



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

December 14, 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 October 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 blue 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
OCTOBER, 2018

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 | \$ 2,586,723,636 (A) | (237,773,236) (B) | 2,348,950,400 | 2,057,544 | \$ 2,351,007,945 |
| RATE BASE | \$ 35,689,250,382 | (210,683,479) | 35,488,566,903 | 0 | \$ 35,488,566,903 |
| AVERAGE RATE OF RETURN | 7.25% | | 6.62% | | 6.62% |
| II. YEAR END RATE OF RETURN (JURISDICTIONAL) | | | | | |
| NET OPERATING INCOME | \$ 2,586,723,636 (A) | (231,716,144) (B) | 2,355,007,492 | 2,057,544 | \$ 2,357,065,037 |
| RATE BASE | \$ 36,689,450,435 | (385,437,295) | 36,304,013,141 | 0 | \$ 36,304,013,141 |
| YEAR END RATE OF RETURN | 7.05% | | 6.49% | | 6.49% |

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

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

| | |
|----------|-------|
| LOW | 5.71% |
| MIDPOINT | 6.15% |
| HIGH | 6.62% |

IV. FINANCIAL INTEGRITY INDICATORS

| | | |
|---|--------|--------------------------|
| A. TIMES INTEREST EARNED WITH AFUDC | 5.88 | (SYSTEM PER BOOKS BASIS) |
| B. TIMES INTEREST EARNED WITHOUT AFUDC | 5.88 | (SYSTEM PER BOOKS BASIS) |
| C. AFUDC AS PERCENT OF NET INCOME | 4.94% | (SYSTEM PER BOOKS BASIS) |
| D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY | 53.06% | (SYSTEM PER BOOKS BASIS) |
| E. LTD TO TOTAL INVESTOR FUNDS | 37.03% | (FPSC ADJUSTED BASIS) |
| F. STD TO TOTAL INVESTOR FUNDS | 3.94% | (FPSC ADJUSTED BASIS) |
| G. RETURN ON COMMON EQUITY (AVERAGE) | 11.60% | (FPSC ADJUSTED) |
| H. RETURN ON COMMON EQUITY | 11.61% | (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 FERGIJON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

(SIGNATURE)

FOR KEITH FERGIJON

12/14/2018
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
OCTOBER, 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 | \$ 48,139,196,136 | 15,440,568,727 | 32,698,626,409 | 382,193,994 | 3,733,268,225 | 607,994,773 | 37,392,083,401 | (245,019,608) | \$ 37,147,063,792 |
| JURISDICTIONAL PER BOOKS | \$ 46,104,136,306 | 12,500,158,093 | 33,603,978,213 | 332,454,644 | 3,562,893,577 | 583,162,911 | 38,062,289,345 | (2,383,038,963) | \$ 35,699,250,382 |
| FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 38 OF 3) | \$ (2,222,036,531) | (644,067,083) | (1,577,969,448) | 0 | (2,128,860,037) | 0 | (3,704,799,485) | 3,494,116,006 | \$ (210,683,479) |
| FPSC ADJUSTED: | \$ 43,882,128,775 | 11,856,091,010 | 32,026,008,765 | 332,454,644 | 1,435,833,540 | 583,162,911 | 34,377,489,860 | 1,111,077,043 | \$ 35,488,566,903 |
| PRO FORMA ADJUSTMENTS | \$ 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ 0 |
| TOTAL PRO FORMA ADJUSTMENTS: | \$ 43,882,128,775 | 11,856,091,010 | 32,026,008,765 | 332,454,644 | 1,435,833,540 | 583,162,911 | 34,377,489,860 | 1,111,077,043 | \$ 35,488,566,903 |

