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April 2, 2021

-VIA ELECTRONIC FILING -

Adam Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20210001-EI

Dear Mr. Teitzman:

I attach for electronic filing in the above docket (i) Florida Power & Light Company's Petition for Approval of Fuel Cost Recovery and Capacity Cost Recovery Net Final True-Ups for the Period Ending December 2020 and (ii) the prepared testimony and exhibits of FPL witnesses Renae B. Deaton and Gerard J. Yupp in support of the final true-ups.

Exhibits RBD-2 to Ms. Deaton's testimony and Exhibit GJY-1 to Mr. Yupp's testimony contain confidential information. This electronic filing includes only the redacted version of Exhibits RBD-2 and GJY-1. Contemporaneous with this filing, FPL will hand-deliver the associated Request for Confidential Classification.

Please contact me if you have or your Staff has any questions regarding this filing.

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada

Attachments

cc: Counsel for Parties of Record (w/ attachments)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Fuel and Purchased Power Cost Recovery
Clause with Generating Performance Incentive Factor

Docket No: 20210001-EI

Filed: April 2, 2021

**PETITION FOR APPROVAL OF FUEL COST
RECOVERY AND CAPACITY COST RECOVERY NET
FINAL TRUE-UPS FOR THE PERIOD ENDING DECEMBER 2020
AND 2020 ASSET OPTIMIZATION INCENTIVE MECHANISM RESULTS**

Florida Power & Light Company (“FPL”) hereby petitions this Commission for approval of its (1) Fuel and Purchased Power Cost Recovery (“FCR”) final net true-up amount of \$72,891,803 under-recovery for the period ending December 2020, (2) Capacity Cost Recovery (“CCR”) final net true-up amount of \$3,863,612 over-recovery for the period ending December 2020, and (3) retention and recovery of \$3,681,030 of the \$46,135,050 total 2020 Asset Optimization Incentive Mechanism gains, representing 60% of the gains above \$40 million threshold established in Order Nos. PSC-13-0023-S-EI and PSC-16-0560-AS-EI. FPL incorporates the prepared testimony and exhibits of FPL witnesses Renae B. Deaton and Gerard J. Yupp, and states as follows:

1. The \$72,891,803 FCR final net true-up under-recovery for the period January 2020 through December 2020 was calculated in accordance with the methodology set forth in Schedule 1, page 2 of 2, attached to Order No. 10093, dated June 19, 1981. This calculation and the supporting documentation are contained in the prepared testimony and exhibits of Ms. Deaton.

2. By Order No. PSC-2020-0439-FOF-EI (“Order 2020-0439”), the Commission approved FCR Factors for the period commencing January 2021. These factors reflected an actual/estimated true-up over-recovery, including interest, for the period January 2020 through December 2020 of \$30,951,780. The actual final true-up, including interest, for the period January 2020 through December 2020 is an under-recovery of \$41,940,023. The \$41,940,023 actual

under-recovery, less the actual/estimated over-recovery of \$30,951,780, results in a FCR final net true-up under-recovery of \$72,891,803. On April 1, 2021, the Commission approved the inclusion of the 2020 FCR final net true-up under-recovery of \$72,891,803 in FPL's 2021 midcourse correction FCR factors effective May 1, 2021.

3. The \$3,863,612 CCR final net true-up over-recovery for the period January 2020 through December 2020 was calculated in accordance with the methodology set forth in Order No. 25773, dated February 24, 1992. This calculation and the supporting documentation are contained in the prepared testimony and exhibits of Ms. Deaton.

4. By Order 2020-0439, the Commission approved CCR Factors for the period commencing January 2021. These factors reflected an actual/estimated true-up over-recovery, including interest, for the period January 2020 through December 2020 of \$7,388,454. The actual over-recovery, including interest, for the period January 2020 through December 2020 is \$11,252,066. The \$11,252,066 actual over-recovery, less the actual/estimated over-recovery of \$7,388,454, results in a net CCR final true-up over-recovery of \$3,863,612. FPL requests that this amount be included in the calculation of the CCR Factors for the period beginning January 2022.

5. By Order No. PSC-13-0023-S-EI, issued January 14, 2013, in Docket No. 120015-EI, the Commission ordered that, as part of the fuel cost recovery clause, FPL annually file a final true-up schedule showing prior year gains on short-term wholesale sales, short-term wholesale purchases, and all forms of asset optimization ("Asset Optimization Incentive Mechanism") it undertook in that calendar year. Additionally, Order No. PSC-16-0560-AS-EI, issued December 15, 2016, in Docket No. 160021-EI, approved the continuation of the Asset Optimization Incentive Mechanism with certain modifications as discussed in the testimony of Mr. Yupp. Consistent with the orders, the results of its Asset Optimization Incentive Mechanism for the period January 2020 through December 2020 are provided in Mr. Yupp's testimony and exhibit. The total gains for the

Asset Optimization Incentive Mechanism during 2020 were \$46,135,050. This exceeded the sharing threshold of \$40 million. Therefore, the incremental gains above \$40 million are to be shared between customers and FPL, 40% and 60%, respectively. FPL's 60% share of the incremental gains above \$40 million is \$3,681,030, which FPL requests be included in the calculation of the FCR Factors for the period beginning January 2022.

WHEREFORE, Florida Power & Light Company respectfully requests that the Commission approve the following for the period ending December 2020: (1) FPL's FCR final net true-up under-recovery amount of \$72,891,803, which has been included in the 2021 midcourse correction FCR factors, (2) FPL's CCR final net true-up over-recovery of \$3,863,612, and (3) FPL's retention and recovery of \$3,681,030 of the \$46,135,050 total 2020 Asset Optimization Incentive Mechanism gains, representing 60% of the gains above \$40 million. FPL requests authorization to include the 2020 CCR final net true-up in the calculation of the CCR factors for the period beginning January 2022 and the 2020 Asset Optimization Incentive Mechanism in the FCR factors for the period beginning January 2022.

Respectfully submitted,

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By: s/ Maria Jose Moncada
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CERTIFICATE OF SERVICE
Docket No. 20210001-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

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By: s/ Maria Jose Moncada
Maria Jose Moncada

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **TESTIMONY OF RENAE B. DEATON**

4 **DOCKET NO. 20210001-EI**

5 **APRIL 2, 2021**

6
7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Renae B. Deaton. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408. I am employed by Florida Power & Light Company
10 (“FPL” or “the Company”) as the Senior Director, Clause Recovery and Wholesale
11 Rates, in the Regulatory & State Governmental Affairs Department.

12 **Q. Please state your education and business experience.**

13 A. I hold a Bachelor of Science in Business Administration and a Master of Business
14 Administration from Charleston Southern University. I have over 30 years’
15 experience in retail and wholesale regulatory affairs, rate design and cost of service.
16 Since joining FPL in 1998, I have held various positions in the rates and regulatory
17 areas. Prior to my current position, I held the positions of Senior Manager of Cost
18 of Service and Load Research and Senior Manager of Rate Design in the Rates and
19 Tariffs Department. In 2016, I assumed my current position, where my duties
20 include providing direction as to the appropriateness of inclusion of costs through
21 a cost recovery clause and the overall preparation and filing of all cost recovery
22 clause documents including testimony and discovery. Prior to joining FPL, I was
23 employed at the South Carolina Public Service Authority (d/b/a Santee Cooper) for

1 fourteen years, where I held a variety of positions in the Corporate Forecasting,
2 Rates, and Marketing Department and in generation plant operations. As part of
3 the various roles I have held with FPL, I have testified before this Commission on
4 rate design and cost of service in base rate and clause recovery dockets. I have also
5 testified before the Federal Energy Regulatory Commission supporting rates for
6 wholesale power sales agreements and Open Access Transmission Tariffs.

7 **Q. What is the purpose of your testimony in this proceeding?**

8 A. The purpose of my testimony is to present the schedules necessary to support the
9 actual Fuel Cost Recovery (“FCR”) Clause and Capacity Cost Recovery (“CCR”)
10 Clause net true-up amounts for the period January 2020 through December 2020.

11
12 The 2020 net true-up for the FCR Clause is an under-recovery, including interest,
13 of \$72,891,803. On April 1, 2021, the Commission approved the inclusion of the
14 2020 FCR Clause net true-up under-recovery of \$72,891,803 in FPL’s 2021
15 midcourse correction FCR factors effective May 1, 2021.

16
17 The 2020 net true-up for the CCR Clause is an over-recovery, including interest, of
18 \$3,863,612. FPL is requesting Commission approval to include this 2020 CCR
19 Clause true-up over-recovery in the calculation of the CCR factors for the period
20 January 2022 through December 2022.

21
22 Finally, FPL is requesting Commission approval to include \$3,681,030 in the
23 calculation of the FCR factors for the period January 2022 through December 2022,

1 which represents FPL’s share of the 2020 Asset Optimization Incentive Mechanism
2 gains described in the testimony of FPL witness Yupp and presented on page 1 of
3 Exhibit GJY-1.

4 **Q. Have you prepared or caused to be prepared under your direction, supervision**
5 **or control any exhibits in this proceeding?**

6 A. Yes, I have. Exhibit RBD-1 contains the FCR-related schedules and Exhibit RBD-
7 2 contains the CCR-related schedules. In addition, FCR Schedules A1 through A12
8 for the January 2020 through December 2020 period have been filed monthly with
9 the Commission and served on all parties of record in this docket. Those schedules
10 are incorporated herein by reference.

11 **Q. What is the source of the data you present?**

12 A. Unless otherwise indicated, the data are taken from the books and records of FPL.
13 The books and records are kept in the regular course of the Company’s business in
14 accordance with generally accepted accounting principles and practices, and with
15 the applicable provisions of the Uniform System of Accounts as prescribed by the
16 Commission.

17

18 **FUEL COST RECOVERY CLAUSE**

19

20 **Q. Please explain the calculation of the 2020 FCR net true-up amount.**

21 A. Exhibit RBD-1, page 1, titled “Calculation of Net True-Up,” shows the calculation
22 of the FCR net true-up for the period January 2020 through December 2020, an
23 under-recovery of \$72,891,803.

1 The summary of the FCR net true-up amount shows the actual end-of-period true-
2 up under-recovery for the period January 2020 through December 2020 of
3 \$41,940,023 on line 1. The actual/estimated true-up over-recovery for the same
4 period of \$30,951,780 is shown on line 2. Line 1 less line 2 results in the final net
5 true-up under-recovery for the period January 2020 through December 2020 of
6 \$72,891,803 shown on line 3. On April 1, 2021, the Commission approved the
7 inclusion of the 2020 FCR Clause net true-up under-recovery of \$72,891,803 in
8 FPL's 2021 midcourse correction FCR factors effective May 1, 2021.

9
10 The calculation of the FCR true-up amount for the period follows the procedures
11 established by this Commission as set forth on Commission Schedule A2
12 "Calculation of True-Up and Interest Provision."

13 **Q. Have you provided a schedule showing the calculation of the 2020 FCR actual**
14 **true-up by month?**

15 A. Yes. Exhibit RBD-1, page 2, titled "Calculation of Final True-Up Amount," shows
16 the calculation of the FCR actual true-up by month for January 2020 through
17 December 2020.

18 **Q. Have you provided a schedule showing the variances between actual and**
19 **actual/estimated FCR costs and applicable revenues for 2020?**

20 A. Yes. Exhibit RBD-1, page 3, (sum of lines 40 and 41) compares the actual end-of-
21 period true-up under-recovery of \$41,940,023 (column 4) to the actual/estimated
22 end-of-period true-up over-recovery of \$30,951,780 (column 5) resulting in a net
23 under-recovery of \$72,891,803 (column 6). Exhibit RBD-1, page 3 shows that the

1 variance consists of an increase in jurisdictional fuel costs of \$132.8 million (line
2 39) partially offset by an increase in revenues of \$58.8 million (line 29).

3 **Q. Please summarize the variance schedule on page 3 of Exhibit RBD-1.**

4 A. FPL previously projected jurisdictional total fuel costs and net power transactions
5 to be \$2.231 billion for 2020 (Exhibit RBD-1, page 3, line 39, column 5). The
6 actual jurisdictional total fuel costs and net power transactions for that period are
7 \$2.364 billion (Exhibit RBD-1, page 3, line 39, column 4). Jurisdictional total fuel
8 costs and net power transactions are \$132.8 million, or 6.0% higher than previously
9 projected (Exhibit RBD-1, page 3, line 39, column 6) and jurisdictional fuel
10 revenues net of revenue taxes for 2020 are \$58.8 million, or 2.6% higher than
11 previously projected (Exhibit RBD-1, page 3, line 29, column 6).

12 **Q. Please explain the variances in jurisdictional total fuel costs and net power**
13 **transactions.**

14 A. Below are the primary reasons for the \$132.8 million variance.

15
16 Fuel Cost of System Net Generation: \$140.1 million increase (Exhibit RBD-1, page
17 3, line 1, column 6)

18 The table below provides the detail of this variance.

| Fuel Variance | 2020 Final True-Up | 2020 Actual Estimated True-Up | Difference |
|-----------------------------|--------------------|-------------------------------|-------------|
| Heavy Oil | | | |
| Total Dollar | \$6,864,055 | \$13,866,418 | (7,002,363) |
| Units (Mmbtu) | 595,280 | 1,271,430 | (676,150) |
| \$ per Unit | 11.5308 | 10.9062 | 0.6246 |
| Variance Due to Consumption | | | (7,796,551) |
| Variance Due to Cost | | | 794,189 |
| Total Variance | | | (7,002,363) |

| Fuel Variance | 2020 Final True-Up | 2020 Actual Estimated True-Up | Difference |
|-----------------------------------|---------------------------|--------------------------------------|-------------------|
| <u>Light Oil</u> | | | |
| Total Dollar | \$8,723,336 | \$14,804,568 | (6,081,232) |
| Units (Mmbtu) | 522,494 | 1,053,796 | (531,301) |
| \$ per Unit | 16.6956 | 14.0488 | 2.6468 |
| Variance Due to Consumption | | | (8,870,368) |
| Variance Due to Cost | | | 2,789,136 |
| Total Variance | | | (6,081,232) |
| <u>Coal</u> | | | |
| Total Dollar | \$52,698,208 | \$50,709,323 | 1,988,886 |
| Units (Mmbtu) | 19,291,009 | 19,137,147 | 153,862 |
| \$ per Unit | 2.7317 | 2.6498 | 0.0820 |
| Variance Due to Consumption | | | 420,312 |
| Variance Due to Cost | | | 1,568,573 |
| Total Variance | | | 1,988,886 |
| <u>Gas</u> | | | |
| Total Dollar | \$2,320,121,351 | \$2,169,620,295 | 150,501,056 |
| Units (Mmbtu) | 672,790,461 | 640,798,422 | 31,992,039 |
| \$ per Unit | 3.4485 | 3.3858 | 0.0627 |
| Variance Due to Consumption | | | 110,324,710 |
| Variance Due to Cost | | | 40,176,346 |
| Total Variance | | | 150,501,056 |
| <u>Nuclear</u> | | | |
| Total Dollar | \$148,402,742 | \$147,687,701 | 715,041 |
| Units (Mmbtu) | 306,991,995 | 307,086,334 | (94,339) |
| \$ per Unit | 0.4834 | 0.4809 | 0.0025 |
| Variance Due to Consumption | | | (45,605) |
| Variance Due to Cost | | | 760,646 |
| Total Variance | | | 715,041 |
| <u>Total</u> | | | |
| Total Variance Due to Consumption | | | 94,032,499 |
| Total Variance Due to Cost | | | 46,088,889 |
| Total Variance | | | 140,121,388 |

Note: The total fuel cost of system net generation for the 2020 final true-up does not tie to the amount provided on the 2020 final true-up E1b schedule due to various adjustments that impacted A1/A2 and A3/A4 schedules in 2020. These adjustments were included on the impacted A-Schedules in the months in which they occurred.

1 Fuel Cost of Stratified Sales: \$5.3 million decrease (Exhibit RBD-1, page 3, line 2,
2 column 6)

3 The variance for the fuel cost of stratified sales is primarily attributable to lower
4 than projected revenues from stratified contracts.

5
6 Fuel Cost of Power Sold: \$4.1 million decrease (Exhibit RBD-1, page 3, line 4,
7 column 6)

8 The variance of \$4,124,219 for the Fuel Cost of Power Sold was primarily
9 attributable to lower than projected fuel costs for economy power sales. The
10 average unit fuel cost on economy power sales was \$1.33/MWh lower than
11 projected, resulting in a cost variance of \$3,747,982. In addition, FPL sold 22,011
12 MWh less of economy power, resulting in a volume variance of \$366,304. The
13 combination lower fuel costs attributable to economy power sales and lower than
14 projected economy power sales resulted in a net variance for economy power sales
15 of \$4,114,286. The remaining variance of \$9,933 was primarily attributable to
16 lower than projected fuel costs on St. Lucie Plant Reliability Exchange sales that
17 were partially offset by higher than projected St. Lucie Plant Reliability Exchange
18 sales.

