



Kevin I.C. Donaldson
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February 15, 2019

VIA HAND DELIVERY

Mr. Adam Teitzman
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

REDACTED

Re: Docket No. 20190000 / Earnings Surveillance Report

Dear Mr. Teitzman:

I enclose for filing in the above docket Florida Power & Light Company's ("FPL's") Request for Confidential Classification for information contained in FPL's Earnings Surveillance Report. The request includes Exhibits A, B (two copies), C and D.

Exhibit A consists of the confidential documents, and all the information that FPL asserts is entitled to confidential treatment has been highlighted. Exhibit B is an edited version of Exhibit A, in which the information FPL asserts is confidential has been redacted. Exhibit C is a justification table in support of FPL's Request for Confidential Classification. Exhibit D contains the declaration in support of FPL's request.

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

Sincerely,

Kevin I.C. Donaldson

| | |
|-----|----------|
| COM | _____ |
| AFD | <u>1</u> |
| APA | _____ |
| ECO | _____ |
| ENG | _____ |
| GCL | _____ |
| IDM | _____ |
| CLK | _____ |

Enclosure

cc: Counsel for Parties of Record (w/ copy of FPL's Request for Confidential Classification)

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2019 FEB 15 PM 3:06
COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Undocketed Filing for 2019

Docket No: 20190000

Filed: February 15, 2019

**FLORIDA POWER AND LIGHT COMPANY'S
REQUEST FOR CONFIDENTIAL CLASSIFICATION**

Pursuant to Section 366.093, Florida Statutes ("Section 366.093"), and Rule 25-22.006, Florida Administrative Code, Florida Power & Light Company ("FPL") hereby requests confidential classification of certain information contained in the December 2018 Earnings Surveillance Report ("ESR") filed in this proceeding (referred to herein as the "Confidential Information"). In support of this request, FPL states as follows:

1. On February 14, 2019 FPL filed a supplement to its December 2018 Earning Surveillance Report. The Supplemental ESR Schedule "D" has certain portions of the attachments which contain confidential information.

2. The following exhibits are included with this Request:

a. Exhibit A is a copy of the confidential material on which all of the information that FPL asserts is entitled to confidential treatment has been highlighted.

b. Exhibit B is a copy of the confidential material on which all information that FPL asserts is entitled to confidential treatment has been redacted.

c. Exhibit C is a table that identifies by column and line the information for which confidential treatment is sought and references the specific statutory bases for the claim of confidentiality. Exhibit C also identifies the declarants who support the requested classification.

d. Exhibit D contains the declaration of Tiffany Cohen in support of this request.

3. The Confidential Information is intended to be and has been treated by FPL as private, its confidentiality has been maintained, and its disclosure would cause harm to FPL and its customers. Pursuant to Section 366.093, such materials are entitled to confidential treatment and are exempt from the disclosure provisions of the public records law. Thus, once the Commission determines that the information in question is proprietary confidential business information, the Commission is not required to engage in any further analysis or review such as weighing the harm of disclosure against the public interest in access to the information.

4. As described in the declaration in Exhibit D, some of the Confidential Information contains contractual data, the disclosure of which would impair the efforts of FPL or its vendors for goods or services on favorable terms. This information is protected by Section 366.093(3)(d), Fla. Stat.

5. Additionally, certain information in these documents concern FPL's competitive interests, the disclosure of which would impair the competitive business of FPL and its vendors. This information is protected by Section 366.093(3)(e), Fla. Stat.

6. Upon a finding by the Commission that the Confidential Information is proprietary confidential business information, the information should not be declassified for a period of at least eighteen (18) months and should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business. *See* § 399.093(4), Fla.Stat.

WHEREFORE, for the above and foregoing reasons, as more fully set forth in the supporting materials and declaration included herewith, Florida Power & Light Company respectfully requests that its Request for Confidential Classification be granted.

Respectfully submitted.

Kevin I.C. Donaldson, Esq.
Senior Attorney
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
Telephone: (561) 304-5170
Facsimile: (561) 691-7135
Email: Kevin.donaldson@fpl.com

By: _____

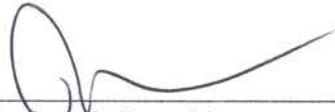

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Kevin I.C. Donaldson
Florida Bar No. 833401

CERTIFICATE OF SERVICE
Docket 20190000

I HEREBY CERTIFY that a true and correct copy of the foregoing* has been furnished by electronic service this 15th day of February, 2019 to the following:

Suzanne Brownless, Esq.
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us

By: 
Kevin I.C. Donaldson
Florida Bar No. 833401

* The exhibits to this Request are not included with the service copies, but copies of Exhibits B, C and D are available upon request.

7128040

EXHIBIT A

CONFIDENTIAL

FILED UNDER SEPARATE COVER

EXHIBIT B

REDACTED COPIES



Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL 33408-0420

February 15, 2019

Mr. Bart Fletcher
Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for December 2018. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.60%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Pursuant to the above referenced order, FPL has provided the monthly and year-end total amounts of amortization credit or debit to the Reserve Amount during 2018 herein as Attachment 1. The balance of the Reserve Amount as of December 31, 2018 is \$540,949,289.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Chin', is written over a horizontal line.

Jason Chin
Sr. Manager of Regulatory Accounting

Enclosures

Copy: J. R. Kelly, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2018

SCHEDULE 1: PAGE 1 OF 1

| | <u>ACTUAL PER BOOKS</u> | <u>FPSC ADJUSTMENTS</u> | <u>FPSC ADJUSTED</u> | <u>PRO FORMA ADJUSTMENTS</u> | <u>PRO FORMA ADJUSTED</u> |
|---|-----------------------------|-----------------------------|--------------------------|----------------------------------|-------------------------------|
| <u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u> | | | | | |
| NET OPERATING INCOME | \$ 2,630,261,784 (A) | (229,821,448) (B) | 2,408,440,336 | 16,157,078 | \$ 2,424,597,414 |
| RATE BASE | \$ 36,177,280,412 | (205,634,992) | 35,971,745,420 | 0 | \$ 35,971,745,420 |
| AVERAGE RATE OF RETURN | 7.29% | | 6.70% | | 6.74% |
| <u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u> | | | | | |
| NET OPERATING INCOME | \$ 2,638,261,784 (A) | (223,931,147) (B) | 2,414,330,636 | 16,157,078 | \$ 2,430,487,714 |
| RATE BASE | \$ 37,232,695,572 | (416,601,008) | 36,816,094,564 | 0 | \$ 36,816,094,564 |
| YEAR END RATE OF RETURN | 7.09% | | 6.56% | | 6.60% |
| (A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS | | | | | |

