



March 15, 2024

Mr. Andrew Maurey
Director, Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: 2024 Forecasted Earnings Surveillance Report

Dear Mr. Maurey:

On February 28, 2024, you granted Florida Power & Light Company's ("FPL's") request for an extension of time to March 15, 2024 to file its 2024 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2024 FESR. Please note that the forecast results contained in the FESR reflect FPL's 2024 planning assumptions. In accordance with the Stipulation and Settlement Agreement that the Commission approved in Order No. PSC-2021-0446-S-EI, the Company will vary the portion of Reserve Amount amortized in 2024 to maintain its actual return on equity within a range of 9.8% to 11.8%. The return on equity range of 9.8% to 11.8% was authorized in Docket No. 20210015-EI, Order No. PSC-2022-0358-FOF-EI.

Sincerely,

A handwritten signature in black ink that reads "Ina Laney". The signature is written in a cursive style with a large initial 'I' and a long, sweeping underline.

Ina Laney

Senior Director, Financial Forecasting

Enclosures:

CC: Office of Public Counsel

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

**SCHEDULE 1
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024**

| I. AVERAGE RATE OF RETURN (JURISDICTIONAL) | (1) PER BOOKS | (2) FPSC ADJUSTMENTS | (3) FPSC ADJUSTED |
|---|------------------|----------------------------|-------------------------|
| NET OPERATING INCOME | \$5,605,703 (A) | (\$703,622) (B) | \$4,902,081 |
| AVERAGE RATE BASE | \$70,397,448 | (\$4,573,316) | \$65,824,132 |
| AVERAGE RATE OF RETURN | 7.96% | | 7.45% |

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

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

| | |
|----------|-------|
| LOW | 6.50% |
| MIDPOINT | 6.95% |
| HIGH | 7.50% |

II. FINANCIAL INTEGRITY INDICATORS

| | |
|---|--------------------------------|
| A. TIMES INTEREST EARNED WITH AFUDC | 5.67 (SYSTEM PER BOOK BASIS) |
| B. TIMES INTEREST EARNED WITHOUT AFUDC | 5.48 (SYSTEM PER BOOK BASIS) |
| C. AFUDC AS PERCENT OF NET INCOME | 4.80% (SYSTEM PER BOOK BASIS) |
| D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY | 77.96% (SYSTEM PER BOOK BASIS) |
| E. LTD TO TOTAL INVESTOR FUNDS | 37.95% (FPSC ADJUSTED BASIS) |
| F. STD TO TOTAL INVESTOR FUNDS | 2.44% (FPSC ADJUSTED BASIS) |
| G. RETURN ON COMMON EQUITY (AVERAGE) | 11.80% (FPSC ADJUSTED BASIS) |