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
OCTOBER, 2018

| | 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 | \$ 11,581,803,077 | 3,293,252,101 | 2,738,350,116 | 1,058,008,425 | 1,308,110,028 | 542,580,139 | (155,243,017) | 207,482,968 | (6,177,883) | 8,961,341,378 | \$ 2,600,461,688 |
| JURISDICTIONAL PER BOOKS | \$ 11,135,582,827 | 3,131,855,228 | 2,686,699,534 | 987,280,018 | 1,282,383,283 | 515,699,078 | (151,187,851) | 199,638,652 | (6,171,888) | 8,656,286,253 | \$ 2,479,286,574 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (484,220,802) | 0 | 0 | 0 | (12,454,169) | (129,381,286) | 0 | 0 | 0 | (141,835,445) | \$ (342,385,357) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (472,143,552) | 129,476,813 | 0 | 0 | 0 | (342,666,739) | 342,666,739 |
| GROSS RECEIPTS TAX | (264,892,304) | 0 | 0 | 0 | (254,569,056) | (86,430) | 0 | 0 | 0 | (264,655,488) | (236,815) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (397,827) | 0 | 0 | 112,586 | 0 | 0 | 0 | (285,241) | 285,241 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,248,715) | 0 | 0 | 651,663 | 0 | 0 | 0 | (1,597,052) | 1,597,052 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (137,882) | 0 | 0 | 39,607 | 0 | 0 | 0 | (99,285) | 99,285 |
| AVIATION - EXPENSES | 0 | 0 | (199,145) | 0 | 0 | 42,401 | 0 | 0 | 0 | (116,743) | 116,743 |
| EXECUTIVE COMPENSATION | 0 | 0 | (36,849,857) | 0 | 0 | 10,608,074 | 0 | 0 | 0 | (26,241,883) | 26,241,883 |
| FUEL COST REC RETAIL | (2,979,519,407) | (2,956,936,744) | (175,587) | 1,372,270 | (2,098,204) | 11,858,621 | (20,035,155) | 0 | 0 | (2,968,014,780) | (13,504,627) |
| CONSERVATION COST RECOVERY | (56,483,603) | 0 | (43,314,375) | (10,075,208) | (1,133,785) | (549,686) | (598) | 0 | 0 | (56,073,663) | (1,409,851) |
| CAPACITY COST RECOVERY | (256,162,655) | (155,268,979) | (31,518,608) | 1,617,136 | (397,798) | (19,876,638) | (737,574) | 0 | 0 | (205,123,459) | (51,039,199) |
| ENVIRONMENTAL COST RECOVERY | (180,606,216) | 0 | (31,655,510) | (43,151,750) | (273,475) | (24,337,967) | (5,120,958) | 0 | 114,516 | (3,255,272) | (76,181,073) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 4,360,420 | 0 | (1,105,148) | 0 | 0 | 0 | (186,204,412) | (4,306,770) |
| STORM DEFICIENCY RECOVERY | (190,511,181) | 0 | (65,856,223) | (118,655,607) | 0 | (1,692,562) | 0 | 0 | 0 | 241,209 | (241,209) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 331,471 | 0 | 0 | (80,261) | 0 | 0 | 0 | 8,782,944 | (8,782,944) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 15,107,638 | (6,324,694) | 0 | 0 | (4,272,059,865) | (190,336,174) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,402,396,069) | (3,112,206,723) | (211,962,348) | (164,532,739) | (743,010,026) | (8,223,595) | (32,218,979) | 199,638,652 | (6,057,173) | 4,384,236,356 | \$ 2,348,950,400 |
| FPSC ADJUSTED | \$ 6,733,186,758 | 19,746,505 | 2,474,717,186 | 832,747,279 | 539,373,257 | 507,475,483 | (183,406,831) | 199,638,652 | (6,057,173) | 4,384,236,356 | \$ 2,348,950,400 |
| PRO FORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 6,730,264,658 | 19,746,505 | 2,474,717,186 | 832,747,279 | 539,371,153 | 502,497,943 | (183,406,831) | 199,638,652 | (6,057,173) | 4,379,256,714 | \$ 2,351,007,945 |
| (A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY | \$ 111,762,028 | | | | | | | | | | |
| | \$ 107,437,062 | | | | | | | | | | |
| (B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: | \$ 2,947,618 | | | | | | | | | | |
| ON A TOTAL COMPANY BASIS | \$ 2,757,832 | | | | | | | | | | |
| ON A JURISDICTIONAL BASIS | \$ 1,069,373,822 | 314,656,876 | 111,806,436 | 283,481,524 | 116,423,517 | 61,506,682 | (20,081,900) | (610,348) | (518,858) | 866,600,930 | \$ 202,772,893 |
| CURRENT MONTH AMOUNT | \$ 1,030,126,637 | 299,600,625 | 108,219,534 | 277,602,511 | 114,725,426 | 57,988,031 | (19,106,073) | (587,273) | (518,856) | 837,923,928 | \$ 192,202,711 |
| SYSTEM PER BOOKS | | | | | | | | | | | |
| JURISDICTIONAL PER BOOKS | | | | | | | | | | | |

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
OCTOBER, 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) | \$ (2,922,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| TOTAL PROFORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |

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
OCTOBER, 2018

SCHEDULE 2: PAGE 3 OF 3

| RATE BASE ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|--|-------------------------|-------------------------|
| PLANT IN SERVICE: | | |
| ENVIRONMENTAL | \$ 1,596,023,213 | \$ 1,520,416,079 |
| FUEL AND CAPACITY | 149,852,279 | 143,038,884 |
| CAPITALIZED EXECUTIVE COMPENSATION | 26,345,773 | 25,515,082 |
| LOAD CONTROL | 50,547,140 | 50,547,140 |
| ASSET RETIREMENT OBLIGATION | 438,787,474 | 424,952,348 |
| CAPITAL LEASES | 59,410,224 | 57,536,999 |
| TOTAL | \$ 2,320,966,104 | \$ 2,222,006,531 |
| ACCUMULATED PROVISION FOR DEPRECIATION: | | |
| ENVIRONMENTAL | \$ (307,875,782) | \$ (283,291,028) |
| ACCUM PROV DECOMMISSIONING COSTS | (4,523,712,824) | (4,328,517,152) |
| ASSET RETIREMENT OBLIGATION | (13,303,191) | (12,883,737) |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING | 4,196,091,831 | 4,063,787,554 |
| FUEL AND CAPACITY | (43,070,328) | (41,033,836) |
| OTHER RATE CASE ADJUSTMENTS (1) | 335,417 | 335,417 |
| LOAD CONTROL | (25,374,004) | (25,374,004) |
| CAPITAL LEASES | (9,386,250) | (9,090,298) |
| TOTAL | \$ (726,295,131) | \$ (644,087,083) |
| CONSTRUCTION WORK IN PROGRESS: | | |
| CONSTRUCTION WORK IN PROGRESS | \$ 2,188,570,886 | \$ 2,058,213,081 |
| CWIP - CLAUSE PROJECTS | 71,881,415 | 68,646,956 |
| TOTAL | \$ 2,260,452,301 | \$ 2,126,860,037 |
| NUCLEAR FUEL: | | |
| NUCLEAR FUEL IN PROCESS | \$ 0 | \$ 0 |
| NUCLEAR FUEL CAPITAL LEASES | 0 | 0 |
| TOTAL | \$ 0 | \$ 0 |
| WORKING CAPITAL: | | |
| (SEE SCHEDULE 2, PAGE 3B OF 3) | \$ (3,590,515,209) | \$ (3,494,116,006) |
| TOTAL ADJUSTMENTS | \$ 265,608,065 | \$ 210,683,479 |