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

| | |
|----------|-------|
| LOW | 5.79% |
| MIDPOINT | 6.22% |
| HIGH | 6.70% |

IV. FINANCIAL INTEGRITY INDICATORS

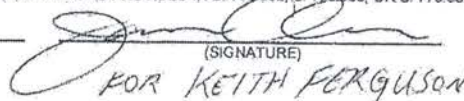
| | | |
|---|--------|--------------------------|
| A. TIMES INTEREST EARNED WITH AFUDC | 5.79 | (SYSTEM PER BOOKS BASIS) |
| B. TIMES INTEREST EARNED WITHOUT AFUDC | 5.59 | (SYSTEM PER BOOKS BASIS) |
| C. AFUDC AS PERCENT OF NET INCOME | 5.00% | (SYSTEM PER BOOKS BASIS) |
| D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY | 82.29% | (SYSTEM PER BOOKS BASIS) |
| E. LTD TO TOTAL INVESTOR FUNDS | 36.81% | (FPSC ADJUSTED BASIS) |
| F. STD TO TOTAL INVESTOR FUNDS | 3.59% | (FPSC ADJUSTED BASIS) |
| G. RETURN ON COMMON EQUITY (AVERAGE) | 11.60% | (FPSC ADJUSTED) |
| H. RETURN ON COMMON EQUITY | 11.70% | (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. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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.

KEITH FERGUSON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)


(SIGNATURE)
FOR KEITH FERGUSON

2/15/2019
(DATE)

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

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 | \$ 48,548,529,954 | 15,480,145,587 | 33,068,384,366 | 372,183,848 | 3,776,294,635 | 603,421,837 | 37,820,284,687 | (165,967,676) | \$ 37,654,317,011 |
| JURISDICTIONAL PER BOOKS | \$ 46,496,972,000 | 12,373,525,644 | 34,123,446,355 | 351,257,682 | 3,600,371,969 | 578,776,744 | 38,653,852,751 | (2,476,572,340) | \$ 36,177,280,412 |
| FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3) | \$ (2,207,055,579) | (650,315,793) | (1,556,739,786) | 0 | (2,167,708,695) | 0 | (3,724,448,481) | 3,518,913,489 | \$ (205,534,992) |
| FPSC ADJUSTED: | \$ 44,289,916,421 | 11,723,209,851 | 32,566,706,569 | 351,257,682 | 1,432,663,274 | 578,776,744 | 34,929,404,270 | 1,042,341,149 | \$ 35,971,745,420 |
| <u>PRO FORMA ADJUSTMENTS</u> | | | | | | | | | |
| TOTAL PRO FORMA ADJUSTMENTS: | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ 0 |
| PRO FORMA ADJUSTED | \$ 44,289,916,421 | 11,723,209,851 | 32,566,706,569 | 351,257,682 | 1,432,663,274 | 578,776,744 | 34,929,404,270 | 1,042,341,149 | \$ 35,971,745,420 |

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, 2018

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 | \$ 11,601,226,196 | 3,300,010,615 | 1,416,432,282 | 2,396,653,024 | 1,306,766,263 | 351,673,810 | (22,818,074) | 206,771,636 | (6,095,666) | 8,949,383,890 | \$ 2,651,632,306 |
| JURISDICTIONAL PER BOOKS | \$ 11,148,186,144 | 3,134,284,090 | 1,370,421,930 | 2,327,248,967 | 1,285,863,774 | 334,316,568 | (25,342,035) | 198,954,213 | (6,095,649) | 8,819,851,875 | \$ 2,528,534,269 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (483,060,693) | 0 | 0 | 0 | (12,424,321) | (119,282,789) | 0 | 0 | 0 | (131,707,110) | \$ (351,353,584) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (471,013,287) | 119,378,318 | 0 | 0 | 0 | (351,634,969) | 351,634,969 |
| GROSS RECEIPTS TAX | (255,379,505) | 0 | 0 | 0 | (255,048,270) | (83,952) | 0 | 0 | 0 | (255,132,222) | (247,284) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (412,737) | 0 | 0 | 104,608 | 0 | 0 | 0 | (308,129) | 308,129 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,303,964) | 0 | 0 | 583,940 | 0 | 0 | 0 | (1,720,024) | 1,720,024 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (141,274) | 0 | 0 | 35,806 | 0 | 0 | 0 | (105,468) | 105,468 |
| AVIATION - EXPENSES | 0 | 0 | (172,360) | 0 | 0 | 43,885 | 0 | 0 | 0 | (128,676) | 128,676 |
| EXECUTIVE COMPENSATION | 0 | 0 | (34,859,280) | 0 | 0 | 8,835,085 | 0 | 0 | 0 | (26,024,196) | 26,024,196 |
| FUEL COST REC RETAIL | (2,972,833,854) | (2,960,992,886) | (178,961) | 52,309 | (2,091,882) | 48,162,459 | (50,801,255) | 0 | 0 | (2,965,650,226) | (7,183,628) |
| CONSERVATION COST RECOVERY | (57,906,615) | 0 | (44,914,763) | (10,056,200) | (1,103,370) | (463,263) | (617) | 0 | 0 | (56,540,233) | (1,366,362) |
| CAPACITY COST RECOVERY | (248,154,854) | (153,164,711) | (28,784,215) | 2,890,746 | (321,530) | (19,050,966) | 1,614,636 | 0 | 0 | (196,795,840) | (51,359,014) |
| ENVIRONMENTAL COST RECOVERY | (176,785,289) | 0 | (31,479,020) | (42,773,087) | (273,343) | (15,136,805) | (10,781,037) | 0 | 341 | (100,442,952) | (76,342,337) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 173,589 | 0 | (43,998) | 0 | 0 | 0 | 129,593 | (129,593) |
| STORM DEFICIENCY RECOVERY | (143,678,195) | 0 | (18,025,023) | (120,369,922) | 0 | (1,339,040) | 0 | 0 | 0 | (139,733,985) | (3,944,211) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 341,684 | 0 | 0 | (86,600) | 0 | 0 | 0 | 255,084 | (255,084) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 13,636,446 | (5,804,166) | 0 | 0 | 7,834,277 | (7,834,277) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,337,799,007) | (3,114,157,597) | (180,909,935) | (170,084,565) | (742,276,003) | 35,294,936 | (65,572,251) | 0 | 341 | (4,217,705,075) | \$ (120,093,933) |
| FPSC ADJUSTED | \$ 6,810,387,136 | 20,126,492 | 1,209,511,996 | 2,157,164,422 | 543,587,771 | 369,611,501 | (90,914,286) | 198,954,213 | (6,095,308) | 4,401,946,800 | \$ 2,408,440,336 |
| PRO FORMA ADJUSTMENTS | | | | | | | | | | | |
| PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 6,823,286,510 | 20,126,492 | 1,209,511,996 | 2,157,164,422 | 543,597,058 | 366,344,509 | (90,914,286) | 198,954,213 | (6,095,308) | 4,398,689,096 | \$ 2,424,597,414 |
| (A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY | | | | | | | | | | | |
| | \$ 114,144,665 | | | | | | | | | | |
| | \$ 109,727,515 | | | | | | | | | | |
| (B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: | | | | | | | | | | | |
| ON A TOTAL COMPANY BASIS | \$ 2,917,464 | | | | | | | | | | |
| ON A JURISDICTIONAL BASIS | \$ 2,825,475 | | | | | | | | | | |
| CURRENT MONTH AMOUNT | | | | | | | | | | | |
| SYSTEM PER BOOKS | \$ 859,278,630 | 248,076,269 | 126,031,695 | 255,395,800 | 100,474,560 | 7,387,796 | 6,551,936 | (353,888) | (505,631) | 745,058,539 | \$ 114,220,091 |
| JURISDICTIONAL PER BOOKS | \$ 826,141,061 | 233,246,433 | 123,815,295 | 249,500,027 | 98,725,310 | 6,964,615 | 6,043,642 | (340,509) | (505,630) | 717,449,383 | \$ 108,691,678 |