19
20 Variable Power Plant O&M Avoided due to Economy Purchases: \$0.072 million
21 decrease (Exhibit RBD-1, page 3, line 13, column 6)

22 The variance for variable power plant O&M avoided due to economy purchases
23 was attributable to lower than projected economy power purchases.

1 Fuel Cost of Purchased Power: \$1.0 million increase (Exhibit RBD-1, page 3, line
2 6, column 6)

3 The variance for the Fuel Cost of Purchased Power was primarily attributable to
4 higher than projected firm purchases and higher than projected costs associated
5 with these firm purchases. In total, FPL purchased 29,850 MWh more than
6 projected, resulting in a volume variance of \$546,223. The unit cost of these firm
7 purchases was \$0.31/MWh higher than projected, resulting in a cost variance of
8 \$468,464. The combination of higher firm purchases and higher costs for firm
9 purchases resulted in a net variance of \$1,014,687.

10

11 Energy Cost of Economy Purchases: \$0.8 million decrease (Exhibit RBD-1, page
12 3, line 8, column 6)

13 The variance for the Energy Cost of Economy Purchases was attributable to lower
14 than projected economy purchases and higher than projected costs for economy
15 power. FPL purchased 111,510 MWh less of economy power, resulting in a
16 volume variance of (\$3,175,708). The average cost of economy power purchases
17 was \$9.18/MWh higher than projected, resulting in a cost variance of \$2,370,851.
18 The combination of lower economy power purchases coupled with higher costs for
19 economy power purchases resulted in a net variance of (\$804,857).

20

21 Gains from Off-System Sales: \$0.7 million increase (Exhibit RBD-1, page 3, line
22 5, column 6)

23 The variance for Gains from Off-System Sales was primarily attributable to higher

1 than projected margins on economy power sales. Margins on economy power sales
2 averaged \$0.30/MWh higher than projected, resulting in a revenue variance of
3 \$850,337. FPL sold 22,011 MWh less of economy power, resulting in a volume
4 variance of (\$193,429). The combination of higher margins on economy power
5 sales and lower economy power sales resulted in a total variance for Gains from
6 Off-System Sales of \$656,908.

7
8 Energy Payments to Qualifying Facilities: \$0.6 million decrease (Exhibit RBD-1,
9 page 3, line 7, column 6)

10 The variance for Energy Payments to Qualifying Facilities was attributable to lower
11 than projected purchases and lower than projected costs from Qualifying Facilities.
12 In total, FPL purchased 6,482 MWh less than projected, resulting in a volume
13 variance of (\$87,404). The average unit fuel cost for these purchases was
14 \$1.50/MWh lower than projected, resulting in a cost variance of (\$512,155). The
15 combination of lower purchases and lower fuel costs for Qualifying Facilities
16 resulted in a net variance of (\$599,559).

17 **Q. What is the variance in retail (jurisdictional) FCR revenues?**

18 A. As shown on Exhibit RBD-1, page 3, line 29, actual 2020 jurisdictional FCR
19 revenues, net of revenue taxes, are approximately \$58.8 million higher than the
20 actual/estimated projection. This is primarily due to jurisdictional sales that are
21 1,995,799,848 kWh higher than the actual/estimated projection.

22 **Q. FPL witness Yupp calculates in his testimony that FPL is entitled to retain**
23 **\$3,681,030 as its 60% share of 2020 Asset Optimization Incentive Mechanism**

1 \$3,863,612 shown on line 3.

2 **Q. Have you provided a schedule showing the calculation of the 2020 CCR actual**
3 **true-up by month?**

4 A. Yes. Exhibit RBD-2, pages 2 through 4, titled “Calculation of Final True-Up”
5 shows the calculation of the CCR end-of-period true-up for the period January 2020
6 through December 2020 by month.

7 **Q. Is this true-up calculation consistent with the true-up methodology used for**
8 **the FCR Clause?**

9 A. Yes. The calculation of the true-up amount follows the procedures established by
10 this Commission set forth on Commission Schedule A2 “Calculation of True-Up
11 and Interest Provision” for the FCR Clause.

12 **Q. Have you provided a schedule showing the variances between actual and**
13 **actual/estimated capacity costs and applicable revenues for 2020?**

14 A. Yes. Exhibit RBD-2, pages 5 and 6, titled “Calculation of Variances,” shows the
15 actual capacity costs and applicable revenues compared to actual/estimated
16 capacity costs and applicable revenues for the period January 2020 through
17 December 2020.

18 **Q. Please explain the variances related to capacity costs.**

19 A. As shown in Exhibit RBD-2, page 5, line 13, column 5, the variance related to total
20 system capacity costs is a decrease of \$2.3 million or 0.9%. Below are the primary
21 reasons for the decrease.

22

23 Incremental Plant Security Costs – O&M: \$2.5 million decrease (Exhibit RBD-2,

1 page 5, line 9, column 5)

2 The variance for incremental plant security is primarily attributable to the
3 implementation of cost savings initiatives at the St. Lucie and Turkey Point plants
4 resulting in lower security force costs and less cyber security maintenance than
5 originally planned.

6

7 Incremental Nuclear NRC Compliance Costs (Fukushima): O&M - \$0.7 million
8 decrease (Exhibit RBD-2, page 5, line 5, column 5)

9 Incremental Nuclear NRC Compliance Costs were lower by \$712,506 due to the
10 following: (1) Turkey Point flooding modifications to seal manholes at the site
11 began later in the year than originally projected. The work is expected to be
12 completed by the second quarter of 2021 and (2) the annual Regional Response
13 Center fees were lower than originally budgeted.

14

15 Transmission of Electricity by Others: \$0.5 million decrease (Exhibit RBD-2, page
16 5, line 7, column 5)

17 The variance is due primarily to the reimbursement of counterparty transmission
18 expense associated with a wholesale power sale in December of approximately
19 (\$409,000). In addition, lower costs than originally projected for the purchase of
20 third-party transmission utilized to facilitate wholesale power sales during the
21 period resulted in an approximately (\$116,000) variance. The combination of lower
22 overall third-party transmission costs and the reimbursement of costs for a
23 December transaction resulted in a net variance of (525,267).

1 Transmission Revenues from Capacity Sales: \$1.4 million decrease (Exhibit RBD-
2 2, page 5, line 8, column 5)

3 Approximately (\$235,000) of the total variance is attributable to higher revenues
4 from capacity premiums associated with power capacity sales. Lower than
5 originally projected transmission revenues from economy sales resulted in a
6 variance of approximately \$1,672,000. Higher revenues from capacity premiums,
7 offset by lower transmission revenues from economy sales resulted in a total
8 variance of \$1,436,362.

9 **Q. Please describe the variance in 2020 CCR revenues.**

10 A. As shown on page 6, line 33, column 5, actual 2020 CCR revenues (net of revenue
11 taxes), are \$1.7 million higher than projected in the actual/estimated true-up filing.
12 This is primarily due to 1,995,799,848 kWh higher than projected jurisdictional
13 sales.

14 **Q. Have you provided a schedule showing the actual monthly capacity payments**
15 **by contract?**

16 A. Yes. Schedule A12 consists of two pages that are included in Exhibit RBD-2 as
17 pages 17 and 18. Page 17 shows the actual capacity payments for FPL's Purchase
18 Power Agreements for the period January 2020 through December 2020. Page 18
19 provides the short term capacity payments for the period January 2020 through
20 December 2020.

21 **Q. Have you provided a schedule showing the capital structure components and**
22 **cost rates relied upon by FPL to calculate the rate of return applied to all**
23 **capital projects recovered through the FCR and CCR Clauses?**

1 A. Yes. The capital structure components and cost rates used to calculate the rate of
2 return on the capital investments for the period January 2020 through December
3 2020 are included on pages 19 and 20 of Exhibit RBD-2.

4 **Q. Does this conclude your testimony?**

5 A. Yes.

FLORIDA POWER & LIGHT COMPANY
 CALCULATION OF NET TRUE-UP

SCHEDULE: E1-A

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | E1-A True-Up Summary | Total |
|----------|--|------------------------------|
| 1 | End of Period True-Up ⁽¹⁾ | (\$41,940,023) |
| 2 | | |
| 3 | Less - Actual Estimated True-up for the same period ⁽²⁾ | \$30,951,780 |
| 4 | | |
| 5 | Net True-up for the period | <u><u>(\$72,891,803)</u></u> |
| 6 | | |
| 7 | ⁽¹⁾ Page 2, Column 16, Lines 42 & 43. | |
| 8 | ⁽²⁾ Approved in FPSC Final Order PSC-2020-0439-FOF-EI | |
| 9 | | |
| 10 | () Reflects under-recovery | |
| 11 | | |
| 12 | Totals may not add due to rounding | |

FLORIDA POWER & LIGHT COMPANY
CALCULATION OF FINAL TRUE-UP AMOUNT

SCHEDULE: E1-B

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
|----------|--|--|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| Line No. | True-up | True Up Line | a-Jan - 2020 | a-Feb - 2020 | a-Mar - 2020 | a-Apr - 2020 | a-May - 2020 | a-Jun - 2020 | a-Jul - 2020 | a-Aug - 2020 | a-Sep - 2020 | a-Oct - 2020 | a-Nov - 2020 | a-Dec - 2020 | a-2020 |
| 1 | Fuel Costs & Net Power Transactions | Fuel Cost of System Net Generation ⁽¹⁾ | \$185,496,269 | \$173,597,002 | \$181,513,895 | \$178,633,359 | \$202,547,418 | \$214,594,794 | \$212,470,912 | \$252,549,223 | \$250,364,172 | \$238,568,218 | \$235,030,079 | \$211,444,543 | \$2,536,809,683 |
| 2 | | Fuel Cost of Stratified Sales | (\$2,094,059) | (\$2,259,573) | (\$2,232,617) | (\$2,381,561) | (\$2,073,042) | (\$2,254,470) | (\$2,521,290) | (\$3,062,108) | (\$3,524,034) | (\$2,951,401) | (\$2,986,022) | (\$2,450,366) | (\$30,790,542) |
| 3 | | Rail Car Lease (Cedar Bay/ICU/SJRPP) | \$150,371 | \$167,770 | \$159,866 | \$226,043 | \$219,296 | \$215,927 | \$154,501 | \$162,785 | \$178,081 | \$150,616 | \$197,596 | \$158,994 | \$2,141,847 |
| 4 | | Fuel Cost of Power Sold (Per A6) | (\$7,779,369) | (\$8,036,378) | (\$2,876,822) | (\$3,309,957) | (\$3,983,636) | (\$2,767,692) | (\$2,846,743) | (\$2,926,155) | (\$2,706,508) | (\$2,749,166) | (\$3,450,467) | (\$3,012,007) | (\$46,444,900) |
| 5 | | Gains from Off-System Sales (Per A6) | (\$4,426,727) | (\$4,399,207) | (\$1,491,017) | (\$1,603,758) | (\$2,441,847) | (\$1,556,051) | (\$1,642,811) | (\$1,582,831) | (\$1,488,456) | (\$1,503,948) | (\$1,881,852) | (\$1,536,549) | (\$25,555,054) |
| 6 | | Fuel Cost of Purchased Power (Per A7) | \$2,427,756 | \$2,257,414 | \$2,165,181 | \$2,433,560 | \$2,007,734 | \$1,781,047 | \$2,639,431 | \$2,716,008 | \$2,394,171 | \$2,609,377 | \$2,420,199 | \$2,454,603 | \$28,306,481 |
| 7 | | Energy Payments to Qualifying Facilities (Per A8) | \$321,716 | \$405,060 | \$339,253 | \$362,152 | \$340,189 | \$280,482 | \$300,852 | \$316,285 | \$331,445 | \$381,238 | \$349,409 | \$373,840 | \$4,101,922 |
| 8 | | Energy Cost of Economy Purchases (Per A9) | \$14,565 | \$1,350 | \$1,087,136 | \$572,748 | \$9,950 | \$1,526,812 | \$1,841,974 | \$515,474 | \$1,317,353 | \$2,761,191 | \$75,536 | \$1,840 | \$9,725,529 |
| 9 | | Total Fuel Costs & Net Power Transactions | \$174,110,520 | \$161,733,439 | \$178,664,676 | \$174,932,586 | \$196,626,063 | \$211,820,849 | \$210,396,826 | \$248,688,683 | \$246,866,224 | \$237,266,125 | \$229,754,478 | \$207,434,898 | \$2,478,295,367 |
| 10 | | Scherer Coal Cars Depreciation & Return | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | |
| 12 | Incremental Optimization Costs | Incremental Personnel, Software, and Hardware Costs | \$46,772 | \$43,406 | \$46,420 | \$45,450 | \$43,986 | \$46,732 | \$42,515 | \$37,656 | \$39,292 | \$41,653 | \$37,427 | \$41,016 | \$512,326 |
| 13 | | Variable Power Plant O&M Attributable to Off-System Sales (Per A6) | \$295,617 | \$320,119 | \$121,837 | \$142,065 | \$169,117 | \$112,095 | \$112,295 | \$109,423 | \$103,827 | \$104,163 | \$130,554 | \$106,196 | \$1,827,307 |
| 14 | | Variable Power Plant O&M Avoided due to Economy Purchases (Per A9) | (\$624) | (\$59) | (\$22,571) | (\$12,859) | (\$1,347) | (\$27,003) | (\$32,983) | (\$8,676) | (\$23,823) | (\$36,572) | (\$1,303) | (\$52) | (\$167,870) |
| 15 | | Total Incremental Optimization Costs | \$341,765 | \$363,466 | \$145,687 | \$174,656 | \$211,756 | \$131,824 | \$121,826 | \$138,403 | \$119,297 | \$109,244 | \$166,679 | \$147,159 | \$2,171,762 |
| 16 | | | | | | | | | | | | | | | |
| 17 | | Dodd Frank Fees | \$399 | | | | | | | | | | | | \$399 |
| 18 | | | | | | | | | | | | | | | |
| 19 | Adjustments to Fuel Cost | Energy Imbalance Fuel Revenues | (\$80,338) | (\$47,699) | (\$54,762) | (\$81,589) | (\$59,321) | (\$71,312) | (\$88,719) | (\$14,737) | (\$113,683) | (\$147,420) | (\$163,749) | (\$93,294) | (\$1,016,625) |
| 20 | | Inventory Adjustments | \$67,324 | (\$29,576) | \$14,326 | \$9,656 | \$107,445 | (\$40,469) | \$45,407 | \$20,173 | \$54,607 | (\$1,711) | (\$18,879) | \$110,409 | \$238,711 |
| 21 | | Other O&M Expense ⁽²⁾ | | | | | \$230,839 | \$118,492 | \$16,385 | \$26,080 | \$175,447 | | | \$567,243 | |
| 22 | | Adjusted Total Fuel Costs & Net Power Transactions | \$174,439,670 | \$162,019,630 | \$178,769,926 | \$175,035,309 | \$196,885,943 | \$212,071,731 | \$210,593,831 | \$248,848,907 | \$246,952,525 | \$237,401,684 | \$229,638,528 | \$207,599,173 | \$2,480,256,857 |
| 23 | | Non Recoverable Oil/Tank Bottoms | | | | | | | | | | | | | |
| 24 | | | | | | | | | | | | | | | |
| 25 | kWh Sales | Jurisdictional kWh Sales | 8,171,566,237 | 7,512,483,753 | 7,875,964,458 | 9,182,676,725 | 9,179,513,583 | 10,172,896,382 | 11,263,504,051 | 11,371,135,026 | 11,283,813,059 | 10,086,383,608 | 9,490,139,017 | 7,940,876,420 | 113,530,952,319 |
| 26 | | Sales for Resale (excluding Stratified Sales) | 406,373,114 | 410,569,706 | 399,184,391 | 454,450,732 | 468,191,181 | 487,119,537 | 550,868,492 | 571,996,312 | 580,959,986 | 513,824,366 | 503,234,533 | 415,977,711 | 5,762,750,061 |
| 27 | | Total Sales | 8,577,939,351 | 7,923,053,459 | 8,275,148,849 | 9,637,127,457 | 9,647,704,764 | 10,660,015,919 | 11,814,372,543 | 11,943,131,338 | 11,864,773,045 | 10,600,207,974 | 9,993,373,550 | 8,356,854,131 | 119,293,702,380 |
| 28 | | | | | | | | | | | | | | | |
| 29 | | Jurisdictional % of Total kWh Sales | 95.26258% | 94.81804% | 95.17611% | 95.28438% | 95.14712% | 95.43041% | 95.33730% | 95.21067% | 95.10349% | 95.15270% | 94.96432% | 95.02232% | 95.16928% |
| 30 | | | | | | | | | | | | | | | |
| 31 | True-Up Calculation | Jurisdictional Fuel Revenues (Net of Revenue Taxes) | \$177,353,979 | \$161,495,094 | \$170,048,894 | \$203,756,280 | (\$2,911,081) | \$227,040,535 | \$255,382,332 | \$257,347,691 | \$255,080,768 | \$224,228,261 | \$208,738,514 | \$171,264,163 | \$2,308,825,430 |
| 32 | | | | | | | | | | | | | | | |
| 33 | Fuel Adjustment Revenues Not Applicable to Period | | | | | | | | | | | | | | |
| 34 | | Prior Period True-Up (Collected)/Refunded This Period ⁽³⁾ | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$4,840,211 | \$58,082,532 |
| 35 | | GP/IF, Net of Revenue Taxes ⁽⁴⁾ | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$714,241) | (\$8,570,896) |
| 36 | | Solar Together - Subscription Credit, Net of Revenue Taxes ⁽⁵⁾ | | | | (\$2,926,367) | (\$2,838,531) | (\$3,117,085) | (\$2,736,739) | (\$2,882,411) | (\$2,787,842) | (\$2,355,725) | (\$2,267,054) | (\$2,004,221) | (\$23,915,976) |
| 37 | | Incentive Mechanism, Net of Revenue Taxes ⁽⁶⁾ | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$1,064,771) | (\$12,777,254) |
| 38 | | Retail Fuel Revenues Applicable to Period | \$180,415,177 | \$164,556,293 | \$173,110,093 | \$203,891,112 | (\$2,688,413) | \$226,984,648 | \$255,706,791 | \$257,526,478 | \$255,354,124 | \$224,933,734 | \$209,532,658 | \$172,321,141 | \$2,321,643,836 |
| 39 | | Adjusted Total Fuel Costs & Net Power Transactions | 174,439,670 | 162,019,630 | 178,769,926 | 175,035,309 | 196,885,943 | 212,071,731 | 210,593,831 | 248,848,907 | 246,952,525 | 237,401,684 | 229,638,528 | 207,599,173 | 2,480,256,857 |
| 40 | | Retail % of Total kWh Sales | 95.26258% | 94.81804% | 95.17611% | 95.28438% | 95.14712% | 95.43041% | 95.33730% | 95.21067% | 95.10349% | 95.15270% | 94.96432% | 95.02232% | 95.16928% |
| 41 | | Juris. Total Fuel Costs & Net Power Transactions | 166,395,082 | 153,826,621 | 170,370,854 | 167,026,478 | 187,606,681 | 202,678,422 | 201,069,611 | 237,278,999 | 235,205,715 | 226,226,177 | 218,395,236 | 197,555,531 | 2,363,635,408 |
| 42 | | True-Up Provision for the Month-Over(Under) Recovery | \$14,020,095 | \$10,729,671 | \$2,739,239 | \$36,864,634 | (\$190,295,095) | \$24,306,225 | \$54,637,180 | \$20,247,479 | \$20,148,409 | (\$1,292,442) | (\$8,862,578) | (\$25,234,390) | (\$41,991,572) |
| 43 | | Interest Provision for the Month | \$14,873 | \$24,800 | \$32,233 | \$33,590 | (\$2,684) | (\$11,712) | (\$9,923) | (\$6,663) | (\$5,128) | (\$4,086) | (\$5,898) | (\$7,852) | \$51,549 |
| 44 | | True-Up & Interest Prov. Beg of Period-Over(Under) Recovery | \$58,082,532 | \$67,277,289 | \$73,191,550 | \$71,122,810 | \$103,180,822 | (\$91,957,167) | (\$72,502,864) | (\$22,715,818) | (\$7,315,213) | \$7,987,857 | \$1,851,117 | (\$11,857,570) | \$58,082,532 |
| 45 | | Deferred True-up Beginning of Period - Over(Under) Recovery ⁽⁷⁾ | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) | (\$51,621,690) |
| 46 | | Prior Period True-Up Collected(Refunded) This Period | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$4,840,211) | (\$58,082,532) |
| 47 | | End of Period Net True-up Amount Over(Under) Recovery | \$15,655,598 | \$21,569,859 | \$19,501,119 | \$1,559,132 | (\$143,578,857) | (\$124,124,555) | (\$74,337,508) | (\$58,936,904) | (\$43,633,834) | (\$49,770,573) | (\$63,479,260) | (\$93,561,713) | (\$93,561,713) |
| 48 | | | | | | | | | | | | | | | |
| 49 | | | | | | | | | | | | | | | |
| 50 | | | | | | | | | | | | | | | |
| 51 | | | | | | | | | | | | | | | |
| 52 | | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | | |
| 54 | | | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | | | |
| 56 | | | | | | | | | | | | | | | |
| 57 | | | | | | | | | | | | | | | |
| 58 | | | | | | | | | | | | | | | |

