

State of Florida



Public Service Commission

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

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

DATE: September 18, 2019
TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk
FROM: Andrew L. Maurey, Director, Division of Accounting & Finance *ALM*
RE: Docket No. 20180046-EI

Please include the attached document in the docket file for In re: Consideration of the tax impacts associated with the Tax Cuts and Jobs Act of 2017 for Florida Power & Light Company (Docket No. 20180046-EI). The last page of this document was filed pursuant to the requirements of Order No. PSC-2019-0225-FOF-EI.

cc: Mark Cicchetti
Suzanne Brownless

Attachment



September 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 July 2019. 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 FPSC Order No. PSC-2019-0225-FOF-EI, FPL also provides as Attachment 1 to the Report the monthly amounts of amortization credits or debits to the Reserve Amount during 2019. The balance of the Reserve Amount as of July 31, 2019 is \$686,798,188.

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
JULY, 2019

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,811,230,171 (A)	(213,953,394) (B)	2,604,276,777	(108,833,116)	\$ 2,495,443,661
RATE BASE	\$ 37,503,878,200	310,613,139	37,814,489,339	0	\$ 37,814,489,339
AVERAGE RATE OF RETURN	7.51%		6.89%		6.60%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,811,230,171 (A)	(208,738,528) (B)	2,611,491,643	(108,833,116)	\$ 2,502,658,528
RATE BASE	\$ 38,785,339,799	1,018,391,489	39,803,728,285	0	\$ 39,803,728,285
YEAR END RATE OF RETURN	7.27%		6.56%		8.29%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.94%
MIDPOINT	6.39%
HIGH	6.89%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.78	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.80	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.15%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	58.82%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.63%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.14%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.80%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.99%	(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. 180021-EI, ORDER NO. PSC-18-0560-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 837.08, 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

9/15/2019
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
JULY, 2019

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	\$ 50,400,107,379	15,583,512,160	34,816,595,219	403,491,276	3,360,496,269	588,972,809	39,179,555,573	(162,058,248)	\$ 39,017,497,324
JURISDICTIONAL PER BOOKS	\$ 48,344,438,214	12,447,080,335	35,897,377,880	382,435,417	3,193,324,196	569,461,742	40,042,599,234	(2,536,723,035)	\$ 37,503,678,200
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,176,099,537)	(687,349,734)	(1,488,749,803)	0	(1,806,557,952)	0	(3,265,307,755)	3,605,920,864	\$ 310,613,139
FPSC ADJUSTED:	\$ 46,168,338,678	11,759,710,601	34,408,628,077	382,435,417	1,386,766,244	569,461,742	36,747,291,480	1,067,197,859	\$ 37,814,489,339
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 46,168,338,678	11,759,710,601	34,408,628,077	382,435,417	1,386,766,244	569,461,742	36,747,291,480	1,067,197,859	\$ 37,814,489,339