NOTES:

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

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, 2018

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) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| TOTAL PROFORMA ADJUSTMENTS | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |

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, 2018

SCHEDULE 2: PAGE 3 OF 3

| RATE BASE ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|---|-------------------------|-------------------------|
| PLANT IN SERVICE: | | |
| ENVIRONMENTAL | \$ 1,578,598,955 | \$ 1,503,325,374 |
| FUEL AND CAPACITY | 152,987,416 | 146,175,336 |
| CAPITALIZED EXECUTIVE COMPENSATION | 27,469,598 | 26,603,471 |
| LOAD CONTROL | 50,422,215 | 50,422,215 |
| ASSET RETIREMENT OBLIGATION | 436,609,647 | 422,843,188 |
| CAPITAL LEASES | 59,564,070 | 57,685,994 |
| TOTAL | <u>\$ 2,305,651,901</u> | <u>\$ 2,207,055,579</u> |
| ACCUMULATED PROVISION FOR DEPRECIATION: | | |
| ENVIRONMENTAL | \$ (312,047,755) | \$ (297,168,136) |
| ACCUM PROV DECOMMISSIONING COSTS | (4,551,160,940) | (4,352,768,762) |
| ASSET RETIREMENT OBLIGATION | (12,771,171) | (12,368,492) |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING | 4,221,677,549 | 4,088,566,546 |
| FUEL AND CAPACITY | (43,359,939) | (41,315,652) |
| OTHER RATE CASE ADJUSTMENTS (1) | 13,353 | 13,353 |
| LOAD CONTROL | (25,948,288) | (25,948,288) |
| CAPITAL LEASES | (9,630,000) | (9,326,363) |
| TOTAL | <u>\$ (733,227,192)</u> | <u>\$ (650,315,793)</u> |
| CONSTRUCTION WORK IN PROGRESS: | | |
| CONSTRUCTION WORK IN PROGRESS | \$ 2,230,502,695 | \$ 2,094,396,113 |
| CWIP - CLAUSE PROJECTS | 76,765,547 | 73,312,582 |
| TOTAL | <u>\$ 2,307,268,242</u> | <u>\$ 2,167,708,695</u> |
| NUCLEAR FUEL: | | |
| NUCLEAR FUEL IN PROCESS | \$ 0 | \$ 0 |
| NUCLEAR FUEL CAPITAL LEASES | 0 | 0 |
| TOTAL | <u>\$ 0</u> | <u>\$ 0</u> |
| WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3) | \$ (3,616,670,787) | \$ (3,518,913,489) |
| TOTAL ADJUSTMENTS | <u>\$ 263,022,164</u> | <u>\$ 205,534,992</u> |

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
SYSTEM ADJUSTMENTS
INCOME STATEMENT
DECEMBER, 2018

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 | \$ 11,601,226,196 | 3,300,010,615 | 1,416,432,282 | 2,396,653,024 | 1,306,766,263 | 351,673,810 | (22,818,074) | 206,771,636 | (6,095,666) | 8,949,393,690 | \$ 2,651,832,306 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (483,060,693) | 0 | 0 | 0 | (12,424,321) | (142,407,673) | 0 | 0 | 0 | (154,832,194) | \$ (328,228,499) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (471,013,287) | 142,532,579 | 0 | 0 | 0 | (328,480,708) | 328,480,708 |
| GROSS RECEIPTS TAX | (255,379,505) | 0 | 0 | 0 | (255,048,270) | (102,441) | 0 | 0 | 0 | (255,150,711) | (228,794) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (428,175) | 0 | 0 | 127,622 | 0 | 0 | 0 | (298,553) | 298,553 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,378,974) | 0 | 0 | 707,826 | 0 | 0 | 0 | (1,671,148) | 1,671,148 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (145,873) | 0 | 0 | 43,662 | 0 | 0 | 0 | (102,211) | 102,211 |
| AVIATION - EXPENSES | 0 | 0 | (177,972) | 0 | 0 | 54,009 | 0 | 0 | 0 | (123,963) | 123,963 |
| EXECUTIVE COMPENSATION | 0 | 0 | (35,994,190) | 0 | 0 | 10,817,018 | 0 | 0 | 0 | (25,177,172) | 25,177,172 |
| ADVERTISING EXPENSES | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FUEL COST RECOVERY | (3,129,070,663) | (3,118,811,808) | (188,036) | 54,962 | (2,093,145) | 48,930,956 | (50,915,572) | 0 | 0 | (3,123,022,643) | (6,048,221) |
| CONSERVATION COST RECOVERY | (57,906,615) | 0 | (44,914,783) | (10,058,200) | (1,103,370) | (556,344) | (617) | 0 | 0 | (58,633,315) | (1,273,301) |
| CAPACITY COST RECOVERY | (248,527,098) | (160,128,885) | (30,072,082) | 2,845,013 | (328,294) | (19,997,574) | 1,614,836 | 0 | 0 | (208,266,985) | (42,260,113) |
| ENVIRONMENTAL COST RECOVERY | (176,785,289) | 0 | (33,055,218) | (44,914,795) | (280,856) | (19,187,165) | (10,781,037) | 0 | 358 | (108,218,514) | (68,566,775) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 173,589 | 0 | (43,998) | 0 | 0 | 0 | 129,593 | (129,593) |
| STORM DEFICIENCY RECOVERY | (143,878,195) | 0 | (18,025,023) | (120,369,922) | 0 | (1,636,331) | 0 | 0 | 0 | (140,031,276) | (3,646,918) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 352,808 | 0 | 0 | (106,504) | 0 | 0 | 0 | 246,304 | (246,304) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 14,161,256 | (5,993,134) | 0 | 0 | 8,168,122 | (8,168,122) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,494,408,260) | (3,278,940,893) | (165,025,518) | (172,469,353) | (742,291,342) | 33,336,668 | (68,075,524) | 0 | 358 | (4,391,465,374) | \$ (102,942,886) |
| FPSC ADJUSTED | \$ 7,106,817,936 | 21,069,922 | 1,251,406,764 | 2,224,183,672 | 564,474,921 | 385,010,508 | (68,893,598) | 206,771,636 | (6,095,308) | 4,557,926,516 | \$ 2,548,889,420 |
| PRO FORMA ADJUSTMENTS | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| (SEE SCHEDULE 2, PAGE 3C OF 3) | | | | | | | | | | | |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 7,119,717,309 | 21,069,922 | 1,251,406,764 | 2,224,183,672 | 564,484,208 | 381,743,515 | (68,893,598) | 206,771,636 | (6,095,308) | 4,554,670,811 | \$ 2,565,046,498 |