⁽¹⁾ Actuals include various adjustments as noted on the A-Schedules.

⁽²⁾ Other Fuel Expense consists of nuclear fuel design software maintenance costs.

⁽³⁾ Prior Period 2019 Actual/Estimated True-up.

⁽⁴⁾ Generating Performance Incentive Factor is ((\$8,577,071/12) x 99.9280%) - See Order No. PSC-2019-0484-FOF-EI

⁽⁵⁾ Jurisdictionalized Incentive Mechanism - FPL Portion is ((\$12,786,460/12) x 99.9280%) - See Order No. PSC-2019-0484-FOF-EI

⁽⁶⁾ Approved in Order No. PSC-2020-0084-S-EI issued in Docket No. 20190061-EI on March 20, 2020

⁽⁷⁾ 2019 Final True-up.

Totals may not add due to rounding.

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|----------|--|---|------------------------|------------------------|-----------------------|----------|
| Line No. | True-up | True Up Line | 2020 | | | |
| | | | Actuals | Actual/Estimated | Diff \$ | Diff % |
| 1 | Fuel Costs & Net Power Transactions | Fuel Cost of System Net Generation ⁽¹⁾ | \$2,536,809,683 | \$2,396,688,611 | \$140,121,073 | 5.8% |
| 2 | | Fuel Cost of Stratified Sales | (\$30,790,542) | (\$36,082,691) | \$5,292,149 | (14.7%) |
| 3 | | Rail Car Lease (Cedar Bay/ICL/SJRPP) | \$2,141,847 | \$2,083,460 | \$58,387 | 2.8% |
| 4 | | Fuel Cost of Power Sold (Per A6) | (\$46,444,900) | (\$50,569,119) | \$4,124,219 | (8.2%) |
| 5 | | Gains from Off-System Sales (Per A6) | (\$25,555,054) | (\$24,898,147) | (\$656,908) | 2.6% |
| 6 | | Fuel Cost of Purchased Power (Per A7) | \$28,306,481 | \$27,291,794 | \$1,014,687 | 3.7% |
| 7 | | Energy Payments to Qualifying Facilities (Per A8) | \$4,101,922 | \$4,701,482 | (\$599,559) | (12.8%) |
| 8 | | Energy Cost of Economy Purchases (Per A9) | \$9,725,929 | \$10,530,786 | (\$804,857) | (7.6%) |
| 9 | | Total Fuel Costs & Net Power Transactions | <u>\$2,478,295,367</u> | <u>\$2,329,746,176</u> | <u>\$148,549,191</u> | 6.4% |
| 10 | | | | | | |
| 11 | Incremental Optimization Costs | Incremental Personnel, Software, and Hardware Costs | \$512,326 | \$493,717 | \$18,609 | 3.8% |
| 12 | | Variable Power Plant O&M Attributable to Off-System Sales (Per A6) | \$1,827,307 | \$1,841,614 | (\$14,307) | (0.8%) |
| 13 | | Variable Power Plant O&M Avoided due to Economy Purchases (Per A9) | (\$167,870) | (\$240,352) | \$72,482 | (30.2%) |
| 14 | | Total Incremental Optimization Costs | <u>\$2,171,762</u> | <u>\$2,094,979</u> | <u>\$76,784</u> | 3.7% |
| 15 | | Dodd Frank Fees | \$399 | \$399 | - | 0.0% |
| 16 | | | | | | |
| 17 | Adjustments to Fuel Cost | Energy Imbalance Fuel Revenues | (\$1,016,625) | (\$395,022) | (\$621,603) | 157.4% |
| 18 | | Inventory Adjustments | \$238,711 | \$128,705 | \$110,005 | 85.5% |
| 19 | | Other O&M Expense ⁽²⁾ | \$567,243 | \$579,829 | (\$12,586) | (2.2%) |
| 20 | | Adjusted Total Fuel Costs & Net Power Transactions | <u>\$2,480,256,857</u> | <u>\$2,332,155,067</u> | <u>\$148,101,790</u> | 6.4% |
| 21 | | | | | | |
| 22 | | | | | | |
| 23 | kWh Sales | Jurisdictional kWh Sales | 113,530,952,319 | 111,535,152,471 | 1,995,799,848 | 1.8% |
| 24 | | Sales for Resale (excluding Stratified Sales) | 5,762,750,061 | 5,228,858,323 | 533,891,738 | 10.2% |
| 25 | | Total Sales | <u>119,293,702,380</u> | <u>116,764,010,794</u> | <u>2,529,691,586</u> | 2.2% |
| 26 | | | | | | |
| 27 | | Jurisdictional % of Total Sales | 95.16928% | 95.52186% | | |
| 28 | | | | | | |
| 29 | True-Up Calculation | Jurisdictional Fuel Revenues (Net of Revenue Taxes) | \$2,308,825,430 | \$2,250,056,998 | \$58,768,432 | 2.6% |
| 30 | | | | | | |
| 31 | Fuel Adjustment Revenues Not Applicable to Period | | | | | |
| 32 | | Prior Period True-Up (Collected)/Refunded This Period ⁽³⁾ | \$58,082,532 | \$58,082,532 | - | 0.0% |
| 33 | | GPIF, Net of Revenue Taxes ⁽⁴⁾ | (\$8,570,896) | (\$8,570,896) | - | 0.0% |
| 34 | | Solar Together - Subscription Credit, Net of Revenue Taxes ⁽⁵⁾ | (\$23,915,976) | (\$25,061,936) | \$1,145,959 | (4.6%) |
| 35 | | Incentive Mechanism, Net of Revenue Taxes ⁽⁵⁾ | (\$12,777,254) | (\$12,777,254) | - | 0.0% |
| 36 | | Jurisdictional Fuel Revenues Applicable to Period | <u>\$2,321,643,836</u> | <u>\$2,261,729,445</u> | <u>\$59,914,391</u> | (2.0%) |
| 37 | | Adjusted Total Fuel Costs & Net Power Transactions | 2,480,256,857 | 2,332,155,067 | 148,101,790 | 6.4% |
| 38 | | Jurisdictional Sales % of Total kWh Sales | 95.16928% | 95.52186% | | |
| 39 | | Juris. Total Fuel Costs & Net Power Transactions | <u>\$2,363,635,408</u> | <u>\$2,230,843,677</u> | <u>\$132,791,731</u> | 6.0% |
| 40 | | True-Up Provision for the Month-Over/(Under) Recovery | (\$41,991,572) | \$30,885,767 | (\$72,877,339) | (236.0%) |
| 41 | | Interest Provision for the Month | \$51,549 | \$66,013 | (\$14,464) | (21.9%) |
| 42 | | True-Up & Interest Prov. Beg of Period-Over/(Under) Recovery | \$58,082,532 | \$58,082,532 | - | 0.0% |
| 43 | | Deferred True-up Beginning of Period - Over/(Under) Recovery ⁽⁷⁾ | (\$51,621,690) | (\$51,621,690) | - | 0.0% |
| 44 | | Prior Period True-Up Collected/(Refunded) This Period | (\$58,082,532) | (\$58,082,532) | - | 0.0% |
| 45 | | End of Period Net True-up Amount Over/(Under) Recovery | <u>(\$93,561,713)</u> | <u>(\$20,669,910)</u> | <u>(\$72,891,803)</u> | 352.6% |
| 46 | | | | | | |
| 47 | | | | | | |

⁽¹⁾ Actuals include various adjustments as noted on the A-Schedules.

⁽²⁾ Other Fuel Expense consists of nuclear fuel design software maintenance costs.

⁽³⁾ Prior Period 2019 Actual/Estimated True-up.

⁽⁴⁾ Generating Performance Incentive Factor is ((\$8,577,071/12) x 99.9280%) - See Order No. PSC-2019-0484-FOF-EI

⁽⁵⁾ Jurisdictionalized Incentive Mechanism - FPL Portion is ((\$12,786,460/12) x 99.9280%) - See Order No. PSC-2019-0484-FOF-EI

⁽⁶⁾ Approved in Order No. PSC-2020-0084-S-EI issued in Docket No. 20190061-EI on March 20, 2020

⁽⁷⁾ 2019 Final True-up.