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
OCTOBER, 2015

| | OPERATING REVENUES | NET INTERCHANGE | OPERATION & MAINTENANCE FUEL & 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 | \$ 11,551,803,077 | 3,293,292,101 | 2,738,360,115 | 1,055,006,425 | 1,303,110,029 | 542,560,139 | 155,245,017 | 207,482,968 | (6,177,983) | 8,981,541,278 | \$ 2,500,461,698 | |
| FPSC ADJUSTMENTS | | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (484,220,802) | 0 | 0 | 0 | (12,454,158) | (128,381,286) | 0 | 0 | 0 | 0 | (141,835,445) | \$ (342,365,357) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (472,143,552) | 129,476,813 | 0 | 0 | 0 | 0 | (342,666,739) | 342,666,739 |
| GROSS RECEIPTS TAX | (254,892,304) | 0 | 0 | 0 | (254,589,058) | (86,430) | 0 | 0 | 0 | 0 | (254,655,488) | (235,815) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | 0 | 0 | (410,778) | 116,252 | 0 | 0 | 0 | 0 | (294,527) | 294,527 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | 0 | 0 | (2,321,926) | 672,879 | 0 | 0 | 0 | 0 | (1,649,047) | 1,649,047 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | 0 | 0 | (142,381) | 39,864 | 0 | 0 | 0 | 0 | (102,517) | 102,517 |
| AVIATION - EXPENSES | 0 | 0 | 0 | 0 | (164,328) | 43,782 | 0 | 0 | 0 | 0 | (120,544) | 120,544 |
| EXECUTIVE COMPENSATION | 0 | 0 | 0 | 0 | (38,049,677) | 10,553,440 | 0 | 0 | 0 | 0 | (27,096,237) | 27,096,237 |
| FUEL COST RECOVERY | (3,135,473,634) | (3,109,972,120) | (184,426) | 1,441,513 | (2,099,488) | 10,991,493 | (20,086,541) | 0 | 0 | 0 | (3,119,909,610) | (15,564,024) |
| CONSERVATION COST RECOVERY | (56,483,503) | 0 | (43,314,375) | (1,075,208) | (1,133,765) | (549,686) | (598) | 0 | 0 | 0 | (55,073,653) | (1,409,551) |
| CAPACITY COST RECOVERY | (256,553,324) | (162,801,042) | (32,894,631) | 1,371,632 | (345,256) | (16,445,194) | (737,574) | 0 | 0 | 0 | (211,752,066) | (44,801,288) |
| ENVIRONMENTAL COST RECOVERY | (160,006,218) | 0 | (33,229,673) | (45,237,997) | (280,608) | (23,305,129) | (5,120,958) | 0 | 0 | 120,210 | (107,113,755) | (73,492,462) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 0 | 4,360,420 | (1,105,148) | 0 | 0 | 0 | 0 | 3,255,272 | (3,255,272) |
| STORM DEFICIENCY RECOVERY | (180,511,181) | 0 | (65,555,223) | (118,655,607) | 0 | (1,892,582) | 0 | 0 | 0 | 0 | (186,204,412) | (4,306,770) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 342,262 | 0 | 0 | (83,200) | 0 | 0 | 0 | 0 | 249,062 | (249,062) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 15,620,664 | (6,530,699) | 0 | 0 | 0 | 9,090,078 | (9,090,078) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,558,740,965) | (3,272,573,163) | (216,306,155) | (186,854,847) | (743,025,896) | (4,743,510) | (32,476,276) | 0 | 0 | 120,210 | (4,435,879,628) | \$ (122,861,337) |
| FPSC ADJUSTED | \$ 7,023,062,111 | 20,678,938 | 2,522,023,962 | 891,151,578 | 560,084,143 | 537,816,625 | (187,719,295) | 207,482,968 | (6,057,172) | 4,545,481,750 | \$ 2,477,600,361 | |
| PRO FORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| (SEE SCHEDULE 4, PAGE 3C OF 3) | | | | | | | | | | | | |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 7,020,140,011 | 20,678,938 | 2,522,023,962 | 891,151,578 | 560,082,039 | 532,839,085 | (187,719,295) | 207,482,968 | (6,057,172) | 4,540,482,106 | \$ 2,479,657,905 | |

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 111,782,028

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/MAINTENANCE RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0960-AS-EL.

