

**Dorothy Menasco**

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**From:** Butler, John [John.Butler@fpl.com]  
**Sent:** Monday, February 28, 2011 2:11 PM  
**To:** Filings@psc.state.fl.us  
**Subject:** Electronic Filing / Dkt 100410-EI / FPL's Response in Opposition to Woods/Sullivan Petition to Intervene  
**Attachments:** 2.28.11 FPL Response to Wood.Smith Petition.pdf; FPL Response to Sullivan-Woods petition FINAL.doc  
Electronic Filing

a. Person responsible for this electronic filing:

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b. Docket No. 100410 - EI  
In RE: Review of Florida Power & Light Company's Earnings

c. The Document is being filed on behalf of Florida Power & Light Company.

d. There are a total of 42 pages

e. The document attached for electronic filing is Florida Power & Light Company's Florida Power & Light Company's Response in Opposition to Petition of Frank Woods and Kelly Sullivan to Intervene, Motion for Reconsideration, Notice of Protest, and Request for Formal Hearing

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2/28/2011

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01312 FEB 28 =  
FPSC-COMMISSION CLERK

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Review of Florida Power & Light Company's earnings )

Docket No. 100410-EI  
Filed: February 28, 2011

**FLORIDA POWER & LIGHT COMPANY'S RESPONSE IN OPPOSITION TO  
PETITION OF FRANK WOODS AND KELLY SULLIVAN TO INTERVENE,  
MOTION FOR RECONSIDERATION, NOTICE OF PROTEST,  
AND REQUEST FOR FORMAL HEARING**

Pursuant to Rules 25-22.039, 25-22.060 and 28-106.204, Florida Administrative Code ("F.A.C."), Florida Power & Light Company ("FPL") hereby responds in opposition to the petition to intervene, motion for reconsideration, notice of protest, and request for formal hearing that was filed in this docket by Frank Woods and Kelly Sullivan on February 21, 2011 (the "Woods/Sullivan Petition")<sup>1</sup>. The grounds for this response are as follows:

**Petition to Intervene**

1. The Petitioners should not be permitted to intervene, because they have failed to allege any substantial interest of sufficient immediacy to satisfy the standing test enunciated in *Ameristeel Corp. v. Clark*, 691 So.2d 473 (Fla. 1997). In *Ameristeel*, the Supreme Court of Florida cautioned that the injury-in-fact prong of the standing test established in *Agrico Chemical Co. v. Department of Environmental Regulation*, 406 So.2d 478 (Fla. 2<sup>nd</sup> DCA 1981) could not be met by mere speculation on the possible occurrence of injurious events. Here, the Petitioners are speculating that -- in spite of the mechanism in Paragraph 7 of the Stipulation and Settlement Agreement approved by the Commission in Docket No. 080677-EI for FPL to

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<sup>1</sup> The Woods/Sullivan Petition is largely identical to the petition filed by Daniel and Alexandria Larson on February 9, 2011 and FPL's response is thus substantially the same.

maintain its return on equity (“ROE”) within the authorized range of 9% to 11%, FPL’s express commitment to the Commission that it *intends* to use Paragraph 7 to achieve that end,<sup>2</sup> and FPL’s forecasted earnings surveillance report for 2010 (Attachment 1 hereto) and monthly earnings surveillance report for December 2010 (Attachment 2 hereto) showing that FPL *is* maintaining its ROE within that range -- FPL will fail to do so.

2. The Petitioners further speculate that, if FPL indeed failed to maintain its ROE within the authorized range, the Commission could use an earnings review to require a retroactive refund over FPL’s objection. The Commission has never before required a retroactive refund of earnings over the objection of the utility, as was contemplated in the Staff recommendation for this docket. FPL has previously expressed its belief that the Commission lacks authority to order retroactive refunds of base revenues. Whether on an interim or permanent basis and whether based on an historic or projected test period, rates are set prospectively, because the Commission is prohibited from engaging in retroactive ratemaking. *See, e.g., Southern Bell Telephone and Telegraph Co. v. Public Service Commission*, 453 So.2d 780 (Fla. 1984); *Citizens v. Public Service Commission*, 448 So.2d 1024 (Fla. 1984); *City of Miami v. Public Service Commission*, 208 So.2d 249 (Fla. 1968); letter from John Butler to Marshall Willis, dated September 29, 2010, Document No. 08211-10 in this docket. And, in any event, the Commission has never even attempted to overlay an earnings review over the top of an existing, approved settlement agreement, as it would be doing here. *See* January 11, 2011 agenda conference transcript, pages 46-47. Thus, the Petitioners’ standing argument is doubly speculative, taking it further afield of the immediacy requirement enunciated in *Ameristeel*.

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<sup>2</sup> *See* January 11, 2011 agenda conference transcript at page 23 (FPL’s counsel assured the Commission that “it is fully FPL’s intent to use the settlement agreement, Paragraph 7, to stay within the 9 to 11 percent range.”)

3. The reality is that nothing the Commission has done affects the Petitioners' substantial interests. The Commission voted to not investigate FPL's earnings and/or require FPL to hold specified earnings subject to refund and therefore ordered that the relevant docket opened by the Commission Staff be closed.<sup>3</sup> The Petitioners have cited no legal authority for the proposition that a putative party has a substantial interest in the Commission's decision to close this docket without initiating an earnings review.

4. FPL also notes that, while the Commission has traditionally allowed individual customers to intervene in proceedings affecting rates, the Petitioners' intervention here would be unnecessary and unwarranted. The Stipulation and Settlement Agreement discussed above was entered into by all of the major parties to FPL's 2009 rate case, including the Office of Public Counsel ("OPC") and the Office of the Attorney General. Both of those entities actively and aggressively represent the interests of individual customers such as the Petitioners. In this docket, OPC specifically urged the Commission not to initiate an earnings review because of its concern over the impact that doing so might have on a settlement that locks in what OPC characterized as a "very pro-consumer decision." *Id.* at 48. FPL fails to see what allowing the Petitioners to intervene as individual customers would contribute beyond entertaining speculation which, as noted, is not a proper basis for standing under Florida law.

5. In reality, the Petitioners are not seeking to protect their own, legitimate interests in Commission action. Rather, they seek to assume the Commission's (and perhaps Public Counsel's) authority and responsibilities – to stand as surrogates for those public institutions and conduct the institutions' business as they feel it should be conducted. Nothing in the law of standing permits intervention for such a purpose.

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<sup>3</sup> See Florida Public Service Commission Vote Sheet, Docket No. 100410-EI, dated January 11, 2011 (Document No. 00275-11); Order No. PSC-11-0103-FOF-EI, issued February 7, 2011, in Docket No. 100410-EI.

6. Finally, the Woods/Sullivan Petition is untimely. Even if the Petitioners were allowed to intervene, they would necessarily “take the case as they find it.” See Rule 25-22.039, F.A.C. How they find this case is that a final order has already been issued. None of what they seek via intervention would be timely or appropriate.

### **Motion for Reconsideration**

7. The Petitioners likewise fail to satisfy the standard for reconsideration. The standard of review for a motion for reconsideration, often cited by the Commission, is:

Whether the motion identifies a point of fact or law which was overlooked or which the Commission failed to consider in rendering its order. See, Stewart Bonded Warehouse, Inc. v. Bevis, 294 So. 2d 315 (Fla. 1974); Diamond Cab Co. v. King, 146 So. 2d 889 (Fla. 1962); and Pingree v. Quaintance, 394 So. 2d 161 (Fla. 1st DCA 1981). In a motion for reconsideration, it is not appropriate to reargue matters that have already been considered. Sherwood v. State, 111 So. 2d 96 (Fla. 3d DCA 1959), citing State ex. rel. Jaytex Realty Co. v. Green, 105 So. 2d 817 (Fla. 1st DCA 1958).<sup>4</sup>

In *Diamond Cab*, the Court stated:

The purpose of a petition for rehearing is merely to bring to the attention of the trial court, or in this instance, the administrative agency, some point which it overlooked or failed to consider when it rendered its order in the first instance . . . . It is not intended as a procedure for re-arguing the whole case merely because the losing party disagrees with the judgment or order . . . .

*Id.* at 891. The Petitioners have pointed to nothing that the Commission overlooked or failed to consider when it decided in Order No. PSC-11-0103-FOF-EI (“Order 11-0103”) not to initiate an earnings review. They simply disagree with that decision, which is certainly not a valid basis for reconsideration.

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<sup>4</sup> Order No. PSC-07-0783-FOF-EI, issued September 26, 2007, in Docket No. 050958-EI; *In re: Petition for approval of new environmental program for cost recovery through Environmental Cost Recovery Clause by Tampa Electric Company*, Order No. PSC-07-0561-FOF-SU, issued July 5, 2007, in Docket No. 060285-SU; *In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven*, Order No. PSC-06-1028-FOF-EU, issued December 11, 2006, in Docket No. 060635-EU.