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 114,144,685

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-18-0560-AS-EI.

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, 2018

SCHEDULE 2: PAGE 38 OF 3

| WORKING CAPITAL ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|---|---------------------------|---------------------------|
| ADJUSTMENTS TO ASSETS PER BOOKS: | | |
| ACCOUNTS RECEIVABLE - ASSOC COS | 26,421,923 | 25,548,829 |
| INTEREST & DIVIDENDS RECEIVABLE | 113,650 | 109,894 |
| NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC | 66,979,300 | 66,856,483 |
| CASH CAPITAL SUB ACCOUNT | 0 | 0 |
| POLE ATTACHMENTS RENTS RECEIVABLE | 15,519,628 | 15,519,628 |
| PREPAYMENTS - ECCR | 47,660,762 | 47,660,762 |
| PREPAYMENTS - INTEREST ON COMMERCIAL PAPER | 8,643,858 | 8,309,358 |
| TEMPORARY CASH INVESTMENTS | 1,155,158 | 1,116,987 |
| STORM DEFICIENCY RECOVERY | 117,557,626 | 117,557,626 |
| NUCLEAR COST RECOVERY | 0 | 0 |
| JOBGING ACCOUNTS | 59,510,745 | 57,544,254 |
| OTH REG ASSETS - CLAUSES | 5,226,981 | 4,976,622 |
| MISC. DEFFERED DEBIT - CLAUSES | 5,278,629 | 5,023,874 |
| CEDAR BAY TRANSACTION | 590,136,066 | 564,470,429 |
| ICL TRANSACTION | 376,250,000 | 359,886,492 |
| SJRPP TRANSACTION | 115,549,438 | 110,340,033 |
| TOTAL ADJUSTMENTS TO ASSETS PER BOOKS | \$ 1,436,005,762 | \$ 1,384,921,271 |
| ADJUSTMENTS TO LIABILITIES PER BOOKS: | | |
| ACCOUNTS PAYABLE - ASSOC COS | 0 | 0 |
| ACCUM DEFERRED RETIREMENT BENEFITS | (92,259) | (89,350) |
| ACCUM. PROV. - PROPERTY & STORM INSURANCE | (110,282,748) | (110,282,748) |
| ACCUM. PROV. - RATE REFUNDS | 0 | 0 |
| GAIN ON SALE OF EMISSION ALLOWANCE | (721) | (687) |
| JOBGING ACCOUNTS | (53,378,459) | (51,614,605) |
| POLE ATTACHMENT RENTS PAYABLE | (7,395,913) | (7,395,913) |
| SJRPP ACCELERATED RECOVERY | (8,612,690) | (8,238,115) |
| STORM DEFICIENCY RECOVERY | 23,792,943 | 23,792,943 |
| ASSET RETIREMENT OBLIGATION | (4,645,544,963) | (4,499,069,266) |
| MARGIN CALL CASH COLLATERAL | (551,923) | (533,685) |
| NUCLEAR COST RECOVERY | (245,862,070) | (245,862,070) |
| CEDAR BAY TRANSACTION | (4,747,741) | (4,541,257) |
| TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS | \$ (5,052,676,544) | \$ (4,903,834,755) |
| NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS | \$ (3,616,670,781) | \$ (3,518,913,489) |

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2018

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) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| TOTAL PROFORMA ADJUSTMENTS | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |

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, 2018

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 | \$ 48,974,935,440 | 15,231,329,022 | 33,743,606,418 | 408,394,200 | 4,093,867,812 | 593,879,501 | 38,839,747,931 | (165,967,676) | \$ 38,673,780,255 |
| JURISDICTIONAL PER BOOKS | \$ 46,882,368,532 | 12,026,225,498 | 34,856,143,034 | 385,362,058 | 3,898,138,661 | 569,624,138 | 39,709,267,912 | (2,476,572,340) | \$ 37,232,695,572 |
| FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3) | \$ (2,059,593,889) | (638,091,755) | (1,421,502,134) | 0 | (2,514,012,363) | 0 | (3,935,514,497) | 3,518,913,489 | \$ (416,601,008) |
| FPSC ADJUSTED: | \$ 44,822,774,643 | 11,388,133,743 | 33,434,640,900 | 385,362,058 | 1,384,126,318 | 569,624,138 | 35,773,753,415 | 1,042,341,149 | \$ 36,816,094,564 |
| | | | | | | | | | |
| PRO FORMA ADJUSTMENTS | | | | | | | | | |
| TOTAL PRO FORMA ADJUSTMENTS: | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ 0 |
| PRO FORMA ADJUSTED | \$ 44,822,774,643 | 11,388,133,743 | 33,434,640,900 | 385,362,058 | 1,384,126,318 | 569,624,138 | 35,773,753,415 | 1,042,341,149 | \$ 36,816,094,564 |