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
OCTOBER, 2018

SCHEDULE 2: PAGE 3B OF 3

| WORKING CAPITAL ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|---|---------------------------|---------------------------|
| ADJUSTMENTS TO ASSETS PER BOOKS: | | |
| ACCOUNTS RECEIVABLE - ASSOC COS | 23,074,718 | 22,312,230 |
| INTEREST & DIVIDENDS RECEIVABLE | 56,498 | 54,631 |
| NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC | 46,109,663 | 46,104,021 |
| CASH CAPITAL SUB ACCOUNT | 0 | 0 |
| POLE ATTACHMENTS RENTS RECEIVABLE | 15,130,117 | 15,130,117 |
| PREPAYMENTS - ECCR | 48,159,827 | 48,159,827 |
| PREPAYMENTS - INTEREST ON COMMERCIAL PAPER | 9,113,297 | 8,760,631 |
| TEMPORARY CASH INVESTMENTS | 1,009,000 | 975,658 |
| STORM DEFICIENCY RECOVERY | 137,267,215 | 137,323,019 |
| NUCLEAR COST RECOVERY | 0 | 0 |
| JOBGING ACCOUNTS | 47,922,401 | 46,338,839 |
| OTH REG ASSETS - CLAUSES | 4,996,194 | 4,756,201 |
| MISC. DEFERRED DEBIT - CLAUSES | 5,374,929 | 5,116,744 |
| CEDAR BAY TRANSACTION | 605,267,760 | 578,190,951 |
| ICL TRANSACTION | 384,611,111 | 367,405,434 |
| SJRPP TRANSACTION | 88,070,763 | 84,060,101 |
| TOTAL ADJUSTMENTS TO ASSETS PER BOOKS | \$ 1,416,163,493 | \$ 1,364,688,405 |
| ADJUSTMENTS TO LIABILITIES PER BOOKS: | | |
| ACCOUNTS PAYABLE - ASSOC COS | 0 | 0 |
| ACCUM DEFERRED RETIREMENT BENEFITS | (101,429) | (98,231) |
| ACCUM. PROV. - PROPERTY & STORM INSURANCE | 113,053,916 | 113,053,916 |
| ACCUM. PROV. - RATE REFUNDS | 0 | 0 |
| GAIN ON SALE OF EMISSION ALLOWANCE | (956) | (815) |
| JOBGING ACCOUNTS | (45,513,740) | (44,009,771) |
| POLE ATTACHMENT RENTS PAYABLE | (7,322,352) | (7,322,352) |
| SJRPP ACCELERATED RECOVERY | (9,166,326) | (8,758,178) |
| STORM DEFICIENCY RECOVERY | (183,485,905) | (183,485,905) |
| ASSET RETIREMENT OBLIGATION | (4,621,605,052) | (4,475,884,191) |
| MARGIN CALL CASH COLLATERAL | (551,923) | (533,685) |
| NUCLEAR COST RECOVERY | (247,113,555) | (247,113,555) |
| CEDAR BAY TRANSACTION | (4,869,477) | (4,651,640) |
| TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS | \$ (5,006,678,698) | \$ (4,858,804,407) |
| NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS | \$ (3,590,515,205) | \$ (3,494,116,002) |

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

SCHEDULE 2, PAGE 3C 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) |
|--------------------------------------|--------------------|--|-----------------------------|-------------------------|----------------------|-----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| TOTAL PROFORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |

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
OCTOBER, 2018

SCHEDULE 3: PAGE 2 OF 3

| | OPERATING REVENUES | NET INTERCHANGE | OPERATION & MAINTENANCE FUEL & FUEL 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 | \$ 11,391,803,877 | 3,293,252,191 | 2,738,350,716 | 1,059,006,425 | 1,393,110,059 | 542,650,199 | (155,243,817) | 207,482,959 | (6,177,383) | 8,981,341,378 | \$ 2,600,461,698 | |
| JURISDICTIONAL PER BOOKS | \$ 11,135,562,827 | 3,131,955,228 | 2,686,659,634 | 967,280,018 | 1,282,383,283 | 515,699,076 | (151,187,851) | 199,638,652 | (6,171,689) | 8,656,266,253 | \$ 2,479,286,574 | |
| FFSC ADJUSTMENTS | | | | | | | | | | | | |
| FRANCHISE REVENUE | (484,220,882) | 0 | 0 | 0 | (12,454,159) | 129,381,286 | 0 | 0 | 0 | 0 | (141,836,445) | (342,385,357) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (472,143,552) | 129,476,813 | 0 | 0 | 0 | 0 | (342,666,738) | 342,666,738 |
| GROSS RECEIPTS TAX | (254,892,204) | 0 | 0 | 0 | (254,560,596) | (16,430) | 0 | 0 | 0 | 0 | (254,655,488) | (254,655,488) |
| FINANCIAL ASSURANCE FUNDING | 0 | 0 | (387,827) | 0 | 0 | 174,988,441 | 0 | 0 | 0 | 0 | (235,241) | 235,241 |
| FINANCIAL ASSURANCE FUNDING | 0 | 0 | (2,269,715) | 0 | 0 | 851,883 | 0 | 0 | 0 | 0 | (1,597,652) | 1,597,652 |
| EXCISE TAXES | 0 | 0 | (157,892) | 0 | 0 | 34,607 | 0 | 0 | 0 | 0 | (123,285) | 123,285 |
| EXCISE TAXES | 0 | 0 | (159,146) | 0 | 0 | 42,401 | 0 | 0 | 0 | 0 | (116,743) | 116,743 |
| EXCISE TAXES | 0 | 0 | (98,849,857) | 0 | 0 | 10,606,074 | 0 | 0 | 0 | 0 | (88,241,883) | 88,241,883 |
| FUEL COST REC RETAL | (2,979,519,407) | 0 | (2,955,905,744) | 0 | (2,098,204) | 11,858,874 | (20,035,455) | 0 | 0 | 0 | (2,966,041,769) | (13,504,627) |
| CONSERVATION COST RECOVERY | (58,483,693) | 0 | (43,314,375) | 0 | (10,975,208) | (549,696) | (598) | 0 | 0 | 0 | (55,073,653) | (1,409,851) |
| CAPACITY COST RECOVERY | (258,182,655) | (155,269,979) | (31,518,699) | 0 | (1,817,136) | (18,876,638) | (737,574) | 0 | 0 | 0 | (205,123,458) | (51,038,189) |
| ENVIRONMENTAL COST RECOVERY | (180,605,213) | 0 | (51,655,510) | 0 | (43,151,790) | (24,337,957) | (5,120,658) | 0 | 0 | 114,516 | (104,425,145) | (75,181,073) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 0 | 4,360,430 | (1,105,148) | 0 | 0 | 0 | 0 | 3,255,272 | (3,255,272) |
| STORM DEFICIENCY RECOVERY | (180,511,181) | 0 | (65,856,223) | 0 | (118,655,607) | (1,692,592) | 0 | 0 | 0 | 0 | (186,204,412) | (4,306,770) |
| INTEREST TAX DEFERENCES | 0 | 0 | 331,471 | 0 | 0 | (80,261) | 0 | 0 | 0 | 0 | 241,209 | (241,209) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 8,050,546 | 0 | 0 | 0 | 0 | 2,725,852 | (2,725,852) |
| TOTAL FFSC ADJUSTMENTS | (4,402,396,069) | (3,112,206,723) | (211,982,346) | (164,552,739) | (743,010,026) | (14,280,698) | (32,718,978) | 0 | 0 | 114,516 | (4,278,176,886) | (194,279,082) |
| FFSC ADJUSTED | \$ 6,733,186,758 | 19,745,505 | 2,474,717,165 | 832,747,279 | 539,372,257 | 501,418,390 | (153,406,831) | 199,638,652 | (6,057,173) | 4,378,179,265 | \$ 2,355,007,492 | |
| PRO FORMA ADJUSTMENTS | \$ (2,822,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| (SEE SCHEDULE 2, PAGE 2A OF 3) | | | | | | | | | | | | |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 6,730,264,658 | 19,746,505 | 2,474,717,165 | 832,747,279 | 539,371,153 | 496,440,850 | (165,406,831) | 199,638,652 | (6,057,173) | 4,373,189,622 | \$ 2,357,065,037 | |

