



October 15, 2018

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 August 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.

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  
AUGUST, 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	\$ 2,536,087,803 (A)	(240,180,734) (B)	2,295,907,069	6,421,910	\$ 2,302,328,980
RATE BASE	\$ 35,246,576,571	(252,273,302)	34,994,305,269	0	\$ 34,994,305,269
AVERAGE RATE OF RETURN	7.20%		6.56%		6.58%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,536,087,803 (A)	(230,915,300) (B)	2,305,172,503	6,421,910	\$ 2,311,594,413
RATE BASE	\$ 36,859,514,889	(313,077,344)	36,546,437,545	0	\$ 36,546,437,545
YEAR END RATE OF RETURN	6.88%		6.31%		6.33%

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

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

LOW	5.67%
MIDPOINT	6.09%
HIGH	6.56%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.09	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.89	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.96%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	57.18%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.01%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.40%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.64%	(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

10/15/2018  
(DATE)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
RATE BASE  
AUGUST, 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	\$ 47,696,058,889	15,347,014,137	32,349,044,753	333,089,155	3,655,106,959	617,951,054	36,955,191,921	(280,984,586)	\$ 36,674,207,935
JURISDICTIONAL PER BOOKS	\$ 45,674,982,057	12,544,954,634	33,130,027,423	314,482,876	3,491,884,856	592,712,556	37,529,107,711	(2,282,529,140)	\$ 35,246,578,571
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,224,193,994)	(633,081,043)	(1,591,112,951)	0	(2,077,964,149)	0	(3,668,477,100)	3,416,203,798	\$ (252,273,302)
FPSC ADJUSTED:	\$ 43,450,788,063	11,911,873,591	31,538,914,472	314,482,876	1,414,520,707	592,712,556	33,860,630,611	1,133,674,658	\$ 34,994,305,269
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 43,450,788,063	11,911,873,591	31,538,914,472	314,482,876	1,414,520,707	592,712,556	33,860,630,611	1,133,674,658	\$ 34,994,305,269
PRO FORMA ADJUSTED									

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  
AUGUST, 2018

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,525,215,264	3,309,538,950	2,771,239,946	880,476,757	1,302,617,904	(4,771,941)	520,292,011	208,121,850	(6,126,893)	8,981,390,763	\$ 2,543,825,481
JURISDICTIONAL PER BOOKS	\$ 11,079,891,709	3,149,916,498	2,719,352,724	816,106,702	1,282,051,140	(4,547,136)	493,004,005	200,253,379	(6,120,994)	8,650,016,318	\$ 2,429,875,390
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (487,572,935)	0	0	0	(12,540,376)	(142,418,898)	0	0	0	(154,959,274)	\$ (332,619,661)
FRANCHISE EXPENSE	0	0	0	0	(475,409,474)	142,514,426	0	0	0	(332,895,048)	332,895,048
GROSS RECEIPTS TAX	(255,159,687)	0	0	0	(254,829,579)	(94,280)	0	0	0	(254,923,859)	(235,808)
FINANCIAL PLANNING SERVICES	0	0	(394,590)	0	0	116,232	0	0	0	(278,358)	278,358
INDUSTRY ASSOCIATION DUES	0	0	(2,290,949)	0	0	709,647	0	0	0	(1,581,303)	1,581,303
ECONOMIC DEVELOPMENT 5%	0	0	(129,973)	0	0	39,426	0	0	0	(90,547)	90,547
AVIATION - EXPENSES	0	0	(155,815)	0	0	47,092	0	0	0	(108,723)	108,723
EXECUTIVE COMPENSATION	0	0	(35,861,194)	0	0	11,050,806	0	0	0	(24,810,388)	24,810,388
FUEL COST REC RETAIL	(2,989,837,249)	(2,968,066,155)	(110,686)	2,641,785	(2,108,207)	(5,328,495)	(3,016,332)	0	0	(2,976,008,090)	(13,829,159)
CONSERVATION COST RECOVERY	(56,418,378)	0	(43,203,382)	(10,047,470)	(1,117,289)	(627,410)	(703)	0	0	(54,996,263)	(1,422,115)
CAPACITY COST RECOVERY	(267,340,140)	(160,917,009)	(33,449,233)	393,826	(945,417)	(20,921,065)	(1,032,473)	0	0	(216,271,371)	(51,068,770)
ENVIRONMENTAL COST RECOVERY	(184,690,563)	0	(32,353,632)	(43,235,372)	(271,300)	(34,251,991)	1,274,078	0	115,183	(108,723,034)	(75,967,528)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	5,664,976	0	(1,435,788)	0	0	0	4,229,188	(4,229,188)
STORM DEFICIENCY RECOVERY	(249,580,875)	0	(90,805,761)	(152,192,366)	0	(2,002,894)	0	0	0	(4,579,833)	(4,579,833)
INTEREST TAX DEFICIENCIES	0	0	312,258	0	0	(81,642)	0	0	0	220,616	(220,616)
INTEREST SYNCHRONIZATION	0	0	0	0	0	16,411,395	(6,845,377)	0	0	9,566,009	(9,566,009)
TOTAL FPSC ADJUSTMENTS	\$ (4,490,599,808)	(3,129,003,164)	(238,442,987)	(196,774,621)	(746,621,642)	(36,283,449)	(9,620,807)	0	115,183	(4,356,631,487)	\$ (133,968,321)
FPSC ADJUSTED	\$ 6,589,291,901	20,913,334	2,480,909,737	619,332,081	535,429,498	(40,830,565)	483,383,198	200,253,379	(6,005,811)	4,293,384,832	\$ 2,295,907,069

PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,582,826,962	20,913,334	2,480,909,737	619,332,081	535,424,843	(53,712,779)	483,383,198	200,253,379	(6,005,811)	4,280,497,982	\$ 2,302,328,980

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

\$ 110,488,079	
\$ 106,212,413	

(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:

\$ 2,684,096	
\$ 2,599,465	

CURRENT MONTH AMOUNT	SYSTEM PER BOOKS	JURISDICTIONAL PER BOOKS
\$ 1,113,489,331	327,850,649	94,578,151
\$ 1,070,555,213	312,343,466	90,734,468
	214,194,527	119,826,544
	208,374,635	118,060,155
	72,885,229	69,549,237
	(4,691,260)	(4,563,171)
	1,007,936	969,829
	(512,391)	(512,390)
	825,139,384	288,349,947
	794,966,230	275,569,983

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  
AUGUST, 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)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
TOTAL PROFORMA ADJUSTMENTS	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910

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  
AUGUST, 2018

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,600,837,889	\$ 1,525,359,123
FUEL AND CAPACITY	146,708,624	139,905,079
CAPITALIZED EXECUTIVE COMPENSATION	24,745,762	23,965,519
LOAD CONTROL	50,365,766	50,365,766
ASSET RETIREMENT OBLIGATION	440,965,301	427,061,508
CAPITAL LEASES	59,410,224	57,536,999
TOTAL	\$ 2,323,033,567	\$ 2,224,193,994
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (301,094,867)	\$ (286,898,383)
ACCUM PROV DECOMMISSIONING COSTS	(4,465,500,861)	(4,270,842,738)
ASSET RETIREMENT OBLIGATION	(13,477,737)	(13,052,779)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,141,839,866	4,011,246,174
FUEL AND CAPACITY	(42,540,264)	(40,519,255)
OTHER RATE CASE ADJUSTMENTS (1)	471,839	471,839
LOAD CONTROL	(24,629,680)	(24,629,680)
CAPITAL LEASES	(9,144,551)	(8,856,220)
TOTAL	\$ (714,076,255)	\$ (633,081,043)
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 2,143,710,921	\$ 2,016,893,382
CWIP - CLAUSE PROJECTS	63,317,006	60,470,767
TOTAL	\$ 2,207,027,927	\$ 2,077,364,149
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,509,694,589)	\$ (3,416,203,798)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 306,290,650</b>	<b>\$ 252,273,302</b>

