

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 20, 2019

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Accounting and Finance (Hightower, D. Buys, Cicchetti)
Office of the General Counsel (Schrader, Lherisson)

RE: Docket No. 20190157-EI - Application for authority to issue and sell securities during calendar years 2020 and 2021, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company and Florida City Gas.

AGENDA: 10/3/2019 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following application for authority to issue and sell securities on the consent agenda for approval.

Docket No. 20190157-EI - Application for authority to issue and sell securities during calendar years 2020 and 2021, pursuant to Section 366.04, F.S., and Chapter 25-8, F.A.C., by Florida Power & Light Company and Florida City Gas.

Florida Power & Light Company (FPL or Company) seeks authority to issue and sell and/or exchange any combination of long-term debt and equity securities and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$6.35 billion during calendar year 2020.

In addition, FPL seeks permission to issue and sell short-term securities during the calendar years 2020 and 2021 in an amount or amounts such that the aggregate principal amount of short-term securities outstanding at the time of and including any such sale shall not exceed \$4.1 billion.

Florida City Gas (FCG) seeks Commission approval to make long-term borrowings from FPL in an aggregate amount not to exceed \$250 million in principal at any one time during 2020 and make short-term borrowings from FPL in an aggregate amount not to exceed \$100 million in principal at any one time during calendar years 2020 and 2021.

In connection with this application, FPL confirms that the capital raised pursuant to this application will be used in connection with the regulated activities of FPL and FPL's subsidiaries, including FCG, and not the nonregulated activities of its subsidiaries or affiliates.

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Staff has reviewed the Company's projected capital expenditures. The amount requested by the Company (\$10.45 billion, of which \$350 million is for FCG) exceeds its expected capital expenditures (\$6.058 billion in 2020). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility for unexpected events such as hurricanes, financial market disruptions and other unforeseen circumstances. Staff believes the requested amounts are appropriate. Staff recommends FPL's petition to issue securities be approved.

For monitoring purposes, this docket should remain open until May 7, 2021, to allow the Company time to file the required Consummation Report.