



November 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 September 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
SEPTEMBER, 2018

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,561,999,928 (A)	(238,467,184) (B)	2,323,532,744	5,081,871	\$ 2,328,614,615
RATE BASE	\$ 35,507,114,483	(226,641,589)	35,280,472,895	0	\$ 35,280,472,895
AVERAGE RATE OF RETURN	7.22%		6.59%		6.60%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,561,999,928 (A)	(232,214,409) (B)	2,329,785,519	5,081,871	\$ 2,334,867,390
RATE BASE	\$ 36,731,367,882	(340,651,159)	36,390,716,722	0	\$ 36,390,716,722
YEAR END RATE OF RETURN	6.97%		6.40%		6.42%
<u>(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS</u>					

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

LOW	5.69%
MIDPOINT	6.12%
HIGH	6.59%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.93	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.73	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.96%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	51.28%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.00%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.20%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.63%	(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

11/15/2018
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
SEPTEMBER, 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	\$ 47,910,953,068	15,395,240,636	32,515,712,431	342,361,811	3,689,633,564	612,729,878	37,170,437,704	(226,517,395)	\$ 36,943,920,309
JURISDICTIONAL PER BOOKS	\$ 45,883,049,803	12,522,055,619	33,360,994,185	323,205,440	3,532,541,036	587,704,624	37,804,445,285	(2,297,330,602)	\$ 35,507,114,483
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,223,137,412)	(638,803,019)	(1,584,334,393)	0	(2,103,775,378)	0	(3,688,112,771)	3,461,471,182	\$ (226,641,569)
FPSC ADJUSTED:	\$ 43,659,912,392	11,883,252,600	31,776,659,792	323,205,440	1,428,762,658	587,704,624	34,116,332,514	1,164,140,380	\$ 35,280,472,895
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 43,659,912,392	11,883,252,600	31,776,659,792	323,205,440	1,428,762,658	587,704,624	34,116,332,514	1,164,140,380	\$ 35,280,472,895
PRO FORMA ADJUSTED	\$ 43,659,912,392	11,883,252,600	31,776,659,792	323,205,440	1,428,762,658	587,704,624	34,116,332,514	1,164,140,380	\$ 35,280,472,895