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

SCHEDULE 2
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---------------------|---|----------------------------|------------------------------------|-------------------------------------|--------------------------|----------------------|--------------------|--------------------|
| | PLANT IN SERVICE | ACCUMULATED DEPRECIATION & AMORTIZATION | NET PLANT IN SERVICE | PROPERTY HELD FOR FUTURE USE | CONSTRUCTION WORK IN PROGRESS | NUCLEAR FUEL (NET) | NET UTILITY PLANT | WORKING CAPITAL | TOTAL RATE BASE |
| 1 SYSTEM PER BOOKS | 83,722,388 | 21,130,541 | 62,591,847 | 1,149,716 | 7,010,055 | 689,201 | 71,440,819 | 1,675,678 | 73,116,497 |
| 2 JURISDICTIONAL PER BOOKS | 80,504,375 | 16,389,184 | 64,115,191 | 1,101,890 | 6,658,597 | 646,546 | 72,522,225 | (2,124,777) | 70,397,448 |
| FPSC ADJUSTMENTS: | | | | | | | | | |
| 3 ACCUM PROV DECOMMISSIONING COSTS | | (6,324,702) | 6,324,702 | | | | 6,324,702 | | 6,324,702 |
| 4 CAPITALIZED EXECUTIVE COMPENSATION | (60,994) | | (60,994) | | | | (60,994) | | (60,994) |
| 5 ENVIRONMENTAL | (1,328,624) | (565,480) | (763,143) | | | | (763,143) | | (763,143) |
| 6 FUEL AND CAPACITY | (140,214) | (14,260) | (125,955) | | | | (125,955) | | (125,955) |
| 7 LOAD CONTROL | (39,416) | (17,457) | (21,959) | | | | (21,959) | | (21,959) |
| 8 ASSET RETIREMENT OBLIGATION | (101,741) | 5,936,301 | (6,038,042) | | | | (6,038,042) | | (6,038,042) |
| 9 CAPITAL LEASES | (72,852) | (24,102) | (48,750) | | | | (48,750) | | (48,750) |
| 10 NORTH ESCAMBIA FUTURE PLANT USE | | | | (5,226) | | | (5,226) | | (5,226) |
| 11 STORM PROTECTION CLAUSE | (3,542,694) | (136,259) | (3,406,435) | | (606,953) | | (4,013,388) | | (4,013,388) |
| 12 CONSTRUCTION WORK IN PROGRESS | | | | | (3,823,145) | | (3,823,145) | | (3,823,145) |
| 13 CWIP - CAPACITY ECCR & ECRC PROJECTS | | | | | (263,814) | | (263,814) | | (263,814) |
| 14 ACCOUNTS RECEIVABLE - ASSOC COS | | | | | | | | (50,275) | (50,275) |
| 15 JOBBING ACCOUNTS | | | | | | | | 3,541 | 3,541 |
| 16 NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC | | | | | | | | (298,751) | (298,751) |
| 17 NUCLEAR COST RECOVERY | | | | | | | | 241,631 | 241,631 |
| 18 DEFERRED DEBITS & CREDITS – CLAUSES | | | | | | | | (150,595) | (150,595) |
| 19 CEDAR BAY TRANSACTION | | | | | | | | (43,265) | (43,265) |
| 20 ICL TRANSACTION | | | | | | | | (72,300) | (72,300) |
| 21 POLE ATTACHMENTS RENTS RECEIVABLE | | | | | | | | (19,349) | (19,349) |
| 22 MARGIN CALL CASH COLLATERAL | | | | | | | | 2,610 | 2,610 |
| 23 PREPAYMENTS - ECCR | | | | | | | | (1,488) | (1,488) |
| 24 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER | | | | | | | | (12,171) | (12,171) |
| 25 TEMPORARY CASH INVESTMENTS | | | | | | | | (82) | (82) |
| 26 ACCUM DEFERRED RETIREMENT BENEFITS | | | | | | | | 8,819 | 8,819 |
| 27 ACCUM. PROV. - PROPERTY & STORM INSURANCE | | | | | | | | 66,992 | 66,992 |
| 28 ASSET RETIREMENT OBLIGATION | | | | | | | | 6,038,043 | 6,038,043 |
| 29 SJRPP CAPACITY/ECRC | | | | | | | | (32,748) | (32,748) |
| 30 EARLY RETIRED ASSETS | | | | | | | | (1,410,387) | (1,410,387) |
| 31 INTEREST & DIV RECEIVABLE | | | | | | | | (901) | (901) |
| 32 CARE TO SHARE LIABILITY | | | | | | | | 3,012 | 3,012 |
| 33 DEFERRED TRANSMISSION CREDIT | | | | | | | | 7,956 | 7,956 |
| 34 SOLARNOW | (28,381) | (14,990) | (13,392) | | (372) | | (13,764) | | (13,764) |
| 35 MISC. DEFERRED DEBIT - OTHER | | | | | | | | (129) | (129) |
| 36 TOTAL FPSC ADJUSTMENTS | (5,314,916) | (1,160,949) | (4,153,967) | (5,226) | (4,694,285) | 0 | (8,853,478) | 4,280,162 | (4,573,316) |
| 37 FPSC ADJUSTED | \$75,189,460 | \$15,228,235 | \$59,961,224 | \$1,096,664 | \$1,964,313 | \$646,546 | \$63,668,747 | \$2,155,385 | \$65,824,132 |