**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  
AUGUST, 2018

SCHEDULE 2: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	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	\$ 11,525,216,264	3,309,538,850	880,478,757	1,302,617,904	(4,771,941)	520,292,011	208,121,850	(6,126,693)	8,981,300,783	\$ 2,543,825,481
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (487,572,935)	0	0	(12,540,376)	(142,418,898)	0	0	0	(154,959,274)	\$ (332,615,661)
FRANCHISE EXPENSE	0	0	0	(475,409,474)	142,514,426	0	0	0	(332,895,048)	332,895,048
GROSS RECEIPTS TAX	(255,159,867)	0	0	(254,829,579)	(84,280)	0	0	0	(254,923,659)	(235,808)
FINANCIAL PLANNING SERVICES	0	(407,437)	0	0	120,016	0	0	0	(287,421)	287,421
INDUSTRY ASSOCIATION DUES	0	(2,365,535)	0	0	732,750	0	0	0	(1,632,785)	1,632,785
ECONOMIC DEVELOPMENT 5%	0	(134,205)	0	0	40,710	0	0	0	(93,495)	93,495
AVIATION - EXPENSES	0	(180,888)	0	0	48,625	0	0	0	(112,263)	112,263
EXECUTIVE COMPENSATION	0	(37,028,723)	0	0	11,410,586	0	0	0	(25,618,137)	25,618,137
FUEL COST RECOVERY	(3,145,807,265)	(116,261)	2,774,846	(2,109,438)	(7,088,970)	(2,826,017)	0	0	(3,128,365,724)	(17,441,532)
CONSERVATION COST RECOVERY	(66,416,378)	(43,203,392)	(10,047,470)	(1,117,289)	(627,410)	(703)	0	0	(54,986,263)	(1,422,115)
CAPACITY COST RECOVERY	(287,735,452)	(35,058,844)	150,546	(353,061)	(18,084,556)	(1,032,473)	0	0	(223,100,266)	(44,635,186)
ENVIRONMENTAL COST RECOVERY	(184,690,563)	(33,964,574)	(45,374,771)	(278,144)	(33,130,282)	1,274,078	0	120,883	(111,342,792)	(73,347,771)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	5,864,976	0	(1,435,788)	0	0	0	4,229,188	(4,229,188)
STORM DEFICIENCY RECOVERY	(249,560,875)	(90,805,791)	(152,192,366)	0	(2,002,894)	0	0	0	(245,001,042)	(4,579,833)
INTEREST TAX DEFICIENCIES	0	322,424	0	0	(84,626)	0	0	0	227,798	(227,798)
INTEREST SYNCHRONIZATION	0	0	0	0	16,965,137	(7,063,241)	0	0	9,896,896	(9,896,896)
TOTAL FPSC ADJUSTMENTS	\$ (4,646,965,127)	(3,287,641,764)	(199,024,239)	(746,637,362)	(33,125,433)	(9,753,356)	0	120,883	(4,518,974,468)	\$ (127,890,641)
FPSC ADJUSTED	\$ 6,878,251,138	21,897,186	681,454,518	555,980,542	(37,897,374)	510,539,655	208,121,850	(6,005,811)	4,462,416,297	\$ 2,415,834,840
PRO FORMA ADJUSTMENTS	\$ (6,464,939)	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
(SEE SCHEDULE 2, PAGE 3C OF 3)										
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,871,786,199	21,897,186	681,454,518	555,976,888	(50,779,568)	510,539,655	208,121,850	(6,005,811)	4,449,529,448	\$ 2,422,256,751
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 110,488,079									

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

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

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
AUGUST, 2018

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>		
ACCOUNTS RECEIVABLE - ASSOC COS	21,686,715	20,970,093
INTEREST & DIVIDENDS RECEIVABLE	47,070	45,515
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	35,485,517	35,519,863
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,726,465	14,726,465
PREPAYMENTS - ECCR	48,658,893	48,658,893
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,624,648	9,252,194
TEMPORARY CASH INVESTMENTS	820,534	793,420
STORM DEFICIENCY RECOVERY	157,086,205	157,115,143
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	35,871,865	34,686,504
OTH REG ASSETS - CLAUSES	4,696,235	4,471,039
MISC. DEFERRED DEBIT - CLAUSES	6,485,995	6,174,975
CEDAR BAY TRANSACTION	620,399,454	591,915,869
ICL TRANSACTION	392,972,222	374,930,205
SJRPP TRANSACTION	70,323,641	67,070,040
<b>TOTAL ADJUSTMENTS TO ASSETS PER BOOKS</b>	<b>\$ 1,418,885,458</b>	<b>\$ 1,366,330,216</b>
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(108,073)	(104,666)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	237,501,295	237,501,295
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(1,094)	(1,042)
JOBGING ACCOUNTS	(38,361,981)	(37,094,336)
POLE ATTACHMENT RENTS PAYABLE	(7,240,507)	(7,240,507)
SJRPP ACCELERATED RECOVERY	(9,890,630)	(9,436,535)
STORM DEFICIENCY RECOVERY	(288,250,287)	(288,250,287)
ASSET RETIREMENT OBLIGATION	(4,569,356,368)	(4,425,282,928)
MARGIN CALL CASH COLLATERAL	(551,923)	(533,685)
NUCLEAR COST RECOVERY	(247,329,265)	(247,329,265)
CEDAR BAY TRANSACTION	(4,991,213)	(4,762,058)
<b>TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS</b>	<b>\$ (4,928,580,047)</b>	<b>\$ (4,782,534,014)</b>
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ (3,509,694,589)</b>	<b>\$ (3,416,203,798)</b>



FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
AUGUST, 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)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
TOTAL PROFORMA ADJUSTMENTS	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910

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  
INCOME STATEMENT  
AUGUST, 2018

SCHEDULE 3, PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	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	\$ 11,525,216,264	3,309,538,950	2,771,239,946	1,302,817,904	(4,771,941)	520,282,011	208,121,860	(6,126,693)	8,981,390,763	\$ 2,543,825,481
JURISDICTIONAL PER BOOKS	\$ 11,079,891,709	3,149,916,488	2,719,352,724	1,282,051,140	(4,547,135)	493,004,005	200,253,379	(6,120,994)	8,650,016,318	\$ 2,429,875,390
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (487,572,935)	0	0	(12,540,376)	(142,418,898)	0	0	0	(154,959,274)	\$ (332,613,861)
FRANCHISE EXPENSE	0	0	0	(475,009,474)	142,514,426	0	0	0	(332,895,048)	332,895,048
GROSS RECEIPTS TAX	(255,159,667)	0	0	(254,829,579)	(94,280)	0	0	0	(254,923,859)	(235,008)
FINANCIAL PLANNING SERVICES	0	0	(394,590)	0	176,232	0	0	0	(278,358)	278,358
INDUSTRY ASSOCIATION DUES	0	0	(2,900,949)	0	708,647	0	0	0	(1,581,303)	1,581,303
ECONOMIC DEVELOPMENT 6%	0	0	(129,873)	0	39,426	0	0	0	(90,547)	90,547
AVIATION - EXPENSES	0	0	(155,815)	0	47,092	0	0	0	(108,723)	108,723
EXECUTIVE COMPENSATION	0	0	(35,261,194)	0	11,060,806	0	0	0	(24,810,388)	24,810,388
FUEL COST REC RETAIL	(2,989,837,249)	(2,988,086,155)	(110,686)	(2,108,207)	(5,328,495)	(3,016,332)	0	0	(2,976,008,090)	(13,829,159)
CONSERVATION COST RECOVERY	(56,416,376)	0	(110,686)	(10,047,470)	(627,410)	(703)	0	0	(64,996,263)	(1,422,115)
CAPACITY COST RECOVERY	(267,340,140)	(160,917,009)	(43,203,382)	(345,417)	(20,921,065)	(1,032,473)	0	0	(216,271,371)	(51,068,770)
ENVIRONMENTAL COST RECOVERY	(184,690,963)	0	(33,448,233)	(271,300)	(34,251,991)	1,274,078	0	115,183	(108,723,034)	(75,967,529)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	(1,435,788)	0	0	0	4,229,188	(4,229,188)
STORM DEFICIENCY RECOVERY	(249,560,875)	0	(90,065,781)	0	(2,002,894)	0	0	0	(245,001,042)	(4,579,833)
INTEREST TAX DEFICIENCIES	0	0	312,288	0	(91,642)	0	0	0	220,616	(220,616)
INTEREST SYNCHRONIZATION	0	0	0	0	7,145,952	(6,845,377)	0	0	300,575	(300,575)
TOTAL FPSC ADJUSTMENTS	\$ (4,480,599,803)	(3,129,003,164)	(238,442,987)	(746,621,642)	(45,548,883)	(9,620,807)	0	115,183	(4,365,886,920)	\$ (124,702,888)
FPSC ADJUSTED	\$ 6,589,291,901	20,913,334	2,480,909,737	535,429,498	(50,096,019)	483,383,198	200,253,379	(6,005,811)	4,284,119,398	\$ 2,305,172,503
PRO FORMA ADJUSTMENTS	\$ (6,464,939)	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,848)	\$ 6,421,910
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,582,826,962	20,913,334	2,480,909,737	535,424,843	(62,978,213)	483,383,198	200,253,379	(6,005,811)	4,271,232,549	\$ 2,311,594,413

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 110,488,079 AND THE JURISDICTIONAL NOI BY \$ 106,212,413