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
SEPTEMBER, 2018

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,548,211,014	3,289,317,357	979,145,203	1,299,542,456	587,303,434	(158,525,095)	207,726,637	(6,152,038)	8,974,393,540	\$ 2,573,817,475
JURISDICTIONAL PER BOOKS	\$ 11,103,491,198	3,129,566,272	917,603,349	1,278,926,815	558,669,408	(153,922,061)	199,873,108	(6,146,348)	8,648,366,846	\$ 2,455,124,352
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (484,281,118)	0	0	(12,455,710)	(135,326,143)	0	0	0	(147,781,853)	\$ (336,499,264)
FRANCHISE EXPENSE	0	0	0	(472,202,322)	135,421,671	0	0	0	(336,780,651)	336,780,651
GROSS RECEIPTS TAX	(254,203,086)	0	0	(253,874,903)	(90,589)	0	0	0	(253,965,493)	(237,593)
FINANCIAL PLANNING SERVICES	0	0	0	(404,983)	117,807	0	0	0	(287,176)	287,176
INDUSTRY ASSOCIATION DUES	0	0	0	(2,216,463)	671,343	0	0	0	(1,545,120)	1,545,120
ECONOMIC DEVELOPMENT 5%	0	0	0	(134,629)	38,812	0	0	0	(94,818)	94,818
AVIATION - EXPENSES	0	0	0	(157,215)	45,506	0	0	0	(111,709)	111,709
EXECUTIVE COMPENSATION	0	0	0	(36,555,883)	10,881,333	0	0	0	(25,674,550)	25,674,550
FUEL COST REC RETAIL	(2,974,058,321)	(2,952,052,527)	2,007,666	(2,096,158)	7,951,988	(16,276,692)	0	0	(2,960,593,090)	(13,465,231)
CONSERVATION COST RECOVERY	(57,320,771)	0	(10,070,083)	(1,138,456)	(954)	(954)	0	0	(55,920,750)	(1,400,021)
CAPACITY COST RECOVERY	(262,421,936)	(157,725,022)	1,002,576	(342,720)	(19,302,807)	(1,478,216)	0	0	(211,357,477)	(51,064,459)
ENVIRONMENTAL COST RECOVERY	(183,163,262)	0	(43,196,065)	(274,351)	(28,643,765)	(2,370,487)	0	114,856	(107,096,743)	(76,066,520)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	4,649,947	0	(1,178,529)	0	0	0	3,471,418	(3,471,418)
STORM DEFICIENCY RECOVERY	(218,869,998)	0	(121,775,160)	0	(1,855,074)	0	0	0	(214,412,232)	(4,457,766)
INTEREST TAX DEFICIENCIES	0	0	321,860	0	(90,951)	0	0	0	230,909	(230,909)
INTEREST SYNCHRONIZATION	0	0	0	0	15,787,907	(6,595,457)	0	0	9,192,450	(9,192,450)
TOTAL FPSC ADJUSTMENTS	\$ (4,434,318,492)	(3,109,777,549)	(167,381,139)	(742,384,620)	(16,353,447)	(26,721,806)	0	114,856	(4,302,726,884)	\$ (131,591,608)
FPSC ADJUSTED	\$ 6,669,172,706	19,788,722	750,222,210	536,542,194	542,315,961	(180,643,867)	199,873,108	(6,031,492)	4,345,639,962	\$ 2,323,532,744
PRO FORMA ADJUSTMENTS	\$ (3,817,864)	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,665,354,842	19,788,722	750,222,210	536,539,445	533,418,974	(180,643,867)	199,873,108	(6,031,492)	4,336,740,227	\$ 2,328,614,615
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 111,177,939									
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:	\$ 2,760,252									
ON A TOTAL COMPANY BASIS	\$ 2,692,590									
ON A JURISDICTIONAL BASIS	\$ 1,093,670,301	312,393,081	113,967,463	111,424,387	79,763,159	(69,121,761)	(787,332)	(518,858)	898,561,406	\$ 195,088,895
CURRENT MONTH AMOUNT	\$ 1,051,383,912	296,400,610	110,203,536	109,889,327	73,096,209	(64,703,984)	(757,565)	(518,856)	869,209,752	\$ 182,174,160
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
SEPTEMBER, 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)	\$ (3,817,864)	0	0	0	(2,749)	(6,896,986)	0	0	0	(6,899,735)	\$ 5,081,871
TOTAL PROFORMA ADJUSTMENTS	\$ (3,817,864)	0	0	0	(2,749)	(6,896,986)	0	0	0	(6,899,735)	\$ 5,081,871

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
SEPTEMBER, 2018

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,598,428,863	\$ 1,522,969,905
FUEL AND CAPACITY	148,238,053	141,438,485
CAPITALIZED EXECUTIVE COMPENSATION	25,541,801	24,736,459
LOAD CONTROL	50,448,637	50,448,637
ASSET RETIREMENT OBLIGATION	439,876,388	426,006,928
CAPITAL LEASES	59,410,224	57,536,999
TOTAL	<u>\$ 2,321,943,966</u>	<u>\$ 2,223,137,412</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (304,487,620)	\$ (290,113,306)
ACCUM PROV DECOMMISSIONING COSTS	(4,497,824,639)	(4,301,757,473)
ASSET RETIREMENT OBLIGATION	(13,435,148)	(13,011,533)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,171,964,135	4,040,420,613
FUEL AND CAPACITY	(42,975,923)	(40,949,565)
OTHER RATE CASE ADJUSTMENTS (1)	581,565	581,565
LOAD CONTROL	(25,000,450)	(25,000,450)
CAPITAL LEASES	(9,265,000)	(8,972,871)
TOTAL	<u>\$ (720,443,081)</u>	<u>\$ (638,803,019)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,168,341,185	\$ 2,039,172,416
CWIP - CLAUSE PROJECTS	67,647,318	64,605,962
TOTAL	<u>\$ 2,235,988,503</u>	<u>\$ 2,103,778,378</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)	\$ (3,556,545,750)	\$ (3,461,471,182)
TOTAL ADJUSTMENTS	\$ 280,943,638	\$ 226,641,588