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2018

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 | \$ 11,601,226,196 | 3,300,010,615 | 1,416,432,282 | 2,396,653,024 | 1,306,766,263 | 351,673,810 | (22,818,074) | 206,771,636 | (6,095,666) | 8,949,393,890 | \$ 2,651,832,306 |
| JURISDICTIONAL PER BOOKS | \$ 11,148,186,144 | 3,134,284,090 | 1,370,421,930 | 2,327,248,987 | 1,285,663,774 | 334,316,566 | (25,342,035) | 198,954,213 | (6,095,649) | 8,619,651,875 | \$ 2,528,534,269 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (483,060,693) | 0 | 0 | 0 | (12,424,321) | (119,282,789) | 0 | 0 | 0 | (131,707,110) | \$ (351,353,584) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (471,013,287) | 119,378,318 | 0 | 0 | 0 | (351,634,969) | 351,634,969 |
| GROSS RECEIPTS TAX | (255,379,505) | 0 | 0 | 0 | (255,048,270) | (83,952) | 0 | 0 | 0 | (255,132,222) | (247,284) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (412,737) | 0 | 0 | 104,608 | 0 | 0 | 0 | (308,129) | 308,129 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,303,964) | 0 | 0 | 583,940 | 0 | 0 | 0 | (1,720,024) | 1,720,024 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (141,274) | 0 | 0 | 35,806 | 0 | 0 | 0 | (105,468) | 105,468 |
| AVIATION - EXPENSES | 0 | 0 | (172,360) | 0 | 0 | 43,685 | 0 | 0 | 0 | (128,676) | 128,676 |
| EXECUTIVE COMPENSATION | 0 | 0 | (34,859,280) | 0 | 0 | 8,835,085 | 0 | 0 | 0 | (26,024,196) | 26,024,196 |
| FUEL COST REC RETAIL | (2,972,833,854) | (2,960,992,886) | (178,961) | 52,309 | (2,091,882) | 48,162,459 | (50,601,265) | 0 | 0 | (2,965,650,226) | (7,183,828) |
| CONSERVATION COST RECOVERY | (57,906,615) | 0 | (44,914,783) | (10,058,200) | (1,103,370) | (463,263) | (617) | 0 | 0 | (56,540,233) | (1,366,382) |
| CAPACITY COST RECOVERY | (248,154,854) | (153,164,711) | (28,764,215) | 2,880,746 | (321,530) | (19,050,966) | 1,614,836 | 0 | 0 | (196,795,840) | (51,359,014) |
| ENVIRONMENTAL COST RECOVERY | (176,785,289) | 0 | (31,479,020) | (42,773,087) | (273,343) | (15,136,805) | (10,781,037) | 0 | 341 | (100,442,952) | (76,342,337) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 173,589 | 0 | (43,996) | 0 | 0 | 0 | 129,593 | (129,593) |
| STORM DEFICIENCY RECOVERY | (143,678,195) | 0 | (18,025,023) | (120,369,922) | 0 | (1,339,040) | 0 | 0 | 0 | (139,733,985) | (3,944,211) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 341,684 | 0 | 0 | (86,600) | 0 | 0 | 0 | 255,084 | (255,084) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 7,748,145 | (5,804,168) | 0 | 0 | 1,943,977 | (1,943,977) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,337,799,007) | (3,114,157,597) | (160,909,935) | (170,084,565) | (742,276,003) | 29,404,635 | (65,572,251) | 0 | 341 | (4,223,595,375) | \$ (114,203,632) |
| FPSC ADJUSTED | \$ 6,810,387,136 | 20,126,492 | 1,209,511,996 | 2,157,164,422 | 543,587,771 | 363,721,201 | (90,914,286) | 198,954,213 | (6,095,308) | 4,396,056,500 | \$ 2,414,330,636 |
| PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 6,823,286,510 | 20,126,492 | 1,209,511,996 | 2,157,164,422 | 543,597,058 | 360,454,209 | (90,914,286) | 198,954,213 | (6,095,308) | 4,392,798,795 | \$ 2,430,487,714 |

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 114,144,685
AND THE JURISDICTIONAL NOI BY \$ 109,727,515

NOTES:

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

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, 2018

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) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| TOTAL PROFORMA ADJUSTMENTS | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |

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, 2018

SCHEDULE 3: PAGE 3 OF 3

| RATE BASE ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|--|-------------------------|-------------------------|
| PLANT IN SERVICE: | | |
| ENVIRONMENTAL | \$ 1,432,540,499 | \$ 1,364,231,539 |
| FUEL AND CAPACITY | 158,237,007 | 151,196,731 |
| CAPITALIZED EXECUTIVE COMPENSATION | 31,037,569 | 30,058,943 |
| LOAD CONTROL | 49,752,419 | 49,752,419 |
| ASSET RETIREMENT OBLIGATION | 418,081,983 | 404,880,319 |
| CAPITAL LEASES | 61,410,224 | 59,473,938 |
| TOTAL | <u>\$ 2,151,039,681</u> | <u>\$ 2,059,593,889</u> |
| ACCUMULATED PROVISION FOR DEPRECIATION: | | |
| ENVIRONMENTAL | \$ (312,139,421) | \$ (297,255,431) |
| ACCUM PROV DECOMMISSIONING COSTS | (4,405,787,996) | (4,213,732,850) |
| ASSET RETIREMENT OBLIGATION | (6,490,510) | (6,285,862) |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING | 4,086,476,727 | 3,957,628,654 |
| FUEL AND CAPACITY | (43,065,864) | (41,034,502) |
| OTHER RATE CASE ADJUSTMENTS (1) | 173,589 | 173,589 |
| LOAD CONTROL | (27,543,534) | (27,543,534) |
| CAPITAL LEASES | (10,368,750) | (10,041,819) |
| TOTAL | <u>\$ (718,745,759)</u> | <u>\$ (638,091,755)</u> |
| CONSTRUCTION WORK IN PROGRESS: | | |
| CONSTRUCTION WORK IN PROGRESS | \$ 2,615,074,673 | \$ 2,449,036,302 |
| CWIP - CLAUSE PROJECTS | 67,898,002 | 64,976,062 |
| TOTAL | <u>\$ 2,682,972,676</u> | <u>\$ 2,514,012,363</u> |
| NUCLEAR FUEL: | | |
| NUCLEAR FUEL IN PROCESS | \$ 0 | \$ 0 |
| NUCLEAR FUEL CAPITAL LEASES | 0 | 0 |
| TOTAL | <u>\$ 0</u> | <u>\$ 0</u> |
| WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3) | \$ (3,616,670,787) | \$ (3,518,913,489) |
| TOTAL ADJUSTMENTS | <u>\$ 498,595,810</u> | <u>\$ 416,601,008</u> |

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
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
DECEMBER, 2018

