



March 15, 2017

Mr. Andrew L. Maurey, Director
Division of Accounting & Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: 2017 Forecasted Earnings Surveillance Report

Dear Mr. Maurey:

On February 15, 2017 you granted Florida Power & Light Company's ("FPL's") request for an extension of time to March 15, 2017 to file its 2017 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2017 FESR. Please note that the forecast results contained in the FESR reflect the Company's 2016 planning assumptions. In accordance with the Stipulation and Settlement Agreement that the Commission approved in Order No. PSC-16-0560-AS-EI, the Company will vary the portion of reserve Amount amortized in 2017 to maintain its actual return on equity within a range of 9.6% to 11.6%.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Barrett".

Robert E. Barrett
Vice President, Finance

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

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

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2017

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$2,415,113 (A)	(\$225,448) (B)	\$2,189,664
AVERAGE RATE BASE	\$33,039,520	(\$206,910)	\$32,832,610
AVERAGE RATE OF RETURN	7.31%		6.67%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	5.80%
MIDPOINT	6.24%
HIGH	6.72%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.71	(SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.55	(SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.04%	(SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	76.39%	(SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.08%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.32%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED BASIS)

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

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2017

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NUCLEAR FUEL (NET)	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
SYSTEM PER BOOKS	\$46,572,846	\$14,701,399	\$31,871,448	\$270,377	\$2,909,219	\$654,905	\$35,705,949	(\$1,347,146)	\$34,358,803
JURISDICTIONAL PER BOOKS	44,662,731	13,165,792	31,496,939	256,298	2,788,454	627,124	35,168,814	(2,129,294)	33,039,520
FPSC ADJUSTMENTS:									
ACCUM PROV DECOMMISSIONING COSTS		(3,972,358)	3,972,358				3,972,358		3,972,358
CAPITALIZED EXECUTIVE COMPENSATION	(16,432)		(16,432)				(16,432)		(16,432)
ENVIRONMENTAL	(1,550,572)	(263,957)	(1,286,615)				(1,286,615)		(1,286,615)
FUEL AND CAPACITY	(127,122)	(36,682)	(90,440)				(90,440)		(90,440)
LOAD CONTROL	(50,981)	(21,403)	(29,578)				(29,578)		(29,578)
ASSET RETIREMENT OBLIGATION	(409,016)	3,700,484	(4,109,500)				(4,109,500)		(4,109,500)
CAPITAL LEASES	(57,468)	(7,914)	(49,554)				(49,554)		(49,554)
CONSTRUCTION WORK IN PROGRESS					(1,558,593)		(1,558,593)		(1,558,593)
CWIP - CLAUSE PROJECTS					(28,597)		(28,597)		(28,597)
ACCOUNTS RECEIVABLE - ASSOC COS							(25,546)		(25,546)
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC							(17,997)		(17,997)
NUCLEAR COST RECOVERY							248,011		248,011
OTH REG ASSETS - CLAUSES							(988)		(988)
MISC. DEFERRED DEBIT - CLAUSES							(16,472)		(16,472)
CEDAR BAY TRANSACTION							(634,713)		(634,713)
ICL TRANSACTION							(363,278)		(363,278)
STORM DEFICIENCY RECOVERY							(235,778)		(235,778)
ACCUM. PROV. - PROPERTY & STORM INSURANCE							(37,218)		(37,218)
ASSET RETIREMENT OBLIGATION							4,118,501		4,118,501
SURPP ACCELERATED RECOVERY							12,970		12,970
OTHER MISCELLANEOUS WORKING CAPITAL							(57,453)		(57,453)
TOTAL FPSC ADJUSTMENTS	(2,211,590)	(601,830)	(1,609,760)	0	(1,587,190)	0	(3,196,950)	2,990,040	(206,910)
FPSC ADJUSTED	\$42,451,141	\$12,563,963	\$29,887,178	\$256,298	\$1,201,264	\$627,124	\$31,971,864	\$860,746	\$32,832,610