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
SEPTEMBER, 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	\$ 11,548,211,014	3,289,317,357	2,776,035,586	1,299,542,456	587,933,434	(158,525,095)	207,726,637	(6,152,038)	8,974,393,540	\$ 2,573,817,475
FFSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (484,281,118)	0	0	(12,455,710)	(135,325,143)	0	0	0	(147,781,853)	\$ (336,499,264)
FRANCHISE EXPENSE	0	0	0	(472,202,322)	135,421,671	0	0	0	(336,780,651)	336,780,651
GROSS RECEIPTS TAX	(254,203,086)	0	0	(253,874,903)	(90,589)	0	0	0	(253,965,493)	(237,593)
FINANCIAL PLANNING SERVICES	0	0	(418,168)	0	121,642	0	0	0	(296,526)	286,526
INDUSTRY ASSOCIATION DUES	0	0	(2,288,624)	0	693,200	0	0	0	(1,595,424)	1,595,424
ECONOMIC DEVELOPMENT 5%	0	0	(139,013)	0	41,108	0	0	0	(97,905)	97,905
AVIATION - EXPENSES	0	0	(162,333)	0	46,987	0	0	0	(115,346)	115,346
EXECUTIVE COMPENSATION	0	0	(37,746,029)	0	11,235,596	0	0	0	(26,510,433)	26,510,433
FUEL COST RECOVERY	(3,128,174,556)	(3,103,320,120)	(133,755)	(2,097,398)	6,771,730	(16,179,821)	0	0	(3,112,850,984)	(16,323,572)
CONSERVATION COST RECOVERY	(57,320,771)	0	(44,128,291)	(1,138,456)	(582,987)	(954)	0	0	(55,920,750)	(1,400,021)
CAPACITY COST RECOVERY	(262,809,076)	(165,277,546)	757,983	(350,304)	(16,656,167)	(1,478,216)	0	0	(218,107,316)	(44,701,760)
ENVIRONMENTAL COST RECOVERY	(183,163,262)	0	(34,138,550)	(281,410)	(27,757,613)	(2,370,487)	0	120,546	(109,763,824)	(73,389,438)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	4,649,947	0	(1,176,529)	0	0	0	3,471,418	(3,471,418)
STORM DEFICIENCY RECOVERY	(218,869,998)	0	(90,781,978)	0	(1,855,074)	0	0	0	(214,412,232)	(4,457,766)
INTEREST TAX DEFICIENCIES	0	0	332,338	0	(93,912)	0	0	0	238,427	(238,427)
INTEREST SYNCHRONIZATION	0	0	0	0	16,323,937	(6,810,185)	0	0	9,513,752	(9,513,752)
TOTAL FFSC ADJUSTMENTS	\$ (4,589,821,866)	(3,266,597,667)	(244,707,474)	(742,400,503)	(12,865,117)	(26,839,463)	0	120,546	(4,464,975,141)	\$ (124,846,725)
FFSC ADJUSTED	\$ 6,958,389,148	20,719,691	2,531,328,111	557,141,954	574,418,317	(185,364,559)	207,726,637	(6,031,492)	4,509,418,399	\$ 2,448,970,749
PRO FORMA ADJUSTMENTS	\$ (3,817,864)	0	0	(2,749)	(8,686,986)	0	0	0	(6,899,735)	\$ 5,081,871
(SEE SCHEDULE 2, PAGE 3C OF 3)										
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,954,571,284	20,719,691	2,531,328,111	557,139,205	565,521,331	(185,364,559)	207,726,637	(6,031,492)	4,500,518,664	\$ 2,454,052,620

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 111,177,939

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
SYSTEM ADJUSTMENTS
SEPTEMBER, 2018