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 | \$ 11,801,228,196 | 3,300,010,615 | 1,416,432,282 | 2,396,653,024 | 1,308,766,263 | 351,673,810 | (22,818,074) | 206,771,636 | (6,095,666) | 8,949,393,890 | \$ 2,651,832,306 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (483,060,693) | 0 | 0 | 0 | (12,424,321) | (142,407,873) | 0 | 0 | 0 | (154,832,194) | \$ (328,228,499) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (471,013,287) | 142,532,579 | 0 | 0 | 0 | (328,480,708) | 328,480,708 |
| GROSS RECEIPTS TAX | (255,379,505) | 0 | 0 | 0 | (255,048,270) | (102,441) | 0 | 0 | 0 | (255,150,711) | (228,794) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (426,175) | 0 | 0 | 127,822 | 0 | 0 | 0 | (298,553) | 298,553 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,378,974) | 0 | 0 | 707,826 | 0 | 0 | 0 | (1,671,148) | 1,671,148 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (145,873) | 0 | 0 | 43,862 | 0 | 0 | 0 | (102,211) | 102,211 |
| AVIATION - EXPENSES | 0 | 0 | (177,972) | 0 | 0 | 54,009 | 0 | 0 | 0 | (123,963) | 123,963 |
| EXECUTIVE COMPENSATION | 0 | 0 | (35,994,190) | 0 | 0 | 10,817,018 | 0 | 0 | 0 | (25,177,172) | 25,177,172 |
| FUEL COST REC RETAIL | (3,129,070,663) | (3,118,811,808) | (188,036) | 54,962 | (2,093,145) | 48,930,956 | (50,915,572) | 0 | 0 | (3,123,022,843) | (6,048,221) |
| CONSERVATION COST RECOVERY | (57,906,615) | 0 | (44,914,783) | (10,058,200) | (1,103,370) | (556,344) | (617) | 0 | 0 | (58,633,315) | (1,273,301) |
| CAPACITY COST RECOVERY | (248,527,098) | (180,128,885) | (30,072,082) | 2,645,013 | (328,294) | (19,997,574) | 1,814,836 | 0 | 0 | (208,286,985) | (42,260,113) |
| ENVIRONMENTAL COST RECOVERY | (178,785,289) | 0 | (33,055,218) | (44,914,795) | (280,656) | (19,187,165) | (10,781,037) | 0 | 358 | (108,218,514) | (68,566,775) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 173,588 | 0 | (43,996) | 0 | 0 | 0 | 129,593 | (129,593) |
| STORM DEFICIENCY RECOVERY | (143,878,195) | 0 | (18,025,023) | (120,369,922) | 0 | (1,636,331) | 0 | 0 | 0 | (140,031,276) | (3,646,919) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 352,808 | 0 | 0 | (106,504) | 0 | 0 | 0 | 246,304 | (246,304) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 8,367,779 | (5,993,134) | 0 | 0 | 2,374,645 | (2,374,645) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,494,408,260) | (3,278,940,893) | (165,025,518) | (172,469,353) | (742,291,342) | 27,543,221 | (66,075,524) | 0 | 358 | (4,397,258,850) | \$ (97,149,410) |
| FPSC ADJUSTED | \$ 7,106,817,936 | 21,069,922 | 1,251,406,764 | 2,224,183,672 | 564,474,921 | 379,217,031 | (88,893,598) | 206,771,636 | (6,095,308) | 4,552,135,040 | \$ 2,554,682,896 |
| PRO FORMA ADJUSTMENTS | | | | | | | | | | | |
| PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,982) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 7,119,717,309 | 21,069,922 | 1,251,406,764 | 2,224,183,672 | 564,484,208 | 375,950,039 | (88,893,598) | 206,771,636 | (6,095,308) | 4,548,877,335 | \$ 2,570,839,974 |

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY

\$ 114,144,685

NOTES:

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

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, 2018

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) | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |
| TOTAL PROFORMA ADJUSTMENTS | \$ 12,899,373 | 0 | 0 | 0 | 9,288 | (3,266,992) | 0 | 0 | 0 | (3,257,705) | \$ 16,157,078 |

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
FPSC ADJUSTED BASIS
DECEMBER, 2018

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 3 | SPECIFIC 4 | | | COST RATE (%) 7 | WEIGHTED COST (%) 8 | COST RATE (%) 9 | WEIGHTED COST (%) 10 | COST RATE (%) 11 | WEIGHTED COST (%) 12 |
| | | | LONG TERM DEBT | \$ 10,607,209,967 | | | \$ 10,189,623,606 | \$ 81,510,456 | \$ (130,688,258) | \$ 10,140,445,803 | 28.19% | 4.41% |
| SHORT TERM DEBT | 1,020,625,524 | 980,122,740 | 7,942,217 | 0 | 988,064,957 | 2.75% | 2.74% | 0.08% | 2.74% | 0.08% | 2.74% | 0.08% |
| PREFERRED STOCK | - | - | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 16,958,149,021 | 16,285,177,159 | 131,963,490 | 0 | 16,417,140,649 | 45.64% | 9.60% | 4.38% | 10.55% | 4.81% | 11.60% | 5.29% |
| CUSTOMER DEPOSITS | 397,688,599 | 397,147,387 | 3,218,200 | (0) | 400,365,587 | 1.11% | 2.08% | 0.02% | 2.08% | 0.02% | 2.08% | 0.02% |
| DEFERRED INCOME TAX | 8,268,612,494 | 7,940,230,102 | 62,451,318 | (233,319,860) | 7,769,361,560 | 21.60% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 402,031,406 | 384,979,418 | 2,060,716 | (130,673,270) | 256,366,864 | 0.71% | 7.59% | 0.05% | 8.21% | 0.06% | 8.83% | 0.06% |
| TOTAL | \$ 37,654,317,011 | \$ 36,177,280,412 | \$ 289,146,396 | \$ (494,681,388) | \$ 35,971,745,420 | 100.00% | | 5.78% | | 6.22% | | 6.70% |