| | OPERATING REVENUES | NET INTERCHANGE | OPERATION & MAINTENANCE FUEL & FUEL 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) |
|--|--------------------|-----------------|---|-------|-----------------------------|-------------------------|----------------------|-----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|
| (A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY | \$ 111,762,028 | 107,437,062 | | | | | | | | | | |

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0586-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
OCTOBER, 2018

SCHEDULE 3: PAGE 2A 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) |
|--------------------------------------|--------------------|--|-----------------------------|-------------------------|----------------------|-----------------------------|-----------------------------|---------------------------|--------------------------|--------------------------|
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,644 |
| TOTAL PROFORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,644 |

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
OCTOBER, 2018

SCHEDULE 3: PAGE 3 OF 3

| | RATE BASE ADJUSTMENTS | SYSTEM | JURISDICTIONAL |
|--|-----------------------|----------------------|-------------------------|
| PLANT IN SERVICE: | | | |
| ENVIRONMENTAL | \$ | 1,595,849,665 | \$ 1,520,250,752 |
| FUEL AND CAPACITY | | 155,150,219 | 148,099,977 |
| CAPITALIZED EXECUTIVE COMPENSATION | | 29,590,775 | 28,657,767 |
| LOAD CONTROL | | 50,596,704 | 50,596,704 |
| ASSET RETIREMENT OBLIGATION | | 418,061,963 | 404,880,319 |
| CAPITAL LEASES | | 59,410,224 | 57,536,999 |
| TOTAL | \$ | <u>2,308,659,550</u> | <u>\$ 2,210,022,519</u> |
| ACCUMULATED PROVISION FOR DEPRECIATION: | | | |
| ENVIRONMENTAL | \$ | (338,238,489) | \$ (322,215,387) |
| ACCUM PROV DECOMMISSIONING COSTS | | (4,706,844,770) | (4,501,666,091) |
| ASSET RETIREMENT OBLIGATION | | (3,127,331) | (3,028,725) |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING | | 4,367,010,369 | 4,229,316,970 |
| FUEL AND CAPACITY | | (41,845,138) | (39,863,628) |
| OTHER RATE CASE ADJUSTMENTS (1) | | 4,360,420 | 4,360,420 |
| LOAD CONTROL | | (27,342,953) | (27,342,953) |
| CAPITAL LEASES | | (10,116,250) | (9,797,281) |
| TOTAL | \$ | <u>(756,144,141)</u> | <u>\$ (670,236,674)</u> |
| CONSTRUCTION WORK IN PROGRESS: | | | |
| CONSTRUCTION WORK IN PROGRESS | \$ | 2,394,251,545 | \$ 2,244,206,019 |
| CWIP - CLAUSE PROJECTS | | 100,084,061 | 96,561,437 |
| TOTAL | \$ | <u>2,494,335,606</u> | <u>\$ 2,339,767,456</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) | \$ | (3,590,515,209) | \$ (3,494,116,006) |
| TOTAL ADJUSTMENTS | \$ | 456,335,807 | \$ 385,437,295 |