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	22,194,201	21,460,809
INTEREST & DIVIDENDS RECEIVABLE	47,704	46,128
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	39,550,488	39,601,436
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,929,840	14,929,840
PREPAYMENTS - ECCR	48,409,360	48,409,360
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,409,226	9,045,108
TEMPORARY CASH INVESTMENTS	751,306	726,479
STORM DEFICIENCY RECOVERY	147,200,920	147,236,250
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	41,196,597	39,835,285
OTH REG ASSETS - CLAUSES	4,876,892	4,644,372
MISC. DEFERRED DEBIT - CLAUSES	5,859,943	5,580,553
CEDAR BAY TRANSACTION	612,833,607	585,044,032
ICL TRANSACTION	388,791,667	371,161,506
SJRPP TRANSACTION	79,272,787	75,634,336
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,415,324,537	\$ 1,363,355,494
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(101,406)	(98,209)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	226,090,610	226,090,610
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(962)	(917)
JOBGING ACCOUNTS	(41,674,368)	(40,297,268)
POLE ATTACHMENT RENTS PAYABLE	(7,282,463)	(7,282,463)
SJRPP ACCELERATED RECOVERY	(9,508,644)	(9,077,465)
STORM DEFICIENCY RECOVERY	(288,250,287)	(288,250,287)
ASSET RETIREMENT OBLIGATION	(4,598,434,312)	(4,453,444,033)
MARGIN CALL CASH COLLATERAL	(551,923)	(533,685)
NUCLEAR COST RECOVERY	(247,226,184)	(247,226,184)
CEDAR BAY TRANSACTION	(4,930,345)	(4,706,773)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,971,870,284)	\$ (4,824,826,673)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,556,545,746)	\$ (3,461,471,179)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
SEPTEMBER, 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)	\$ (3,817,864)	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871
TOTAL PROFORMA ADJUSTMENTS	\$ (3,817,864)	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871

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
SEPTEMBER, 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	\$ 11,548,211,014	3,289,317,357	979,145,203	1,289,542,466	587,303,434	158,525,095	207,726,637	(6,152,038)	8,974,393,540	\$ 2,573,817,475
JURISDICTIONAL PER BOOKS	\$ 11,103,491,199	3,129,566,272	917,603,349	1,278,926,815	559,669,408	153,922,061	199,873,108	(6,146,348)	8,648,366,846	\$ 2,455,124,352
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (484,281,119)	0	0	(12,455,710)	(135,326,143)	0	0	0	(147,781,853)	\$ (336,499,264)
FRANCHISE EXPENSE	0	0	0	(472,202,322)	135,421,671	0	0	0	(336,780,651)	336,780,651
GROSS RECEIPTS TAX	(254,203,086)	0	0	(253,874,903)	(60,589)	0	0	0	(253,965,493)	(237,593)
FINANCIAL PLANNING SERVICES	0	(404,983)	0	0	117,607	0	0	0	(287,176)	287,176
INDUSTRY ASSOCIATION DUES	0	(2,216,463)	0	0	671,343	0	0	0	(1,545,120)	1,545,120
ECONOMIC DEVELOPMENT 5%	0	(134,629)	0	0	39,812	0	0	0	(94,818)	94,818
AVIATION EXPENSES	0	(157,215)	0	0	45,506	0	0	0	(111,709)	111,709
EXECUTIVE COMPENSATION	0	(86,555,663)	0	0	10,881,333	0	0	0	(25,674,550)	25,674,550
FUEL COST REC RETAIL	(2,974,058,321)	(2,952,052,527)	2,007,666	(2,096,169)	7,951,998	(16,276,692)	0	0	(2,960,593,090)	(13,465,231)
CONSERVATION COST RECOVERY	(57,320,771)	(127,376)	(10,070,083)	(1,138,456)	(582,967)	(954)	0	0	(211,357,477)	(51,084,459)
CAPACITY COST RECOVERY	(262,421,936)	(157,725,022)	1,002,576	(342,720)	(19,302,807)	(1,478,216)	0	0	(107,096,743)	(76,086,520)
ENVIRONMENTAL COST RECOVERY	(163,163,262)	(33,511,287)	(43,196,065)	(274,351)	(28,843,765)	(2,370,487)	0	114,856	(3,471,418)	(3,471,418)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	4,649,947	0	(1,178,529)	0	0	0	(214,412,232)	(4,457,766)
STORM DEFICIENCY RECOVERY	(218,869,998)	0	(121,775,180)	0	(1,855,074)	0	0	0	(230,909)	(230,909)
INTEREST TAX DEFICIENCIES	0	0	0	0	(90,951)	0	0	0	2,939,675	(2,939,675)
INTEREST SYNCHRONIZATION	0	0	0	0	9,535,132	(6,695,457)	0	0	(4,308,979,659)	(125,338,633)
TOTAL FPSC ADJUSTMENTS	\$ (4,434,318,492)	(3,109,777,549)	(1,67,381,139)	(742,384,620)	(22,606,222)	(26,721,805)	0	114,856	4,339,387,187	\$ 2,328,785,519
FPSC ADJUSTED	\$ 6,669,172,706	19,788,722	2,483,573,125	536,542,194	536,063,186	(180,643,867)	199,873,108	(6,031,492)	4,330,487,452	\$ 2,334,867,390