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

SCHEDULE 2
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|----------------------------------|--------------------|--|-------------|-------------------------------|-------------------------|--|--------------------------|--------------------------|----------------------|
| | OPERATING REVENUES | OPERATION & MAINTENANCE FUEL & NET INTERCHANGE | 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 |
| 1 SYSTEM PER BOOKS | \$16,858,521 | \$4,679,978 | \$1,636,766 | \$2,020,725 | \$1,966,047 | \$989,165 | (\$1,228) | \$11,291,453 | \$5,567,068 |
| 2 JURISDICTIONAL PER BOOKS | 16,296,703 | 4,515,352 | 1,589,580 | 1,919,171 | 1,932,695 | 960,183 | (1,228) | 10,915,752 | 5,380,951 |
| <u>FPSC ADJUSTMENTS:</u> | | | | | | | | | |
| 3 CAPACITY COST RECOVERY | (221,983) | (161,120) | (33,233) | (7,610) | (176) | (5,029) | | (207,169) | (14,814) |
| 4 CONSERVATION COST RECOVERY | (63,665) | | (48,408) | (11,813) | (1,194) | (570) | | (61,986) | (1,679) |
| 5 ENVIRONMENTAL COST RECOVERY | (389,645) | | (38,163) | (127,490) | (130) | (56,738) | 0 | (222,521) | (167,124) |
| 6 FUEL COST REC RETAIL | (4,404,210) | (4,339,418) | (17) | | (26) | (16,410) | | (4,355,872) | (48,338) |
| 7 STORM PROTECTION COST RECOVERY | (537,152) | | (95,496) | (90,188) | (87) | (89,057) | | (274,829) | (262,323) |
| 8 STORM DEFICIENCY RECOVERY | (115,851) | | (115,851) | | | | | (115,851) | |
| 9 FRANCHISE REVENUE & EXPENSE | (680,229) | | | | (679,671) | (141) | | (679,812) | (417) |
| 10 GROSS RECEIPTS TAX AND RAF | (397,657) | | (13,297) | | (384,726) | 93 | | (397,930) | 273 |
| 11 MISCELLANEOUS O&M EXPENSES | | | (671) | | | 170 | | (501) | 501 |
| 12 AVIATION - EXPENSES | | | (194) | | | 49 | | (145) | 145 |
| 13 EXECUTIVE COMPENSATION | | | (54,317) | | | 13,767 | | (40,550) | 40,550 |
| 14 INTEREST TAX DEFICIENCIES | | | (297) | | | 75 | | (222) | 222 |
| 15 INTEREST SYNCHRONIZATION | | | | | | 25,459 | | 25,459 | (25,459) |
| 16 SOLAR NOW | (4,892) | | (1,100) | (5,224) | (70) | 1,910 | | (4,484) | (408) |
| 17 TOTAL FPSC ADJUSTMENTS | (6,815,283) | (4,500,539) | (401,044) | (242,326) | (1,066,081) | (126,424) | 0 | (6,336,413) | (478,870) |
| 18 FPSC ADJUSTED | \$9,481,420 | \$14,814 | \$1,188,535 | \$1,676,846 | \$866,614 | \$833,759 | (\$1,228) | \$4,579,339 | \$4,902,081 |