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  
AUGUST, 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)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
TOTAL PROFORMA ADJUSTMENTS	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910

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  
AUGUST, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,595,764,605	\$ 1,520,525,042
FUEL AND CAPACITY	153,341,694	146,233,760
CAPITALIZED EXECUTIVE COMPENSATION	28,517,245	27,618,086
LOAD CONTROL	50,952,408	50,952,408
ASSET RETIREMENT OBLIGATION	418,061,963	404,880,319
CAPITAL LEASES	59,410,224	57,536,999
TOTAL	\$ 2,306,048,138	\$ 2,207,746,614
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (329,334,905)	\$ (313,806,917)
ACCUM PROV DECOMMISSIONING COSTS	(4,566,592,801)	(4,367,527,924)
ASSET RETIREMENT OBLIGATION	235,848	228,412
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,236,318,762	4,102,746,116
FUEL AND CAPACITY	(45,443,372)	(43,289,232)
OTHER RATE CASE ADJUSTMENTS (1)	5,664,976	5,664,976
LOAD CONTROL	(26,586,115)	(26,586,115)
CAPITAL LEASES	(9,869,167)	(9,557,988)
TOTAL	\$ (735,606,773)	\$ (652,128,672)
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 2,230,766,643	\$ 2,092,313,648
CWIP - CLAUSE PROJECTS	85,231,549	81,349,552
TOTAL	\$ 2,315,988,191	\$ 2,173,663,200
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,509,694,589)	\$ (3,416,203,798)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 376,734,967</b>	<b>\$ 313,077,344</b>

**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  
AUGUST, 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	\$ 11,525,216,264	3,309,638,950	2,771,238,946	880,478,757	1,302,617,904	(4,771,941)	520,292,011	208,121,850	(6,126,693)	8,981,390,783	\$ 2,543,825,481
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (487,572,935)	0	0	0	(12,540,376)	(142,418,898)	0	0	0	(154,959,274)	\$ (332,613,661)
FRANCHISE EXPENSE	0	0	0	0	(475,409,474)	142,514,426	0	0	0	(332,895,048)	332,895,048
GROSS RECEIPTS TAX	(265,159,667)	0	0	0	(254,628,579)	(94,280)	0	0	0	(254,923,859)	(235,808)
FINANCIAL PLANNING SERVICES	0	0	(407,437)	0	0	120,016	0	0	0	(287,421)	287,421
INDUSTRY ASSOCIATION DUES	0	0	(2,365,535)	0	0	732,750	0	0	0	(1,632,785)	1,632,785
ECONOMIC DEVELOPMENT 5%	0	0	(134,205)	0	0	40,710	0	0	0	(93,495)	93,495
AVIATION - EXPENSES	0	0	(160,888)	0	0	48,625	0	0	0	(112,263)	112,263
EXECUTIVE COMPENSATION	0	0	(37,028,723)	0	0	11,410,586	0	0	0	(25,618,137)	25,618,137
FUEL COST REC RETAIL	(3,145,807,256)	(3,118,919,885)	(116,261)	2,774,846	(2,108,438)	(7,068,970)	(2,926,017)	0	0	(3,128,365,724)	(17,441,532)
CONSERVATION COST RECOVERY	(56,418,378)	0	(43,203,392)	(10,047,470)	(1,117,289)	(627,410)	(703)	0	0	(64,986,263)	(1,422,115)
CAPACITY COST RECOVERY	(267,735,452)	(168,721,879)	(35,056,844)	150,546	(353,061)	(18,084,556)	(1,032,473)	0	0	(223,100,266)	(44,635,186)
ENVIRONMENTAL COST RECOVERY	(184,690,563)	0	(33,954,574)	(45,374,771)	(278,144)	(33,130,262)	1,274,078	0	120,883	(111,342,792)	(73,347,771)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	5,864,976	0	(1,435,788)	0	0	0	4,229,188	(4,229,188)
STORM DEFICIENCY RECOVERY	(249,680,875)	0	(90,805,781)	(152,192,366)	0	(2,002,894)	0	0	0	(245,001,042)	(4,579,833)
INTEREST TAX DEFICIENCIES	0	0	322,424	0	0	(94,626)	0	0	0	227,799	(227,799)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,597,188	(7,068,241)	0	0	1,528,947	(1,528,947)
TOTAL FPSC ADJUSTMENTS	\$ (4,646,965,127)	(3,287,641,764)	(242,913,215)	(199,024,239)	(746,637,362)	(41,493,381)	(9,753,356)	0	120,883	(4,527,342,434)	\$ (119,622,692)
FPSC ADJUSTED	\$ 6,878,251,138	21,897,186	2,528,328,731	681,454,518	555,980,542	(46,265,322)	510,538,655	208,121,850	(6,005,811)	4,454,048,349	\$ 2,424,202,789
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,897,133)	6,421,910
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,871,786,199	21,897,186	2,528,328,731	681,454,518	555,975,888	(59,147,517)	510,538,655	208,121,850	(6,005,811)	4,441,161,500	\$ 2,430,624,699