	PRO FORMA ADJUSTMENTS	PRO FORMA SYSTEM PER BOOKS ADJUSTED
PRO FORMA ADJUSTMENTS	\$ (3,817,864)	
(SEE SCHEDULE 2, PAGE 2A OF 3)		
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,865,354,842	\$ 6,865,354,842

	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)
PRO FORMA ADJUSTED	\$ 11,177,939	3,289,317,357	979,145,203	1,289,542,466	587,303,434	158,525,095	207,726,637	(6,152,038)	8,974,393,540	\$ 2,573,817,475
AND THE JURISDICTIONAL NOI BY	\$ 106,875,576									

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

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
SEPTEMBER, 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)	\$ (3,817,864)	0	0	0	(2,749)	(8,896,986)	0	0	0	(8,896,735)	\$ 5,081,871
TOTAL PROFORMA ADJUSTMENTS	\$ (3,817,864)	0	0	0	(2,749)	(8,896,986)	0	0	0	(8,896,735)	\$ 5,081,871

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
SEPTEMBER, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,595,804,138	\$ 1,520,469,088
FUEL AND CAPACITY	153,381,280	146,329,515
CAPITALIZED EXECUTIVE COMPENSATION	29,110,971	28,193,092
LOAD CONTROL	50,389,095	50,389,095
ASSET RETIREMENT OBLIGATION	418,061,963	404,880,319
CAPITAL LEASES	59,410,224	57,536,989
TOTAL	<u>\$ 2,306,137,652</u>	<u>\$ 2,207,798,109</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (333,771,315)	\$ (318,014,570)
ACCUM PROV DECOMMISSIONING COSTS	(4,699,989,519)	(4,495,109,672)
ASSET RETIREMENT OBLIGATION	(1,445,741)	(1,400,156)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,360,621,162	4,223,129,217
FUEL AND CAPACITY	(45,916,107)	(43,756,573)
OTHER RATE CASE ADJUSTMENTS (1)	4,649,947	4,649,947
LOAD CONTROL	(26,532,987)	(26,532,987)
CAPITAL LEASES	(9,990,000)	(9,675,012)
TOTAL	<u>\$ (752,374,560)</u>	<u>\$ (666,709,806)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,312,114,346	\$ 2,167,744,385
CWIP - CLAUSE PROJECTS	97,747,556	93,289,654
TOTAL	<u>\$ 2,409,861,902</u>	<u>\$ 2,261,034,039</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)	\$ (3,556,545,750)	\$ (3,461,471,182)
TOTAL ADJUSTMENTS	\$ 407,079,244	\$ 340,651,159