8. Moreover, reconsideration is available only to parties to a proceeding. *See* Rule 25-22.060(1), F.A.C. The Petitioners are not now parties, and they were not parties at the time that the Commission made its decision. Allowing them at this late date to seek reconsideration of matters decided before they even sought to intervene would be inconsistent with that limitation and with the admonition in Rule 25-22.039 that intervenors take proceedings as they find them.

9. Reconsideration is also limited, by its nature, to reviewing or re-thinking information that the Commission has already considered. The Commission has consistently denied reconsideration of new arguments based on new information not raised prior to a final agency action in a docket. *See, e.g., In Re: Investigation of Rates of Gulf Utility Company in Lee County for Possible Overearnings*, Order No. PSC-97-1544-FOF-WS, issued December 9, 1997, in Docket No. 960329-WS, (affidavit and other information not in record of case found to be outside proper scope of reconsideration).

10. In any event, for the reasons discussed above, the Commission's decision in Order 11-0103 not to initiate an earnings review is well reasoned, and there is no legitimate basis for reconsidering it. Order 11-0103 is premised upon FPL's ability and duty under the approved Stipulation and Settlement Agreement to maintain its ROE within the range authorized by the Commission. An earnings review could only be relevant if FPL exceeded that authorized ROE. By operation of the Stipulation and Settlement Agreement, FPL has the ability and responsibility to see that it does not exceed the authorized ROE. Thus, both the need and justification for an earnings review are missing. There is no precedent for the Commission to overlay an earnings review on top of an approved settlement agreement. *See* January 11, 2011 agenda conference transcript, pages 46-47. Under these circumstances, it would be the *initiation* of an earnings review that legitimately would be grounds for reconsideration, not a decision against doing so.

### Notice of Protest and Request for Formal Hearing

11. The Woods/Sullivan Petition purports to give notice of “protesting” Order 11-0103. A notice of protest is simply irrelevant here, as it is a procedure used to seek a hearing on *proposed* agency action. The Commission took *final* agency action in Order 11-0103. There is no procedure or occasion to “protest” final agency action.

12. The Petitioners argue that the Commission *should* have issued Order 11-0103 as proposed agency action, in order to provide them with a point of entry into an administrative proceeding that affects their substantial interests. The premise to that argument is flawed, however, as the Commission’s discretionary decision not to initiate an earnings review is not an administrative proceeding for which a formal hearing would be necessary or appropriate. The Commission simply decided against initiating an earnings review. That decision does not affect the rights or remedies available to the Petitioners or any other customer under Chapter 366. The Petitioners had sufficient opportunity to appear at the Commission’s January 11, 2011, Agenda Conference and present arguments in opposition to the closing of the docket and, therefore, their due process rights were not violated.<sup>5</sup> Moreover, the Petitioners are in no different position than they would have been if the Commission had never opened this docket. If the Petitioners believe that FPL’s rates should be adjusted, they are entitled under Chapter 366 to petition the Commission for a rate adjustment, including interim rates. And, of course, FPL would be entitled to oppose that petition if the circumstances did not (as they presently do not) warrant any

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<sup>5</sup> See, e.g., *South Florida Hospital and Healthcare Association v. Jaber*, 887 So.2d 1210 (Fla. 2004) (finding no due process violation where party had ample opportunity to make arguments in opposition prior to Commission approval of rate case settlement agreement and closing of docket to end rate review).

rate adjustment. In short, the Commission's discretionary decision not to initiate an earnings review does not affect the Petitioners' substantial interests.<sup>6</sup>

13. The Petitioners make much of the Commission's change in its published agenda for the January 11, 2011 agenda conference, where the Commission's decision on initiating an earnings review was originally listed as proposed agency action and then changed to a regular (final agency action) agenda item three business days before the agenda conference. In fact, however, the Petitioners' argument is a red herring. For the reasons just discussed, the Commission has no obligation to initiate earnings reviews, and there are accordingly no rights for parties or potential parties to participate in a Commission decision not to initiate one. The timing of the Commission's announcement on how it intends to proceed on a discretionary matter such as this cannot create a right to a hearing where one does not otherwise exist.<sup>7</sup>

14. Finally, a formal administrative hearing would serve no purpose here. The Woods/Sullivan Petition identifies three "disputed issues of material fact" in Paragraph 13 as to

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<sup>6</sup> See, e.g., *U.S. Sprint Communications Co. v. Nichols*, 534 So.2d 698 (Fla. 1988)(no requirement to hold a hearing where action taken did not represent a change from the status quo).

<sup>7</sup> Paragraph 10 of the Woods/Sullivan Petition cites to Rule 25-22.021(1), F.A.C., which provides that the notice for each agenda conference will be available in hard copy or on the Commission's internet site at least seven days before the agenda conference. They assert that changing the listing for the earnings review decision from proposed agency action to a regular agenda item less than seven days before the agenda conference was a "material change," which "substantially impaired the right of any person whose substantial interests are affected." The Petitioners continue to miss the point, however. They have no right to have the Commission initiate an earnings review, and no hence right to a hearing if the Commission decides not to do so. They have no rights that could have been "substantially impaired." This is evident when one considers what would have been different in the Petitioners' position had the Commission changed the agenda conference notice seven days in advance: exactly nothing. The Petitioners would have simply had a bit more notice that the matter was not going to be handled under the proposed agency action procedure, which the Commission had no obligation to do in the first place. The Petitioners have not alleged, nor could they, that they changed position to their detriment in some legally cognizable manner as a result of learning three days instead of seven days ahead of the agenda conference that the earnings review decision would be handled as a regular agenda item.

which they seek a hearing. In fact, however, none of the three entails an issue of fact to be resolved by hearing. Paragraphs 13(a) and (c) simply restate the Petitioners' disagreement with the Commission's decision not to initiate an earnings review. Paragraph 12(b) asks whether FPL should be "allowed" to make a weather-related normalization adjustment to reduce its earnings and corresponding ROE on its earnings surveillance report. This is not a factual dispute and, in any event, evidences a misunderstanding of the earnings surveillance reports. As illustrated by FPL's earnings surveillance reports that are Attachments 1 and 2, FPL routinely reports its earnings and ROE on earnings surveillance reports both with *and* without weather normalization. Paragraph 13(b) thus presents no issue to be disputed or resolved.

WHEREFORE, for the reasons set forth above, FPL respectfully requests that the Woods/Sullivan Petition be denied in all respects.

Respectfully submitted,

R. Wade Litchfield, Vice President  
and General Counsel  
John T. Butler, Managing Attorney  
Attorneys for Florida Power & Light Company  
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Juno Beach, Florida 33408-0420  
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Facsimile: (561) 691-7135

By: /s/ John T. Butler  
John T. Butler  
Florida Bar No. 283479

**CERTIFICATE OF SERVICE**  
**Dockets 100410-EI**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished electronically this 28<sup>th</sup> day of February, 2011, to the following:

Jennifer Crawford, Esquire  
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Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-1400  
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\*Not a Party

By: /s/John T. Butler  
John T. Butler  
Florida Bar No. 283479

# ATTACHMENT 1



Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408

December 17, 2010

- VIA HAND DELIVERY -

Mr. Marshall Willis, Director  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED  
10 DEC 17 PM 3:55  
REGISTRATION

**RE: Docket No. 080677-EI**

Dear Mr. Willis:

On September 13, 2010, the Commission approved FPL's request for an extension to file the 2010 Forecasted Earnings Surveillance Report (the "2010 FESR") no later than 30 days after the Commission's vote in Docket No. 080677-EI either to approve the Stipulation and Settlement or, if not approved, to decide on the Reconsideration Motions. The Commission approved the Stipulation and Settlement at its December 14, 2010 agenda conference. The deadline for FPL to file the 2010 FESR is thus January 13, 2011.

On October 18, 2010, FPL filed a provisional 2010 FESR, which reflected the assumption that the Stipulation and Settlement would be approved. The contingency that caused FPL to designate the 2010 FESR as provisional (*i.e.*, approval of the Stipulation and Settlement) has now occurred, and FPL is aware of no changes to the provisional 2010 FESR that would be needed in order for it to be representative of forecasted 2010 results. Therefore, FPL hereby advises the Commission that the provisional 2010 FESR is final, such that it satisfies the Commission's requirement for FPL to file a 2010 FESR. For convenient reference, a copy of the previously filed 2010 FESR is attached hereto.