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

SCHEDULE 3
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|-----------------------------|---------------------|---------------------|----------------------|----------------------|---------------------|----------------|--------------------|------------------------|--------------------|------------------------|---------------------|-------------------------|
| 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 | \$23,008,772 | \$22,146,595 | (\$1,385,981) | (\$64,700) | \$20,695,914 | 31.44% | 4.44% | 1.40% | 4.44% | 1.40% | 4.44% | 1.40% |
| SHORT TERM DEBT | 1,476,282 | 1,420,928 | (89,185) | \$0 | 1,331,743 | 2.02% | 5.02% | 0.10% | 5.02% | 0.10% | 5.02% | 0.10% |
| PREFERRED STOCK | 0 | 0 | 0 | \$0 | 0 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 36,031,980 | 34,681,696 | (2,176,936) | \$1,952 | 32,506,712 | 49.38% | 9.80% | 4.84% | 10.80% | 5.33% | 11.80% | 5.83% |
| CUSTOMER DEPOSITS | 592,642 | 592,680 | (37,200) | \$0 | 555,480 | 0.84% | 2.15% | 0.02% | 2.15% | 0.02% | 2.15% | 0.02% |
| DEFERRED INCOME TAX | 8,099,672 | 7,795,315 | (489,190) | (\$1,388) | 7,304,737 | 11.10% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| FAS 109 DEFERRED INCOME TAX | 2,900,643 | 2,791,881 | (175,234) | \$0 | 2,616,648 | 3.98% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| INVESTMENT TAX CREDITS | 1,006,505 | 968,352 | (54,439) | (\$101,016) | 812,898 | 1.23% | 7.72% | 0.10% | 8.33% | 0.10% | 8.94% | 0.11% |
| TOTAL | <u>\$73,116,497</u> | <u>\$70,397,448</u> | <u>(\$4,408,164)</u> | <u>(\$165,152)</u> | <u>\$65,824,132</u> | <u>100.00%</u> | | <u>6.45%</u> | | <u>6.95%</u> | | <u>7.45%</u> |

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

SCHEDULE 4
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024

A. TIMES INTEREST EARNED WITH AFUDC

| | |
|--------------------------------------|--------------------|
| EARNINGS BEFORE INTEREST | \$5,790,575 |
| AFUDC - DEBT | 43,805 |
| INCOME TAXES | 978,867 |
| TOTAL | <u>\$6,813,246</u> |
| INTEREST CHARGES (BEFORE DEBT AFUDC) | 1,200,853 |
| TIE WITH AFUDC | <u>5.67</u> |

B. TIMES INTEREST EARNED WITHOUT AFUDC

| | |
|--------------------------------------|--------------------|
| EARNINGS BEFORE INTEREST | \$5,790,575 |
| AFUDC - EQUITY | (189,856) |
| INCOME TAXES | 978,867 |
| TOTAL | <u>\$6,579,586</u> |
| INTEREST CHARGES (BEFORE DEBT AFUDC) | \$1,200,853 |
| TIE WITHOUT AFUDC | <u>5.48</u> |

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

| | |
|---------------------------------------|--------------------|
| AFUDC - DEBT | \$43,805 |
| X (1-INCOME TAX RATE) | 0.7466 |
| SUBTOTAL | <u>\$32,702</u> |
| AFUDC - EQUITY | 189,856 |
| TOTAL | <u>\$222,558</u> |
| NET INCOME AVAILABLE TO COMMON | <u>\$4,633,527</u> |
| PERCENT AFUDC TO AVAILABLE NET INCOME | <u>4.80%</u> |

D. PERCENT INTERNALLY GENERATED FUNDS

| | |
|--|--------------------|
| NET INCOME | \$4,633,527 |
| PREFERRED DIVIDENDS | 0 |
| COMMON DIVIDENDS | (2,758,110) |
| AFUDC (DEBT & OTHER) | (233,661) |
| DEPRECIATION & AMORTIZATION | 2,020,725 |
| DEFERRED INC TAXES & INVESTMENT CREDITS | 504,384 |
| CLAUSE OVER/UNDER RECOVERY | 1,451,328 |
| OTHER SOURCES/USES OF FUNDS | 4,192 |
| TOTAL | <u>\$5,622,386</u> |
| CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY) | \$7,211,972 |
| PERCENT INTERNALLY GENERATED FUNDS | 77.96% |