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
JULY, 2019

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	\$ 11,841,910,855	3,355,189,877	1,306,564,728	2,569,646,326	1,325,121,570	485,158,124	(136,634,240)	90,782,024	(5,995,507)	6,001,812,602	\$ 2,840,098,054
JURISDICTIONAL PER BOOKS	\$ 11,397,449,181	3,187,600,732	1,263,498,792	2,489,154,980	1,304,812,343	473,257,418	(132,861,134)	87,457,711	(5,995,490)	6,077,125,353	\$ 2,720,323,828
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (491,537,566)	0	0	0	(12,842,347)	(121,376,001)	0	0	0	(134,018,348)	\$ (357,519,248)
FRANCHISE EXPENSE	0	0	0	0	(479,026,982)	121,409,896	0	0	0	(357,619,087)	357,619,087
GROSS RECEIPTS TAX	(280,750,136)	0	0	0	(280,510,706)	(60,883)	0	0	0	(280,571,382)	(178,744)
FINANCIAL PLANNING SERVICES	0	0	(473,271)	0	0	119,950	0	0	0	(353,320)	353,320
INDUSTRY ASSOCIATION DUES	0	0	(1,940,269)	0	0	491,781	0	0	0	(1,448,508)	1,448,508
ECONOMIC DEVELOPMENT 5%	0	0	(142,468)	0	0	36,109	0	0	0	(106,360)	106,360
AVIATION - EXPENSES	0	0	(152,235)	0	0	38,584	0	0	0	(113,651)	113,651
EXECUTIVE COMPENSATION	0	0	(36,146,834)	0	0	9,182,125	0	0	0	(26,967,509)	26,967,509
FUEL COST REC RETAIL	(3,020,414,803)	(3,004,982,444)	(790,480)	143,698	(2,124,538)	27,046,782	(30,255,661)	0	0	(3,010,982,655)	(9,451,948)
CONSERVATION COST RECOVERY	(56,621,330)	0	(43,982,853)	(9,953,115)	(1,025,492)	(420,237)	(459)	0	0	(55,382,154)	(1,239,176)
CAPACITY COST RECOVERY	(259,925,524)	(162,081,825)	(28,206,318)	(8,239,150)	(316,471)	(15,897,714)	(289,598)	0	0	(212,834,075)	(47,091,449)
ENVIRONMENTAL COST RECOVERY	(175,237,097)	0	(32,251,012)	(39,836,437)	(285,714)	(19,184,475)	(6,886,478)	0	343	(98,443,771)	(76,793,326)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,825,627	0	(865,465)	0	0	0	1,960,162	(1,960,162)
STORM DEFICIENCY RECOVERY	(91,393,026)	0	28,810,040	(117,627,336)	0	(842,690)	0	0	0	(89,456,979)	(1,893,046)
INTEREST TAX DEFICIENCIES	0	0	326,202	0	0	(82,675)	0	0	0	243,526	(243,526)
INTEREST SYNCHRONIZATION	0	0	0	0	0	11,748,630	(5,444,770)	0	0	6,304,860	(6,304,860)
TOTAL FPSC ADJUSTMENTS	\$ (4,355,839,310)	(3,167,064,299)	(114,955,298)	(170,898,716)	(755,934,254)	11,924,917	(42,878,982)	0	343	(4,239,792,260)	\$ (116,047,051)
FPSC ADJUSTED	\$ 7,041,609,870	20,736,463	1,148,543,497	2,326,266,262	548,878,090	485,182,334	(175,738,116)	87,457,711	(5,995,147)	4,437,333,094	\$ 2,604,276,777
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (145,886,453)	0	0	0	(105,038)	(36,848,300)	0	0	0	(37,053,338)	\$ (108,833,115)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,895,723,417	20,736,463	1,148,543,497	2,326,266,262	548,773,051	448,234,035	(175,738,116)	87,457,711	(5,995,147)	4,400,279,756	\$ 2,495,443,661
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 101,712,898										
	\$ 97,906,343										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,940,011										
ON A JURISDICTIONAL BASIS	\$ 2,849,367										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 1,167,969,553	319,486,310	90,869,843	251,837,029	121,244,016	97,796,855	(38,201,910)	(1,302,308)	(455,030)	850,896,906	\$ 317,072,857
JURISDICTIONAL PER BOOKS	\$ 1,127,899,597	305,994,186	87,131,005	245,443,385	119,630,125	93,833,359	(27,108,078)	(1,254,896)	(455,028)	823,204,073	\$ 304,482,824

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-19-0560-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
JULY, 2019

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)	\$ (145,886,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,336)	\$ (108,833,115)
TOTAL PROFORMA ADJUSTMENTS	\$ (145,886,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,336)	\$ (108,833,115)

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
JULY, 2019

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,523,870,869	\$ 1,451,740,638
FUEL AND CAPACITY	160,986,954	153,891,547
CAPITALIZED EXECUTIVE COMPENSATION	31,351,281	30,384,676
LOAD CONTROL	49,740,373	49,740,373
ASSET RETIREMENT OBLIGATION	433,291,300	419,932,303
CAPITAL LEASES	72,649,900	70,409,998
TOTAL	<u>\$ 2,271,890,677</u>	<u>\$ 2,176,099,537</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (327,913,883)	\$ (312,392,552)
ACCUM PROV DECOMMISSIONING COSTS	(4,647,579,388)	(4,449,143,757)
ASSET RETIREMENT OBLIGATION	(17,690,434)	(17,145,013)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,311,810,063	4,178,870,735
FUEL AND CAPACITY	(45,354,112)	(43,222,456)
OTHER RATE CASE ADJUSTMENTS (1)	201,971	201,971
LOAD CONTROL	(27,563,872)	(27,563,872)
CAPITAL LEASES	(17,494,160)	(16,954,790)
TOTAL	<u>\$ (771,583,816)</u>	<u>\$ (687,349,734)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,844,859,752	\$ 1,731,978,316
CWIP - CLAUSE PROJECTS	78,017,827	74,579,636
TOTAL	<u>\$ 1,922,877,579</u>	<u>\$ 1,806,557,952</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)	\$ (3,703,683,785)	\$ (3,605,920,894)
TOTAL ADJUSTMENTS	<u>\$ (280,499,345)</u>	<u>\$ (310,613,139)</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
JULY, 2019