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 110,488,079

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  
AUGUST, 2018

SCHEDULE 3: PAGE 3B 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)	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910
TOTAL PROFORMA ADJUSTMENTS	\$ (6,464,939)	0	0	0	(4,655)	(12,882,194)	0	0	0	(12,886,849)	\$ 6,421,910

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  
AUGUST, 2018

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	1	2	3	4	5	6	7	8	9	10	11	12
LONG TERM DEBT	\$ 10,333,293,177	\$ 9,830,141,362	\$ 85,690,039	\$ (156,266,103)	\$ 9,859,565,298	28.17%	4.36%	1.23%	4.36%	1.23%	4.36%	1.23%
SHORT TERM DEBT	1,210,050,736	1,162,339,450	10,190,524	0	1,172,529,974	3.35%	2.61%	0.09%	2.61%	0.09%	2.61%	0.09%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,106,746,407	15,471,670,905	135,644,056	(0)	15,607,314,960	44.60%	9.60%	4.28%	10.55%	4.71%	11.60%	5.17%
CUSTOMER DEPOSITS	398,725,146	398,212,153	3,491,227	0	401,703,380	1.15%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX (1)	8,278,481,505	7,952,058,049	67,373,102	(267,427,408)	7,752,003,743	22.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	346,910,366	332,156,653	1,749,536	(132,717,275)	201,187,913	0.57%	7.54%	0.04%	8.15%	0.05%	8.77%	0.05%
TOTAL	\$ 36,674,207,335	\$ 35,246,578,571	\$ 304,137,484	\$ (556,410,785)	\$ 34,994,305,269	100.00%	5.67%	5.67%	6.09%	6.09%	6.56%	6.56%
YEAR END												
	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	1	2	3	4	5	6	7	8	9	10	11	12
LONG TERM DEBT	\$ 10,366,785,360	\$ 10,051,372,514	\$ 65,326,234	\$ (155,564,335)	\$ 9,961,134,414	27.26%	4.71%	1.28%	4.71%	1.28%	4.71%	1.28%
SHORT TERM DEBT	438,744,352	425,272,498	2,807,396	0	428,079,893	1.17%	3.76%	0.04%	3.76%	0.04%	3.76%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,108,987,223	17,552,942,150	115,874,074	(0)	17,668,816,224	48.35%	9.60%	4.64%	10.55%	5.10%	11.60%	5.61%
CUSTOMER DEPOSITS	395,059,977	394,516,648	2,604,364	0	397,121,012	1.09%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	8,277,540,037	8,020,940,252	51,184,076	(267,427,408)	7,804,696,920	21.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	429,908,460	414,470,827	1,879,483	(129,761,229)	286,589,081	0.78%	7.81%	0.06%	8.45%	0.07%	9.09%	0.07%
TOTAL	\$ 38,017,025,408	\$ 36,859,514,889	\$ 239,675,628	\$ (552,752,972)	\$ 36,546,437,545	100.00%	6.06%	6.06%	6.52%	6.52%	7.03%	7.03%