FLORIDA POWER & LIGHT COMPANY
 CAPACITY COST RECOVERY CLAUSE
 FINAL TRUE-UP SUMMARY

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | YE-Dec - 2020 |
|----------|--|--------------------|
| 1 | End of Period True-Up for the Period ⁽¹⁾ | \$11,252,066 |
| 2 | Less - Estimated/Actual True Up for Same Period ⁽²⁾ | \$7,388,454 |
| 3 | Net True Up for the Period | <u>\$3,863,612</u> |
| 4 | | |
| 5 | ⁽¹⁾ From page 4, Column 15, Lines 9 & 10 | |
| 6 | ⁽²⁾ Approved in FPSC Final Order PSC-2020-0439-FOF-EI | |
| 7 | | |
| 8 | () Reflects under-recovery | |
| 9 | | |
| 10 | Totals may not add due to rounding | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|----------|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Line No. | Capacity Costs | a-Jan - 2020 | a-Feb - 2020 | a-Mar - 2020 | a-Apr - 2020 | a-May - 2020 | a-Jun - 2020 | a-Jul - 2020 | a-Aug - 2020 | a-Sep - 2020 | a-Oct - 2020 | a-Nov - 2020 | a-Dec - 2020 | Total |
| 1 | Base | | | | | | | | | | | | | |
| 2 | Payments to Non-cogenerators | \$2,083,820 | \$2,083,820 | \$2,083,820 | \$2,083,820 | \$2,412,200 | \$2,145,800 | \$2,456,600 | \$2,412,200 | \$2,412,200 | \$2,192,619 | \$2,193,280 | \$2,193,280 | \$26,753,458 |
| 3 | Payments to Co-generators | \$167,174 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$119,175 | \$1,478,099 |
| 4 | Cedar Bay Transaction - Regulatory Asset - Amortization and Return | \$9,409,836 | \$9,378,844 | \$9,347,853 | \$9,316,861 | \$9,285,870 | \$9,254,879 | \$9,212,873 | \$9,182,087 | \$9,151,301 | \$9,120,516 | \$9,089,730 | \$9,058,945 | \$110,809,595 |
| 5 | Cedar Bay Transaction - Regulatory Liability - Amortization and Return | (\$85,020) | (\$84,614) | (\$84,208) | (\$83,802) | (\$83,396) | (\$82,990) | (\$82,440) | (\$82,037) | (\$81,634) | (\$81,230) | (\$80,827) | (\$80,424) | (\$992,622) |
| 6 | Indiantown Transaction - Regulatory Asset - Amortization and Return | \$6,173,883 | \$6,146,004 | \$6,118,125 | \$6,090,246 | \$6,062,368 | \$6,034,489 | \$5,994,480 | \$5,966,786 | \$5,939,093 | \$5,911,399 | \$5,883,706 | \$5,856,012 | \$72,176,590 |
| 7 | SJRPP Revenue Requirements | \$863,715 | \$852,045 | \$840,376 | \$828,706 | \$817,037 | \$805,367 | \$792,496 | \$780,904 | \$769,312 | \$757,720 | \$746,128 | \$734,536 | \$9,588,342 |
| 8 | Incremental Plant Security Costs O&M | \$2,520,078 | \$1,940,794 | \$2,385,822 | \$2,117,404 | \$2,050,331 | \$2,176,905 | \$2,374,234 | \$2,025,124 | \$2,496,052 | \$2,125,457 | \$2,021,472 | \$2,858,224 | \$27,091,896 |
| 9 | Incremental Plant Security Costs Capital | \$325,279 | \$327,832 | \$329,753 | \$332,628 | \$336,952 | \$340,309 | \$353,184 | \$365,728 | \$365,543 | \$368,161 | \$371,731 | \$374,167 | \$4,191,267 |
| 10 | Incremental Nuclear NRC Compliance Costs O&M | \$70,186 | \$67,009 | \$82,443 | \$93,471 | \$68,310 | \$34,558 | \$35,686 | \$54,932 | \$49,368 | \$88,612 | \$198,484 | \$58,457 | \$901,517 |
| 11 | Incremental Nuclear NRC Compliance Costs Capital | \$1,072,250 | \$1,071,956 | \$1,078,562 | \$1,081,599 | \$1,080,512 | \$1,080,755 | \$1,078,293 | \$1,083,197 | \$1,084,810 | \$1,091,480 | \$1,077,235 | \$1,054,194 | \$12,934,844 |
| 12 | Transmission of Electricity by Others | \$88,540 | \$77,707 | - | - | \$661 | (\$548) | \$301 | - | - | - | - | (\$398,710) | (\$232,049) |
| 13 | Transmission Revenues from Capacity Sales | (\$1,111,540) | (\$1,242,433) | (\$643,816) | (\$666,331) | (\$574,685) | (\$278,044) | (\$127,004) | (\$89,372) | (\$82,433) | (\$126,151) | (\$334,220) | (\$1,266,448) | (\$6,542,478) |
| 14 | Total Base | \$21,578,200 | \$20,738,139 | \$21,657,906 | \$21,313,779 | \$21,575,334 | \$21,630,655 | \$22,207,878 | \$21,818,724 | \$22,222,787 | \$21,567,758 | \$21,285,893 | \$20,561,407 | \$258,158,459 |
| 15 | | | | | | | | | | | | | | |
| 16 | Intermediate | | | | | | | | | | | | | |
| 17 | Incremental Plant Security Costs O&M | \$260,708 | \$417,161 | \$297,760 | \$374,231 | \$614,490 | \$562,818 | \$271,784 | \$161,013 | \$80,827 | \$88,616 | \$144,740 | \$173,979 | \$3,448,127 |
| 18 | Incremental Plant Security Costs Capital | \$45,631 | \$45,530 | \$45,429 | \$45,328 | \$45,227 | \$45,126 | \$44,827 | \$46,734 | \$48,645 | \$48,994 | \$49,681 | \$51,640 | \$562,792 |
| 19 | Total Intermediate | \$306,340 | \$462,691 | \$343,189 | \$419,559 | \$659,717 | \$607,944 | \$316,611 | \$207,748 | \$129,471 | \$137,610 | \$194,421 | \$225,619 | \$4,010,920 |
| 20 | | | | | | | | | | | | | | |
| 21 | Peaking | | | | | | | | | | | | | |
| 22 | Incremental Plant Security Costs O&M | \$41,346 | \$21,654 | \$27,891 | \$26,212 | \$28,712 | \$39,282 | \$28,055 | \$31,275 | \$28,224 | \$39,708 | \$28,795 | \$21,886 | \$363,041 |
| 23 | Incremental Plant Security Costs Capital | \$6,432 | \$6,413 | \$6,393 | \$6,373 | \$6,354 | \$6,334 | \$6,292 | \$6,396 | \$6,500 | \$6,481 | \$6,461 | \$6,442 | \$76,871 |
| 24 | Total Peaking | \$47,778 | \$28,066 | \$34,284 | \$32,586 | \$35,066 | \$45,616 | \$34,347 | \$37,671 | \$34,724 | \$46,188 | \$35,256 | \$28,328 | \$439,912 |
| 25 | | | | | | | | | | | | | | |
| 26 | Solar | | | | | | | | | | | | | |
| 27 | Incremental Plant Security Costs O&M | - | \$1,256 | \$340 | - | \$130 | \$10,886 | \$668 | \$6,628 | \$139 | \$140 | \$35,964 | \$1,071 | \$57,223 |
| 28 | Incremental Plant Security Costs Capital | \$403 | \$785 | \$1,131 | \$1,397 | \$1,614 | \$1,665 | \$1,783 | \$1,863 | \$2,944 | \$4,043 | \$4,055 | \$5,032 | \$26,714 |
| 29 | Total Solar | \$403 | \$2,041 | \$1,471 | \$1,397 | \$1,744 | \$12,551 | \$2,451 | \$8,491 | \$3,083 | \$4,183 | \$40,018 | \$6,103 | \$83,938 |
| 30 | | | | | | | | | | | | | | |
| 31 | General | | | | | | | | | | | | | |
| 32 | Incremental Plant Security Costs Capital | \$2,598 | \$2,582 | \$2,565 | \$2,549 | \$2,533 | \$2,517 | \$2,500 | \$2,484 | \$2,468 | \$2,452 | \$2,436 | \$2,312 | \$29,998 |
| 33 | Total General | \$2,598 | \$2,582 | \$2,565 | \$2,549 | \$2,533 | \$2,517 | \$2,500 | \$2,484 | \$2,468 | \$2,452 | \$2,436 | \$2,312 | \$29,998 |
| 34 | | | | | | | | | | | | | | |
| 35 | Total | \$21,935,319 | \$21,233,519 | \$22,039,415 | \$21,769,870 | \$22,274,395 | \$22,299,283 | \$22,563,787 | \$22,075,119 | \$22,392,534 | \$21,758,191 | \$21,558,025 | \$20,823,770 | \$262,723,226 |
| 36 | | | | | | | | | | | | | | |
| 37 | | | | | | | | | | | | | | |
| 38 | Totals may not add due to rounding | | | | | | | | | | | | | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|----------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Line No. | Line | a-Jan - 2020 | a-Feb - 2020 | a-Mar - 2020 | a-Apr - 2020 | a-May - 2020 | a-Jun - 2020 | a-Jul - 2020 | a-Aug - 2020 | a-Sep - 2020 | a-Oct - 2020 | a-Nov - 2020 | a-Dec - 2020 | Total |
| 1 | Total Capacity Costs (Page 2, Line 35) | \$21,935,319 | \$21,233,519 | \$22,039,415 | \$21,769,870 | \$22,274,395 | \$22,299,283 | \$22,563,787 | \$22,075,119 | \$22,392,534 | \$21,758,191 | \$21,558,025 | \$20,823,770 | \$262,723,226 |
| 2 | | | | | | | | | | | | | | |
| 3 | Total Base Capacity Costs | \$21,578,200 | \$20,738,139 | \$21,657,906 | \$21,313,779 | \$21,575,334 | \$21,630,655 | \$22,207,878 | \$21,818,724 | \$22,222,787 | \$21,567,758 | \$21,285,893 | \$20,561,407 | \$258,158,459 |
| 4 | Base Jurisdictional Factor ⁽¹⁾ | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% |
| 5 | Total Base Jurisdictional Capacity Costs | \$20,670,233 | \$19,865,519 | \$20,746,584 | \$20,416,938 | \$20,667,487 | \$20,720,480 | \$21,273,414 | \$20,900,636 | \$21,287,696 | \$20,660,229 | \$20,390,225 | \$19,696,225 | \$247,295,667 |
| 6 | | | | | | | | | | | | | | |
| 7 | Total Intermediate Capacity Costs | \$306,340 | \$462,691 | \$343,189 | \$419,559 | \$659,717 | \$607,944 | \$316,611 | \$207,748 | \$129,471 | \$137,610 | \$194,421 | \$225,619 | \$4,010,920 |
| 8 | Intermediate Jurisdictional Factor ⁽¹⁾ | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% | 94.1569% |
| 9 | Total Intermediate Jurisdictional Capacity Costs | \$288,440 | \$435,656 | \$323,136 | \$395,044 | \$621,169 | \$572,421 | \$298,111 | \$195,609 | \$121,906 | \$129,569 | \$183,061 | \$212,436 | \$3,776,558 |
| 10 | | | | | | | | | | | | | | |
| 11 | Total Peaking Capacity Costs | \$47,778 | \$28,066 | \$34,284 | \$32,586 | \$35,066 | \$45,616 | \$34,347 | \$37,671 | \$34,724 | \$46,188 | \$35,256 | \$28,328 | \$439,912 |
| 12 | Peaking Jurisdictional Factor ⁽¹⁾ | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% | 95.0455% |
| 13 | Total Peaking Jurisdictional Capacity Costs | \$45,411 | \$26,676 | \$32,586 | \$30,971 | \$33,329 | \$43,356 | \$32,645 | \$35,805 | \$33,004 | \$43,900 | \$33,510 | \$26,925 | \$418,117 |
| 14 | | | | | | | | | | | | | | |
| 15 | Total Solar Capacity Costs | \$403 | \$2,041 | \$1,471 | \$1,397 | \$1,744 | \$12,551 | \$2,451 | \$8,491 | \$3,083 | \$4,183 | \$40,018 | \$6,103 | \$83,938 |
| 16 | Solar Jurisdictional Factor ⁽¹⁾ | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% | 95.7922% |
| 17 | Total Solar Jurisdictional Capacity Costs | \$386 | \$1,955 | \$1,409 | \$1,338 | \$1,671 | \$12,023 | \$2,348 | \$8,134 | \$2,953 | \$4,007 | \$38,335 | \$5,846 | \$80,406 |
| 18 | | | | | | | | | | | | | | |
| 19 | Total Transmission Capacity Costs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 20 | Transmission Jurisdictional Factor ⁽¹⁾ | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% | 89.9387% |
| 21 | Total Transmission Jurisdictional Capacity Costs | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | | | | | | | | | | | | | | |
| 23 | Total General Capacity Costs | \$2,598 | \$2,582 | \$2,565 | \$2,549 | \$2,533 | \$2,517 | \$2,500 | \$2,484 | \$2,468 | \$2,452 | \$2,436 | \$2,312 | \$29,998 |
| 24 | General Jurisdictional Factor ⁽¹⁾ | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% | 96.9124% |
| 25 | Total General Jurisdictional Capacity Costs | \$2,518 | \$2,502 | \$2,486 | \$2,471 | \$2,455 | \$2,439 | \$2,423 | \$2,408 | \$2,392 | \$2,376 | \$2,361 | \$2,241 | \$29,072 |
| 26 | | | | | | | | | | | | | | |
| 27 | Jurisdictional Capacity Costs | \$21,006,987 | \$20,332,308 | \$21,106,201 | \$20,846,761 | \$21,326,111 | \$21,350,720 | \$21,608,942 | \$21,142,591 | \$21,447,952 | \$20,840,082 | \$20,647,491 | \$19,943,672 | \$251,599,819 |
| 28 | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | |
| 31 | ⁽¹⁾ Approved in FPSC Final Order PSC-2020-0439-FOF-EI | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | |
| 34 | Totals may not add due to rounding | | | | | | | | | | | | | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
|----------|--|------------------|-------------------|----------------|----------------|---------------|---------------|---------------|-----------------|--------------------|------------------|-------------------|-------------------|----------------|
| Line No. | Line | a-January Actual | a-February Actual | a-March Actual | a-April Actual | a-May Actual | a-June Actual | a-July Actual | a-August Actual | a-September Actual | a-October Actual | a-November Actual | a-December Actual | Total |
| 1 | | | | | | | | | | | | | | |
| 2 | Net Jurisdictional CCR Costs (Page 3, Line 31) | \$21,006,987 | \$20,332,308 | \$21,106,201 | \$20,846,761 | \$21,326,111 | \$21,350,720 | \$21,608,942 | \$21,142,591 | \$21,447,952 | \$20,840,082 | \$20,647,491 | \$19,943,672 | \$251,599,819 |
| 3 | | | | | | | | | | | | | | |
| 4 | CCR Revenues (Net of Revenue Taxes) | \$17,225,349 | \$16,294,404 | \$17,058,910 | \$19,576,540 | \$19,584,553 | \$21,402,820 | \$23,519,121 | \$23,624,051 | \$23,450,364 | \$21,259,825 | \$19,867,428 | \$17,045,766 | \$239,909,130 |
| 5 | Prior Period True-up Provision | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$1,347,028 | \$16,164,334 |
| 6 | 2017 SoBRA Refund | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$554,832 | \$6,657,982 |
| 7 | CCR Revenues Applicable to Current Period (Net of Revenue Taxes) | \$19,127,209 | \$18,196,263 | \$18,960,770 | \$21,478,400 | \$21,486,413 | \$23,304,679 | \$25,420,980 | \$25,525,910 | \$25,352,224 | \$23,161,684 | \$21,769,287 | \$18,947,626 | \$262,731,446 |
| 8 | | | | | | | | | | | | | | |
| 9 | True-up Provision - Over/(Under) Recovery (Line 6 - Line 2) | (\$1,879,778) | (\$2,136,045) | (\$2,145,432) | \$631,638 | \$160,302 | \$1,953,960 | \$3,812,038 | \$4,383,319 | \$3,904,272 | \$2,321,602 | \$1,121,796 | (\$996,046) | \$11,131,627 |
| 10 | Interest Provision | \$35,090 | \$29,598 | \$28,566 | \$14,712 | \$820 | \$1,157 | \$1,420 | \$28,566 | \$1,864 | \$1,737 | \$2,050 | \$1,784 | \$120,439 |
| 11 | True-up & Interest Provision Beginning of Year - Over/(Under) Recovery | \$22,822,316 | \$19,075,768 | \$15,067,461 | \$11,048,736 | \$9,793,227 | \$8,052,489 | \$8,105,746 | \$10,017,345 | \$12,500,444 | \$14,504,721 | \$14,926,201 | \$14,148,188 | \$22,822,316 |
| 12 | Deferred True-up - Over/(Under) Recovery | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 | \$5,141,967 |
| 13 | 2017 SoBRA Refund | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$554,832) | (\$6,657,982) |
| 14 | Prior Period True-up Provision - Collected/(Refunded) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$1,347,028) | (\$16,164,334) |
| 15 | End of Period True-up - Over/(Under) Recovery (Lines 8 through 12) | \$24,217,735 | \$20,209,428 | \$16,190,703 | \$14,935,194 | \$13,194,456 | \$13,247,713 | \$15,159,312 | \$17,642,411 | \$19,646,688 | \$20,068,168 | \$19,290,155 | \$16,394,033 | \$16,394,033 |
| 16 | | | | | | | | | | | | | | |
| 17 | Totals may not add due to rounding | | | | | | | | | | | | | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF VARIANCES

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) |
|----------|---|---------------|------------------|---------------|----------|
| Line No. | Capacity Costs | Actual | Actual/Estimated | Diff \$ | Diff % |
| 1 | Payments to Non-cogenerators | \$26,753,458 | \$26,709,720 | \$43,738 | 0.2% |
| 2 | Payments to Co-generators | \$1,478,099 | \$1,478,099 | \$0 | 0.0% |
| 3 | Cedar Bay Transaction - Reg Asset - Amort & Return | \$110,809,595 | \$110,809,595 | \$0 | 0.0% |
| 4 | Cedar Bay Transaction - Reg Liability - Amort & Return | (\$992,622) | (\$992,622) | \$0 | 0.0% |
| 5 | Incremental Nuclear NRC Compliance Costs O&M | \$901,517 | \$1,614,023 | (\$712,506) | (44.1%) |
| 6 | Incremental Nuclear NRC Compliance Costs Capital | \$12,934,844 | \$12,974,927 | (\$40,083) | (0.3%) |
| 7 | Transmission of Electricity by Others | (\$232,049) | \$293,218 | (\$525,267) | (179.1%) |
| 8 | Transmission Revenues from Capacity Sales | (\$6,542,478) | (\$7,978,840) | \$1,436,362 | (18.0%) |
| 9 | Incremental Plant Security Costs-Order No. PSC-02-1761 (O&M) | \$30,960,288 | \$33,488,647 | (\$2,528,359) | (7.5%) |
| 10 | Incremental Plant Security Costs-Order No. PSC-02-1761 (Capital) | \$4,887,642 | \$4,869,845 | \$17,798 | 0.4% |
| 11 | Indiantown Transaction - Regulatory Asset - Amortization and Return | \$72,176,590 | \$72,176,590 | \$0 | 0.0% |
| 12 | SJRPP Transaction Revenue Requirements | \$9,588,342 | \$9,588,342 | \$0 | 0.0% |
| 13 | Total | \$262,723,226 | \$265,031,544 | (\$2,308,318) | (0.9%) |
| 14 | | | | | |
| 15 | Totals may not add due to rounding | | | | |