Sincerely,

Robert E. Barrett  
Vice President, Finance

Cc: J.R. Kelly, Office of Public Counsel  
Cheryl Bulecza-Banks  
Andrew Maurey  
John Slemkewicz

0227 JAN 10 =  
FPSC-CLERK'S OFFICE

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 (\$000'S)

SCHEDULE 1  
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
 Year: 2010

	(1)	(2)	(3)	(4)	(5)
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PROFORMA ADJUSTMENTS	PROFORMA ADJUSTED
NET OPERATING INCOME	\$1,271,757	(\$109,767)	\$1,161,990	(\$102,877)	\$1,059,114
AVERAGE RATE BASE	\$17,473,816	(\$718,580)	\$16,755,256	\$0	\$16,755,256
AVERAGE RATE OF RETURN	7.28%		6.94%		6.32%

II. AVERAGE CAPITAL STRUCTURE  
 (FPSC ADJUSTED BASIS)

LOW	6.00%
MIDPOINT	6.47%
HIGH	6.94%

III. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	5.12	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	4.98	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	4.56%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	86.60%	(SYSTEM PER BOOK BASIS)
E. LTD TO INVESTOR FUNDS	36.75%	(FPSC ADJUSTED BASIS)
F. STD TO INVESTOR FUNDS	3.74%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY	11.00%	(FPSC ADJUSTED BASIS)
H. PROFORMA RETURN ON COMMON EQUITY	9.68%	(FPSC PROFORMA BASIS)

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
RATE BASE (\$000'S)

SCHEDULE 2  
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries  
Year: 2010

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$29,088,263	(\$12,897,044)	\$16,391,219	\$98,251	\$2,220,955	\$367,882	\$19,078,307	(\$1,202,085)	\$17,876,222
JURISDICTIONAL PER BOOKS	\$28,447,535	(\$12,421,189)	\$16,026,347	\$92,243	\$2,179,134	\$364,020	\$18,861,744	(\$1,187,928)	\$17,673,816
<b>FPSC ADJUSTMENTS</b>									
FUEL TRANSPORTATION EQUIPMENT	(\$46,715)	\$48,690	(\$25)				(\$20)		(\$25)
CONSERVATION PLANT	(34,931)	16,901	(18,330)				(18,330)		(18,330)
ENVIRONMENTAL PLANT	(648,157)	49,952	(599,205)		(488,945)		(1,088,153)		(1,088,153)
NUCLEAR RECOVERY PLANT	(2,289)	3	(2,286)		(437,262)		(439,547)		(439,547)
ASSET RETIREMENT OBLIGATIONS - PLANT	(117,723)	(2,401,720)	(2,519,443)				(2,519,443)		(2,519,443)
CONSTRUCTION WORK IN PROGRESS			0		(782,178)		(782,178)		(782,178)
AVIATION ADJUSTMENT	(44,488)	24,319	(20,179)				(20,179)		(20,179)
ACCUM PROVISION FOR DECOMMISSIONING		2,605,571	2,605,571				2,605,571		2,605,571
NUCLEAR FUEL LEASE		0	0			(86,856)	(86,856)		(86,856)
TEMPORARY CASH INVESTMENTS		0	0				0	(231,433)	(231,433)
ACCOUNTS RECEIVABLE / PAYABLE ASSOC. COS.		0	0				0	(3,365)	(3,365)
ACCUM PROV FOR PROPERTY INSURANCE		0	0				0	202,069	202,069
ASSET RETIREMENT OBLIGATIONS - WORKING CAPITAL		0	0				0	2,519,443	2,519,443
NET UNDER RECOVERED FUEL CAPACITY, ECCR, ECRC		0	0				0	(257,801)	(257,801)
STORM DEFICIENCY RECOVERY		0	0				0	(848,286)	(848,286)
NUCLEAR COST RECOVERY		0	0				0	202,030	202,030
SURPP ACCELERATED RECOVERY		0	0				0	52,240	52,240
RATE CASE EXPENSE		0	0				0	(2,678)	(2,678)
OTHER MISCELLANEOUS WORKING CAPITAL		0	0				0	(1,618)	(1,618)
TOTAL FPSC ADJUSTMENTS	(\$697,313)	\$343,416	(\$353,897)	\$0	(\$1,708,387)	(\$86,856)	(\$2,349,141)	\$1,530,581	(\$718,560)
FPSC ADJUSTED	\$27,550,223	(\$12,077,773)	\$15,472,450	\$92,243	\$470,747	\$277,163	\$16,312,603	\$442,653	\$16,755,256
PROFORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0
PROFORMA ADJUSTED	\$27,550,223	(\$12,077,773)	\$15,472,450	\$92,243	\$470,747	\$277,163	\$16,312,603	\$442,653	\$16,755,256

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
AVERAGE RATE OF RETURN  
INCOME STATEMENT (\$000's)

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries  
Year: 2010

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER OSM	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	\$10,489,206	\$4,958,898	\$1,536,464	\$889,784	\$1,014,706	\$584,180	(\$1,797)	\$9,182,216	\$1,286,989
JURISDICTIONAL PER BOOKS	\$10,800,794	\$4,858,529	\$1,611,348	\$871,472	\$1,007,066	\$582,788	(\$2,140)	\$9,023,038	\$1,271,757
<b>FPSC ADJUSTMENTS:</b>									
CAPACITY COST RECOVERY	(\$618,944)	(\$503,298)	(\$45,878)	(\$48,942)	(\$484)	(\$7,815)		(\$808,489)	(\$12,445)
CONSERVATION COST RECOVERY	(101,288)		(\$2,354)	(7,038)	(78)	(702)		(102,170)	(1,117)
ENVIRONMENTAL COST RECOVERY	(148,474)		(28,766)	(15,072)	(111)	(41,194)	264	(82,879)	(65,595)
FUEL COST RECOVERY	(4,364,563)	(4,343,345)	(1,700)	0	(3,273)	(6,267)		(4,254,565)	(9,979)
STORM RECOVERY	(102,239)		(674)	(72,322)		(11,281)		(84,276)	(17,963)
NUCLEAR COST RECOVERY			(1,736)	(34)		653		(1,087)	1,087
FRANCHISE REVENUE & EXPENSE	(437,177)				(425,833)	(4,837)		(890,270)	(6,907)
GROSS RECEIPTS TAX	(230,764)				(241,456)	4,124		(237,331)	6,557
ECONOMY SALES					0	0		0	0
MISCELLANEOUS OSM EXPENSES			(1,015)		0	381		(629)	623
GAIN/LOSS ON SALE OF LAND					0	0		0	0
AVIATION EXPENSE ADJUSTMENT			(247)	(3,407)	0	1,448		(2,306)	2,306
EXECUTIVE COMPENSATION ADJUSTMENT			(24,690)			9,524		(15,166)	15,166
INTEREST TAX DEFICIENCIES			2,182			(842)		1,340	(1,340)
INTEREST SYNCHRONIZATION						20,171		20,171	(20,171)
TOTAL FPSC ADJUSTMENTS	(\$6,908,449)	(\$4,846,643)	(\$193,070)	(\$146,814)	(\$671,313)	(\$36,095)	\$254	(\$6,893,682)	(\$108,767)
FPSC ADJUSTED	\$4,297,345	\$11,880	\$1,418,278	\$824,658	\$335,751	\$546,673	(\$1,886)	\$3,135,359	\$1,161,990
WEATHER NORMALIZATION ADJUSTMENT (1)	(\$197,609)				(\$126)	(\$84,607)		(\$64,732)	(\$102,877)
PROFORMA ADJUSTED	\$4,129,736	\$11,880	\$1,418,278	\$824,658	\$335,626	\$462,066	(\$1,386)	\$3,070,627	\$1,059,114

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 CAPITAL STRUCTURE (\$000'S)  
 FPSC ADJUSTED BASIS

SCHEDULE 3  
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
 Year 2010

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT		MIDPOINT		HIGHPOINT	
			PRORATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$5,510,038	\$5,388,846	\$84,568	(\$810,457)	\$4,862,945	29.02%	5.32%	1.54%	5.32%	1.54%	5.32%	1.54%
SHORT TERM DEBT	498,874	466,628	8,611	0	495,240	2.86%	0.75%	0.02%	0.75%	0.02%	0.75%	0.02%
PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	545,611	545,385	9,651	0	555,036	3.31%	5.98%	0.20%	5.98%	0.20%	5.98%	0.20%
COMMON EQUITY	7,932,700	7,737,880	136,928	0	7,874,908	47.00%	8.00%	4.23%	10.00%	4.70%	11.00%	5.17%
DEFERRED INCOME TAXES	3,310,189	3,236,890	51,481	(\$27,718)	2,960,753	17.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	78,796	77,985	111	(\$1,723)	6,373	0.04%	7.60%	0.00%	8.21%	0.00%	8.83%	0.00%
<b>TOTAL</b>	<b>\$17,875,220</b>	<b>\$17,473,814</b>	<b>\$251,336</b>	<b>(\$1,008,988)</b>	<b>\$16,765,254</b>	<b>100.00%</b>		<b>6.00%</b>		<b>6.47%</b>		<b>5.94%</b>