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
OCTOBER, 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 | \$ 11,581,803,077 | 3,293,252,101 | 2,738,350,116 | 1,058,006,425 | 1,303,110,029 | 542,550,139 | (155,243,017) | 207,482,968 | (6,177,393) | 8,981,341,378 | \$ 2,600,461,698 |
| FPSC ADJUSTMENTS | | | | | | | | | | | |
| FRANCHISE REVENUE | \$ (484,220,802) | 0 | 0 | 0 | (12,454,159) | (129,381,286) | 0 | 0 | 0 | (141,835,445) | \$ (342,365,357) |
| FRANCHISE EXPENSE | 0 | 0 | 0 | 0 | (472,143,552) | 129,476,813 | 0 | 0 | 0 | (342,666,739) | 342,666,739 |
| GROSS RECEIPTS TAX | (254,882,304) | 0 | 0 | 0 | (284,589,088) | (86,430) | 0 | 0 | 0 | (254,855,488) | (236,815) |
| FINANCIAL PLANNING SERVICES | 0 | 0 | (410,779) | 0 | 0 | 116,252 | 0 | 0 | 0 | (294,527) | 294,527 |
| INDUSTRY ASSOCIATION DUES | 0 | 0 | (2,321,926) | 0 | 0 | 672,878 | 0 | 0 | 0 | (1,648,047) | 1,648,047 |
| ECONOMIC DEVELOPMENT 5% | 0 | 0 | (142,381) | 0 | 0 | 38,864 | 0 | 0 | 0 | (102,517) | 102,517 |
| AVIATION - EXPENSES | 0 | 0 | (164,226) | 0 | 0 | 43,782 | 0 | 0 | 0 | (120,544) | 120,544 |
| EXCLUSIVE COMPENSATION | 0 | 0 | (56,049,877) | 0 | 0 | 10,953,440 | 0 | 0 | 0 | (27,096,237) | 27,096,237 |
| FUEL COST REC RETAIL | (3,135,473,854) | (3,109,872,120) | (184,426) | 1,441,513 | (2,095,488) | 10,991,433 | (20,086,541) | 0 | 0 | (3,119,909,610) | (15,564,024) |
| CONSERVATION COST RECOVERY | (56,483,603) | 0 | (43,314,375) | (10,075,208) | (1,133,785) | (549,886) | (598) | 0 | 0 | (55,073,653) | (1,409,851) |
| CAPACITY COST RECOVERY | (256,553,324) | (162,607,042) | (32,994,631) | 1,371,632 | (345,266) | (16,445,194) | (737,574) | 0 | 0 | (211,752,066) | (44,801,258) |
| ENVIRONMENTAL COST RECOVERY | (180,606,216) | 0 | (33,229,673) | (46,297,697) | (280,508) | (23,305,129) | (5,120,958) | 0 | 120,210 | (107,113,795) | (73,492,462) |
| OTHER RATE CASE ADJUSTMENTS (1) | 0 | 0 | 0 | 4,390,420 | 0 | (1,105,148) | 0 | 0 | 0 | 3,285,272 | (3,255,272) |
| STORM DEFICIENCY RECOVERY | (190,511,181) | 0 | (85,856,222) | (118,655,607) | 0 | (1,692,582) | 0 | 0 | 0 | (186,204,412) | (4,306,770) |
| INTEREST TAX DEFICIENCIES | 0 | 0 | 342,262 | 0 | 0 | (93,206) | 0 | 0 | 0 | 249,052 | (249,052) |
| INTEREST SYNCHRONIZATION | 0 | 0 | 0 | 0 | 0 | 8,983,355 | (6,530,606) | 0 | 0 | 2,452,749 | (2,452,749) |
| TOTAL FPSC ADJUSTMENTS | \$ (4,558,740,965) | (3,272,573,163) | (216,326,155) | (168,954,847) | (743,025,886) | (11,380,838) | (32,476,278) | 0 | 120,210 | (4,442,516,957) | \$ (1,16,224,006) |
| FPSC ADJUSTED | \$ 7,023,062,111 | 20,678,938 | 2,522,023,962 | 891,151,578 | 560,084,143 | 531,179,300 | (187,719,285) | 207,482,968 | (6,057,173) | 4,538,824,421 | \$ 2,484,237,690 |
| PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3) | \$ (2,922,100) | 0 | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED | \$ 7,020,140,011 | 20,678,938 | 2,522,023,962 | 891,151,578 | 560,082,039 | 526,201,750 | (187,719,285) | 207,482,968 | (6,057,173) | 4,533,844,777 | \$ 2,486,295,234 |

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 111,762,028

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DEMAND/RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-A-S-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
OCTOBER, 2018

SCHEDULE 3: PAGE 38 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) |
|--------------------------------------|--------------------|--|-----------------------------|-------------------------|----------------------|-----------------------------|-----------------------------|----------------------------|--------------------------|--------------------------|
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |
| TOTAL PROFORMA ADJUSTMENTS | \$ (2,922,100) | 0 | 0 | (2,104) | (4,977,540) | 0 | 0 | 0 | (4,979,644) | \$ 2,057,544 |

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
OCTOBER, 2018

SCHEDULE 4: PAGE 1 OF 2

| AVERAGE | SYSTEM PER BOOKS 1 | RETAIL PER BOOKS 2 | ADJUSTMENTS PRO RATA 3 | ADJUSTMENTS SPECIFIC 4 | ADJUSTED RETAIL 5 | RATIO (%) 6 | LOW POINT | | | MIDPOINT | | | HIGH POINT | | |
|----------------------------|-----------------------|-----------------------|---------------------------|---------------------------|----------------------|----------------|-----------------|---------------------|---------------------|------------------|----------------------|----------------------|------------------|----------------------|----------------------|
| | | | | | | | COST RATE (%) 7 | WEIGHTED COST (%) 8 | WEIGHTED COST (%) 9 | COST RATE (%) 10 | WEIGHTED COST (%) 11 | WEIGHTED COST (%) 12 | COST RATE (%) 11 | WEIGHTED COST (%) 12 | WEIGHTED COST (%) 12 |
| LONG TERM DEBT | \$ 10,489,891,820 | \$ 10,079,649,480 | \$ 88,888,102 | \$ (143,284,604) | \$ 10,025,293,088 | 28.25% | 4.38% | 1.24% | 4.38% | 4.38% | 4.39% | 1.24% | 4.39% | 1.24% | |
| SHORT TERM DEBT | 1,101,359,513 | 1,057,908,563 | 9,464,807 | (0) | 1,067,373,391 | 3.01% | 2.67% | 0.08% | 2.67% | 2.67% | 2.67% | 0.08% | 2.67% | 0.08% | |
| PREFERRED STOCK | - | - | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| COMMON EQUITY | 16,492,051,928 | 15,841,406,086 | 141,728,557 | 0 | 15,983,134,643 | 45.04% | 9.50% | 4.32% | 10.55% | 10.55% | 11.80% | 4.75% | 11.80% | 5.22% | |
| CUSTOMER DEPOSITS | 397,734,911 | 397,209,508 | 3,553,721 | 0 | 400,763,228 | 1.13% | 2.10% | 0.02% | 2.10% | 2.10% | 2.10% | 0.02% | 2.10% | 0.02% | |
| DEFERRED INCOME TAX (1) | 8,291,809,716 | 7,964,527,253 | 69,015,938 | (250,418,505) | 7,783,124,691 | 21.93% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| INVESTMENT TAX CREDITS (2) | 374,415,904 | 358,549,457 | 2,029,547 | (181,701,143) | 228,877,861 | 0.64% | 7.58% | 0.05% | 8.17% | 8.17% | 8.79% | 0.05% | 8.79% | 0.05% | |
| TOTAL | \$ 37,147,063,792 | \$ 35,669,250,362 | \$ 314,680,672 | \$ (926,374,152) | \$ 36,488,666,903 | 100.00% | 5.71% | 5.71% | 6.15% | 6.15% | 6.52% | 6.15% | 6.52% | 6.52% | |