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	\$ 11,841,810,855	3,355,189,577	1,308,564,728	2,589,646,326	1,325,121,570	495,158,124	(136,634,240)	90,782,024	(5,995,507)	9,001,812,802	\$ 2,840,068,054
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (491,537,595)	0	0	0	(12,942,347)	(126,266,346)	0	0	0	(136,906,694)	\$ (352,926,901)
FRANCHISE EXPENSE	0	0	0	0	(479,028,982)	126,300,243	0	0	0	(352,728,740)	352,728,740
GROSS RECEIPTS TAX	(280,750,136)	0	0	0	(260,510,709)	(63,914)	0	0	0	(280,574,623)	(175,513)
FINANCIAL PLANNING SERVICES	0	0	(488,327)	0	0	126,887	0	0	0	(361,440)	361,440
INDUSTRY ASSOCIATION DUES	0	0	(2,001,993)	0	0	526,563	0	0	0	(1,475,430)	1,475,430
ECONOMIC DEVELOPMENT 5%	0	0	(147,001)	0	0	38,816	0	0	0	(108,185)	108,185
AVIATION - EXPENSES	0	0	(157,078)	0	0	41,638	0	0	0	(115,441)	115,441
EXECUTIVE COMPENSATION	0	0	(37,299,636)	0	0	9,704,694	0	0	0	(27,594,942)	27,594,942
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,174,044,181)	(3,164,002,380)	(830,796)	151,019	(2,125,812)	28,467,124	(30,207,203)	0	0	(3,188,558,018)	(5,486,163)
CONSERVATION COST RECOVERY	(56,821,330)	0	(43,982,853)	(9,953,115)	(1,025,492)	(436,791)	(456)	0	0	(56,368,708)	(1,222,622)
CAPACITY COST RECOVERY	(260,279,829)	(199,361,548)	(29,474,596)	(6,677,913)	(322,527)	(14,035,058)	(289,596)	0	0	(220,151,210)	(40,126,619)
ENVIRONMENTAL COST RECOVERY	(175,237,067)	0	(33,853,414)	(41,815,724)	(293,641)	(19,174,608)	(6,886,476)	360	360	(102,023,503)	(73,213,564)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,625,627	0	(665,465)	0	0	0	1,860,162	(1,860,162)
STORM DEFICIENCY RECOVERY	(91,363,028)	0	28,810,040	(117,627,336)	0	(676,720)	0	0	0	(89,494,020)	(1,859,008)
INTEREST TAX DEFICIENCIES	0	0	336,579	0	0	(89,068)	0	0	0	247,461	(247,461)
INTEREST SYNCHRONIZATION	0	0	0	0	0	12,065,267	(5,817,960)	0	0	8,447,287	(6,447,287)
TOTAL FPSC ADJUSTMENTS	\$ (4,509,823,194)	(3,333,353,928)	(119,069,014)	(173,297,446)	(755,949,510)	15,943,236	(43,001,714)	0	360	(4,408,748,014)	\$ (101,075,180)
FPSC ADJUSTED	\$ 7,332,087,661	21,835,648	1,189,475,714	2,396,348,881	569,172,080	511,101,382	(179,635,954)	90,782,024	(5,995,147)	4,593,064,588	\$ 2,739,022,874
PRO FORMA ADJUSTMENTS	\$ (145,886,453)	0	0	0	(105,038)	(38,948,300)	0	0	0	(37,053,338)	\$ (108,833,115)
(SEE SCHEDULE 2, PAGE 3C OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,186,201,208	21,835,648	1,189,475,714	2,396,348,881	569,067,021	474,153,083	(179,635,954)	90,782,024	(5,995,147)	4,556,011,250	\$ 2,630,189,759