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
FINANCIAL INTEGRITY INDICATORS

SCHEDULE 4  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
Year 2010

<b>A. TIMES INTEREST EARNED WITH AFUDC</b>	
EARNINGS BEFORE INTEREST	\$1,312,890
AFUDC - DEBT	18,088
INCOME TAXES	574,886
TOTAL	\$1,803,634
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$972,112
TIME WITH AFUDC	5.12
<b>B. TIMES INTEREST EARNED WITHOUT AFUDC</b>	
EARNINGS BEFORE INTEREST	\$1,312,890
AFUDC - EQUITY	(83,732)
INCOME TAXES	574,886
TOTAL	\$1,854,294
INTEREST CHARGES (BEFORE DEBT AFUDC)	332,112
TIME WITHOUT AFUDC	4.98
<b>C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON</b>	
AFUDC - DEBT	\$76,028
X (1-INCOME TAX RATE)	81.42%
SUBTOTAL	38,882
AFUDC - OTHER	33,732
TOTAL	\$42,814
NET INCOME AVAILABLE TO COMMON	\$855,520
PERCENT AFUDC TO AVAILABLE NET INCOME	4.56%

<b>G. PERCENT INTERNALLY GENERATED FUNDS</b>	
NET INCOME	\$855,520
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	275,000
AFUDC (DEBT & OTHER)	(48,220)
DEPRECIATION & AMORTIZATION	983,704
DEFERRED INC TAXES & INVESTMENT CREDITS	243,660
OTHER SOURCES/USES OF FUNDS	(240,950)
TOTAL	\$2,173,174
CONSTRUCTION EXPENDITURES	\$2,509,474
(EXCLUDING AFUDC DEBT & OTHER)	86.90%
<b>PERCENT INTERNALLY GENERATED FUNDS</b>	

<b>E &amp; F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL</b>	
RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$1,862,948
SHORT TERM DEBT	485,240
PREFERRED STOCK	0
COMMON EQUITY	7,374,808
TOTAL	\$13,238,093
% LONG TERM DEBT TO TOTAL	38.75%
% SHORT TERM DEBT TO TOTAL	3.74%

<b>B. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</b>		FFSC ADJUSTED	PRO FORMA
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN		5.94%	6.82%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:			
LONG TERM DEBT	1.54%		1.56%
SHORT TERM DEBT	0.02%		0.02%
PREFERRED STOCK	0.09%		0.09%
CUSTOMER DEPOSITS	0.20%		0.20%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.00%		0.00%
SUBTOTAL	1.77%		1.77%
TOTAL	47.00%		45.8%
DIVIDED BY COMMON EQUITY RATIO	11.00%		11.00%
JURISDICTIONAL RETURN ON COMMON EQUITY			3.23%

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECAST EARNINGS SURVEILLANCE REPORT  
FORECAST ASSUMPTIONS

SCHEDULE 5  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
Year 2010

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED	PRIOR
	YEAR	YEAR
RESIDENTIAL	4,004,533	3,994,479
COMMERCIAL	502,249	501,058
INDUSTRIAL	2,485	10,052
OTHER	3,424	3,483
TOTAL	4,512,691	4,499,072

  

MWH SALES	FORECASTED	PRIOR
	YEAR (1)	YEAR (2)
RESIDENTIAL	58,278,750	53,948,523
COMMERCIAL	44,597,290	45,024,713
INDUSTRIAL	3,213,591	3,264,656
OTHER	530,964	535,472
TOTAL	104,820,595	102,754,588

OTHER MAJOR FORECASTED ASSUMPTIONS:

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):		
1. CONSUMER PRICE INDEX (CPI)		2.0%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR		2.2%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS		1.3%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS		1.3%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS		1.0%
B. CAPITAL OVERHEAD RATES		
1. PENSION & WELFARE		11.6%
2. PAYROLL TAXES & INSURANCE		7.6%
C. OTHER CORPORATE ASSUMPTIONS		
INTEREST RATES -		
1) 30 DAY COMMERCIAL PAPER		3.8%
2) LONG TERM DEBT		5.0%
DEPRECIATION RESERVE SURPLUS AMORTIZATION (3)		\$30,000

(1) Includes actual sales and forecasted weather normal sales

(2) 2009 actual sales

(3) Assumes FPSC approval of the August 20, 2010 Stipulation & Settlement Agreement

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:  
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.062 OR S. 775.083

Robert E J Barrett  
NAME

Vice President - Finance  
TITLE

*Robert E Barrett*  
SIGNATURE

10/15/2010  
DATE

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
INDIVIDUAL PROJECTS COMMENCING DURING 2010 WHICH EXCEED \$10 MILLION  
(AMOUNTS IN 000'S)

SCHEDULE 6  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
Year 2010

Schedule of individual projects that commence during 2010 and exceed a gross cost of \$10 million:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
St. Lucia Spent Fuel Subsequent Loading Campaign	\$25,797	Feb-10	Dec-13

## ATTACHMENT 2

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
EARNINGS SURVEILLANCE REPORT SUMMARY  
DECEMBER, 2010

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,301,312,031 (A)	(143,992,613) (B)	1,157,319,418	(112,007,162)	\$ 1,045,312,256
RATE BASE	\$ 17,500,010,062	(699,471,630)	16,800,538,432	0	\$ 16,800,538,432
AVERAGE RATE OF RETURN	7.44%		6.89%		6.22%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,301,312,031 (A)	(141,689,236) (B)	1,159,622,793	(112,007,162)	\$ 1,047,615,631
RATE BASE	\$ 18,095,085,365	(1,119,392,692)	16,975,692,673	0	\$ 16,975,692,673
YEAR END RATE OF RETURN	7.19%		6.83%		6.17%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	5.96%
MIDPOINT	6.42%
HIGH	6.89%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.08	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	4.94	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	4.70%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	65.45%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.82%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.87%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.00%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	9.57%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 080677-EI, ORDER NO. PSC-10-0153-FOF-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:  
WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL  
BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084

KIMBERLY OUSDAHL  
(VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER)

(SIGNATURE)

(DATE)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
RATE BASE  
DECEMBER, 2010

SCHEDULE 2: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 29,044,795,687	12,677,746,519	16,367,049,168	99,433,331	2,219,254,531	381,474,306	18,047,211,334	(1,117,845,725)	\$ 17,929,565,609
JURISDICTIONAL PER BOOKS	\$ 28,378,170,895	12,405,647,065	15,970,523,830	94,836,617	2,173,833,406	357,717,627	18,586,911,482	(1,086,901,420)	\$ 17,500,010,062
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 38 OF 3)	\$ (834,824,189)	(352,168,514)	(482,637,676)	0	(1,794,311,797)	(85,865,660)	(2,363,815,123)	1,664,343,494	\$ (699,471,630)
FPSC ADJUSTED:	\$ 27,541,346,705	12,053,480,551	15,487,886,154	94,836,617	379,521,621	270,851,967	16,233,096,359	567,442,074	\$ 16,800,538,432
<b>PRO FORMA ADJUSTMENTS</b>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 27,541,346,705	12,053,480,551	15,487,886,154	94,836,617	379,521,621	270,851,967	16,233,096,359	567,442,074	\$ 16,800,538,432

