOMMISSIONING COSTS	(4,352,768,762)
ASSET RETIREMENT OBLIGATION	(12,368,492)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,088,566,546
FUEL AND CAPACITY	(41,315,652)
OTHER RATE CASE ADJUSTMENTS (1)	13,353
LOAD CONTROL	(25,948,288)
CAPITAL LEASES	(9,326,363)
TOTAL	\$ (650,315,793)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 2,094,396,113
CWIP - CLAUSE PROJECTS	\$ 73,312,582
TOTAL	\$ 2,167,708,695
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	\$ (3,518,913,489)
(SEE SCHEDULE B, PAGE 3 OF 3)	
TOTAL ADJUSTMENTS	\$ 205,534,992

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2018

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 25,548,829
INTEREST & DIVIDENDS RECEIVABLE	109,894
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	66,856,483
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,519,628
PREPAYMENTS - ECCR	47,660,762
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,309,358
TEMPORARY CASH INVESTMENTS	1,116,987
STORM DEFICIENCY RECOVERY	117,557,626
NUCLEAR COST RECOVERY	0
JOBGING ACCOUNTS	57,544,254
OTH REG ASSETS - CLAUSES	4,976,622
MISC. DEFFERED DEBIT - CLAUSES	5,023,874
CEDAR BAY TRANSACTION	564,470,429
ICL TRANSACTION	359,886,492
SJRPP TRANSACTION	110,340,033
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,384,921,271
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(89,350)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(110,282,748)
ACCUM. PROV. - RATE REFUNDS	0
GAIN ON SALE OF EMISSION ALLOWANCE	(687)
JOBGING ACCOUNTS	(51,614,605)
POLE ATTACHMENT RENTS PAYABLE	(7,395,913)
SJRPP ACCELERATED RECOVERY	(8,238,115)
ASSET RETIREMENT OBLIGATION	(4,499,069,268)
MARGIN CALL CASH COLLATERAL	(533,685)
STORM DEFICIENCY RECOVERY	23,792,943
NUCLEAR COST RECOVERY	(245,862,070)
CEDAR BAY TRANSACTION	(4,541,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,903,834,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,518,913,489)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2018

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.22%
$((1+R/12)^{**12}) =$	1.06220000
$(1+R/12) =$	1.00504118
$(R/12) =$	0.00504118

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00504118	0.00504118
FEB	1.00504118	0.00506660	0.01010778
MAR	1.01010778	0.00509214	0.01519992
APR	1.01519992	0.00511781	0.02031773
MAY	1.02031773	0.00514361	0.02546134
JUN	1.02546134	0.00516954	0.03063087
JUL	1.03063087	0.00519560	0.03582647
AUG	1.03582647	0.00522179	0.04104827
SEP	1.04104827	0.00524812	0.04629638
OCT	1.04629638	0.00527457	0.05157095
NOV	1.05157095	0.00530116	0.05687211
DEC	1.05687211	0.00532789	0.06220000