| YEAR END | SYSTEM PER BOOKS 1 | RETAIL PER BOOKS 2 | ADJUSTMENTS | | ADJUSTED RETAIL 5 | RATIO (%) 6 | LOW POINT | | MIDPOINT | | HIGH POINT | |
|----------------------------|--------------------------|--------------------------|----------------|-------------------|-------------------------|-------------------|--------------------------|------------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------|
| | | | PRO RATA 3 | SPECIFIC 4 | | | COST RATE (%) 7 | WEIGHTED COST (%) 8 | COST RATE (%) 9 | WEIGHTED COST (%) 10 | COST RATE (%) 11 | WEIGHTED COST (%) 12 |
| | | | LONG TERM DEBT | \$ 10,463,948,606 | | | \$ 10,073,048,838 | \$ 20,618,214 | \$ (131,760,745) | \$ 9,961,906,307 | 27.06% | 4.62% |
| SHORT TERM DEBT | 1,121,823,032 | 1,079,583,927 | 2,239,055 | (0) | 1,081,822,982 | 2.94% | 3.46% | 0.10% | 3.46% | 0.10% | 3.46% | 0.10% |
| PREFERRED STOCK | - | - | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 18,093,652,158 | 17,412,386,345 | 36,113,258 | (0) | 17,448,499,603 | 47.39% | 9.60% | 4.55% | 10.55% | 5.00% | 11.60% | 5.50% |
| CUSTOMER DEPOSITS | 391,669,667 | 390,986,447 | 810,905 | (0) | 391,797,352 | 1.06% | 2.17% | 0.02% | 2.17% | 0.02% | 2.17% | 0.02% |
| DEFERRED INCOME TAX | 8,179,211,900 | 7,870,504,756 | 15,839,508 | (233,319,860) | 7,653,024,404 | 20.79% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 423,474,892 | 406,185,259 | 577,539 | (127,718,882) | 279,043,916 | 0.76% | 7.76% | 0.06% | 8.39% | 0.06% | 9.03% | 0.07% |
| TOTAL | \$ 38,673,780,255 | \$ 37,232,695,572 | \$ 76,198,479 | \$ (492,799,487) | \$ 36,816,094,564 | 100.00% | | 5.98% | | 6.44% | | 6.94% |

NOTE:

- (1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3,175 MILLION OF EXCESS DEFERRED TAXES
(2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
DECEMBER, 2018

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 | \$ 10,140,445,803 | \$ - | \$ 10,140,445,803 | 28.19% | 4.41% | 1.24% | 4.41% | 1.24% | 4.41% | 1.24% |
| SHORT TERM DEBT | 988,064,957 | - | 988,064,957 | 2.75% | 2.74% | 0.08% | 2.74% | 0.08% | 2.74% | 0.08% |
| PREFERRED STOCK | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 16,417,140,649 | - | 16,417,140,649 | 45.64% | 9.60% | 4.38% | 10.55% | 4.81% | 11.60% | 5.29% |
| CUSTOMER DEPOSITS | 400,365,587 | - | 400,365,587 | 1.11% | 2.08% | 0.02% | 2.08% | 0.02% | 2.08% | 0.02% |
| DEFERRED INCOME TAX | 7,769,361,560 | - | 7,769,361,560 | 21.80% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 258,368,864 | - | 258,368,864 | 0.71% | 7.59% | 0.05% | 8.21% | 0.06% | 8.83% | 0.06% |
| TOTAL | \$ 35,971,745,420 | \$ - | \$ 35,971,745,420 | 100.00% | | 5.78% | | 6.22% | | 6.70% |

| 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 | \$ 9,961,906,307 | \$ - | \$ 9,961,906,307 | 27.06% | 4.62% | 1.25% | 4.62% | 1.25% | 4.62% | 1.25% |
| SHORT TERM DEBT | 1,081,822,982 | - | 1,081,822,982 | 2.94% | 3.46% | 0.10% | 3.46% | 0.10% | 3.46% | 0.10% |
| PREFERRED STOCK | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 17,448,499,603 | - | 17,448,499,603 | 47.39% | 9.60% | 4.55% | 10.55% | 5.00% | 11.60% | 5.50% |
| CUSTOMER DEPOSITS | 391,797,352 | - | 391,797,352 | 1.06% | 2.17% | 0.02% | 2.17% | 0.02% | 2.17% | 0.02% |
| DEFERRED INCOME TAX | 7,653,024,404 | - | 7,653,024,404 | 20.79% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 279,043,916 | - | 279,043,916 | 0.76% | 7.76% | 0.06% | 8.39% | 0.06% | 9.03% | 0.07% |
| TOTAL | \$ 36,816,094,564 | \$ - | \$ 36,816,094,564 | 100.00% | | 5.98% | | 6.44% | | 6.94% |

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, 2018

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

| | |
|--|-------------------------|
| EARNINGS BEFORE INTEREST CHARGES | \$ 2,702,916,781 |
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION | 23,646,218 |
| INCOME TAXES | 528,727,297 |
| TOTAL | <u>\$ 3,255,290,296</u> |
| | |
| INTEREST CHARGES EXCLUDING DEBT AFUDC | <u>\$ 562,321,703</u> |
| | |
| TIMES INTEREST EARNED WITH AFUDC | <u>5.79</u> |

B. TIMES INTEREST EARNED WITHOUT AFUDC

| | |
|---|-------------------------|
| EARNINGS BEFORE INTEREST CHARGES | \$ 2,702,916,781 |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION | (90,498,467) |
| INCOME TAXES | 528,727,297 |
| TOTAL | <u>\$ 3,141,145,611</u> |
| | |
| INTEREST CHARGES EXCLUDING DEBT AFUDC | <u>\$ 562,321,703</u> |
| | |
| TIMES INTEREST EARNED WITHOUT AFUDC | <u>5.59</u> |

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

| | |
|---|-------------------------------------|
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION X (1 - INCOME_TAX_RATE) | \$ 23,646,218 0.7466 |
| SUBTOTAL | <u>\$ 17,653,084</u> |
| | |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION TOTAL | 90,498,467 <u>\$ 108,151,551</u> |
| | |
| NET INCOME AVAILABLE FOR COMMON | <u>\$ 2,164,241,295</u> |
| | |
| AFUDC AS PERCENT OF NET INCOME | <u>5.00%</u> |

FOOTNOTES

| | |
|--|------------------------|
| CLAUSE OVER/UNDER RECOVERY | \$ (39,092,480) |
| GAINS ON DISPOSITION OF PROPERTY | (6,095,666) |
| LONG TERM DEBT RETIREMENTS & REDEMPTIONS | 0 |
| INCREASE/DECREASE IN DECOMMISSIONING FUNDS | 0 |
| | <u>\$ (45,188,147)</u> |