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 101,712,896

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-19-0560-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
JULY, 2019

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	30,521,157	29,923,445
INTEREST & DIVIDENDS RECEIVABLE	466,448	457,313
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	159,337,340	158,828,702
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	13,402,064	13,402,064
PREPAYMENTS - ECCR	45,914,032	45,914,032
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	6,767,950	6,514,663
TEMPORARY CASH INVESTMENTS	1,340,627	1,314,372
STORM DEFICIENCY RECOVERY	47,719,781	47,719,781
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	50,871,096	49,874,859
OTH REG ASSETS - CLAUSES	1,981,314	1,885,233
MISC. DEFERRED DEBIT - CLAUSES	3,481,926	3,313,076
CEDAR BAY TRANSACTION	537,175,137	514,115,917
ICL TRANSACTION	346,986,111	332,091,101
SJRPP TRANSACTION	108,478,033	103,629,168
EARLY RETIRED ASSETS	82,689,884	78,775,877
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,437,132,900	\$ 1,387,759,604
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(163,563)	(158,520)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(107,594,627)	(107,594,627)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(561)	(535)
JOBGING ACCOUNTS	(44,614,651)	(43,740,938)
POLE ATTACHMENT RENTS PAYABLE	(6,448,323)	(6,448,323)
SJRPP ACCELERATED RECOVERY	(7,105,469)	(6,800,454)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(4,727,410,929)	(4,581,658,026)
MARGIN CALL CASH COLLATERAL	(713,462)	(699,489)
NUCLEAR COST RECOVERY	(242,443,435)	(242,443,435)
CEDAR BAY TRANSACTION	(4,321,665)	(4,136,150)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,140,816,686)	\$ (4,993,680,498)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,703,683,785)	\$ (3,605,920,894)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JULY, 2019

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		FUEL & NET INTERCHANGE	OTHER								
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (145,000,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,338)	\$ (108,833,115)
TOTAL PROFORMA ADJUSTMENTS	\$ (145,000,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,338)	\$ (108,833,115)

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
JULY, 2019

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	\$ 52,757,350,394	15,774,745,200	36,982,605,194	442,887,037	2,544,583,266	836,528,643	40,606,404,140	(182,058,248)	\$ 40,444,345,892
JURISDICTIONAL PER BOOKS	\$ 50,601,107,118	12,727,148,780	37,873,958,338	418,546,234	2,425,388,037	805,167,221	41,324,059,830	(2,538,723,035)	\$ 38,785,336,786
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,159,287,676)	(721,869,574)	(1,437,718,103)	0	(1,149,811,303)	0	(2,587,529,405)	3,805,920,894	\$ 1,016,391,489
FPSC ADJUSTED:	\$ 48,441,819,442	12,005,579,206	36,436,240,236	418,546,234	1,275,576,735	805,167,221	38,736,530,425	1,087,197,859	\$ 38,803,728,285
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 48,441,819,442	12,005,579,206	36,436,240,236	418,546,234	1,275,576,735	805,167,221	38,736,530,425	1,087,197,859	\$ 38,803,728,285