| YEAR END | SYSTEM PER BOOKS 1 | RETAIL PER BOOKS 2 | ADJUSTMENTS PRO RATA 3 | ADJUSTMENTS SPECIFIC 4 | ADJUSTED RETAIL 5 | RATIO (%) 6 | LOW POINT | | | MIDPOINT | | | HIGH POINT | | |
|----------------------------|-----------------------|-----------------------|---------------------------|---------------------------|----------------------|----------------|-----------------|---------------------|---------------------|------------------|----------------------|----------------------|------------------|----------------------|----------------------|
| | | | | | | | COST RATE (%) 7 | WEIGHTED COST (%) 8 | WEIGHTED COST (%) 9 | COST RATE (%) 10 | WEIGHTED COST (%) 11 | WEIGHTED COST (%) 12 | COST RATE (%) 11 | WEIGHTED COST (%) 12 | WEIGHTED COST (%) 12 |
| LONG TERM DEBT | \$ 10,534,547,891 | \$ 10,087,576,247 | \$ 37,471,351 | \$ (142,547,621) | \$ 9,982,500,077 | 27.50% | 4.71% | 1.29% | 4.71% | 4.71% | 4.71% | 1.29% | 4.71% | 1.29% | |
| SHORT TERM DEBT | 380,409,553 | 364,114,729 | 1,371,929 | 0 | 365,486,658 | 1.01% | 4.25% | 0.04% | 4.25% | 4.25% | 4.25% | 0.04% | 4.25% | 0.04% | |
| PREFERRED STOCK | - | - | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| COMMON EQUITY | 18,225,200,769 | 17,444,525,204 | 65,728,308 | (0) | 17,510,253,513 | 48.23% | 9.60% | 4.63% | 10.55% | 10.55% | 11.80% | 5.09% | 11.80% | 5.59% | |
| CUSTOMER DEPOSITS | 402,586,780 | 401,969,223 | 1,514,559 | (0) | 403,483,782 | 1.11% | 2.17% | 0.02% | 2.17% | 2.17% | 2.17% | 0.02% | 2.17% | 0.02% | |
| DEFERRED INCOME TAX | 8,331,347,738 | 7,975,193,977 | 28,105,775 | (250,418,505) | 7,753,881,247 | 21.36% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | |
| INVESTMENT TAX CREDITS (2) | 435,337,127 | 416,071,055 | 1,082,598 | (128,745,788) | 288,407,865 | 0.79% | 7.79% | 0.06% | 8.43% | 8.43% | 9.06% | 0.07% | 9.06% | 0.07% | |
| TOTAL | \$ 38,309,429,869 | \$ 36,669,450,485 | \$ 136,274,520 | \$ (521,711,815) | \$ 36,304,073,141 | 100.00% | 6.05% | 6.05% | 6.52% | 6.52% | 7.03% | 6.52% | 7.03% | 7.03% | |

NOTE:
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2.698 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
OCTOBER, 2018