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

| | |
|------------------------------------|---------------------|
| RECONCILED AVERAGE RETAIL AMOUNTS: | |
| LONG TERM DEBT | \$20,695,914 |
| SHORT TERM DEBT | 1,331,743 |
| PREFERRED STOCK | 0 |
| COMMON EQUITY | 32,506,712 |
| TOTAL | <u>\$54,534,370</u> |
| % LONG TERM DEBT TO TOTAL | 37.95% |
| % SHORT TERM DEBT TO TOTAL | 2.44% |

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

| | |
|--|---------------|
| | FPSC ADJUSTED |
| AVERAGE JURISDICTIONAL EARNED RATE OF RETURN | 7.45% |
| LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES: | |
| LONG TERM DEBT | 1.40% |
| SHORT TERM DEBT | 0.10% |
| PREFERRED STOCK | 0.00% |
| CUSTOMER DEPOSITS | 0.02% |
| TAX CREDITS - WEIGHTED COST (MIDPOINT) | 0.10% |
| SUBTOTAL | <u>1.62%</u> |
| TOTAL | 5.83% |
| DIVIDED BY COMMON EQUITY RATIO | 49.38% |
| JURISDICTIONAL RETURN ON COMMON EQUITY | <u>11.80%</u> |

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2024

FORECASTED ASSUMPTIONS:

| CUSTOMERS | FORECASTED YEAR | PRIOR YEAR |
|--------------|------------------|------------------|
| RESIDENTIAL | 5,276,681 | 5,179,816 |
| COMMERCIAL | 652,214 | 642,772 |
| INDUSTRIAL | 15,595 | 15,625 |
| OTHER | 7,131 | 6,934 |
| TOTAL | 5,951,621 | 5,845,147 |

| MWH SALES | FORECASTED YEAR (1) | PRIOR YEAR (2) |
|--------------|---------------------|--------------------|
| RESIDENTIAL | 68,542,804 | 70,206,314 |
| COMMERCIAL | 51,583,405 | 52,507,125 |
| INDUSTRIAL | 4,773,365 | 4,617,412 |
| OTHER | 603,148 | 572,943 |
| TOTAL | 125,502,722 | 127,903,793 |

(1) 2024 forecasted retail billed sales
 (2) 2023 actual billed sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

| | |
|---|-------------|
| A. INFLATION FACTORS (ANNUAL RATE OF CHANGE): | |
| 1. CONSUMER PRICE INDEX (CPI) | 3.1% |
| 2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR | 2.0% |
| 3. PRODUCER PRICE INDEX (PPI) - ALL GOODS | 2.4% |
| 4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS | 2.4% |
| 5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GROUPS | 2.6% |
| B. CAPITAL OVERHEAD RATES | |
| 1. PENSION & WELFARE | 5.0% |
| 2. PAYROLL TAXES & INSURANCE | 7.7% |
| C. OTHER CORPORATE ASSUMPTIONS | |
| INTEREST RATES - | |
| 1) 30 DAY COMMERCIAL PAPER | 4.7% |
| 2) LONG TERM DEBT | 5.7% |
| DEPRECIATION RESERVE SURPLUS AMORTIZATION | (\$850,521) |

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

 Ina Laney
 NAME

 Sr. Director of Financial Forecasting
 TITLE


 SIGNATURE

 3/15/2024
 DATE

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
INDIVIDUAL PROJECTS COMMENCING DURING 2024
(AMOUNTS IN 000'S)**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: 2024**

Schedule of individual projects that commence during 2024 and exceed a gross cost of 0.4% of the sum of the total balance in FERC accounts 101 & 106:

| Project | Estimated Total Cost | Estimated Construction Commencement Date | Estimated In-Service Date |
|-----------------------------------|---------------------------------|---|--------------------------------------|
| 2026 Solar Projects - (A) 8 Sites | 885,230 | Jan-2024 | Jan-2026 |
| 2026 Solar Projects - (B) 8 Sites | 882,992 | Apr-2024 | Apr-2026 |