FLORIDA POWER & LIGHT COMPANY
 CAPACITY COST RECOVERY CLAUSE
 CALCULATION OF VARIANCES

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| (1) | (2) | (3) | (4) | (5) | (6) |
|----------|--|----------------|------------------|---------------|---------|
| Line No. | Line | Actual | Actual/Estimated | Diff \$ | Diff % |
| 1 | Total Capacity Costs | \$262,723,226 | \$265,031,544 | (\$2,308,318) | (0.9%) |
| 2 | | | | | |
| 3 | Total Base Capacity Costs | \$258,158,459 | \$259,991,148 | (\$1,832,689) | (0.7%) |
| 4 | Base Jurisdictional Factor | 95.7922% | 95.7922% | | |
| 5 | Total Base Jurisdictionalized Capacity Costs | \$247,295,667 | \$249,051,311 | (\$1,755,643) | (0.7%) |
| 6 | | | | | |
| 7 | Total Intermediate Capacity Costs | \$4,010,920 | \$4,277,371 | (\$266,451) | (6.2%) |
| 8 | Intermediate Jurisdictional Factor | 94.1569% | 94.15685% | | |
| 9 | Total Intermediate Jurisdictionalized Capacity Costs | \$3,776,558 | \$4,027,438 | (\$250,880) | (6.2%) |
| 10 | | | | | |
| 11 | Total Peaking Capacity Costs | \$439,912 | \$530,902 | (\$90,990) | (17.1%) |
| 12 | Peaking Jurisdictional Factor | 95.0455% | 95.0455% | | |
| 13 | Total Peaking Jurisdictionalized Capacity Costs | \$418,117 | \$504,599 | (\$86,482) | (17.1%) |
| 14 | | | | | |
| 15 | Total Solar Capacity Costs | \$83,938 | \$203,504 | (\$119,566) | (58.8%) |
| 16 | Solar Jurisdictional Factor | 95.7922% | 95.7922% | | |
| 17 | Total Solar Jurisdictionalized Capacity Costs | \$80,406 | \$194,941 | (\$114,535) | (58.8%) |
| 18 | | | | | |
| 19 | Total General Capacity Costs | \$29,998 | \$28,619 | \$1,378 | 4.8% |
| 20 | General Jurisdictional Factor | 96.9124% | 96.9124% | | |
| 21 | Total General Jurisdictionalized Capacity Costs | \$29,072 | \$27,736 | \$1,336 | 4.8% |
| 22 | | | | | |
| 23 | Total Transmission Capacity Costs | \$0 | \$0 | \$0 | 0.0% |
| 24 | Transmission Jurisdictional Factor | 89.9387% | 89.9387% | | |
| 25 | Total Transmission Jurisdictionalized Costs | \$0 | \$0 | \$0 | N/A |
| 26 | | | | | |
| 27 | Jurisdictional Capacity Charges | \$251,599,819 | \$253,806,024 | (\$2,206,205) | (0.9%) |
| 28 | | | | | |
| 29 | | | | | |
| 30 | CCR Revenues | \$239,909,130 | \$238,252,700 | \$1,656,429 | 0.7% |
| 31 | Prior Period True-up Provision | \$16,164,334 | \$16,164,334 | \$0 | 0.0% |
| 32 | 2017 SoBRA Refund | \$6,657,982 | \$6,657,982 | \$0 | 0.0% |
| 33 | CCR Revenues Applicable to Current Period (Net of Revenue Taxes) | \$262,731,446 | \$261,075,016 | \$1,656,429 | 0.7% |
| 34 | | | | | |
| 35 | True-up Provision for Month - Over/(Under) Recovery | \$11,131,627 | \$7,268,993 | \$3,862,634 | 53.1% |
| 36 | Interest Provision for the Month | \$120,439 | \$119,461 | \$978 | 0.8% |
| 37 | Prior Period True-Up Provision | \$22,822,316 | \$22,822,316 | \$0 | 0.0% |
| 38 | Deferred True-up - Over/(Under) Recovery | \$5,141,967 | \$5,141,967 | \$0 | 0.0% |
| 39 | Cape Canaveral GBRA Refund Current Month | (\$6,657,982) | (\$6,657,982) | \$0 | 0.0% |
| 40 | Prior Period True-up Provision - Collected/(Refunded) this Month | (\$16,164,334) | (\$16,164,334) | \$0 | 0.0% |
| 41 | End of Period True-up - Over/(Under) Recovery | \$16,394,033 | \$12,530,421 | \$3,863,612 | 30.8% |
| 42 | | | | | |
| 43 | | | | | |
| 44 | Totals may not add due to rounding | | | | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INCREMENTAL SECURITY
Return on Capital Investments, Depreciation and Taxes

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Strata | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--------|--|---------------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|--------------|--------------|----------------|
| 1 | Base | Investments | | | | | | | | | | | | | | |
| 2 | | a.Expenditures/Additions | | \$370,983 | \$592,059 | \$183,653 | \$875,451 | \$615,449 | \$587,979 | (\$13,278,089) | \$915 | - | (\$2,119,910) | \$1,234,729 | (\$213,637) | (\$11,150,418) |
| 3 | | b.Clearings to Plant | | - | - | - | - | - | - | \$13,455,642 | \$32,857 | \$121,593 | \$2,342,468 | (\$27,220) | \$65,339 | \$15,990,679 |
| 4 | | c.Retirements | | - | - | - | - | - | - | - | - | - | - | - | (\$313,513) | (\$313,513) |
| 5 | | d.Other | | (\$3,272) | (\$5,360) | (\$1,240) | (\$7,938) | (\$3,771) | (\$5,896) | (\$1,681) | (\$316) | (\$1,236) | (\$6,661) | (\$35,802) | (\$2,928) | (\$76,103) |
| 6 | | | | | | | | | | | | | | | | |
| 7 | | Plant-In-Service/Depreciation Base | \$22,916,916 | \$22,916,916 | \$22,916,916 | \$22,916,916 | \$22,916,916 | \$22,916,916 | \$22,916,916 | \$36,372,558 | \$36,405,415 | \$36,527,008 | \$38,869,476 | \$38,842,256 | \$38,907,595 | |
| 8 | | Less: Accumulated Depreciation | \$2,866,622 | \$2,966,356 | \$3,064,003 | \$3,165,770 | \$3,260,838 | \$3,360,074 | \$3,457,185 | \$3,571,125 | \$3,699,076 | \$3,826,251 | \$3,950,312 | \$4,044,790 | \$3,857,247 | |
| 9 | | CWIP - Non Interest Bearing | \$13,144,889 | \$13,515,872 | \$14,107,931 | \$14,291,584 | \$15,167,035 | \$15,782,484 | \$16,370,464 | \$3,092,375 | \$3,093,290 | \$3,093,290 | \$973,380 | \$2,208,109 | \$1,994,471 | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | Net Investment (Lines 7 - 8 + 9) | \$33,195,184 | \$33,466,431 | \$33,960,844 | \$34,042,731 | \$34,823,113 | \$35,339,326 | \$35,830,195 | \$35,893,808 | \$35,799,629 | \$35,794,046 | \$35,892,544 | \$37,005,575 | \$37,044,819 | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | Average Net Investment | | \$33,330,808 | \$33,713,638 | \$34,001,787 | \$34,432,922 | \$35,081,219 | \$35,584,760 | \$35,862,001 | \$35,846,718 | \$35,796,838 | \$35,843,295 | \$36,449,060 | \$37,025,197 | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | |
| 16 | | Return on Average Net Investment | | | | | | | | | | | | | | |
| 17 | | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$184,755 | \$186,877 | \$188,474 | \$190,864 | \$194,457 | \$197,248 | \$197,103 | \$197,019 | \$196,745 | \$197,000 | \$200,330 | \$203,496 | \$2,334,369 |
| 18 | | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$37,517 | \$37,948 | \$38,272 | \$38,758 | \$39,487 | \$40,054 | \$40,460 | \$40,442 | \$40,386 | \$40,438 | \$41,122 | \$41,772 | \$476,657 |
| 19 | | | | | | | | | | | | | | | | |
| 20 | | Investment Expenses | | | | | | | | | | | | | | |
| 21 | | a.Depreciation | | \$103,007 | \$103,007 | \$103,007 | \$103,007 | \$103,007 | \$103,007 | \$115,621 | \$128,267 | \$128,412 | \$130,722 | \$130,280 | \$128,899 | \$1,380,242 |
| 22 | | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | | | | | | | | | | | | | | | | |
| 25 | | Total System Recoverable Costs (Lines 16+17+20) | | \$325,279 | \$327,832 | \$329,753 | \$332,628 | \$336,952 | \$340,309 | \$353,184 | \$365,728 | \$365,543 | \$368,161 | \$371,731 | \$374,167 | \$4,191,267 |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |
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| 31 | | | | | | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | | | |
| 33 | | Totals may not add due to rounding | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INCREMENTAL SECURITY
Return on Capital Investments, Depreciation and Taxes

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Strata | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|---------|--|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | General | Investments | | | | | | | | | | | | | | |
| 2 | | a.Expenditures/Additions | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | | b.Clearings to Plant | | - | - | - | - | - | - | - | - | - | - | - | (\$12,959) | (\$12,959) |
| 4 | | c.Retirements | | - | - | - | - | - | - | - | - | - | - | - | (\$12,959) | (\$12,959) |
| 5 | | d.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | | | | | | | | | | | | | | | | |
| 7 | | Plant-In-Service/Depreciation Base | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$145,284 | \$132,325 | |
| 8 | | Less: Accumulated Depreciation | \$117,632 | \$120,053 | \$122,475 | \$124,896 | \$127,317 | \$129,739 | \$132,160 | \$134,582 | \$137,003 | \$139,424 | \$141,846 | \$144,267 | \$133,621 | |
| 9 | | CWIP - Non Interest Bearing | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | Net Investment (Lines 7 - 8 + 9) | \$27,652 | \$25,231 | \$22,809 | \$20,388 | \$17,966 | \$15,545 | \$13,124 | \$10,702 | \$8,281 | \$5,859 | \$3,438 | \$1,017 | (\$1,297) | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | Average Net Investment | | \$26,441 | \$24,020 | \$21,599 | \$19,177 | \$16,756 | \$14,334 | \$11,913 | \$9,492 | \$7,070 | \$4,649 | \$2,227 | (\$140) | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | Return on Average Net Investment | | | | | | | | | | | | | | |
| 16 | | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$147 | \$133 | \$120 | \$106 | \$93 | \$79 | \$65 | \$52 | \$39 | \$26 | \$12 | (\$1) | \$872 |
| 17 | | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$30 | \$27 | \$24 | \$22 | \$19 | \$16 | \$13 | \$11 | \$8 | \$5 | \$3 | (\$0) | \$177 |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | Investment Expenses | | | | | | | | | | | | | | |
| 20 | | a.Depreciation | | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,421 | \$2,313 | \$28,949 |
| 21 | | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | Total System Recoverable Costs (Lines 16+17+20) | | \$2,598 | \$2,582 | \$2,565 | \$2,549 | \$2,533 | \$2,517 | \$2,500 | \$2,484 | \$2,468 | \$2,452 | \$2,436 | \$2,312 | \$29,998 |
| 25 | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

31

32 Totals may not add due to rounding

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INCREMENTAL SECURITY
Return on Capital Investments, Depreciation and Taxes

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Strata | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--------------|--|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| 1 | Intermediate | Investments | | | | | | | | | | | | | | |
| 2 | | a.Expenditures/Additions | | - | - | - | - | - | - | - | \$82,776 | \$1,261 | \$122,071 | \$103,596 | (\$84,971) | \$224,732 |
| 3 | | b.Clearings to Plant | | - | - | - | - | - | - | - | \$309,905 | - | - | - | \$413,335 | \$723,240 |
| 4 | | c.Retirements | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | | d.Other | | - | - | - | - | - | - | - | (\$34,434) | (\$140) | (\$13,573) | (\$2) | (\$11,700) | (\$59,849) |
| 6 | | | | | | | | | | | | | | | | |
| 7 | | Plant-In-Service/Depreciation Base | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,340,984 | \$5,650,889 | \$5,650,889 | \$5,650,889 | \$5,650,889 | \$6,064,224 | |
| 8 | | Less: Accumulated Depreciation | \$764,038 | \$779,198 | \$794,358 | \$809,518 | \$824,678 | \$839,838 | \$854,997 | \$870,157 | \$851,224 | \$866,926 | \$869,195 | \$885,035 | \$889,772 | |
| 9 | | CWIP - Non Interest Bearing | - | - | - | - | - | - | - | - | \$159,415 | \$160,675 | \$282,746 | \$386,342 | \$301,371 | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | Net Investment (Lines 7 - 8 + 9) | \$4,576,946 | \$4,561,786 | \$4,546,626 | \$4,531,467 | \$4,516,307 | \$4,501,147 | \$4,485,987 | \$4,470,827 | \$4,959,079 | \$4,944,638 | \$5,064,440 | \$5,152,196 | \$5,475,822 | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | Average Net Investment | | \$4,569,366 | \$4,554,206 | \$4,539,047 | \$4,523,887 | \$4,508,727 | \$4,493,567 | \$4,478,407 | \$4,714,953 | \$4,951,859 | \$5,004,539 | \$5,108,318 | \$5,314,009 | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | Return on Average Net Investment | | | | | | | | | | | | | | |
| 16 | | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$25,328 | \$25,244 | \$25,160 | \$25,076 | \$24,992 | \$24,908 | \$24,614 | \$25,914 | \$27,216 | \$27,506 | \$28,076 | \$29,207 | \$313,242 |
| 17 | | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$5,143 | \$5,126 | \$5,109 | \$5,092 | \$5,075 | \$5,058 | \$5,053 | \$5,319 | \$5,587 | \$5,646 | \$5,763 | \$5,995 | \$63,967 |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | Investment Expenses | | | | | | | | | | | | | | |
| 20 | | a.Depreciation | | \$15,160 | \$15,160 | \$15,160 | \$15,160 | \$15,160 | \$15,160 | \$15,160 | \$15,501 | \$15,842 | \$15,842 | \$15,842 | \$16,438 | \$185,583 |
| 21 | | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | Total System Recoverable Costs (Lines 16+17+20) | | \$45,631 | \$45,530 | \$45,429 | \$45,328 | \$45,227 | \$45,126 | \$44,827 | \$46,734 | \$48,645 | \$48,994 | \$49,681 | \$51,640 | \$562,792 |
| 25 | | | | | | | | | | | | | | | | |
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| 30 | | | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | |
| 32 | | Totals may not add due to rounding | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INCREMENTAL SECURITY
Return on Capital Investments, Depreciation and Taxes
FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Strata | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|---------|--|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|----------|
| 1 | Peaking | Investments | | | | | | | | | | | | | | |
| 2 | | a.Expenditures/Additions | | - | - | - | - | - | - | - | - | - | - | - | (\$36) | (\$36) |
| 3 | | b.Clearings to Plant | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | | c.Retirements | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | | d.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | | | | | | | | | | | | | | | | |
| 7 | | Plant-In-Service/Depreciation Base | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | \$672,783 | |
| 8 | | Less: Accumulated Depreciation | \$146,041 | \$148,970 | \$151,899 | \$154,828 | \$157,758 | \$160,687 | \$163,616 | \$166,545 | \$169,474 | \$172,404 | \$175,333 | \$178,262 | \$181,191 | |
| 9 | | CWIP - Non Interest Bearing | - | - | - | - | - | - | - | - | \$37,190 | \$37,190 | \$37,190 | \$37,190 | \$37,154 | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | Net Investment (Lines 7 - 8 + 9) | \$526,742 | \$523,813 | \$520,884 | \$517,955 | \$515,025 | \$512,096 | \$509,167 | \$506,238 | \$540,499 | \$537,570 | \$534,641 | \$531,711 | \$528,746 | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | Average Net Investment | | \$525,278 | \$522,348 | \$519,419 | \$516,490 | \$513,561 | \$510,632 | \$507,702 | \$523,368 | \$539,034 | \$536,105 | \$533,176 | \$530,229 | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | Return on Average Net Investment | | | | | | | | | | | | | | |
| 16 | | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$2,912 | \$2,895 | \$2,879 | \$2,863 | \$2,847 | \$2,830 | \$2,790 | \$2,877 | \$2,963 | \$2,947 | \$2,930 | \$2,914 | \$34,647 |
| 17 | | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$591 | \$588 | \$585 | \$581 | \$578 | \$575 | \$573 | \$590 | \$608 | \$605 | \$602 | \$598 | \$7,074 |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | Investment Expenses | | | | | | | | | | | | | | |
| 20 | | a.Depreciation | | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$2,929 | \$35,150 |
| 21 | | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | Total System Recoverable Costs (Lines 16+17+20) | | \$6,432 | \$6,413 | \$6,393 | \$6,373 | \$6,354 | \$6,334 | \$6,292 | \$6,396 | \$6,500 | \$6,481 | \$6,461 | \$6,442 | \$76,871 |
| 25 | | | | | | | | | | | | | | | | |
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| 31 | | | | | | | | | | | | | | | | |
| 32 | | Totals may not add due to rounding | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CALCULATION OF VARIANCES
Return on Capital Investments, Depreciation and Taxes

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Strata | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--------|--|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|------------|------------|-------------|------------|
| 1 | Solar | Investments | | | | | | | | | | | | | | |
| 2 | | a.Expenditures/Additions | | \$26,047 | \$88,561 | \$15,305 | \$64,435 | \$608 | \$14,769 | \$24,020 | \$339 | (\$181,450) | \$2,333 | - | (\$102,341) | (\$47,374) |
| 3 | | b.Clearings to Plant | | - | - | - | - | - | - | - | - | \$181,759 | \$2,043 | - | \$143,904 | \$327,705 |
| 4 | | c.Retirements | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | | d.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | | | | | | | | | | | | | | | | |
| 7 | | Plant-In-Service/Depreciation Base | - | - | - | - | - | - | - | - | - | \$181,759 | \$183,802 | \$183,802 | \$327,705 | |
| 8 | | Less: Accumulated Depreciation | - | - | - | - | - | - | - | - | - | \$1,082 | \$3,258 | \$5,446 | \$8,491 | |
| 9 | | CWIP - Non Interest Bearing | \$47,374 | \$73,421 | \$161,981 | \$177,287 | \$241,722 | \$242,330 | \$257,099 | \$281,119 | \$281,458 | \$100,008 | \$102,341 | \$102,341 | - | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | | Net Investment (Lines 7 - 8 + 9) | \$47,374 | \$73,421 | \$161,981 | \$177,287 | \$241,722 | \$242,330 | \$257,099 | \$281,119 | \$281,458 | \$280,685 | \$282,885 | \$280,697 | \$319,215 | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | | Average Net Investment | | \$60,397 | \$117,701 | \$169,634 | \$209,504 | \$242,026 | \$249,714 | \$269,109 | \$281,288 | \$281,071 | \$281,785 | \$281,791 | \$299,956 | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | | Return on Average Net Investment | | | | | | | | | | | | | | |
| 16 | | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$335 | \$652 | \$940 | \$1,161 | \$1,342 | \$1,384 | \$1,479 | \$1,546 | \$1,545 | \$1,549 | \$1,549 | \$1,649 | \$15,131 |
| 17 | | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$68 | \$132 | \$191 | \$236 | \$272 | \$281 | \$304 | \$317 | \$317 | \$318 | \$318 | \$338 | \$3,093 |
| 18 | | | | | | | | | | | | | | | | |
| 19 | | Investment Expenses | | | | | | | | | | | | | | |
| 20 | | a.Depreciation | | - | - | - | - | - | - | - | - | \$1,082 | \$2,176 | \$2,188 | \$3,045 | \$8,491 |
| 21 | | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 22 | | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | | | | | | | | | | | | | | | | |
| 24 | | Total System Recoverable Costs (Lines 16+17+20) | | \$403 | \$785 | \$1,131 | \$1,397 | \$1,614 | \$1,665 | \$1,783 | \$1,863 | \$2,944 | \$4,043 | \$4,055 | \$5,032 | \$26,714 |
| 25 | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | |
| 32 | | Totals may not add due to rounding | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INCREMENTAL NUCLEAR NRC COMPLIANCE
Return on Capital Investments, Depreciation and Taxes