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0660-AS-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
SEPTEMBER, 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	\$ 11,548,211,014	3,289,317,957	2,776,035,566	979,145,203	1,299,542,456	587,303,434	(156,525,095)	207,726,637	(6,152,038)	8,974,393,540	\$ 2,573,817,475
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (484,281,116)	0	0	0	(12,455,710)	(135,326,143)	0	0	0	(147,781,853)	\$ (336,499,264)
FRANCHISE EXPENSE	0	0	0	0	(472,202,322)	135,421,671	0	0	0	(336,780,651)	336,780,651
GROSS RECEIPTS TAX	(254,203,086)	0	0	0	(253,874,903)	(90,589)	0	0	0	(253,965,493)	(237,593)
FINANCIAL PLANNING SERVICES	0	0	(418,166)	0	0	121,642	0	0	0	(206,526)	296,526
INDUSTRY ASSOCIATION DUES	0	0	(2,288,624)	0	0	693,200	0	0	0	(1,595,424)	1,595,424
ECONOMIC DEVELOPMENT %	0	0	(139,013)	0	0	41,108	0	0	0	(97,905)	97,905
AVIATION - EXPENSES	0	0	(162,333)	0	0	46,987	0	0	0	(115,346)	115,346
EXECUTIVE COMPENSATION	0	0	(37,746,029)	0	0	11,235,596	0	0	0	(26,510,433)	26,510,433
FUEL COST REC RETAIL	(3,129,174,556)	(3,103,320,120)	(133,755)	2,108,180	(2,097,399)	6,771,730	(16,179,621)	0	0	(3,112,850,984)	(16,323,572)
CONSERVATION COST RECOVERY	(57,320,771)	0	(44,128,291)	(10,070,083)	(1,138,456)	(682,967)	(954)	0	0	(55,920,750)	(1,400,021)
CAPACITY COST RECOVERY	(262,809,076)	(165,277,546)	(35,103,073)	757,983	(350,304)	(16,656,161)	(1,478,216)	0	0	(218,107,316)	(44,701,760)
ENVIRONMENTAL COST RECOVERY	(183,163,262)	0	(34,138,550)	(45,336,311)	(281,410)	(27,757,613)	(2,370,487)	0	120,546	(109,763,824)	(73,399,438)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	4,649,947	0	(1,178,529)	0	0	0	3,471,418	(3,471,418)
STORM DEFICIENCY RECOVERY	(218,869,998)	0	(90,781,978)	(121,775,180)	0	(1,855,074)	0	0	0	(214,412,232)	(4,457,766)
INTEREST TAX DEFICIENCIES	0	0	332,338	0	0	(63,912)	0	0	0	238,427	(238,427)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,156,999	(6,810,185)	0	0	3,346,814	(3,346,814)
TOTAL FPSC ADJUSTMENTS	\$ (4,589,821,866)	(3,268,597,667)	(244,707,474)	(169,665,464)	(742,400,503)	(19,052,054)	(26,839,463)	0	120,546	(4,471,142,079)	\$ (118,679,788)
FPSC ADJUSTED	\$ 6,958,389,148	20,719,691	2,531,328,111	809,479,739	557,141,954	568,251,380	(185,364,558)	207,726,637	(6,031,492)	4,503,251,461	\$ 2,455,137,687
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (3,817,864)	0	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,954,571,284	20,719,691	2,531,328,111	809,479,739	557,139,205	559,354,393	(185,364,558)	207,726,637	(6,031,492)	4,494,351,726	\$ 2,460,219,568

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 111,177,939

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
SEPTEMBER, 2018

SCHEDULE 3: PAGE 3B 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)	\$ (3,817,864)	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871
TOTAL PROFORMA ADJUSTMENTS	\$ (3,817,864)	0	0	(2,749)	(8,896,986)	0	0	0	(8,899,735)	\$ 5,081,871