NOTE:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DECEMBER, 2010

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 10,482,018,931	4,962,718,047	1,621,943,205	1,029,749,032	1,028,585,589	166,940,387	406,662,138	(1,558,738)	(1,797,300)	9,213,442,382	\$ 1,268,575,549
JURISDICTIONAL PER BOOKS	\$ 10,304,092,818	4,857,856,862	1,598,991,378	1,011,033,977	1,020,854,108	165,219,268	402,619,520	(1,522,448)	(1,792,540)	9,051,263,941	\$ 1,252,628,877
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (455,068,016)	0	0	0	(11,704,348)	(171,027,534)	0	0	0	(182,731,864)	\$ (272,336,132)
FRANCHISE EXPENSE	0	0	0	0	(443,361,975)	171,026,882	0	0	0	(272,335,093)	272,335,093
GROSS RECEIPTS TAX	(232,358,676)	0	0	0	(231,838,674)	(200,591)	0	0	0	(232,039,266)	(319,411)
FINANCIAL PLANNING SERVICES	0	0	(448,543)	0	0	173,025	0	0	0	(275,517)	275,517
INDUSTRY ASSOCIATION DUES	0	0	(555,853)	0	0	214,420	0	0	0	(341,433)	341,433
ECONOMIC DEVELOPMENT 5%	0	0	(11,018)	0	0	4,250	0	0	0	(6,768)	6,768
AVIATION - EXPENSES	0	0	484,865	(3,374,553)	0	1,114,897	0	0	0	(1,774,991)	1,774,991
EXECUTIVE COMPENSATION	0	0	(25,850,086)	0	0	9,971,671	0	0	0	(15,878,415)	15,878,415
NOI FUEL COST REC RETAIL	(4,352,762,413)	(4,329,079,173)	(8,540,596)	0	(3,117,948)	238,218,211	(243,818,167)	0	0	(4,345,437,663)	(7,324,751)
CONSERVATION COST RECOVERY	(102,406,804)	0	(93,704,816)	(6,808,199)	(78,733)	10,731,272	(11,433,359)	0	0	(101,288,835)	(1,117,970)
CAPACITY COST RECOVERY	(906,345,513)	(501,487,165)	(46,709,677)	(82,676,389)	(438,540)	6,348,027	(4,433,072)	0	0	(909,394,796)	3,049,263
ENVIRONMENTAL COST RECOVERY	(140,568,522)	0	(21,313,759)	(13,904,095)	(101,209)	(53,890,552)	13,296,254	0	244,509	(75,768,852)	(64,799,670)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(226)	6,708,711	0	(2,587,798)	0	0	0	4,120,687	(4,120,687)
STORM DEFICIENCY RECOVERY	(101,657,876)	0	(1,127,414)	(71,652,004)	0	(11,139,885)	0	0	0	(93,919,283)	(17,738,593)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,844,480	0	0	(84,358)	0	0	0	1,010,122	(1,010,122)
INTEREST SYNCHRONIZATION	0	0	0	0	0	27,509,150	(7,105,527)	0	0	20,403,623	(20,403,623)
<b>TOTAL FPSC ADJUSTMENTS</b>	\$ (5,991,167,820)	(4,830,566,338)	(196,232,632)	(151,706,507)	(690,894,429)	226,730,907	(283,493,671)	0	244,509	(5,895,658,982)	\$ (5,508,458)
<b>FPSC ADJUSTED</b>	\$ 4,312,924,998	27,290,344	1,400,758,744	859,327,470	330,229,679	391,944,172	149,125,649	(1,522,448)	(1,548,031)	3,155,805,579	\$ 1,157,319,418
<b>PRO FORMA ADJUSTMENTS</b>	\$ (182,479,227)	0	0	0	(131,385)	(70,340,880)	0	0	0	(70,472,065)	\$ (112,007,162)
(SEE SCHEDULE 2, PAGE 2A OF 3)											
<b>PRO FORMA SYSTEM PER BOOKS ADJUSTED</b>	\$ 4,130,445,771	27,290,344	1,400,758,744	859,327,470	330,098,294	321,603,292	149,125,649	(1,522,448)	(1,548,031)	3,085,133,514	\$ 1,045,312,256
<b>(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY</b>	\$ 49,592,126 \$ 48,483,154										
<b>(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:</b>											
ON A TOTAL COMPANY BASIS	\$ 222,912										
ON A JURISDICTIONAL BASIS	\$ 220,351										
<b>CURRENT MONTH AMOUNT</b>											
SYSTEM PER BOOKS	\$ 612,051,324	373,088,247	162,471,010	97,154,630	81,968,968	(114,551,890)	141,358,775	(264,450)	(151,273)	741,072,017	\$ 70,979,306
JURISDICTIONAL PER BOOKS	\$ 798,203,400	365,070,858	159,868,088	95,338,337	81,370,754	(113,964,532)	140,612,812	(258,293)	(150,876)	727,985,125	\$ 70,218,274

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
TOTAL PROFORMA ADJUSTMENTS	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 611,876,797	\$ 600,193,132
FUEL AND CAPACITY	52,675,594	51,622,038
AVIATION - PLANT	40,802,612	40,333,801
LOAD CONTROL	33,681,525	33,681,525
ASSET RETIREMENT OBLIGATION	110,260,556	108,993,693
TOTAL	<u>\$ 848,297,083</u>	<u>\$ 834,824,189</u>
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (50,183,683)	\$ (49,225,436)
ACCUM PROV DECOMMISSIONING COSTS	(2,675,562,919)	(2,643,942,768)
ASSET RETIREMENT OBLIGATION	(16,090,492)	(15,905,616)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,472,005,475	2,443,602,824
AVIATION - RESERVE	(22,226,963)	(21,971,582)
FUEL AND CAPACITY	(49,691,831)	(48,697,041)
OTHER RATE CASE ADJUSTMENTS (1)	527,859	516,055
LOAD CONTROL	(16,562,949)	(16,562,949)
TOTAL	<u>\$ (357,785,503)</u>	<u>\$ (352,186,514)</u>
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 1,302,091,978	\$ 1,281,734,769
CWIP - ECRC PROJECTS	522,555,103	512,577,018
TOTAL	<u>\$ 1,824,647,081</u>	<u>\$ 1,794,311,787</u>
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	87,777,905	86,865,660
TOTAL	<u>\$ 87,777,905</u>	<u>\$ 86,865,660</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (1,691,517,783)	\$ (1,664,343,494)
<b>TOTAL ADJUSTMENTS</b>	<u>\$ 712,418,784</u>	<u>\$ 699,471,630</u>

NOTE :

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
DECEMBER, 2010

SCHEDULE 2: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 10,482,018,931	4,982,718,047	1,621,943,205	1,029,749,032	1,028,585,569	166,940,387	406,862,139	(1,558,738)	(1,797,300)	9,213,442,382	\$ 1,268,576,549
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (455,068,016)	0	0	0	(11,704,349)	(171,027,534)	0	0	0	(182,731,884)	\$ (272,336,132)
FRANCHISE EXPENSE	0	0	0	0	(443,361,975)	171,026,882	0	0	0	(272,335,093)	272,335,093
GROSS RECEIPTS TAX	(232,358,676)	0	0	0	(231,838,674)	(200,591)	0	0	0	(232,039,265)	(319,411)
FINANCIAL PLANNING SERVICES	0	0	(453,756)	0	0	175,036	0	0	0	(278,720)	278,720
INDUSTRY ASSOCIATION DUES	0	0	(562,314)	0	0	216,913	0	0	0	(345,401)	345,401
ECONOMIC DEVELOPMENT 5%	0	0	(11,148)	0	0	4,298	0	0	0	(6,846)	6,846
AVIATION - EXPENSES	0	0	480,501	(3,413,777)	0	1,127,654	0	0	0	(1,795,622)	1,795,622
EXECUTIVE COMPENSATION	0	0	(26,150,548)	0	0	10,087,574	0	0	0	(16,062,974)	16,062,974
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
NOI FUEL COST REC RETAIL	(4,446,008,305)	(4,423,152,951)	(8,817,098)	0	(3,117,948)	239,552,848	(243,765,359)	0	0	(4,439,300,506)	(6,707,799)
CONSERVATION COST RECOVERY	(102,406,804)	0	(93,704,816)	(6,808,199)	(73,733)	10,731,272	(11,433,359)	0	0	(101,288,835)	(1,117,970)
CAPACITY COST RECOVERY	(608,368,200)	(512,000,851)	(47,547,840)	(62,676,369)	(436,540)	10,757,597	(4,433,072)	0	0	(616,437,074)	10,070,874
ENVIRONMENTAL COST RECOVERY	(140,568,522)	0	(21,728,684)	(14,174,759)	(101,209)	(53,727,830)	13,296,254	0	249,269	(76,187,039)	(84,381,483)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(226)	6,862,162	0	(2,646,992)	0	0	0	4,214,944	(4,214,944)
STORM DEFICIENCY RECOVERY	(101,657,876)	0	(1,145,443)	(71,852,004)	0	(11,132,911)	0	0	0	(83,930,358)	(17,727,519)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,663,594	0	0	(641,731)	0	0	0	1,021,863	(1,021,863)
INTEREST SYNCHRONIZATION	0	0	0	0	0	27,480,294	(7,268,054)	0	0	20,212,240	(20,212,240)
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>\$ (6,064,434,399)</b>	<b>(4,935,153,802)</b>	<b>(198,067,755)</b>	<b>(151,862,944)</b>	<b>(690,634,429)</b>	<b>231,782,680</b>	<b>(253,603,687)</b>	<b>0</b>	<b>249,269</b>	<b>(5,987,280,569)</b>	<b>\$ (87,143,830)</b>
<b>FPSC ADJUSTED</b>	<b>\$ 4,397,584,531</b>	<b>27,564,245</b>	<b>1,423,875,450</b>	<b>877,886,088</b>	<b>337,951,169</b>	<b>398,723,077</b>	<b>153,258,552</b>	<b>(1,558,738)</b>	<b>(1,548,031)</b>	<b>3,216,151,813</b>	<b>\$ 1,181,432,718</b>
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 4,215,105,304	27,564,245	1,423,875,450	877,886,088	337,819,784	328,382,397	153,258,552	(1,558,738)	(1,548,031)	3,145,679,748	\$ 1,069,425,556