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
JULY, 2019

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	\$ 11,841,910,655	3,355,189,577	1,308,564,728	2,589,846,328	1,325,121,570	485,156,124	(136,834,240)	90,782,024	(5,995,507)	9,001,812,002	\$ 2,840,098,654
JURISDICTIONAL PER BOOKS	\$ 11,307,449,181	3,187,800,732	1,263,498,792	2,489,154,980	1,304,812,343	473,257,416	(132,861,134)	87,457,711	(5,995,490)	8,877,125,353	\$ 2,720,323,828
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (491,537,895)	0	0	0	(12,842,347)	(121,378,001)	0	0	0	(134,018,348)	\$ (357,519,245)
FRANCHISE EXPENSE	0	0	0	0	(479,028,982)	121,409,896	0	0	0	(357,619,087)	357,619,087
GROSS RECEIPTS TAX	(280,750,136)	0	0	0	(260,510,709)	(60,683)	0	0	0	(280,571,392)	(178,744)
FINANCIAL PLANNING SERVICES	0	0	(473,271)	0	0	119,950	0	0	0	(353,320)	353,320
INDUSTRY ASSOCIATION DUES	0	0	(1,940,289)	0	0	491,781	0	0	0	(1,448,508)	1,448,508
ECONOMIC DEVELOPMENT 5%	0	0	(142,488)	0	0	36,108	0	0	0	(106,380)	106,380
AVIATION - EXPENSES	0	0	(152,235)	0	0	36,584	0	0	0	(115,651)	113,651
EXECUTIVE COMPENSATION	0	0	(36,148,634)	0	0	9,182,125	0	0	0	(26,967,509)	26,967,509
FUEL COST REC RETAIL	(3,020,414,803)	(3,004,982,444)	(700,480)	143,896	(2,124,538)	27,046,792	(30,255,981)	0	0	(3,010,862,856)	(9,451,948)
CONSERVATION COST RECOVERY	(56,821,330)	0	(43,982,853)	(9,953,115)	(1,025,462)	(420,237)	(459)	0	0	(55,382,154)	(1,239,178)
CAPACITY COST RECOVERY	(259,925,524)	(162,081,825)	(26,206,318)	(8,338,150)	(318,471)	(15,897,714)	(289,598)	0	0	(212,834,075)	(47,091,448)
ENVIRONMENTAL COST RECOVERY	(175,237,097)	0	(32,251,012)	(39,836,437)	(285,714)	(19,184,475)	(8,886,476)	0	343	(98,443,771)	(78,783,326)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,626,827	0	(605,465)	0	0	0	1,990,162	(1,990,162)
STORM DEFICIENCY RECOVERY	(91,363,029)	0	26,810,040	(117,827,339)	0	(842,890)	0	0	0	(89,456,979)	(1,863,049)
INTEREST TAX DEFICIENCIES	0	0	326,202	0	0	(62,876)	0	0	0	243,326	(243,326)
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,534,784	(5,444,770)	0	0	(910,000)	910,000
TOTAL FPSC ADJUSTMENTS	\$ (4,356,839,310)	(3,187,084,299)	(114,955,298)	(170,886,718)	(755,934,254)	4,710,050	(42,876,982)	0	343	(4,247,007,128)	\$ (16,832,184)
FPSC ADJUSTED	\$ 7,041,609,870	20,736,483	1,148,543,497	2,328,268,262	548,773,051	477,987,468	(175,738,116)	87,457,711	(5,995,147)	4,430,118,227	\$ 2,611,491,643
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (145,886,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,953,338)	\$ (108,833,115)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 8,895,723,417	20,736,483	1,148,543,497	2,328,268,262	548,773,051	441,019,168	(175,738,116)	87,457,711	(5,995,147)	4,393,064,889	\$ 2,502,658,528
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 101,712,896 \$ 97,906,343										

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
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JULY, 2019

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		NET INTERCHANGE	OTHER								
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (145,888,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,338)	\$ (108,833,115)
TOTAL PROFORMA ADJUSTMENTS	\$ (145,888,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,338)	\$ (108,833,115)

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
JULY, 2019

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,485,767,645	\$ 1,415,440,975
FUEL AND CAPACITY	169,686,863	162,218,798
CAPITALIZED EXECUTIVE COMPENSATION	34,720,885	33,650,390
LOAD CONTROL	48,430,085	48,430,085
ASSET RETIREMENT OBLIGATION	418,061,963	405,172,509
CAPITAL LEASES	97,377,198	94,374,918
TOTAL	<u>\$ 2,254,044,639</u>	<u>\$ 2,159,287,676</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (337,767,262)	\$ (321,779,536)
ACCUM PROV DECOMMISSIONING COSTS	(4,871,234,132)	(4,663,249,215)
ASSET RETIREMENT OBLIGATION	(18,261,634)	(17,698,601)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,520,210,550	4,380,845,934
FUEL AND CAPACITY	(48,012,700)	(45,767,721)
OTHER RATE CASE ADJUSTMENTS (1)	2,625,627	2,625,627
LOAD CONTROL	(27,305,718)	(27,305,718)
CAPITAL LEASES	(30,170,546)	(29,240,344)
TOTAL	<u>\$ (809,915,815)</u>	<u>\$ (721,569,574)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,149,220,889	\$ 1,077,688,605
CWIP - CLAUSE PROJECTS	75,461,262	72,122,697
TOTAL	<u>\$ 1,224,682,151</u>	<u>\$ 1,149,811,303</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)	\$ (3,703,683,785)	\$ (3,605,920,894)
TOTAL ADJUSTMENTS	<u>\$ (1,034,872,811)</u>	<u>\$ (1,018,391,489)</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
JULY, 2019