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

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2017

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	FUEL & NET INTERCHANGE	OPERATION & MAINTENANCE OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	\$11,654,195	\$3,472,851	\$1,561,292	\$1,729,559	\$1,314,200	\$1,166,477	(\$11,916)	\$9,232,464	\$2,421,731
JURISDICTIONAL PER BOOKS	11,214,405	3,289,805	1,507,810	1,677,376	1,294,270	1,123,712	(11,916)	8,881,058	2,333,347
FPSC ADJUSTMENTS:									
CAPACITY COST RECOVERY	(318,559)	(189,286)	(40,254)	(2,947)	(408)	(33,045)		(265,939)	(52,619)
CONSERVATION COST RECOVERY	(55,018)		(41,087)	(10,107)	(1,247)	(994)		(53,434)	(1,583)
ENVIRONMENTAL COST RECOVERY	(254,131)		(97,120)	(36,360)	(400)	(46,389)	4	(180,264)	(73,867)
FUEL COST RECOVERY RETAIL	(3,100,793)	(3,075,887)	(19)	(246)	(2,217)	(8,650)		(3,087,019)	(13,774)
STORM DEFICIENCY RECOVERY	(390,624)		(68,314)	(310,615)		(4,512)		(383,440)	(7,184)
FRANCHISE REVENUE & EXPENSE	(478,566)				(478,566)	(0)		(478,566)	
GROSS RECEIPTS TAX	(254,076)				(254,076)	0		(254,076)	
AVIATION - EXPENSES			(118)			46		(72)	72
EXECUTIVE COMPENSATION			(27,632)			10,659		(16,973)	16,973
INTEREST TAX DEFICIENCIES			(111)			43		(68)	68
INTEREST SYNCHRONIZATION						13,413		13,413	(13,413)
MISCELLANEOUS O&M EXPENSES						1,033		(1,645)	1,645
TOTAL FPSC ADJUSTMENTS	(4,851,767)	(3,265,172)	(277,333)	(360,274)	(736,913)	(68,396)	4	(4,708,084)	(143,683)
FPSC ADJUSTED	\$6,362,638	\$24,633	\$1,230,477	\$1,317,103	\$557,357	\$1,055,316	(\$11,912)	\$4,172,974	\$2,189,664

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

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2017

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO	LOWPOINT COST RATE	LOWPOINT WEIGHTED COST	MIDPOINT COST RATE	MIDPOINT WEIGHTED COST	HIGHPOINT COST RATE	HIGHPOINT WEIGHTED COST
LONG TERM DEBT	\$10,014,898	\$9,631,163	\$135,281	(\$197,821)	\$9,568,624	29.14%	4.50%	1.31%	4.50%	1.31%	4.50%	1.31%
SHORT TERM DEBT	598,295	575,015	8,246	0	583,261	1.78%	3.31%	0.06%	3.31%	0.06%	3.31%	0.06%
PREFERRED STOCK	0	0	0	0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	365,711	365,246	5,238	0	370,485	1.13%	2.05%	0.02%	2.05%	0.02%	2.05%	0.02%
COMMON EQUITY	15,364,619	14,766,753	211,766	0	14,978,519	45.62%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
DEFERRED INCOME TAXES	7,754,691	7,452,848	102,041	(337,390)	7,217,500	21.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	260,587	248,495	1,615	(135,888)	114,222	0.35%	7.58%	0.03%	8.19%	0.03%	8.80%	0.03%
TOTAL	\$34,358,803	\$33,039,520	\$464,188	(\$671,098)	\$32,832,610	100.00%		5.80%		6.24%		6.72%

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS
(\$000's)

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2017

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$2,424,726
AFUDC - DEBT	18,599
INCOME TAXES	1,123,398
TOTAL	\$3,566,724
INTEREST CHARGES (BEFORE DEBT AFUDC)	531,404
TIE WITH AFUDC	6.71

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$2,424,726
AFUDC - EQUITY	(66,258)
INCOME TAXES	1,123,398
TOTAL	\$3,481,867
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$531,404
TIE WITHOUT AFUDC	6.55