(A) THE ADDITION OF EARNINGS FROM AFUDC  
WOULD INCREASE THE SYSTEM NOI BY \$ 49,592,126

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 2: PAGE 38 OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>		
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 22,214,419	\$ 21,929,852
INTEREST & DIVIDENDS RECEIVABLE	15,266,424	15,070,867
ACCTS RECEIVABLE - TAX REFUND	0	0
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	238,460,915	238,274,527
CASH CAPITAL SUB ACCOUNT	1,328	1,311
POLE ATTACHMENTS RENTS RECEIVABLE	12,728,374	12,565,323
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	3,379,157	3,303,593
RATE CASE EXPENSE	2,958,947	2,958,947
TEMPORARY CASH INVESTMENTS	231,074,048	228,113,990
ASSET RETIREMENT OBLIGATION	0	0
STORM DEFICIENCY RECOVERY	849,456,129	849,456,129
NUCLEAR COST RECOVERY	2,230,509	2,230,509
JOBGING ACCOUNTS	54,043,037	53,350,762
<b>TOTAL ADJUSTMENTS TO ASSETS PER BOOKS</b>	<b>\$ 1,431,813,287</b>	<b>\$ 1,427,255,811</b>
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>		
ACCOUNTS PAYABLE - ASSOC COS	\$ (13,605,906)	\$ (13,431,620)
ACCUM DEFERRED RETIREMENT BENEFITS	(743,560)	(735,016)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(202,322,634)	(202,322,634)
ACCUM. PROV. - RATE REFUNDS	(9,512,282)	(9,347,199)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,156,487)	(2,115,309)
JOBGING ACCOUNTS	(51,521,806)	(50,861,631)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0	0
LEHMAN HEDGE	0	0
POLE ATTACHMENT RENTS PAYABLE	(6,651,629)	(6,566,422)
PREFERRED STOCK DIVIDENDS ACCRUED	0	0
SJRPP ACCELERATED RECOVERY	(53,027,007)	(51,982,932)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(2,566,175,539)	(2,536,690,901)
MARGIN CALL CASH COLLATERAL	(369,231)	(364,501)
NUCLEAR COST RECOVERY	(212,245,189)	(212,245,189)
TRANSMISSION RELIABILITY ENHANCEMENT	(5,000,000)	(4,935,952)
<b>TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS</b>	<b>\$ (3,123,331,069)</b>	<b>\$ (3,091,599,304)</b>
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ (1,691,517,783)</b>	<b>\$ (1,664,343,494)</b>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
TOTAL PROFORMA ADJUSTMENTS	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
RATE BASE  
DECEMBER, 2010

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 29,579,982,963	12,736,008,084	16,841,974,879	110,133,706	2,316,728,430	350,115,645	19,618,952,680	(1,117,645,725)	\$ 18,501,306,935
JURISDICTIONAL PER BOOKS	\$ 28,935,791,222	12,468,665,238	16,467,125,923	104,482,375	2,273,891,472	346,477,015	19,191,986,785	(1,096,801,420)	\$ 18,085,085,365
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,191,059,279)	(815,453,692)	(875,599,587)	0	(1,808,136,599)	0	(2,783,736,186)	1,664,343,494	\$ (1,119,392,692)
FPSC ADJUSTED:	\$ 27,744,737,943	12,153,211,607	15,591,526,335	104,482,375	365,754,874	346,477,015	16,408,250,599	567,442,074	\$ 16,975,692,673
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 27,744,737,943	12,153,211,607	15,591,526,335	104,482,375	365,754,874	346,477,015	16,408,250,599	567,442,074	\$ 16,975,692,673

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DECEMBER 2010

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 10,482,018,931	4,962,718,047	1,621,943,205	1,028,748,032	1,028,585,599	168,840,287	406,882,139	(1,558,738)	(1,797,300)	9,213,442,382	\$ 1,268,576,549
JURISDICTIONAL PER BOOKS	\$ 10,304,092,818	4,857,856,682	1,596,991,376	1,011,033,977	1,020,864,108	165,213,286	402,619,520	(1,522,448)	(1,792,540)	9,051,263,941	\$ 1,252,828,877
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (455,068,016)	0	0	0	(11,704,349)	(171,027,534)	0	0	0	(182,731,884)	\$ (272,336,132)
FRANCHISE EXPENSE	0	0	0	0	(443,361,975)	171,026,882	0	0	0	(272,335,093)	272,335,093
GROSS RECEIPTS TAX	(232,358,676)	0	0	0	(231,838,674)	(200,591)	0	0	0	(232,039,265)	(319,411)
FINANCIAL PLANNING SERVICES	0	0	(448,543)	0	0	173,025	0	0	0	(275,517)	275,517
INDUSTRY ASSOCIATION DUES	0	0	(565,853)	0	0	214,420	0	0	0	(341,433)	341,433
ECONOMIC DEVELOPMENT 5%	0	0	(11,078)	0	0	4,250	0	0	0	(6,768)	6,768
AVIATION - EXPENSES	0	0	484,865	(3,374,553)	0	1,114,697	0	0	0	(1,774,991)	1,774,991
EXECUTIVE COMPENSATION	0	0	(25,850,086)	0	0	9,971,871	0	0	0	(15,878,415)	15,878,415
NOI FUEL COST REC RETAIL	(4,362,782,413)	(4,329,079,173)	(8,640,588)	0	(3,117,948)	239,218,211	(243,818,167)	0	0	(4,345,437,883)	(7,324,751)
CONSERVATION COST RECOVERY	(102,406,804)	0	(93,704,816)	(6,808,199)	(73,733)	10,731,272	(11,433,358)	0	0	(101,288,835)	(1,117,970)
CAPACITY COST RECOVERY	(906,345,513)	(501,487,165)	(48,709,677)	(62,676,369)	(436,540)	6,348,027	(4,433,072)	0	0	(909,394,796)	3,049,283
ENVIRONMENTAL COST RECOVERY	(140,568,522)	0	(21,313,759)	(13,904,095)	(101,209)	(53,990,562)	13,298,254	0	244,509	(75,768,852)	(64,799,670)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(226)	6,708,711	0	(2,587,798)	0	0	0	4,120,687	(4,120,687)
STORM DEFICIENCY RECOVERY	(101,657,876)	0	(1,127,414)	(71,682,004)	0	(11,139,865)	0	0	0	(83,319,283)	(17,738,593)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,644,480	0	0	(634,358)	0	0	0	1,010,122	(1,010,122)
INTEREST SYNCHRONIZATION	0	0	0	0	0	25,205,775	(7,105,527)	0	0	18,100,248	(18,100,248)
TOTAL FPSC ADJUSTMENTS	\$ (5,991,167,820)	(4,830,566,338)	(196,232,632)	(151,706,507)	(690,634,429)	224,427,532	(253,493,871)	0	244,509	(5,897,961,736)	\$ (93,206,084)
FPSC ADJUSTED	\$ 4,312,924,998	27,290,344	1,400,758,744	859,327,470	330,229,879	389,840,798	149,125,649	(1,522,448)	(1,548,031)	3,153,302,204	\$ 1,159,622,799
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 4,130,445,771	27,290,344	1,400,758,744	859,327,470	330,098,294	319,300,118	149,125,649	(1,522,448)	(1,548,031)	3,082,830,139	\$ 1,047,615,631
<b>(A) THE ADDITION OF EARNINGS FROM AFJDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY</b>											
	\$ 49,592,126										
	\$ 48,483,154										