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total | |
|----------|--|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|
| 1 | Investments | | | | | | | | | | | | | | | |
| 2 | a.Expenditures/Additions | | \$475,685 | \$606,045 | (\$163,992) | (\$1,369,389) | \$459,328 | \$284,406 | (\$737,063) | \$1,368,835 | \$164,111 | \$2,241,813 | (\$4,161,875) | \$1,112,694 | \$280,597 | |
| 3 | b.Clearings to Plant | | (\$336,616) | \$109,966 | \$1,304,281 | (\$2,997,445) | \$67,252 | \$17,933 | \$1,161,038 | (\$98,440) | (\$42,377) | \$92,990 | (\$3,687,694) | \$1,272,655 | (\$3,136,458) | |
| 4 | c.Retirements | | - | - | - | (\$5,883,548) | - | - | - | - | - | - | (\$3,695,943) | - | (\$9,579,492) | |
| 5 | d.Other | | (\$7,130) | (\$13,379) | (\$19,475) | (\$258,268) | (\$15,562) | (\$8,969) | (\$19,681) | (\$1,013) | (\$9,253) | (\$352,426) | (\$43,226) | \$3,020,105 | \$2,271,724 | |
| 6 | | | | | | | | | | | | | | | | |
| 7 | Plant-In-Service/Depreciation Base | \$110,334,934 | \$109,998,318 | \$110,108,284 | \$111,412,565 | \$108,415,120 | \$108,482,372 | \$108,500,305 | \$109,661,343 | \$109,562,903 | \$109,520,526 | \$109,613,516 | \$105,925,822 | \$107,198,477 | | |
| 8 | Less: Accumulated Depreciation | \$13,619,444 | \$14,034,100 | \$14,442,105 | \$14,847,141 | \$9,125,907 | \$9,524,897 | \$9,930,642 | \$10,327,893 | \$10,745,803 | \$11,155,215 | \$11,221,565 | \$7,894,390 | \$11,321,880 | | |
| 9 | CWIP - Non Interest Bearing | \$962,770 | \$1,438,455 | \$2,044,500 | \$1,880,507 | \$511,118 | \$970,446 | \$1,254,852 | \$517,788 | \$1,886,623 | \$2,050,734 | \$4,292,547 | \$130,673 | \$1,243,367 | | |
| 10 | | | | | | | | | | | | | | | | |
| 11 | Net Investment (Lines 7 - 8 + 9) | \$97,678,260 | \$97,402,673 | \$97,710,678 | \$98,445,930 | \$99,800,331 | \$99,927,921 | \$99,824,514 | \$99,851,239 | \$100,703,724 | \$100,416,045 | \$102,684,498 | \$98,162,105 | \$97,119,964 | | |
| 12 | | | | | | | | | | | | | | | | |
| 13 | Average Net Investment | | \$97,540,466 | \$97,556,676 | \$98,078,304 | \$99,123,131 | \$99,864,126 | \$99,876,218 | \$99,837,877 | \$100,277,481 | \$100,559,884 | \$101,550,272 | \$100,423,302 | \$97,641,034 | | |
| 14 | | | | | | | | | | | | | | | | |
| 15 | Return on Average Net Investment | | | | | | | | | | | | | | | |
| 16 | a.Equity Component grossed up for taxes ⁽¹⁾ | | \$540,673 | \$540,762 | \$543,654 | \$549,445 | \$553,553 | \$553,620 | \$548,725 | \$551,141 | \$552,693 | \$558,136 | \$551,942 | \$536,651 | \$6,580,994 | |
| 17 | b.Debt Component (Line 13 x debt rate x 1/12) ⁽²⁾ | | \$109,792 | \$109,810 | \$110,397 | \$111,573 | \$112,407 | \$112,421 | \$112,637 | \$113,133 | \$113,452 | \$114,569 | \$113,298 | \$110,159 | \$1,343,646 | |
| 18 | | | | | | | | | | | | | | | | |
| 19 | Investment Expenses | | | | | | | | | | | | | | | |
| 20 | a.Depreciation | | \$421,786 | \$421,383 | \$424,511 | \$420,581 | \$414,553 | \$414,714 | \$416,931 | \$418,923 | \$418,665 | \$418,775 | \$411,995 | \$407,385 | \$5,010,203 | |
| 21 | b.Amortization | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 22 | c.Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 23 | | | | | | | | | | | | | | | | |
| 24 | Total System Recoverable Costs (Lines 16+17+20) | | \$1,072,250 | \$1,071,956 | \$1,078,562 | \$1,081,599 | \$1,080,512 | \$1,080,755 | \$1,078,293 | \$1,083,197 | \$1,084,810 | \$1,091,480 | \$1,077,235 | \$1,054,194 | \$12,934,844 | |
| 25 | | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | | |
| 28 | ⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report | | | | | | | | | | | | | | | |
| 29 | and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity. | | | | | | | | | | | | | | | |
| 30 | ⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report. | | | | | | | | | | | | | | | |
| 31 | | | | | | | | | | | | | | | | |
| 32 | Totals may not add due to rounding | | | | | | | | | | | | | | | |

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CEDAR BAY TRANSACTION
Regulatory Asset Related to the Loss of the PPA and Income Tax Gross-Up

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 | Regulatory Asset - Loss of PPA ⁽¹⁾ | | \$278,839,317 | \$274,191,995 | \$269,544,673 | \$264,897,351 | \$260,250,029 | \$255,602,707 | \$250,955,385 | \$246,308,063 | \$241,660,741 | \$237,013,419 | \$232,366,097 | \$227,718,775 | |
| 2 | | | | | | | | | | | | | | | |
| 3 | Regulatory Asset - Loss of PPA Amort | | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$4,647,322 | \$55,767,864 |
| 4 | | | | | | | | | | | | | | | |
| 5 | Unamortized Regulatory Asset - Loss of PPA | \$278,839,317 | \$274,191,995 | \$269,544,673 | \$264,897,351 | \$260,250,029 | \$255,602,707 | \$250,955,385 | \$246,308,063 | \$241,660,741 | \$237,013,419 | \$232,366,097 | \$227,718,775 | \$223,071,453 | |
| 6 | | | | | | | | | | | | | | | |
| 7 | Average Unamortized Regulatory Asset - Loss of PPA | - | \$276,515,656 | \$271,868,334 | \$267,221,012 | \$262,573,690 | \$257,926,368 | \$253,279,046 | \$248,631,724 | \$243,984,402 | \$239,337,080 | \$234,689,758 | \$230,042,436 | \$225,395,114 | |
| 8 | | | | | | | | | | | | | | | |
| 9 | Regulatory Asset - Income Tax Gross Up | \$178,030,026 | \$175,111,501 | \$172,192,976 | \$169,274,451 | \$166,355,926 | \$163,437,401 | \$160,518,876 | \$157,600,351 | \$154,681,826 | \$151,763,301 | \$148,844,776 | \$145,926,251 | \$143,007,726 | |
| 10 | | | | | | | | | | | | | | | |
| 11 | Regulatory Asset Amortization - Income Tax Gross-Up | - | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$2,918,525 | \$35,022,300 |
| 12 | | | | | | | | | | | | | | | |
| 13 | Unamortized Regulatory Asset - Income Tax Gross Up | - | \$172,192,976 | \$169,274,451 | \$166,355,926 | \$163,437,401 | \$160,518,876 | \$157,600,351 | \$154,681,826 | \$151,763,301 | \$148,844,776 | \$145,926,251 | \$143,007,726 | \$140,089,201 | |
| 14 | | | | | | | | | | | | | | | |
| 15 | Return on Unamortized Regulatory Asset - Loss of PPA only | | | | | | | | | | | | | | |
| 16 | a. Equity Component ⁽¹⁾ | | \$1,156,886 | \$1,137,443 | \$1,117,999 | \$1,098,556 | \$1,079,112 | \$1,059,669 | \$1,031,424 | \$1,012,145 | \$992,866 | \$973,587 | \$954,308 | \$935,029 | \$12,549,024 |
| 17 | | | | | | | | | | | | | | | |
| 18 | b. Equity Comp. grossed up for taxes ⁽²⁾ | | \$1,532,743 | \$1,506,982 | \$1,481,222 | \$1,455,461 | \$1,429,701 | \$1,403,941 | \$1,366,519 | \$1,340,977 | \$1,315,434 | \$1,289,892 | \$1,264,350 | \$1,238,807 | \$16,626,029 |
| 19 | | | | | | | | | | | | | | | |
| 20 | c. Debt Component (Line 7 * debt rate / 12) ⁽³⁾ | | \$311,246 | \$306,015 | \$300,784 | \$295,553 | \$290,322 | \$285,091 | \$280,506 | \$275,263 | \$270,020 | \$264,777 | \$259,534 | \$254,291 | \$3,393,402 |
| 21 | | | | | | | | | | | | | | | |
| 22 | Total Return Requirements (Line 18 + 20) | | \$1,843,989 | \$1,812,997 | \$1,782,006 | \$1,751,014 | \$1,720,023 | \$1,689,032 | \$1,647,026 | \$1,616,240 | \$1,585,454 | \$1,554,669 | \$1,523,883 | \$1,493,098 | \$20,019,431 |
| 23 | Total Recoverable Costs (Line 3 + 11 + 22) | | \$9,409,836 | \$9,378,844 | \$9,347,853 | \$9,316,861 | \$9,285,870 | \$9,254,879 | \$9,212,873 | \$9,182,087 | \$9,151,301 | \$9,120,516 | \$9,089,730 | \$9,058,945 | \$110,809,595 |
| 24 | | | | | | | | | | | | | | | |
| 25 | | | | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | | | |
| 27 | | | | | | | | | | | | | | | |
| 28 | | | | | | | | | | | | | | | |
| 29 | | | | | | | | | | | | | | | |
| 30 | | | | | | | | | | | | | | | |
| 31 | Totals may not add due to rounding | | | | | | | | | | | | | | |

⁽¹⁾ The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report and reflects a 10.55% return on equity; the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Gross-up factors for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%.

⁽³⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

⁽⁴⁾ Recovery of the Cedar Bay Transaction is based on the settlement agreement approved by the FPSC in Docket No. 150075-EI, Order No. PSC-15-0401-AS-EI.

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
CEDAR BAY TRANSACTION
Regulatory Liability - Book/Tax Timing Difference Associated to Plant Asset

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 1 | Regulatory Liability - Book/Tax Timing Difference ⁽¹⁾ | | (\$3,652,117) | (\$3,591,249) | (\$3,530,381) | (\$3,469,513) | (\$3,408,645) | (\$3,347,777) | (\$3,286,909) | (\$3,226,041) | (\$3,165,173) | (\$3,104,305) | (\$3,043,437) | (\$2,982,569) | (\$39,808,116) |
| 2 | | | | | | | | | | | | | | | |
| 3 | Regulatory Liability Amortization | | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$60,868 | \$730,416 |
| 4 | | | | | | | | | | | | | | | |
| 5 | Unamortized Regulatory Liability - Book/Tax Timing Diff | (\$3,652,117) | (\$3,591,249) | (\$3,530,381) | (\$3,469,513) | (\$3,408,645) | (\$3,347,777) | (\$3,286,909) | (\$3,226,041) | (\$3,165,173) | (\$3,104,305) | (\$3,043,437) | (\$2,982,569) | (\$2,921,701) | (\$42,729,817) |
| 6 | | | | | | | | | | | | | | | |
| 7 | Average Unamortized Regulatory Liability - Book/Tax Timing Difference | | (\$3,621,683) | (\$3,560,815) | (\$3,499,947) | (\$3,439,079) | (\$3,378,211) | (\$3,317,343) | (\$3,256,475) | (\$3,195,607) | (\$3,134,739) | (\$3,073,871) | (\$3,013,003) | (\$2,952,135) | |
| 8 | | | | | | | | | | | | | | | |
| 9 | Return on Unamortized Regulatory Liability - Book/Tax Timing Difference | | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | | | | | | | | | | | | | | | |
| 11 | a. Equity Component ⁽¹⁾ | | (\$15,152) | (\$14,898) | (\$14,643) | (\$14,388) | (\$14,134) | (\$13,879) | (\$13,509) | (\$13,257) | (\$13,004) | (\$12,752) | (\$12,499) | (\$12,247) | (\$164,362) |
| 12 | | | | | | | | | | | | | | | |
| 13 | b. Equity Comp. grossed up for taxes ⁽²⁾ | | (\$20,075) | (\$19,738) | (\$19,400) | (\$19,063) | (\$18,726) | (\$18,388) | (\$17,998) | (\$17,564) | (\$17,229) | (\$16,894) | (\$16,560) | (\$16,225) | (\$217,761) |
| 14 | | | | | | | | | | | | | | | |
| 15 | c. Debt Component (Line 7 * debt rate / 12) ⁽³⁾ | | (\$4,077) | (\$4,008) | (\$3,940) | (\$3,871) | (\$3,803) | (\$3,734) | (\$3,674) | (\$3,605) | (\$3,537) | (\$3,468) | (\$3,399) | (\$3,331) | (\$44,445) |
| 16 | | | | | | | | | | | | | | | |
| 17 | Total Return Requirements (Line 13 + 15) | | (\$24,152) | (\$23,746) | (\$23,340) | (\$22,934) | (\$22,528) | (\$22,122) | (\$21,572) | (\$21,169) | (\$20,766) | (\$20,362) | (\$19,959) | (\$19,556) | (\$262,206) |
| 18 | Total Recoverable Costs (Line 3 - 17) | | (\$85,020) | (\$84,614) | (\$84,208) | (\$83,802) | (\$83,396) | (\$82,990) | (\$82,440) | (\$82,037) | (\$81,634) | (\$81,230) | (\$80,827) | (\$80,424) | (\$992,622) |
| 19 | | | | | | | | | | | | | | | |
| 20 | | | | | | | | | | | | | | | |

⁽¹⁾ The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report and reflects a 10.55% return on equity, the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Gross-up factor for taxes is 0.75478, which reflect he Federal Income Tax Rate of 21%.

⁽³⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

⁽⁴⁾ Recovery of the Cedar Bay Transaction is based on the settlement agreement approved by the FPSC in Docket No. 150075-EI, Order No. PSC-15-0401-AS-EI.