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
SEPTEMBER, 2018

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT		
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12	
LONG TERM DEBT	\$ 10,411,675,731	\$ 10,005,707,586	\$ 88,570,671	\$ (149,774,639)	\$ 9,944,503,619	28.19%	4.37%	1.23%	4.37%	4.37%	1.23%	4.37%	
SHORT TERM DEBT	1,164,445,307	1,118,591,054	10,052,256	0	1,128,643,310	3.20%	2.66%	0.08%	2.66%	2.66%	0.08%	2.66%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	16,302,108,178	15,660,153,614	140,730,484	0	15,800,884,108	44.79%	9.60%	4.30%	10.55%	11.60%	5.20%	11.60%	
CUSTOMER DEPOSITS	398,036,240	397,517,695	3,572,306	0	401,090,001	1.14%	2.09%	0.02%	2.09%	2.09%	0.02%	2.09%	
DEFERRED INCOME TAX (1)	8,306,978,810	7,979,757,907	69,383,965	(258,875,844)	7,790,266,028	22.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (2)	360,676,044	345,386,627	1,915,661	(132,216,459)	215,085,828	0.61%	7.55%	0.05%	8.16%	8.78%	0.05%	8.78%	
TOTAL	\$ 36,943,920,309	\$ 35,507,114,483	\$ 314,225,353	\$ (540,866,942)	\$ 35,280,472,895	100.00%		5.69%			6.12%		6.59%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT		
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12	
LONG TERM DEBT	\$ 10,455,884,498	\$ 10,065,086,241	\$ 53,850,446	\$ (149,072,499)	\$ 9,969,874,188	27.40%	4.71%	1.29%	4.71%	4.71%	1.29%	4.71%	
SHORT TERM DEBT	185,150,092	178,163,358	967,543	(0)	179,130,901	0.49%	5.97%	0.03%	5.97%	5.97%	0.03%	5.97%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	18,384,433,906	17,700,310,452	96,124,176	(0)	17,796,434,628	48.90%	9.60%	4.69%	10.55%	11.60%	5.67%	11.60%	
CUSTOMER DEPOSITS	398,598,390	398,018,602	2,161,489	0	400,180,101	1.10%	2.17%	0.02%	2.17%	2.17%	0.02%	2.17%	
DEFERRED INCOME TAX	8,287,697,748	7,974,400,751	41,900,309	(258,875,844)	7,757,425,216	21.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (2)	433,008,395	415,378,478	1,553,806	(129,260,596)	287,671,688	0.79%	7.81%	0.06%	8.45%	9.09%	0.07%	9.09%	
TOTAL	\$ 36,164,773,029	\$ 36,731,367,882	\$ 186,557,779	\$ (537,208,939)	\$ 36,390,716,722	100.00%		6.10%			6.57%		7.09%

NOTE:
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2,458 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
PRO-FORMA ADJUSTED BASIS
SEPTEMBER, 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	WEIGHTED COST (%) 7	COST RATE (%) 8	WEIGHTED COST (%) 9	COST RATE (%) 10			
LONG TERM DEBT	\$ 9,944,503,619	\$ -	\$ 9,944,503,619	28.19%	4.37%	1.23%	4.37%	1.23%	4.37%	4.37%	1.23%	4.37%	1.23%
SHORT TERM DEBT	1,128,643,310	-	1,128,643,310	3.20%	2.66%	0.08%	2.66%	0.08%	2.66%	2.66%	0.08%	2.66%	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	15,800,884,108	-	15,800,884,108	44.79%	9.60%	4.30%	10.55%	4.72%	11.60%	11.60%	5.20%	11.60%	5.20%
CUSTOMER DEPOSITS	401,090,001	-	401,090,001	1.14%	2.09%	0.02%	2.09%	0.02%	2.09%	2.09%	0.02%	2.09%	0.02%
DEFERRED INCOME TAX	7,790,266,028	-	7,790,266,028	22.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	215,085,828	-	215,085,828	0.61%	7.55%	0.05%	8.16%	0.05%	8.78%	8.78%	0.05%	8.78%	0.05%
TOTAL	\$ 35,280,472,895	\$ -	\$ 35,280,472,895	100.00%		5.69%		6.12%			6.59%		6.59%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT			MIDPOINT			HIGH POINT		
					COST RATE (%) 5	WEIGHTED COST (%) 6	WEIGHTED COST (%) 7	COST RATE (%) 8	WEIGHTED COST (%) 9	COST RATE (%) 10			
LONG TERM DEBT	\$ 9,969,874,188	\$ -	\$ 9,969,874,188	27.40%	4.71%	1.29%	4.71%	1.29%	4.71%	4.71%	1.29%	4.71%	1.29%
SHORT TERM DEBT	179,130,901	-	179,130,901	0.49%	5.97%	0.03%	5.97%	0.03%	5.97%	5.97%	0.03%	5.97%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,796,434,628	-	17,796,434,628	48.90%	9.60%	4.69%	10.55%	5.16%	11.60%	11.60%	5.67%	11.60%	5.67%
CUSTOMER DEPOSITS	400,180,101	-	400,180,101	1.10%	2.17%	0.02%	2.17%	0.02%	2.17%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,757,425,216	-	7,757,425,216	21.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	287,671,688	-	287,671,688	0.79%	7.81%	0.06%	8.45%	0.07%	9.09%	9.09%	0.07%	9.09%	0.07%
TOTAL	\$ 36,390,716,722	\$ -	\$ 36,390,716,722	100.00%		6.10%		6.57%			7.09%		7.09%