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
TOTAL PROFORMA ADJUSTMENTS	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,054,555,261	\$ 1,034,418,739
FUEL AND CAPACITY	62,611,090	61,361,922
AVIATION - PLANT	53,025,731	52,416,480
LOAD CONTROL	34,238,151	34,238,151
ASSET RETIREMENT OBLIGATION	8,718,156	8,617,987
TOTAL	\$ 1,213,148,389	\$ 1,191,053,279
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (56,271,551)	\$ (55,197,057)
ACCUM PROV DECOMMISSIONING COSTS	(2,835,090,040)	(2,801,584,577)
ASSET RETIREMENT OBLIGATION	36,548,399	38,105,489
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,627,755,014	2,597,562,845
AVIATION - RESERVE	(30,435,733)	(30,086,035)
FUEL AND CAPACITY	(49,777,201)	(48,780,727)
OTHER RATE CASE ADJUSTMENTS (1)	4,048,764	3,958,226
LOAD CONTROL	(19,431,857)	(19,431,857)
TOTAL	\$ (320,654,204)	\$ (315,453,692)
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 1,685,947,064	\$ 1,659,213,371
CWIP - ECRC PROJECTS	253,768,894	248,923,227
TOTAL	\$ 1,939,715,957	\$ 1,908,136,598
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (1,691,517,783)	\$ (1,664,343,494)
TOTAL ADJUSTMENTS	\$ 1,140,692,359	\$ 1,119,392,692

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
DECEMBER, 2010

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 10,482,018,931	4,982,718,047	1,621,943,205	1,029,749,032	1,028,585,599	166,940,397	408,882,139	(1,658,738)	(1,797,300)	9,213,442,382	\$ 1,268,578,549
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (455,068,016)	0	0	0	(11,704,349)	(171,027,534)	0	0	0	(182,731,884)	\$ (272,336,132)
FRANCHISE EXPENSE	0	0	0	0	(443,361,975)	171,026,882	0	0	0	(272,335,093)	272,335,093
GROSS RECEIPTS TAX	(232,358,676)	0	0	0	(231,638,674)	(300,561)	0	0	0	(232,039,265)	(319,411)
FINANCIAL PLANNING SERVICES	0	0	(453,756)	0	0	175,038	0	0	0	(278,720)	278,720
INDUSTRY ASSOCIATION DUES	0	0	(562,314)	0	0	216,913	0	0	0	(345,401)	345,401
ECONOMIC DEVELOPMENT 5%	0	0	(11,148)	0	0	4,299	0	0	0	(6,846)	6,846
AVIATION - EXPENSES	0	0	490,501	(3,413,777)	0	1,127,654	0	0	0	(1,795,622)	1,795,622
EXECUTIVE COMPENSATION	0	0	(28,150,548)	0	0	10,087,574	0	0	0	(18,062,974)	18,062,974
NOI FUEL COST REC RETAIL	(4,446,008,305)	(4,423,152,951)	(8,817,098)	0	(3,117,948)	239,552,848	(243,765,355)	0	0	(4,439,300,506)	(5,707,799)
CONSERVATION COST RECOVERY	(102,406,804)	0	(93,704,816)	(5,808,199)	(73,733)	10,731,272	(11,433,359)	0	0	(101,288,835)	(1,117,970)
CAPACITY COST RECOVERY	(606,366,200)	(512,000,851)	(47,647,840)	(62,676,369)	(436,540)	10,757,597	(4,433,072)	0	0	(616,437,074)	10,070,874
ENVIRONMENTAL COST RECOVERY	(140,568,522)	0	(21,728,664)	(14,174,759)	(101,209)	(53,727,930)	13,298,254	0	249,269	(78,187,039)	(64,381,483)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(228)	5,862,162	0	(2,646,992)	0	0	0	4,214,944	(4,214,944)
STORM DEFICIENCY RECOVERY	(101,657,676)	0	(1,145,443)	(71,652,004)	0	(11,132,911)	0	0	0	(83,930,358)	(17,727,519)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,663,594	0	0	(641,731)	0	0	0	1,021,863	(1,021,863)
INTEREST SYNCHRONIZATION	0	0	0	0	0	25,351,678	(7,268,054)	0	0	18,083,624	(18,083,624)
TOTAL FPSC ADJUSTMENTS	\$ (6,084,434,399)	(4,935,153,802)	(198,067,755)	(151,882,944)	(690,634,429)	229,654,063	(263,603,597)	0	249,269	(5,969,419,165)	\$ (85,015,214)
FPSC ADJUSTED	\$ 4,397,584,531	27,564,245	1,423,875,450	877,866,088	337,951,169	396,594,461	153,258,552	(1,558,738)	(1,548,031)	3,214,023,197	\$ 1,183,561,334
<b>PRO FORMA ADJUSTMENTS</b>											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 4,215,105,304	27,564,245	1,423,875,450	877,866,088	337,819,784	326,253,781	153,258,552	(1,558,738)	(1,548,031)	3,143,551,132	\$ 1,071,554,172

(A) THE ADDITION OF EARNINGS FROM AFUDC  
WOULD INCREASE THE SYSTEM NOI BY \$ 49,592,126

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER PARAGRAPH 7 OF THE 2010 STIPULATION AND SETTLEMENT AGREEMENT.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
DECEMBER, 2010

SCHEDULE 3; PAGE 38 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)
TOTAL PROFORMA ADJUSTMENTS	\$ (182,479,227)	0	0	0	(131,385)	(70,340,680)	0	0	0	(70,472,065)	\$ (112,007,162)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
CAPITAL STRUCTURE  
PPSC ADJUSTED BASIS  
DECEMBER, 2010

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			3	4								
LONG TERM DEBT	\$ 5,531,961,745	\$ 5,403,400,581	\$ 67,824,184	\$ (611,832,925)	\$ 4,859,391,851	28.92%	5.30%	1.53%	5.30%	1.53%	5.30%	1.53%
SHORT TERM DEBT	517,006,743	503,598,653	7,128,392	(0)	510,727,045	3.04%	1.00%	0.03%	1.00%	0.03%	1.00%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	7,922,420,340	7,716,959,725	109,232,847	(0)	7,826,192,572	46.58%	9.00%	4.19%	10.00%	4.88%	11.00%	5.12%
CUSTOMER DEPOSITS	541,961,886	541,439,597	7,664,027	(0)	549,103,614	3.27%	6.01%	0.20%	6.01%	0.20%	6.01%	0.20%
DEFERRED INCOME TAX	3,336,821,004	3,256,581,307	42,552,982	(250,345,218)	3,048,789,083	18.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	79,593,892	78,030,208	88,410	(71,784,351)	6,334,267	0.04%	7.58%	0.00%	8.20%	0.00%	8.82%	0.00%
TOTAL	\$ 17,929,585,609	\$ 17,500,010,062	\$ 234,490,862	\$ (933,962,492)	\$ 16,800,538,432	100.00%		5.98%		6.42%		6.89%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			3	4								
LONG TERM DEBT	\$ 5,769,946,255	\$ 5,645,764,505	\$ (48,950,029)	\$ (524,957,265)	\$ 5,071,847,211	29.88%	5.29%	1.58%	5.29%	1.58%	5.29%	1.58%
SHORT TERM DEBT	87,251,880	85,187,718	(814,315)	0	84,373,403	0.50%	0.27%	0.00%	0.27%	0.00%	0.27%	0.00%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	8,445,215,254	8,245,424,421	(78,818,540)	0	8,166,605,881	48.11%	9.00%	4.33%	10.00%	4.81%	11.00%	5.29%
CUSTOMER DEPOSITS	542,833,463	542,401,734	(5,184,853)	(0)	537,216,881	3.16%	6.21%	0.20%	6.21%	0.20%	6.21%	0.20%
DEFERRED INCOME TAX	3,467,577,713	3,391,454,327	(30,026,083)	(250,345,216)	3,111,083,048	18.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	188,482,381	184,852,661	(44,070)	(180,242,342)	4,586,248	0.03%	7.58%	0.00%	8.20%	0.00%	8.81%	0.00%
TOTAL	\$ 18,501,306,935	\$ 18,095,085,365	\$ (163,837,870)	\$ (955,554,823)	\$ 16,975,692,673	100.00%		6.11%		6.59%		7.07%

NOTE:

(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.