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$18,599
X (1-INCOME TAX RATE)	0.6143
SUBTOTAL	\$11,424
AFUDC - EQUITY	66,258
TOTAL	\$77,682
NET INCOME AVAILABLE TO COMMON	\$1,923,625
PERCENT AFUDC TO AVAILABLE NET INCOME	4.04%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$1,923,625
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(506,203)
AFUDC (DEBT & OTHER)	(84,857)
DEPRECIATION & AMORTIZATION	1,729,559
DEFERRED INC TAXES & INVESTMENT CREDITS	692,152
OTHER SOURCES/USES OF FUNDS	45,340
TOTAL	\$3,799,617
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$4,974,189
PERCENT INTERNALLY GENERATED FUNDS	76.39%

E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL

RECONCILED AVERAGE RETAIL AMOUNTS:

LONG TERM DEBT	\$9,568,624
SHORT TERM DEBT	583,261
PREFERRED STOCK	0
COMMON EQUITY	14,978,519
TOTAL	\$25,130,404
% LONG TERM DEBT TO TOTAL	38.08%
% SHORT TERM DEBT TO TOTAL	2.32%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	FPSC ADJUSTED	6.67%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:		
LONG TERM DEBT		1.31%
SHORT TERM DEBT		0.06%
PREFERRED STOCK		0.00%
CUSTOMER DEPOSITS		0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)		0.03%
SUBTOTAL		1.42%
TOTAL		5.25%
DIVIDED BY COMMON EQUITY RATIO		45.62%
JURISDICTIONAL RETURN ON COMMON EQUITY		11.50%

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2017

FORECASTED ASSUMPTIONS:

	FORECASTED YEAR	PRIOR YEAR
CUSTOMERS		
RESIDENTIAL	4,375,057	4,309,280
COMMERCIAL	550,587	543,850
INDUSTRIAL	12,594	11,884
OTHER	4,094	4,026
TOTAL	4,942,332	4,869,040
MWH SALES		
RESIDENTIAL	57,422,923	58,860,285
COMMERCIAL	47,054,043	47,322,052
INDUSTRIAL	3,026,101	3,043,246
OTHER	566,240	566,168
TOTAL	108,069,307	109,781,751

(1) Includes forecasted weather normal sales
(2) 2016 actual sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

- A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):
1. CONSUMER PRICE INDEX (CPI) 2.5%
 2. GROSS DOMESTIC PRODUCT (GDP) DEFLECTOR 2.3%
 3. PRODUCER PRICE INDEX (PPI) - ALL GOODS 1.9%
 4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS 1.9%
 5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS 2.0%
- B. CAPITAL OVERHEAD RATES
1. PENSION & WELFARE 6.5%
 2. PAYROLL TAXES & INSURANCE 7.8%
- C. OTHER CORPORATE ASSUMPTIONS
- INTEREST RATES -
- 1) 30 DAY COMMERCIAL PAPER 0.1%
 - 2) LONG TERM DEBT 4.7%
- DEPRECIATION RESERVE SURPLUS AMORTIZATION (\$000's) (\$189,901)
- D. ICL BASE REVENUE REQUIREMENTS COLLECTED THROUGH THE CAPACITY CLAUSE ARE REFLECTED AS BASE REVENUES HEREIN.

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082 OR S. 775.083

Robert E. Barrett, Jr.
NAME

Vice President - Finance
TITLE

Robert E. Barrett Jr.
SIGNATURE

3/14/2017
DATE

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 INDIVIDUAL PROJECTS COMMENCING DURING 2017 WHICH EXCEED \$10 MILLION
 (AMOUNTS IN 000'S)

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2017

Schedule of Individual projects that commence during 2017 and exceed a gross cost of \$10 million:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
BLUE CYPRESS SOLAR ENERGY CENTER	107,577	Jan-17	Mar-18
BAREFOOT BAY SOLAR ENERGY CENTER	110,942	Jan-17	Mar-18
HAMMOCK SOLAR ENERGY CENTER	111,046	Jan-17	Mar-18
INDIAN RIVER SOLAR ENERGY CENTER	113,004	Jan-17	Dec-17
LOGGERHEAD SOLAR ENERGY CENTER	109,972	Jan-17	Mar-18
PSL U1 EDG Voltage Reg - A Train	23,260	Sep-17	Apr-21
PSL U1 EDG Gen Replace - B Train	23,128	Mar-17	Dec-21
PSL U2 EDG Gen Replace - B Train	16,567	Apr-17	May-20