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| 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 | WEIGHTED COST (%) 7 | COST RATE (%) 8 | WEIGHTED COST (%) 9 | WEIGHTED COST (%) 10 | COST RATE (%) 7 | WEIGHTED COST (%) 8 | WEIGHTED COST (%) 9 |
| LONG TERM DEBT | \$ 10,025,293,088 | \$ - | \$ 10,025,293,088 | 28.25% | 4.38% | 1.24% | 4.38% | 1.24% | 4.38% | 4.38% | 1.24% | 4.38% | 1.24% |
| SHORT TERM DEBT | 1,067,373,391 | - | 1,067,373,391 | 3.01% | 2.67% | 0.08% | 2.67% | 0.08% | 2.67% | 2.67% | 0.08% | 2.67% | 0.08% |
| PREFERRED STOCK | - | - | - | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 15,983,134,643 | - | 15,983,134,643 | 45.04% | 9.60% | 4.32% | 10.55% | 4.75% | 11.60% | 11.60% | 5.22% | 11.60% | 5.22% |
| CUSTOMER DEPOSITS | 400,763,228 | - | 400,763,228 | 1.13% | 2.10% | 0.02% | 2.10% | 0.02% | 2.10% | 2.10% | 0.02% | 2.10% | 0.02% |
| DEFERRED INCOME TAX | 7,783,124,691 | - | 7,783,124,691 | 21.93% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 228,877,861 | - | 228,877,861 | 0.64% | 7.56% | 0.05% | 8.17% | 0.05% | 8.79% | 8.79% | 0.06% | 8.79% | 0.06% |
| TOTAL | \$ 35,488,566,903 | \$ - | \$ 35,488,566,903 | 100.00% | | 5.71% | | 6.15% | | 6.62% | | 6.62% | |
| YEAR END | | | | | | | | | | | | | |
| | | | | | | | | | | | | | |
| LONG TERM DEBT | \$ 9,982,500,077 | \$ - | \$ 9,982,500,077 | 27.50% | 4.71% | 1.29% | 4.71% | 1.29% | 4.71% | 4.71% | 1.29% | 4.71% | 1.29% |
| SHORT TERM DEBT | 365,486,658 | - | 365,486,658 | 1.01% | 4.25% | 0.04% | 4.25% | 0.04% | 4.25% | 4.25% | 0.04% | 4.25% | 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 | 17,510,253,513 | - | 17,510,253,513 | 48.23% | 9.60% | 4.63% | 10.55% | 5.09% | 11.60% | 11.60% | 5.59% | 11.60% | 5.59% |
| CUSTOMER DEPOSITS | 403,483,782 | - | 403,483,782 | 1.11% | 2.17% | 0.02% | 2.17% | 0.02% | 2.17% | 2.17% | 0.02% | 2.17% | 0.02% |
| DEFERRED INCOME TAX | 7,753,881,247 | - | 7,753,881,247 | 21.36% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS (1) | 288,407,865 | - | 288,407,865 | 0.79% | 7.79% | 0.06% | 8.43% | 0.07% | 9.06% | 9.06% | 0.07% | 9.06% | 0.07% |
| TOTAL | \$ 35,304,013,141 | \$ - | \$ 35,304,013,141 | 100.00% | | 6.05% | | 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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| | | | |
|---|------------------|--|------------------|
| <u>A. TIMES INTEREST EARNED WITH AFUDC</u> | | <u>D. PERCENT INTERNALLY GENERATED FUNDS</u> | |
| EARNINGS BEFORE INTEREST CHARGES | \$ 2,663,488,091 | NET INCOME | \$ 2,131,291,634 |
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION | 23,402,165 | PREFERRED DIVIDENDS DECLARED | 0 |
| INCOME TAXES | 580,925,573 | COMMON DIVIDENDS | (650,000,000) |
| TOTAL | \$ 3,267,815,828 | AFUDC (DEBT & OTHER) | (111,782,028) |
| INTEREST CHARGES EXCLUDING DEBT AFUDC | \$ 555,608,621 | DEPRECIATION AND AMORTIZATION EXPENSE | 1,056,006,425 |
| TIMES INTEREST EARNED WITH AFUDC | 5.88 | DEFERRED INCOME TAXES | 207,482,968 |
| | | INVESTMENT TAX CREDITS | 48,666,552 |
| | | OTHER SOURCE/USES OF FUNDS | \$ 2,520,747,597 |
| | | INTERNALLY GENERATED FUNDS | |
| <u>B. TIMES INTEREST EARNED WITHOUT AFUDC</u> | | CONSTRUCTION EXPENDITURES | \$ 4,751,034,143 |
| EARNINGS BEFORE INTEREST CHARGES | \$ 2,663,488,091 | PERCENT INTERNALLY GENERATED FUNDS | 53.06% |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION | (88,359,863) | | |
| INCOME TAXES | 580,925,573 | | |
| TOTAL | \$ 3,156,063,801 | | |
| INTEREST CHARGES EXCLUDING DEBT AFUDC | \$ 555,608,621 | | |
| TIMES INTEREST EARNED WITHOUT AFUDC | 5.88 | | |

| | | | |
|---|------------------|--|-------------------|
| <u>C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS</u> | | <u>E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u> | |
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION | \$ 23,402,165 | JURIS ADJUSTED LONG TERM DEBT | \$ 10,025,293,088 |
| X (1 - INCOME_TAX_RATE) | 0.7245 | JURIS ADJUSTED SHORT TERM DEBT | 1,067,373,391 |
| SUBTOTAL | \$ 16,954,868 | JURIS ADJUSTED PREFERRED STOCK | 0 |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION | 88,359,863 | JURIS ADJUSTED COMMON STOCK | 15,963,134,643 |
| TOTAL | \$ 105,314,731 | TOTAL | \$ 27,075,801,122 |
| NET INCOME AVAILABLE FOR COMMON | \$ 2,131,291,634 | LTD TO TOTAL INVESTOR FUNDS | 37.03% |
| AFUDC AS PERCENT OF NET INCOME | 4.94% | STD TO TOTAL INVESTOR FUNDS | 3.94% |
| | | | |
| <u>FOOTNOTES</u> | | <u>F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u> | |
| CLAUSE OVER/UNDER RECOVERY | \$ 52,843,936 | AVERAGE RETAIL AMOUNTS | |
| GAINS ON DISPOSITION OF PROPERTY | (6,177,383) | JURIS ADJUSTED LONG TERM DEBT | \$ 10,025,293,088 |
| LONG TERM DEBT RETIREMENTS & REDEMPTIONS | 0 | JURIS ADJUSTED SHORT TERM DEBT | 1,067,373,391 |
| INCREASE/DECREASE IN DECOMMISSIONING FUNDS | 0 | JURIS ADJUSTED PREFERRED STOCK | 0 |
| | \$ 46,666,552 | JURIS ADJUSTED COMMON STOCK | 15,963,134,643 |
| | | TOTAL | \$ 27,075,801,122 |
| | | LTD TO TOTAL INVESTOR FUNDS | 37.03% |
| | | STD TO TOTAL INVESTOR FUNDS | 3.94% |
| | | | |
| | | <u>G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</u> | |
| | | FPSC RATE OF RETURN | 6.62% |
| | | LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR: | |
| | | LONG TERM DEBT | 1.24% |
| | | PREFERRED STOCK | 0.08% |
| | | CUSTOMER DEPOSITS | 0.00% |
| | | TAX CREDITS - WTD COST | 0.02% |
| | | SUBTOTAL | 1.39% |
| | | TOTAL | 5.22% |
| | | DIVIDED BY COMMON EQUITY RATIO | 45.04% |
| | | JURISDICTIONAL RETURN ON COMMON EQUITY | 11.60% |

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
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 FINANCIAL INTEGRITY INDICATORS
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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.62%

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 | 0.05% |
| SUBTOTAL | <u>1.39%</u> |

PRO FORMA FOR LESS NON EQUITY COST 5.23%

PRO FORMA COMMON EQUITY RATIO 45.04%

PRO FORMA RETURN ON COMMON EQUITY 11.61%