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		FUEL & NET INTERCHANGE	OTHER								
SYSTEM PER BOOKS	\$ 11,841,910,655	3,355,169,577	1,308,564,728	2,569,646,326	1,325,121,570	495,158,124	(136,634,240)	90,782,024	(5,995,507)	9,001,812,802	\$ 2,840,098,054
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (491,537,595)	0	0	0	(12,642,347)	(126,266,348)	0	0	0	(138,908,694)	\$ (352,628,901)
FRANCHISE EXPENSE	0	0	0	0	(479,026,962)	126,300,243	0	0	0	(352,726,740)	352,726,740
GROSS RECEIPTS TAX	(260,750,136)	0	0	0	(260,510,709)	(63,914)	0	0	0	(260,574,623)	(175,513)
FINANCIAL PLANNING SERVICES	0	0	(488,327)	0	0	126,887	0	0	0	(361,440)	361,440
INDUSTRY ASSOCIATION DUES	0	0	(2,001,993)	0	0	526,563	0	0	0	(1,475,430)	1,475,430
ECONOMIC DEVELOPMENT 5%	0	0	(147,001)	0	0	38,816	0	0	0	(108,185)	108,185
AVIATION - EXPENSES	0	0	(157,078)	0	0	41,636	0	0	0	(115,441)	115,441
EXECUTIVE COMPENSATION	0	0	(37,296,636)	0	0	9,794,694	0	0	0	(27,504,942)	27,504,942
FUEL COST REC RETAIL	(3,174,044,181)	(3,164,002,380)	(830,766)	151,019	(2,125,812)	28,457,124	(30,207,203)	0	0	(3,169,558,018)	(5,486,163)
CONSERVATION COST RECOVERY	(56,621,330)	0	(43,982,853)	(9,953,115)	(1,025,492)	(436,791)	(458)	0	0	(55,398,706)	(1,222,622)
CAPACITY COST RECOVERY	(260,279,829)	(169,351,548)	(29,474,566)	(6,877,913)	(322,527)	(14,035,068)	(289,598)	0	0	(220,151,210)	(40,126,619)
ENVIRONMENTAL COST RECOVERY	(175,237,097)	0	(33,853,414)	(41,815,724)	(263,641)	(19,174,808)	(6,866,476)	0	360	(102,023,503)	(73,213,594)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,625,827	0	(865,465)	0	0	0	1,960,162	(1,960,162)
STORM DEFICIENCY RECOVERY	(91,353,026)	0	28,810,040	(117,827,336)	0	(676,720)	0	0	0	(69,464,026)	(1,859,006)
INTEREST TAX DEFICIENCIES	0	0	336,579	0	0	(69,068)	0	0	0	247,491	(247,491)
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,183,365	(5,817,960)	0	0	(1,434,615)	1,434,615
TOTAL FPSC ADJUSTMENTS	\$ (4,509,823,194)	(3,333,353,928)	(119,069,014)	(17,297,445)	(755,946,910)	8,061,336	(43,001,714)	0	360	(4,585,182,866)	\$ (93,193,278)
FPSC ADJUSTED	\$ 7,332,087,462	21,835,648	1,189,475,714	2,396,348,881	569,172,060	503,219,460	(179,635,954)	90,782,024	(5,995,147)	4,548,129,348	\$ 2,745,904,776
PRO FORMA ADJUSTMENTS	\$ (145,886,453)	0	0	0	(105,036)	(36,948,300)	0	0	0	(37,053,336)	\$ (106,833,115)
(SEE SCHEDULE 3, PAGE 3B OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,186,201,008	21,835,648	1,189,475,714	2,396,348,881	569,067,024	466,271,161	(179,635,954)	90,782,024	(5,995,147)	4,548,129,348	\$ 2,639,071,660
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 101,712,896										