Totals may not add due to rounding

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
INDIANTOWN TRANSACTION
Regulatory Asset Related to the Loss of the PPA and Income Tax Gross-Up

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | Beginning of Period | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|
| 1 | Regulatory Asset - Loss of PPA ⁽¹⁾ | - | \$300,999,999 | \$296,819,444 | \$292,638,888 | \$288,458,333 | \$284,277,777 | \$280,097,221 | \$275,916,666 | \$271,736,110 | \$267,555,555 | \$263,374,999 | \$259,194,444 | \$255,013,888 | \$3,336,083,324 |
| 2 | | | | | | | | | | | | | | | |
| 3 | Regulatory Asset - Loss of PPA Amort | - | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$4,180,556 | \$50,166,667 |
| 4 | | | | | | | | | | | | | | | |
| 5 | Unamortized Regulatory Asset - Loss of PPA | \$300,999,999 | \$296,819,444 | \$292,638,888 | \$288,458,333 | \$284,277,777 | \$280,097,221 | \$275,916,666 | \$271,736,110 | \$267,555,555 | \$263,374,999 | \$259,194,444 | \$255,013,888 | \$250,833,333 | \$3,586,916,657 |
| 6 | | | | | | | | | | | | | | | |
| 7 | Average Unamortized Regulatory Asset - Loss of PPA | | \$298,909,722 | \$294,729,166 | \$290,548,610 | \$286,368,055 | \$282,187,499 | \$278,006,944 | \$273,826,388 | \$269,645,833 | \$265,465,277 | \$261,284,721 | \$257,104,166 | \$252,923,610 | |
| 8 | | | | | | | | | | | | | | | |
| 9 | Return on Unamortized Regulatory Asset - Loss of PPA only | | | | | | | | | | | | | | |
| 10 | a. Equity Component ⁽¹⁾ | | \$1,250,578 | \$1,233,088 | \$1,215,597 | \$1,198,107 | \$1,180,616 | \$1,163,125 | \$1,135,941 | \$1,118,599 | \$1,101,256 | \$1,083,914 | \$1,066,571 | \$1,049,228 | \$13,796,621 |
| 11 | | | | | | | | | | | | | | | |
| 12 | b. Equity Comp. grossed up for taxes ⁽²⁾ | | \$1,656,874 | \$1,633,701 | \$1,610,528 | \$1,587,355 | \$1,564,182 | \$1,541,009 | \$1,504,993 | \$1,482,016 | \$1,459,039 | \$1,436,062 | \$1,413,085 | \$1,390,108 | \$18,278,953 |
| 13 | | | | | | | | | | | | | | | |
| 14 | c. Debt Component (Line 7 * debt rate / 12) ⁽³⁾ | | \$336,453 | \$331,747 | \$327,042 | \$322,336 | \$317,630 | \$312,925 | \$308,931 | \$304,214 | \$299,498 | \$294,781 | \$290,065 | \$285,348 | \$3,730,970 |
| 15 | | | | | | | | | | | | | | | |
| 16 | Total Return Requirements (Line 18 + 20) | | \$1,993,327 | \$1,965,448 | \$1,937,570 | \$1,909,691 | \$1,881,812 | \$1,853,933 | \$1,813,924 | \$1,786,231 | \$1,758,537 | \$1,730,844 | \$1,703,150 | \$1,675,457 | \$22,009,923 |
| 17 | Total Recoverable Costs (Line 3 + 11 + 22) | | \$6,173,883 | \$6,146,004 | \$6,118,125 | \$6,090,246 | \$6,062,368 | \$6,034,489 | \$5,994,480 | \$5,966,786 | \$5,938,093 | \$5,911,399 | \$5,883,706 | \$5,856,012 | \$72,176,590 |
| 18 | | | | | | | | | | | | | | | |
| 19 | | | | | | | | | | | | | | | |

⁽¹⁾ The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report and reflects a 10.55% return on equity, the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Gross-up factor for taxes is 0.75478, which reflect the Federal Income Tax Rate of 21%.

⁽³⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

⁽⁴⁾ Recovery of the Indiantown Transaction is based on the settlement agreement approved by the FPSC in Docket No. 20160154-EI, Order No. PSC-2016-0506-FOF-EI.

Totals may not add due to rounding

FLORIDA POWER & LIGHT COMPANY
CAPACITY COST RECOVERY CLAUSE
SJRPP TRANSACTION
Regulatory Assets and Liabilities Related to the SJRPP Transaction

FOR THE PERIOD: JANUARY 2020 THROUGH DECEMBER 2020

| Line No. | Line | Beginning Balance | Jan - 2020 | Feb - 2020 | Mar - 2020 | Apr - 2020 | May - 2020 | Jun - 2020 | Jul - 2020 | Aug - 2020 | Sep - 2020 | Oct - 2020 | Nov - 2020 | Dec - 2020 | Total |
|----------|--|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| 1 | Regulatory Asset - SJRPP Transaction Shutdown Payment ⁽³⁾ | | \$43,234,783 | \$41,269,566 | \$39,304,348 | \$37,339,131 | \$35,373,913 | \$33,408,696 | \$31,443,479 | \$29,478,261 | \$27,513,044 | \$25,547,826 | \$23,582,609 | \$21,617,392 | |
| 2 | Regulatory Asset - SJRPP Transaction Shutdown Payment Amortiz | | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$1,965,217 | \$23,582,609 |
| 3 | Unamortized Regulatory Asset - SJRPP Transaction Shutdown Pay | \$43,234,783 | \$41,269,566 | \$39,304,348 | \$37,339,131 | \$35,373,913 | \$33,408,696 | \$31,443,479 | \$29,478,261 | \$27,513,044 | \$25,547,826 | \$23,582,609 | \$21,617,392 | \$19,652,174 | |
| 4 | | | | | | | | | | | | | | | |
| 5 | Other regulatory liability - SJRPP Suspension Liability | | (\$4,736,980) | (\$4,521,663) | (\$4,306,346) | (\$4,091,028) | (\$3,875,711) | (\$3,660,394) | (\$3,445,076) | (\$3,229,759) | (\$3,014,442) | (\$2,799,125) | (\$2,583,807) | (\$2,368,490) | (\$42,632,821) |
| 6 | Other regulatory liability - SJRPP Suspension Liability Amortization | | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$215,317) | (\$2,583,807) |
| 7 | Unamortized Regulatory Liability - SJRPP Suspension Liability | (\$4,736,980) | (\$4,521,663) | (\$4,306,346) | (\$4,091,028) | (\$3,875,711) | (\$3,660,394) | (\$3,445,076) | (\$3,229,759) | (\$3,014,442) | (\$2,799,125) | (\$2,583,807) | (\$2,368,490) | (\$2,153,173) | |
| 8 | | | | | | | | | | | | | | | |
| 9 | Average Net Unamortized Regulatory Asset/Liab (Lines 3 + 7) | | \$37,622,853 | \$35,872,953 | \$34,123,053 | \$32,373,152 | \$30,623,252 | \$28,873,352 | \$27,123,452 | \$25,373,552 | \$23,623,652 | \$21,873,752 | \$20,123,852 | \$18,373,951 | |
| 10 | | | | | | | | | | | | | | | |
| 11 | Equity Component | | \$157,406 | \$150,085 | \$142,764 | \$135,443 | \$128,122 | \$120,800 | \$112,519 | \$105,260 | \$98,000 | \$90,741 | \$83,482 | \$76,223 | \$1,400,845 |
| 12 | Equity Comp. grossed up for taxes ⁽¹⁾ | | \$208,546 | \$198,846 | \$189,146 | \$179,446 | \$169,746 | \$160,047 | \$149,075 | \$139,457 | \$129,839 | \$120,222 | \$110,604 | \$100,986 | \$1,855,960 |
| 13 | Debt Component (Line 9 x debt rate / 12) ⁽²⁾ | | \$42,348 | \$40,379 | \$38,409 | \$36,439 | \$34,470 | \$32,500 | \$30,601 | \$28,626 | \$26,652 | \$24,678 | \$22,704 | \$20,729 | \$378,535 |
| 14 | | | | | | | | | | | | | | | |
| 15 | Total Return Requirements (Line 12 + 13) | | \$250,894 | \$239,224 | \$227,555 | \$215,886 | \$204,216 | \$192,547 | \$179,675 | \$168,083 | \$156,492 | \$144,900 | \$133,308 | \$121,716 | \$2,234,495 |
| 16 | | | | | | | | | | | | | | | |
| 17 | Other SJRPP Transaction Items ⁽⁴⁾ | | | | | | | | | | | | | | |
| 18 | SJRPP Deferred Interest Amortization (Refund) | | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$269,182) | (\$3,230,181) |
| 19 | SJRPP Article 8 PPA Dismantlement Accrual Amortization (Refund) | | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$867,898) | (\$10,414,774) |
| 20 | | | | | | | | | | | | | | | |
| 21 | Total Recoverable Expenses (Lines 2 + 6 + 15 + 18 + 19) | | \$863,715 | \$852,045 | \$840,376 | \$828,706 | \$817,037 | \$805,367 | \$792,496 | \$780,904 | \$769,312 | \$757,720 | \$746,128 | \$734,536 | \$9,588,341 |
| 22 | | | | | | | | | | | | | | | |

⁽¹⁾ The Gross-up factor for taxes is 0.75478, which reflects the Federal Income Tax Rate of 21%. The monthly Equity Component for the Jan. – Jun. 2020 period is 5.0206%, based on May 2019 ROR Surveillance Report

and reflects a 10.55% return on equity, and the monthly Equity Component for the Jul. – Dec. 2020 period is 4.9781% based on the May 2020 ROR Surveillance Report and reflects a 10.55% return on equity.

⁽²⁾ The Debt Component for the Jan. – Jun. 2020 period is 1.3507% is based on the May 2019 Earnings Surveillance Report and the Debt Component for the Jul. – Dec. 2020 period is 1.3538% based on the May 2020 Earnings Surveillance Report.

⁽³⁾ Recovery of the SJRPP Transaction over a 46 month period is based on the settlement agreement approved by the FPSC in Docket No. 20170123-EI Order No. PSC-2017-0415-AS-EI.

⁽⁴⁾ The total amount of SJRPP Deferred Interest and Article 8 PPA Dismantlement Accrual to refund is \$12.4M and \$39.9M, respectively. The unamortized balances for these regulatory liabilities are a reflected in rate base.

28
29 Totals may not add due to rounding

Florida Power & Light Company
 Schedule A12 - Capacity Costs: Payments to Co-generators
 Page 1 of 2

For the Month of Dec-20

| Contract | Capacity MW | Term Start | Term End | Contract Type |
|--------------------------------|----------------|---------------|-------------|------------------|
| Indiantown | 330 | 12/22/1995 | 12/31/2020 | QF |
| Broward South - 1991 Agreement | 3.5 | 1/1/1993 | 12/31/2026 | QF |

QF = Qualifying Facility

| | January | February | March | April | May | June | July | August | September | October | November | December | Year-to-date |
|------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|--------------|
| ICL | | | | | | | | | | | | | 0 |
| BS-NEG '91 | 167,174 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 1,478,099 |
| Total | 167,174 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 119,175 | 1,478,099 |

Notes:

(1) Consistent with Commission Order No. PSC-2016-0506-FOF-EI, issued in Docket No. 20160154-EI on November 2, 2016, energy and capacity costs associated with the Indiantown Cogeneration, LP (ICL) purchased power agreement (PPA) are no longer being recovered through the Fuel or Capacity Clauses, respectively. FPL, through its ownership, which began on January 5, 2017, now has dispatch control of the ICL facility and will administer the PPA internally.

Florida Power & Light Company
 Schedule A12 - Capacity Costs: Payments to Non-cogenerators
 Page 2 of 2

For the Month of Dec-20

| <u>Contract</u> | <u>Counterparty</u> | <u>Identification</u> | <u>Contract Start Date</u> | <u>Contract End Date</u> |
|-----------------|-------------------------------------|-----------------------|----------------------------|--------------------------|
| 1 | Solid Waste Authority - 40 MW | Other Entity | January, 2012 | March 31, 2032 |
| 2 | Solid Waste Authority - 70 MW | Other Entity | July, 2015 | May 31, 2034 |
| 3 | Orlando Utilities Commission OP-CAP | Other Entity | December 17, 2018 | December 31, 2020 |

2020 Capacity in MW

| <u>Contract</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | 40 |
| 2 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |
| 3 | 70 | 70 | 70 | 70 | 100 | 100 | 100 | 100 | 100 | 80 | 80 | 80 |
| Total | 180 | 180 | 180 | 180 | 210 | 210 | 210 | 210 | 210 | 190 | 190 | 190 |

2020 Capacity in Dollars

| | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> |
|-------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Total | 2,083,820 | 2,083,820 | 2,083,820 | 2,083,820 | 2,412,200 | 2,145,800 | 2,456,600 | 2,412,200 | 2,412,200 | 2,192,619 | 2,193,280 | 2,193,280 |

| | |
|---|---------------------------|
| Year-to-date Short Term Capacity Payments | 26,753,459 ⁽¹⁾ |
|---|---------------------------|

(1) Total capacity costs do not include payments for the Solid Waste Authority - 70 MW unit. Capacity costs for this unit were recovered through the Energy Conservation Cost Recovery Clause in 2014, consistent with Commission Order No. PSC-11-0293-FOF-EU issued in Docket No. 110018-EU on July 6, 2011.

| <u>Contract</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |

| <u>True ups</u> | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> |
|-----------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |

**FLORIDA POWER & LIGHT COMPANY
COST RECOVERY CLAUSES**

**CAPITAL STRUCTURE AND COST RATES PER
MAY 2019 EARNINGS SURVEILLANCE REPORT**

Equity @ 10.55%

| | ADJUSTED RETAIL | RATIO | MIDPOINT COST RATES | WEIGHTED COST | PRE-TAX WEIGHTED COST |
|-------------------------------------|-------------------------|----------------|------------------------|------------------|-----------------------------|
| LONG_TERM_DEBT | 10,490,880,245 | 28.119% | 4.44% | 1.25% | 1.25% |
| SHORT_TERM_DEBT | 669,988,433 | 1.796% | 3.62% | 0.06% | 0.06% |
| PREFERRED_STOCK | 0 | 0.000% | 0.00% | 0.00% | 0.00% |
| CUSTOMER_DEPOSITS | 403,097,747 | 1.080% | 2.11% | 0.02% | 0.02% |
| COMMON_EQUITY | 17,554,936,062 | 47.053% | 10.55% | 4.96% | 6.65% |
| DEFERRED_INCOME_TAX | 7,870,776,333 | 21.096% | 0.00% | 0.00% | 0.00% |
| INVESTMENT_TAX_CREDITS ZERO COST | 0 | 0.000% | 0.00% | 0.00% | 0.00% |
| WEIGHTED COST | 319,453,350 | 0.856% | 8.26% | 0.07% | 0.09% |
| TOTAL | \$37,309,132,171 | 100.00% | | 6.37% | 8.08% |

CALCULATION OF THE WEIGHTED COST FOR CONVERTIBLE INVESTMENT TAX CREDITS (C-ITC) (a)

| | ADJUSTED RETAIL | RATIO | COST RATE | WEIGHTED COST | PRE TAX COST |
|-----------------|-------------------------|----------------|--------------|------------------|-----------------|
| LONG TERM DEBT | \$10,490,880,245 | 37.41% | 4.441% | 1.661% | 1.661% |
| PREFERRED STOCK | 0 | 0.00% | 0.000% | 0.000% | 0.000% |
| COMMON EQUITY | 17,554,936,062 | 62.59% | 10.550% | 6.604% | 8.846% |
| TOTAL | \$28,045,816,308 | 100.00% | | 8.265% | 10.507% |
| RATIO | | | | | |

DEBT COMPONENTS:

| | |
|-----------------------|----------------|
| LONG TERM DEBT | 1.2488% |
| SHORT TERM DEBT | 0.0649% |
| CUSTOMER DEPOSITS | 0.0228% |
| TAX CREDITS -WEIGHTED | 0.0142% |
| TOTAL DEBT | 1.3507% |

EQUITY COMPONENTS:

| | |
|-----------------------|----------------|
| PREFERRED STOCK | 0.0000% |
| COMMON EQUITY | 4.9641% |
| TAX CREDITS -WEIGHTED | 0.0565% |
| TOTAL EQUITY | 5.0206% |
| TOTAL | 6.3713% |
| PRE-TAX EQUITY | 6.7251% |
| PRE-TAX TOTAL | 8.0758% |

Note:

(a) This capital structure applies only to Convertible Investment Tax Credit (C-ITC)

**FLORIDA POWER & LIGHT COMPANY
COST RECOVERY CLAUSES**

**CAPITAL STRUCTURE AND COST RATES PER
MAY 2020 EARNINGS SURVEILLANCE REPORT**

Equity @ 10.55%

| | ADJUSTED RETAIL | RATIO | MIDPOINT COST RATES | WEIGHTED COST | PRE-TAX WEIGHTED COST |
|-------------------------------------|-------------------------|----------------|------------------------|------------------|-----------------------------|
| LONG_TERM_DEBT | 12,539,092,665 | 30.643% | 4.17% | 1.28% | 1.28% |
| SHORT_TERM_DEBT | 462,827,285 | 1.131% | 3.16% | 0.04% | 0.04% |
| PREFERRED_STOCK | 0 | 0.000% | 0.00% | 0.00% | 0.00% |
| CUSTOMER_DEPOSITS | 420,293,246 | 1.027% | 2.12% | 0.02% | 0.02% |
| COMMON_EQUITY | 19,050,189,760 | 46.554% | 10.55% | 4.91% | 6.51% |
| DEFERRED_INCOME_TAX | 8,019,547,167 | 19.598% | 0.00% | 0.00% | 0.00% |
| INVESTMENT_TAX_CREDITS ZERO COST | 0 | 0.000% | 0.00% | 0.00% | 0.00% |
| WEIGHTED COST | 428,551,760 | 1.047% | 8.02% | 0.08% | 0.11% |
| TOTAL | \$40,920,501,883 | 100.00% | | 6.33% | 7.95% |

CALCULATION OF THE WEIGHTED COST FOR CONVERTIBLE INVESTMENT TAX CREDITS (C-ITC) (a)

| | ADJUSTED RETAIL | RATIO | COST RATE | WEIGHTED COST | PRE TAX COST |
|-----------------|-------------------------|----------------|--------------|------------------|-----------------|
| LONG TERM DEBT | \$12,539,092,665 | 39.69% | 4.174% | 1.657% | 1.657% |
| PREFERRED STOCK | 0 | 0.00% | 0.000% | 0.000% | 0.000% |
| COMMON EQUITY | 19,050,189,760 | 60.31% | 10.550% | 6.362% | 8.429% |
| TOTAL | \$31,589,282,425 | 100.00% | | 8.019% | 10.086% |
| RATIO | | | | | |

DEBT COMPONENTS:

| | |
|-----------------------|----------------|
| LONG TERM DEBT | 1.2789% |
| SHORT TERM DEBT | 0.0357% |
| CUSTOMER DEPOSITS | 0.0218% |
| TAX CREDITS -WEIGHTED | 0.0174% |
| TOTAL DEBT | 1.3538% |

EQUITY COMPONENTS:

| | |
|-----------------------|----------------|
| PREFERRED STOCK | 0.0000% |
| COMMON EQUITY | 4.9115% |
| TAX CREDITS -WEIGHTED | 0.0666% |
| TOTAL EQUITY | 4.9781% |
| TOTAL | 6.3319% |
| PRE-TAX EQUITY | 6.5954% |
| PRE-TAX TOTAL | 7.9492% |

Note:

(a) This capital structure applies only to Convertible Investment Tax Credit (C-ITC)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

TESTIMONY OF GERARD J. YUPP

DOCKET NO. 20210001-EI

April 2, 2021

Q. Please state your name and address.

A. My name is Gerard J. Yupp. My business address is 700 Universe Boulevard, Juno Beach, Florida, 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power and Light Company (“FPL”) as Senior Director of Wholesale Operations in the Energy Marketing and Trading Division.