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

| | |
|---------------------------------------|-------------------------|
| NET INCOME | \$ 2,164,241,295 |
| PREFERRED DIVIDENDS DECLARED | 0 |
| COMMON DIVIDENDS | (500,000,000) |
| AFUDC (DEBT & OTHER) | (114,144,685) |
| DEPRECIATION AND AMORTIZATION EXPENSE | 2,396,653,024 |
| DEFERRED INCOME TAXES | (30,623,279) |
| INVESTMENT TAX CREDITS | 206,771,636 |
| OTHER SOURCE/USES OF FUNDS | (45,188,147) |
| INTERNALLY GENERATED FUNDS | <u>\$ 4,077,709,845</u> |
| | |
| CONSTRUCTION EXPENDITURES | <u>\$ 4,955,432,098</u> |
| | |
| PERCENT INTERNALLY GENERATED FUNDS | <u>82.29%</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 | \$ 10,140,445,803 |
| JURIS ADJUSTED SHORT TERM DEBT | 988,064,957 |
| JURIS ADJUSTED PREFERRED STOCK | 0 |
| JURIS ADJUSTED COMMON STOCK | 16,417,140,649 |
| TOTAL | <u>\$ 27,545,651,409</u> |
| | |
| LTD TO TOTAL INVESTOR FUNDS | <u>36.81%</u> |
| | |
| STD TO TOTAL INVESTOR FUNDS | <u>3.59%</u> |

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

| | |
|--|---------------|
| FPSC RATE OF RETURN | 6.70% |
| | |
| LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR : | |
| LONG TERM DEBT | 1.24% |
| SHORT TERM DEBT | 0.08% |
| PREFERRED STOCK | 0.00% |
| CUSTOMER DEPOSITS | 0.02% |
| TAX CREDITS - WTD COST | 0.06% |
| SUBTOTAL | <u>1.40%</u> |
| | |
| TOTAL | <u>5.29%</u> |
| | |
| DIVIDED BY COMMON EQUITY RATIO | <u>45.64%</u> |
| | |
| JURISDICTIONAL RETURN ON COMMON EQUITY | <u>11.60%</u> |

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
FINANCIAL INTEGRITY INDICATORS
DECEMBER, 2018

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.74%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.24%

SHORT TERM DEBT 0.08%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.02%

TAX CREDITS - WTD COST 0.06%

SUBTOTAL 1.40%

PRO FORMA ROR LESS NON EQUITY COST 5.34%

PRO FORMA COMMON EQUITY RATIO 45.64%

PRO FORMA RETURN ON COMMON EQUITY 11.70%

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: | |
| (SEE SCHEDULE B, PAGE 3 OF 3) | \$ (3,518,913,489) |
| 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-E

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) |

NOTES:

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 |

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FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2018

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2018 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is [REDACTED],^{(1)A}

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

| | AMOUNT | RELATED ORDER |
|---|----------------------|-------------------|
| Rollover Reserve Amount - 12/31/2016 ⁽¹⁾ | \$ 252,100,355 | |
| Depreciation Reserve Surplus Approved by FPSC - 1/1/2017 | \$ 1,000,000,000 | PSC-16-0560-AS-EI |
| Total Reserve Amount Available Under Current Settlement Agreement | \$ 1,252,100,355 | |
| Actual Amortization from 1/1/2017 - 12/31/2017: | | |
| January, 2017 | \$ (125,223,511) | |
| February, 2017 | \$ (35,682,879) | |
| March, 2017 | \$ (52,328,640) | |
| April, 2017 | \$ 26,451,730 | |
| May, 2017 | \$ (36,038,470) | |
| June, 2017 | \$ (7,408,419) | |
| July, 2017 | \$ 25,671,697 | |
| August, 2017 | \$ 22,847,456 | |
| September, 2017 | \$ 75,509,428 | |
| October, 2017 | \$ 54,523,942 | |
| November, 2017 | \$ (52,119,437) | |
| December, 2017 ⁽²⁾ | \$ (1,148,303,252) | |
| Total Amortization from 1/1/2017 - 12/31/2017 | \$ (1,252,100,355) | |
| Remaining Reserve Amount - 12/31/2017 | <u>\$0</u> | |
| Actual Amortization from 1/1/2018 - 12/31/2018: | | |
| January, 2018 | \$ - | |
| February, 2018 | \$ - | |
| March, 2018 | \$ - | |
| April, 2018 | \$ - | |
| May, 2018 | \$ - | |
| June, 2018 | \$ - | |
| July, 2018 | \$ 51,958,256 | |
| August, 2018 | \$ 55,277,885 | |
| September, 2018 | \$ 193,713,805 | |
| October, 2018 | \$ 125,007,557 | |
| November, 2018 | \$ 14,253,285 | |
| December, 2018 | \$ 100,738,501 | |
| Total Amortization from 1/1/2018 - 12/31/2018 | \$ 540,949,289 | |
| Remaining Reserve Amount - 12/31/2018 | <u>\$540,949,289</u> | |

Notes:

(1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.

(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.

EXHIBIT C

JUSTIFICATION TABLE

EXHIBIT C

COMPANY: Florida Power & Light Company
TITLE: Florida Power & Light's Earnings Surveillance Report
DOCKET NO.: Undocketed
DATE: February 15, 2019

| Description | No. of Pages | Conf. Y/N | Line / Column | Florida Statute 366.093(3) Subsection | Declarant |
|---|--------------|-----------|------------------|---------------------------------------|---------------|
| Earnings Surveillance Report (Schedule D) | 25 | N | Pages: 1-23 | (d), (e) | Tiffany Cohen |
| | | Y | Page 25, Line17a | | |
| | | N | Page. 26 | | |

EXHIBIT D

DECLARATION

EXHIBIT D

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company (FPL)
Monthly Earnings Surveillance Report (ESR)

Docket No: Undocketed

STATE OF FLORIDA)
)
COUNTY OF PALM BEACH) WRITTEN DECLARATION OF Tiffany Cohen


1. My name is Tiffany Cohen. I am currently employed by Florida Power & Light Company ("FPL") as Director of Rates and tariffs. I have personal knowledge of the matters stated in this written declaration.

2. I have reviewed the documents and information included in FPL's Request for Confidential Classification filed this date, for which I am listed as the Declarant. The documents that I have reviewed and which are asserted by FPL to be proprietary confidential business information contain or constitute information relating to competitive interests. Specifically, the documents contain contractual data between FPL and customers concerning the terms of the Contract Service Agreement. The confidential information relates to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

3. To the best of my knowledge, FPL has maintained the confidentiality of this information.

4. Consistent with the provisions of the Florida Administrative Code, such materials should remain confidential for a period of at least eighteen (18) months. In addition, they should be returned to FPL as soon as the information is no longer necessary for the Commission to conduct its business so that FPL can continue to maintain the confidentiality of these documents.

5. Under penalties of perjury, I declare that I have read the foregoing declaration and that the facts stated in it are true to the best of my knowledge and belief.


Tiffany Cohen

Date: 2/12/19