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

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
JULY, 2019

SCHEDULE 3: PAGE 38 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		NET INTERCHANGE	OTHER								
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (145,886,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,336)	\$ (108,833,115)
TOTAL PROFORMA ADJUSTMENTS	\$ (145,886,453)	0	0	0	(105,038)	(36,948,300)	0	0	0	(37,053,336)	\$ (108,833,115)

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
JULY, 2019

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	\$ 11,005,515,578	\$ 10,576,100,782	\$ 202,572,345	\$ (69,810,078)	\$ 10,689,063,049	28.27%	4.42%	1.25%	4.42%	1.25%	4.42%	1.25%
SHORT TERM DEBT	637,585,478	612,613,504	11,834,136	-	624,447,640	1.65%	3.80%	0.06%	3.80%	0.06%	3.80%	0.06%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,241,183,824	17,526,741,017	338,572,086	(0)	17,865,313,103	47.24%	9.80%	4.54%	10.55%	4.98%	11.60%	5.48%
CUSTOMER DEPOSITS	367,715,234	397,262,154	7,674,675	0	404,966,828	1.07%	2.11%	0.02%	2.11%	0.02%	2.11%	0.02%
DEFERRED INCOME TAX (1)	8,261,895,878	7,937,167,801	149,672,208	(189,139,734)	7,897,700,275	20.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	473,801,332	453,960,942	6,310,775	(127,273,274)	332,998,443	0.88%	7.66%	0.07%	8.25%	0.07%	8.91%	0.08%
TOTAL	\$ 39,017,497,324	\$ 37,503,676,200	\$ 716,636,226	\$ (408,023,068)	\$ 37,814,489,339	100.00%		5.94%		6.39%		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 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 12,117,061,651	\$ 11,816,944,214	\$ 430,106,786	\$ (101,289,444)	\$ 11,945,763,556	30.01%	4.22%	1.27%	4.22%	1.27%	4.22%	1.27%
SHORT TERM DEBT	508,199,770	487,142,804	18,194,737	0	505,337,342	1.27%	3.69%	0.05%	3.69%	0.05%	3.69%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,865,708,830	17,892,298,545	668,275,922	0	18,560,574,467	48.63%	9.80%	4.48%	10.55%	4.92%	11.60%	5.41%
CUSTOMER DEPOSITS	403,102,920	402,838,080	15,045,969	-	417,884,030	1.05%	2.19%	0.02%	2.19%	0.02%	2.19%	0.02%
DEFERRED INCOME TAX (1)	8,239,477,303	7,897,317,233	287,899,814	(189,139,734)	7,996,077,314	20.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	510,775,416	488,766,139	13,613,237	(124,317,800)	378,061,576	0.95%	7.49%	0.07%	8.07%	0.08%	8.71%	0.08%
TOTAL	\$ 40,444,345,892	\$ 38,785,336,798	\$ 1,433,136,467	\$ (411,746,978)	\$ 39,803,726,285	100.00%		5.88%		6.33%		6.83%

NOTE:

- (1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3.087 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
JULY, 2019

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	\$ 10,689,063,049	\$ -	\$ 10,689,063,049	28.27%	4.42%	1.25%	4.42%	1.25%	4.42%	1.25%
SHORT TERM DEBT	624,447,640	-	624,447,640	1.65%	3.80%	0.06%	3.80%	0.06%	3.80%	0.06%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,865,313,103	-	17,865,313,103	47.24%	9.60%	4.54%	10.55%	4.98%	11.60%	5.48%
CUSTOMER DEPOSITS	404,966,828	-	404,966,828	1.07%	2.11%	0.02%	2.11%	0.02%	2.11%	0.02%
DEFERRED INCOME TAX	7,897,700,275	-	7,897,700,275	20.89%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	332,998,443	-	332,998,443	0.88%	7.66%	0.07%	8.25%	0.07%	8.91%	0.08%
TOTAL	\$ 37,614,489,339	\$ -	\$ 37,614,489,339	100.00%		5.94%		6.39%		6.89%