NOTE:  
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2.218 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  
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CAPITAL STRUCTURE  
PRO-FORMA ADJUSTED BASIS  
AUGUST, 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	WGTED COST (%) 7	COST RATE (%) 7	WEIGHTED COST (%) 8	WGTED COST (%) 9	COST RATE (%) 9	WEIGHTED COST (%) 10	WGTED COST (%) 10
LONG TERM DEBT	\$ 9,859,565,298	\$ -	\$ 9,859,565,298	28.17%	4.36%	1.23%	4.36%	1.23%	4.36%	4.36%	1.23%	4.36%	1.23%
SHORT TERM DEBT	1,172,529,974	-	1,172,529,974	3.35%	2.61%	0.09%	2.61%	0.09%	2.61%	2.61%	0.09%	2.61%	0.09%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	15,607,314,960	-	15,607,314,960	44.60%	9.60%	4.28%	10.55%	4.71%	11.60%	11.60%	5.17%	11.60%	5.17%
CUSTOMER DEPOSITS	401,703,380	-	401,703,380	1.15%	2.08%	0.02%	2.08%	0.02%	2.08%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX	7,752,003,743	-	7,752,003,743	22.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	201,187,913	-	201,187,913	0.57%	7.54%	0.04%	8.15%	0.05%	8.77%	8.77%	0.05%	8.77%	0.05%
TOTAL	\$ 34,994,305,269	\$ -	\$ 34,994,305,269	100.00%		5.67%		6.09%		6.56%		6.56%	
YEAR END													
LONG TERM DEBT	\$ 9,961,134,414	\$ -	\$ 9,961,134,414	27.26%	4.71%	1.28%	4.71%	1.28%	4.71%	4.71%	1.28%	4.71%	1.28%
SHORT TERM DEBT	428,079,893	-	428,079,893	1.17%	3.76%	0.04%	3.76%	0.04%	3.76%	3.76%	0.04%	3.76%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,668,816,224	-	17,668,816,224	48.35%	9.60%	4.64%	10.55%	5.10%	11.60%	11.60%	5.61%	11.60%	5.61%
CUSTOMER DEPOSITS	397,121,012	-	397,121,012	1.09%	2.17%	0.02%	2.17%	0.02%	2.17%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,804,696,920	-	7,804,696,920	21.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	286,589,081	-	286,589,081	0.78%	7.81%	0.06%	8.45%	0.07%	8.45%	8.45%	0.07%	8.45%	0.07%
TOTAL	\$ 36,546,437,545	\$ -	\$ 36,546,437,545	100.00%		6.06%		6.52%		7.03%		7.03%	

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	\$ 2,611,294,095
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,363,951
INCOME TAXES	701,765,847
TOTAL	\$ 3,336,423,893
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 547,984,009
TIMES INTEREST EARNED WITH AFUDC	6.09

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,611,294,095
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(87,124,128)
INCOME TAXES	701,765,847
TOTAL	\$ 3,225,935,814
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 547,984,009
TIMES INTEREST EARNED WITHOUT AFUDC	5.89

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,363,951
X (1 - INCOME_TAX_RATE)(1)	0.7025
SUBTOTAL	\$ 16,412,007
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	\$ 87,124,128
TOTAL	\$ 103,536,135
NET INCOME AVAILABLE FOR COMMON	\$ 2,086,674,037
AFUDC AS PERCENT OF NET INCOME	4.96%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 125,291,627
GAINS ON DISPOSITION OF PROPERTY	(6,126,693)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 119,164,934

\*\* INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

NOTE:

(1) INCOME TAX RATE IS BASED ON A PHASED IN RATE FOR THE TWELVE MONTHS ENDED AUGUST 2018

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,086,674,037
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,050,000,000)
AFUDC (DEBT & OTHER)	(110,488,079)
DEPRECIATION AND AMORTIZATION EXPENSE	880,478,757
DEFERRED INCOME TAXES	511,744,317
INVESTMENT TAX CREDITS	208,121,850
OTHER SOURCE/USES OF FUNDS	119,164,934
INTERNALLY GENERATED FUNDS	\$ 2,645,695,816

CONSTRUCTION EXPENDITURES

\$ 4,627,127,363

PERCENT INTERNALLY GENERATED FUNDS

57.18%

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	\$ 9,859,565,298
JURIS ADJUSTED SHORT TERM DEBT	1,172,529,974
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	15,607,314,960
TOTAL	\$ 26,639,410,233
LTD TO TOTAL INVESTOR FUNDS	37.01%
STD TO TOTAL INVESTOR FUNDS	4.40%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.56%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.23%
SHORT TERM DEBT	0.09%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.05%
SUBTOTAL	1.39%
TOTAL	5.17%
DIVIDED BY COMMON EQUITY RATIO	44.60%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

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

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.58%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.23%
SHORT TERM DEBT	0.09%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.05%
SUBTOTAL	<u>1.39%</u>

PRO FORMA ROR LESS NON EQUITY COST

5.19%

PRO FORMA COMMON EQUITY RATIO

44.60%

PRO FORMA RETURN ON COMMON EQUITY

11.64%