(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
CAPITAL STRUCTURE  
PROFORMA ADJUSTED BASIS  
DECEMBER, 2010

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 4,859,391,851	\$ (0)	\$ 4,859,391,851	28.92%	5.30%	1.53%	5.30%	1.53%	5.30%	1.53%
SHORT TERM DEBT	510,727,045	(0)	510,727,045	3.04%	1.00%	0.03%	1.00%	0.03%	1.00%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	7,826,192,572	(0)	7,826,192,572	46.58%	9.00%	4.19%	10.00%	4.66%	11.00%	5.12%
CUSTOMER DEPOSITS	549,103,614	(0)	549,103,614	3.27%	6.01%	0.20%	6.01%	0.20%	6.01%	0.20%
DEFERRED INCOME TAX	3,048,789,083	0	3,048,789,083	18.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	6,334,267	(0)	6,334,267	0.04%	7.58%	0.00%	8.20%	0.00%	8.82%	0.00%
TOTAL	\$ 16,800,538,432	\$ (0)	\$ 16,800,538,432	100.00%		5.98%		6.42%		6.69%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 5,071,847,211	\$ (0)	\$ 5,071,847,211	29.88%	5.29%	1.58%	5.29%	1.58%	5.29%	1.58%
SHORT TERM DEBT	84,373,403	(0)	84,373,403	0.50%	0.27%	0.00%	0.27%	0.00%	0.27%	0.00%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	8,166,605,881	(0)	8,166,605,881	48.11%	9.00%	4.33%	10.00%	4.81%	11.00%	5.29%
CUSTOMER DEPOSITS	537,216,881	0	537,216,881	3.16%	6.21%	0.20%	6.21%	0.20%	6.21%	0.20%
DEFERRED INCOME TAX	3,111,083,048	(0)	3,111,083,048	18.33%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	4,566,248	(0)	4,566,248	0.03%	7.58%	0.00%	8.20%	0.00%	8.81%	0.00%
TOTAL	\$ 16,975,692,673	\$ (0)	\$ 16,975,692,673	100.00%		6.11%		6.59%		7.07%

NOTE:

(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.

(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
DECEMBER, 2010

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,305,100,673
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	13,489,632
INCOME TAXES	579,739,155
TOTAL	<u>\$ 1,898,329,460</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 373,996,706
TIMES INTEREST EARNED WITH AFUDC	<u>5.08</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,305,100,673
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(36,102,494)
INCOME TAXES	579,739,155
TOTAL	<u>\$ 1,848,737,334</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 373,996,706
TIMES INTEREST EARNED WITHOUT AFUDC	<u>4.94</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 13,489,632
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	<u>\$ 8,286,006</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	36,102,494
TOTAL	<u>\$ 44,388,500</u>
NET INCOME AVAILABLE FOR COMMON	\$ 944,593,599
AFUDC AS PER CENT OF NET INCOME	<u>4.70%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (627,157,544)
GAINS ON DISPOSITION OF PROPERTY	(1,851,006)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (629,008,550)</u>

\* INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 944,593,599
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(250,000,000)
AFUDC (DEBT & OTHER)	(49,592,128)
DEPRECIATION AND AMORTIZATION EXPENSE	1,029,749,032
DEFERRED INCOME TAXES	386,899,994
INVESTMENT TAX CREDITS	(1,558,738)
OTHER SOURCE/USES OF FUNDS	(629,008,550)
INTERNALLY GENERATED FUNDS	<u>\$ 1,431,083,212</u>
CONSTRUCTION EXPENDITURES	\$ 2,186,589,640
PERCENT INTERNALLY GENERATED FUNDS	<u>65.45%</u>

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 4,859,391,851
JURIS ADJUSTED SHORT TERM DEBT	510,727,045
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	7,826,192,572
TOTAL	<u>\$ 13,196,311,468</u>
LTD TO TOTAL INVESTOR FUNDS	<u>36.82%</u>
STD TO TOTAL INVESTOR FUNDS	<u>3.87%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.89%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.53%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.20%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.76%</u>
TOTAL	<u>5.12%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.58%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.00%</u>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
FINANCIAL INTEGRITY INDICATORS  
DECEMBER, 2010

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.22%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.53%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.20%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.76%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>4.46%</u>
PRO FORMA COMMON EQUITY RATIO	46.58%
PRO FORMA RETURN ON COMMON EQUITY	9.57%

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER, 2010

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 4,859,391,851	28.92%	5.29%	1.53%
SHORT TERM DEBT	510,727,045	3.04%	1.00% *	0.03%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	549,103,614	3.27%	6.01% *	0.20%
COMMON EQUITY	7,826,192,572	46.58%	10.00%	4.66%
DEFERRED INCOME TAX	3,048,789,083	18.15%	0.00%	0.00%
INVESTMENT TAX CREDITS	6,334,267	0.04%	0.00%	0.00%
TOTAL	\$ 16,800,538,432	100.00%		6.42%

\* 13-MONTH AVERAGE

NOTE:  
EFFECTIVE APRIL 1, 2010 THE COMMISSION APPROVED AFUDC RATE IS 6.41%

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER, 2010

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 5,531,961,745	5,403,400,581	(544,008,730)	4,859,391,851
SHORT TERM DEBT	517,006,743	503,598,653	7,128,392	510,727,045
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	7,922,420,340	7,716,959,725	109,232,847	7,826,192,572
CUSTOMER DEPOSITS	541,961,886	541,439,587	7,664,027	549,103,614
DEFERRED INCOME TAX	3,336,621,004	3,256,581,307	(207,792,224)	3,048,789,083
INVESTMENT TAX CREDITS	79,593,892	78,030,208	(71,695,941)	6,334,267
TOTAL	\$ 17,929,565,609	17,500,010,062	(699,471,630)	16,800,538,432

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

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2010

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
<hr/>	
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 600,193,132
FUEL AND CAPACITY	51,622,038
AVIATION - PLANT	40,333,801
LOAD CONTROL	33,681,525
ASSET RETIREMENT OBLIGATION	108,993,693
TOTAL	<u>\$ 834,824,189</u>
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (48,225,436)
ACCUM PROV DECOMMISSIONING COSTS	(2,643,942,768)
ASSET RETIREMENT OBLIGATION	(15,905,616)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	2,443,602,824
AVIATION - RESERVE	(21,971,582)
FUEL AND CAPACITY	(48,697,041)
OTHER RATE CASE ADJUSTMENTS	516,055
LOAD CONTROL	(16,562,949)
TOTAL	<u>\$ (352,186,514)</u>
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,281,734,769
CWIP - ECRC PROJECTS	\$ 512,577,018
TOTAL	<u>\$ 1,794,311,787</u>
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	86,865,660
TOTAL	<u>\$ 86,865,660</u>
WORKING CAPITAL:	\$ (1,684,343,494)
(SEE SCHEDULE B, PAGE 3 OF 3)	
<hr/>	
TOTAL ADJUSTMENTS	\$ 699,471,630

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2010

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 21,929,862
INTEREST & DIVIDENDS RECEIVABLE	15,070,867
ACCTS RECEIVABLE - TAX REFUND	0
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, EGRC	238,274,527
CASH CAPITAL SUB ACCOUNT	1,311
POLE ATTACHMENTS RENTS RECEIVABLE	12,565,323
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	3,303,583
RATE CASE EXPENSE	2,958,947
TEMPORARY CASH INVESTMENTS	228,113,990
ASSET RETIREMENT OBLIGATION	0
STORM DEFICIENCY RECOVERY	849,456,129
NUCLEAR COST RECOVERY	2,230,509
JOBGING ACCOUNTS	53,350,762
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,427,255,811
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>	
ACCOUNTS PAYABLE - ASSOC COS	\$ (13,431,620)
ACCUM DEFERRED RETIREMENT BENEFITS	(735,016)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(202,322,634)
ACCUM. PROV. - RATE REFUNDS	(9,347,199)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,115,309)
JOBGING ACCOUNTS	(50,861,631)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0
LEHMAN HEDGE	0
POLE ATTACHMENT RENTS PAYABLE	(6,566,422)
PREFERRED STOCK DIVIDENDS ACCRUED	0
SJRPP ACCELERATED RECOVERY	(51,982,932)
ASSET RETIREMENT OBLIGATION	(2,536,690,901)
MARGIN CALL CASH COLLATERAL	(364,501)
STORM DEFICIENCY RECOVERY	0
NUCLEAR COST RECOVERY	(212,245,189)
TRANSMISSION RELIABILITY ENHANCEMENT	(4,935,952)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (3,091,599,304)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (1,664,343,494)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
METHODOLOGY FOR MONTHLY COMPOUNDING  
OF THE AFUDC RATE  
DECEMBER, 2010

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12}-1) =$	APPROVED RATE
$((1+R/12)^{12}-1) =$	6.42%
$((1+R/12)^{12}) =$	1.06420000
$(1+R/12) =$	1.00519875
$(R/12) =$	0.00519875

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00519875	0.00519875
FEB	1.00519875	0.00522577	0.01042452
MAR	1.01042452	0.00525294	0.01567746
APR	1.01567746	0.00528025	0.02095771
MAY	1.02095771	0.00530770	0.02626541
JUN	1.02626541	0.00533529	0.03160070
JUL	1.03160070	0.00536303	0.03696373
AUG	1.03696373	0.00539091	0.04235464
SEP	1.04235464	0.00541894	0.04777357
OCT	1.04777357	0.00544711	0.05322068
NOV	1.05322068	0.00547543	0.05869611
DEC	1.05869611	0.00550389	0.06420000