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	\$ 11,945,763,556	\$ -	\$ 11,945,763,556	30.01%	4.22%	1.27%	4.22%	1.27%	4.22%	1.27%
SHORT TERM DEBT	505,337,342	-	505,337,342	1.27%	3.69%	0.05%	3.69%	0.05%	3.69%	0.05%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,560,574,467	-	18,560,574,467	46.63%	9.60%	4.48%	10.55%	4.92%	11.60%	5.41%
CUSTOMER DEPOSITS	417,884,030	-	417,884,030	1.05%	2.19%	0.02%	2.19%	0.02%	2.19%	0.02%
DEFERRED INCOME TAX	7,996,077,314	-	7,996,077,314	20.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	378,091,576	-	378,091,576	0.95%	7.49%	0.07%	8.07%	0.08%	8.71%	0.08%
TOTAL	\$ 39,803,728,285	\$ -	\$ 39,803,728,285	100.00%		5.88%		6.33%		6.83%

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
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SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,872,770,212
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	22,166,028
INCOME TAXES	441,999,370
TOTAL	\$ 3,336,935,609
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 577,407,325
TIMES INTEREST EARNED WITH AFUDC	5.78

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,872,770,212
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(79,546,869)
INCOME TAXES	441,999,370
TOTAL	\$ 3,235,222,712
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 577,407,325
TIMES INTEREST EARNED WITHOUT AFUDC	5.60

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 22,166,028
X (1 - INCOME_TAX_RATE)	0.7466
SUBTOTAL	\$ 16,548,048
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	79,546,869
TOTAL	\$ 96,094,918
NET INCOME AVAILABLE FOR COMMON	\$ 2,314,178,885
AFUDC AS PERCENT OF NET INCOME	4.15%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 44,414,227
GAINS ON DISPOSITION OF PROPERTY	(5,995,507)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 38,418,720
** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:	0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,314,178,885
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,900,000,000)
AFUDC (DEBT & OTHER)	(101,712,889)
DEPRECIATION AND AMORTIZATION EXPENSE	2,569,646,326
DEFERRED INCOME TAXES	(146,684,483)
INVESTMENT TAX CREDITS	90,782,024
OTHER SOURCE/USES OF FUNDS	38,418,720
INTERNALLY GENERATED FUNDS	\$ 2,864,606,544
CONSTRUCTION EXPENDITURES	\$ 5,058,907,984
PERCENT INTERNALLY GENERATED FUNDS	56.82%

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	\$ 10,689,063,049
JURIS ADJUSTED SHORT TERM DEBT	624,447,640
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	17,885,313,103
TOTAL	\$ 29,178,823,792
LTD TO TOTAL INVESTOR FUNDS	36.63%
STD TO TOTAL INVESTOR FUNDS	2.14%

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	1.25%
SHORT TERM DEBT	0.06%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.07%
SUBTOTAL	1.41%
TOTAL	5.48%
DIVIDED BY COMMON EQUITY RATIO	47.24%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.80%

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.60%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.25%

SHORT TERM DEBT 0.06%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.02%

TAX CREDITS - WTD COST 0.07%

SUBTOTAL 1.41%

PRO FORMA ROR LESS NON EQUITY COST 5.19%

PRO FORMA COMMON EQUITY RATIO 47.24%

PRO FORMA RETURN ON COMMON EQUITY 10.99%

RESERVE AMOUNT BALANCE AS OF JULY 31, 2019

ATTACHMENT 1

	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	<u>\$ 1,252,100,355</u>	
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⁾	<u>\$ (1,148,303,252)</u>	
Total Amortization from 1/1/2017 - 12/31/2017	<u>\$ (1,252,100,355)</u>	
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	<u>\$ 100,738,5C1</u>	
Total Amortization from 1/1/2018 - 12/31/2018	<u>\$ 540,949,289</u>	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	
Actual Amortization from 1/1/2019 - 12/31/2019:		
January, 2019	\$ (84,875,022)	
February, 2019	\$ (33,423,808)	
March, 2019	\$ (37,487,852)	
April, 2019	\$ (1,238,828)	
May, 2019	\$ 48,530,293	
June, 2019	\$ 173,309,107	
July, 2019	\$ 86,035,009	
Total Amortization from 1/1/2019 - 7/31/2019	<u>\$ 150,848,899</u>	
Reduction in Total Reserve Amount Available Under Current Settlement Agreement	\$ (5,000,000)	PSC-2019-0319-S-EI
Remaining Reserve Amount - 7/31/2019	<u>\$686,798,188</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.
- (3) Available Reserve Amount reduction pursuant to Order No. PSC-2019-0319-S-EI, Docket No. 20180049-EI.