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
AND SUBSIDIARIES
SEPTEMBER, 2018

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<u>A. TIMES INTEREST EARNED WITH AFUDC</u>		
EARNINGS BEFORE INTEREST CHARGES	\$ 2,633,976,907	
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,396,996	
INCOME TAXES	616,961,259	
TOTAL	\$ 3,274,335,162	
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 552,229,587	
TIMES INTEREST EARNED WITH AFUDC	5.93	
<u>B. TIMES INTEREST EARNED WITHOUT AFUDC</u>		
EARNINGS BEFORE INTEREST CHARGES	\$ 2,633,976,907	
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(87,780,942)	
INCOME TAXES	616,961,259	
TOTAL	\$ 3,163,157,224	
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 552,229,587	
TIMES INTEREST EARNED WITHOUT AFUDC	5.73	
<u>D. PERCENT INTERNALLY GENERATED FUNDS</u>		
NET INCOME	\$ 2,105,144,317	
PREFERRED DIVIDENDS DECLARED	0	
COMMON DIVIDENDS	(650,000,000)	
AFUDC (DEBT & OTHER)	(111,177,939)	
DEPRECIATION AND AMORTIZATION EXPENSE	979,145,203	
DEFERRED INCOME TAXES	(165,483,460)	
INVESTMENT TAX CREDITS	207,726,637	
OTHER SOURCE/USES OF FUNDS	64,224,649	
INTERNALLY GENERATED FUNDS	\$ 2,429,579,407	
CONSTRUCTION EXPENDITURES	\$ 4,738,193,616	
PERCENT INTERNALLY GENERATED FUNDS	51.28%	

<u>E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u>	
<u>F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u>	

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 9,944,503,619
JURIS ADJUSTED SHORT TERM DEBT	1,128,643,310
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	15,800,884,108
TOTAL	\$ 26,874,031,037
LTD TO TOTAL INVESTOR FUNDS	37.00%
STD TO TOTAL INVESTOR FUNDS	4.20%

<u>G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</u>	
FPSC RATE OF RETURN	6.59%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.23%
SHORT TERM DEBT	0.08%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.05%
SUBTOTAL	1.39%
TOTAL	5.1952%
DIVIDED BY COMMON EQUITY RATIO	44.76649%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.6000%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 70,376,688
GAINS ON DISPOSITION OF PROPERTY	(6,152,038)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 64,224,649

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
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FINANCIAL INTEGRITY INDICATORS
SEPTEMBER, 2018

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.60%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.23%
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 5.21%

PRO FORMA COMMON EQUITY RATIO 44.79%

PRO FORMA RETURN ON COMMON EQUITY 11.63%