Q. Have you previously testified in this docket?

A. Yes.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to present the 2020 results of FPL’s activities under the Asset Optimization Program Incentive Mechanism that was originally approved by Order No. PSC-13-0023-S-EI, dated January 14, 2013, in Docket No. 120015-EI and approved for continuation, with certain modifications, by Order No. PSC-16-0560-AS-EI, dated December 15, 2016, in Docket No. 160021-EI.

1 **Q. Have you prepared or caused to be prepared under your supervision,**
2 **direction and control any exhibits in this proceeding?**

3 A. Yes, I am sponsoring the following exhibits:

- 4 • GJY-1, consisting of 4 pages:
 - 5 ▪ Page 1 – Total Gains Schedule
 - 6 ▪ Page 2 – Wholesale Power Detail
 - 7 ▪ Page 3 – Asset Optimization Detail
 - 8 ▪ Page 4 – Incremental Optimization Costs

9 **Q. Please provide an overview of the Incentive Mechanism.**

10 A. The Incentive Mechanism is an expanded optimization program that is designed
11 to create additional value for FPL’s customers while also providing an incentive
12 to FPL if certain customer-value thresholds are achieved. The Incentive
13 Mechanism includes gains from wholesale power sales and savings from
14 wholesale power purchases, as well as gains from other forms of asset
15 optimization. These other forms of asset optimization include, but are not limited
16 to, natural gas storage optimization, natural gas sales, capacity releases of natural
17 gas transportation, capacity releases of electric transmission and potentially
18 capturing additional value from a third party in the form of an Asset Management
19 Agreement.

20

1 **Q. Please describe the modifications that were made to the Incentive**
2 **Mechanism in FPL’s 2016 rate case and approved by Order No. PSC-16-**
3 **0560-AS-EI.**

4 A. There were two specific modifications made to the Incentive Mechanism in
5 FPL’s 2016 rate case. First, the sharing threshold was reduced from \$46 million
6 to \$40 million. The sharing intervals and percentages remained unchanged from
7 the original Incentive Mechanism. Under the modified Incentive Mechanism,
8 customers continue to receive 100% of the gains up to the new sharing threshold
9 of \$40 million. Incremental gains above \$40 million continue to be shared
10 between FPL and customers as follows: customers receive 40% and FPL
11 receives 60% of the incremental gains between \$40 million and \$100 million;
12 and customers receive 50% and FPL receives 50% of all incremental gains above
13 \$100 million.

14
15 The second modification that was made to the Incentive Mechanism involved
16 variable power plant O&M costs. Under the original Incentive Mechanism, FPL
17 was allowed to recover variable power plant O&M costs incurred to make
18 wholesale sales above 514,000 MWh (the level of wholesale sales that were
19 assumed in forecasting FPL’s 2013 test year power plant O&M costs in the MFRs
20 filed in FPL’s 2012 rate case). Under the modified Incentive Mechanism, FPL
21 nets economy sales and purchases and recovers the net amount of variable power
22 plant O&M incurred during the year. For example, if economy purchases are
23 greater than economy sales, customers receive a credit for the net variable power

1 plant O&M that has been saved during the year. The per-MWh variable power
2 plant O&M rate that FPL uses to calculate these costs, as described in FPL's 2017
3 Test Year MFRs filed with the 2016 Rate Petition is \$0.65/MWh. FPL continues
4 to be allowed to recover reasonable and prudent incremental O&M costs incurred
5 in implementing the expanded optimization program under the Incentive
6 Mechanism, including incremental personnel, software and associated hardware
7 costs.

8 **Q. Please summarize the activities and results of the Incentive Mechanism for**
9 **2020.**

10 A. FPL's activities under the Incentive Mechanism in 2020 delivered \$46,135,050
11 in total gains. During 2020, FPL's activities under the Incentive Mechanism
12 included wholesale power purchases and sales, natural gas sales in the market
13 and production areas, gas storage utilization, and the capacity release of firm
14 natural gas transportation. Additionally, FPL entered into several Asset
15 Management Agreements related to a small portion of upstream gas
16 transportation during 2020. The total gains of \$46,135,050 exceeded the sharing
17 threshold of \$40 million. Therefore, the incremental gains above \$40 million will
18 be shared between customers and FPL, 40% and 60%, respectively. Exhibit
19 GJY-1, Page 1, shows monthly gain totals, threshold levels and the final gains
20 allocation for 2020.

21

1 **Q. Please provide the details of FPL's wholesale power activities under the**
2 **Incentive Mechanism for 2020.**

3 A. The details of FPL's 2020 wholesale power sales and purchases are shown
4 separately on Page 2 of Exhibit GJY-1. FPL had gains of \$25,419,391 on
5 wholesale sales and savings of \$2,740,526 on wholesale purchases for the year.

6 **Q. Please provide the details of FPL's asset optimization activities under the**
7 **Incentive Mechanism for 2020.**

8 A. The details of FPL's 2020 asset optimization activities are shown on Page 3 of
9 Exhibit GJY-1. FPL had a total of \$17,975,132 of gains that were the result of
10 seven different forms of asset optimization.

11 **Q. Did FPL incur incremental O&M expenses related to the operation of the**
12 **Incentive Mechanism in 2020?**

13 A. Yes. FPL incurred personnel expenses of \$480,859 related to the costs associated
14 with an additional two and one-half personnel required to support FPL's
15 expanded activities under the Incentive Mechanism. FPL also incurred \$31,467
16 in expenses related to licensing fees of OATI WebTrader software. In total, FPL
17 incurred incremental O&M expenses related to the operation of the Incentive
18 Mechanism of \$512,326 in 2020.

19
20 On the variable power plant O&M side, FPL's actual net economy power sales
21 and purchases totaled 2,552,979 MWh (2,811,241 MWh of economy sales and
22 258,262 MWh of economy purchases), resulting in net variable power plant
23 O&M costs of \$1,659,436 for 2020.

1 **Q. Overall, were FPL's activities under the Incentive Mechanism successful in**
2 **2020?**

3 A. Yes. FPL's activities under the Incentive Mechanism were highly successful in
4 2020. On the wholesale power side, suitable market conditions in the winter
5 period helped drive strong wholesale power sales and high demand across the
6 summer period provided the opportunity to purchase power from the market to
7 avoid running more expensive generation. Overall, FPL was able to consistently
8 capitalize on power market opportunities throughout the year to deliver slightly
9 more than \$28 million in customer benefits. Market opportunities for asset
10 optimization activities related to natural gas were fairly consistent throughout the
11 year (peaking in November and December) and resulted in significant customer
12 benefits of nearly \$18 million. In total, these activities delivered \$46,135,050 of
13 gains, which contrast very favorably to the total optimization expenses (personnel
14 and variable power plant O&M) of \$2,171,762.

15 **Q. Does this conclude your testimony?**

16 A. Yes it does.

TOTAL GAINS SCHEDULE
Actual for the Period of: January 2020 through December 2020

TABLE 1

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--------------|----------------------------|----------------------------------|-------------------------------|--------------------------|--------------------------------|--|---|---------------------------------|
| Month | Wholesale Sales Gains (\$) | Wholesale Purchases Savings (\$) | Asset Optimization Gains (\$) | Total Monthly Gains (\$) | Threshold 1 Gains ≤ \$30M (\$) | Threshold 2 \$30M > Gains ≤ \$40M (\$) | Threshold 3 \$40M > Gains ≤ \$100M (\$) | Threshold 4 Gains > \$100M (\$) |
| | | | | (2)+(3)+(4) | | | | |
| January | 4,042,570 | 4,635 | 1,486,113 | 5,533,318 | 5,533,318 | 0 | 0 | 0 |
| February | 4,001,382 | 438 | 1,671,779 | 5,673,599 | 5,673,599 | 0 | 0 | 0 |
| March | 1,548,190 | 201,419 | 1,578,565 | 3,328,174 | 3,328,174 | 0 | 0 | 0 |
| April | 1,737,093 | 211,617 | 932,990 | 2,881,700 | 2,881,700 | 0 | 0 | 0 |
| May | 2,556,649 | 12,412 | 1,177,549 | 3,746,610 | 3,746,610 | 0 | 0 | 0 |
| June | 1,609,744 | 282,976 | 1,168,588 | 3,061,308 | 3,061,308 | 0 | 0 | 0 |
| July | 1,530,215 | 473,495 | 1,173,280 | 3,176,990 | 3,176,990 | 0 | 0 | 0 |
| August | 1,473,408 | 470,899 | 1,338,762 | 3,283,069 | 2,598,302 | 684,767 | 0 | 0 |
| September | 1,384,629 | 655,744 | 1,459,273 | 3,499,645 | 0 | 3,499,645 | 0 | 0 |
| October | 1,409,221 | 396,441 | 1,376,190 | 3,181,853 | 0 | 3,181,853 | 0 | 0 |
| November | 1,931,583 | 30,092 | 2,079,510 | 4,041,185 | 0 | 2,633,735 | 1,407,450 | 0 |
| December | 2,194,709 | 358 | 2,532,533 | 4,727,600 | 0 | 0 | 4,727,600 | 0 |
| Total | 25,419,391 | 2,740,526 | 17,975,132 | 46,135,050 | 30,000,000 | 10,000,000 | 6,135,050 | 0 |

TABLE 2

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--------------|---|---|---|--|---|--|------------------------------|-------------------------|
| Month | Threshold 1 Gains ≤ \$30M 100% Customer Benefit (\$) | Threshold 2 \$30M > Gains ≤ \$40M 100% Customer Benefit (\$) | Threshold 3 \$40M > Gains ≤ \$100M 40% Customer Benefit (\$) | Threshold 3 \$40M > Gains ≤ \$100M 60% FPL Benefit (\$) | Threshold 4 Gains > \$100M 50% Customer Benefit (\$) | Threshold 4 Gains > \$100M 50% FPL Benefit (\$) | Total Customer Benefits (\$) | Total FPL Benefits (\$) |
| January | 5,533,318 | 0 | 0 | 0 | 0 | 0 | 5,533,318 | 0 |
| February | 5,673,599 | 0 | 0 | 0 | 0 | 0 | 5,673,599 | 0 |
| March | 3,328,174 | 0 | 0 | 0 | 0 | 0 | 3,328,174 | 0 |
| April | 2,881,700 | 0 | 0 | 0 | 0 | 0 | 2,881,700 | 0 |
| May | 3,746,610 | 0 | 0 | 0 | 0 | 0 | 3,746,610 | 0 |
| June | 3,061,308 | 0 | 0 | 0 | 0 | 0 | 3,061,308 | 0 |
| July | 3,176,990 | 0 | 0 | 0 | 0 | 0 | 3,176,990 | 0 |
| August | 2,598,302 | 684,767 | 0 | 0 | 0 | 0 | 3,283,069 | 0 |
| September | 0 | 3,499,645 | 0 | 0 | 0 | 0 | 3,499,645 | 0 |
| October | 0 | 3,181,853 | 0 | 0 | 0 | 0 | 3,181,853 | 0 |
| November | 0 | 2,633,735 | 562,980 | 844,470 | 0 | 0 | 3,196,715 | 844,470 |
| December | 0 | 0 | 1,891,040 | 2,836,560 | 0 | 0 | 1,891,040 | 2,836,560 |
| Total | 30,000,000 | 10,000,000 | 2,454,020 | 3,681,030 | 0 | 0 | 42,454,020 | 3,681,030 |

WHOLESALE POWER DETAIL
Actual for the Period of: January 2020 through December 2020

Wholesale Sales - Table 1

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--------------|-----------------------------|---------------------|-------------------------------------|-------------------------------------|----------------------------|--------------------------------------|
| Month | Total Wholesale Sales (MWh) | OS Gross Gains (\$) | Third-Party Transmission Costs (\$) | Variable Power Plant O&M Costs (\$) | Power Option Premiums (\$) | Total Net Wholesale Sales Gains (\$) |
| | Schedule A6 | Schedule A6 | Schedule A6 | Schedule A6 | *CCRC | (3)+(4)+(5)+(6) |
| January | 454,795 | 4,426,727 | (88,540) | (295,617) | 0 | 4,042,570 |
| February | 492,490 | 4,399,207 | (77,707) | (320,119) | 0 | 4,001,382 |
| March | 187,441 | 1,491,016 | 0 | (121,837) | 179,010 | 1,548,190 |
| April | 218,562 | 1,603,758 | 0 | (142,065) | 275,400 | 1,737,093 |
| May | 260,180 | 2,441,847 | (661) | (169,117) | 284,580 | 2,556,649 |
| June | 172,454 | 1,556,051 | 548 | (112,095) | 165,240 | 1,609,744 |
| July | 172,761 | 1,642,811 | (301) | (112,295) | 0 | 1,530,215 |
| August | 168,343 | 1,582,831 | 0 | (109,423) | 0 | 1,473,408 |
| September | 159,734 | 1,488,456 | 0 | (103,827) | 0 | 1,384,629 |
| October | 160,250 | 1,503,948 | 0 | (104,163) | 9,435 | 1,409,221 |
| November | 200,853 | 1,881,852 | 0 | (130,554) | 180,285 | 1,931,583 |
| December | 163,378 | 1,536,549 | 398,710 | (106,196) | 365,645 | 2,194,709 |
| Total | 2,811,241 | 25,555,054 | 232,049 | (1,827,307) | 1,459,595 | 25,419,391 |

Wholesale Purchases - Table 2

| (1) | (2) | (3) | (4) | (5) | (6) |
|--------------|---------------------------------|------------------|--------------------------|-------------------------------------|--|
| Month | Total Wholesale Purchases (MWh) | OS Savings (\$) | Capacity Purchases (MWh) | Net Capacity Purchases Savings (\$) | Total Wholesale Purchases Savings (\$) |
| | Schedule A9 | Schedule A9 | Schedule A7/A12 | | (3) + (5) |
| January | 960 | 4,635 | 0 | 0 | 4,635 |
| February | 90 | 438 | 0 | 0 | 438 |
| March | 34,724 | 201,419 | 0 | 0 | 201,419 |
| April | 19,783 | 211,617 | 0 | 0 | 211,617 |
| May | 2,072 | 12,412 | 0 | 0 | 12,412 |
| June | 41,543 | 282,976 | 0 | 0 | 282,976 |
| July | 50,743 | 473,495 | 0 | 0 | 473,495 |
| August | 13,348 | 470,899 | 0 | 0 | 470,899 |
| September | 36,650 | 655,744 | 0 | 0 | 655,744 |
| October | 56,265 | 396,441 | 0 | 0 | 396,441 |
| November | 2,004 | 30,092 | 0 | 0 | 30,092 |
| December | 80 | 358 | 0 | 0 | 358 |
| Total | 258,262 | 2,740,526 | 0 | 0 | 2,740,526 |

ASSET OPTIMIZATION DETAIL
Actual for the Period of: January 2020 through December 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|--------------|---|---|---|---|---|--|-------------------------------------|---------------------------------|--|-----------------------------------|--|
| Month | Natural Gas Delivered City-Gate Sales (\$) | Natural Gas Production Area Sales (\$) | Natural Gas Capacity Release Firm Transport (\$) | Natural Gas Option Premiums (\$) | Delivered Natural Gas Savings (\$) | Natural Gas Storage Optimization (\$) | Natural Gas AMA Gains (\$) | OBA Service Gains (\$) | Electric Transmission Capacity Release Firm Transmission (\$) | NOX Emissions Sales (\$) | Total Asset Optimization Gains (\$) |
| January | | | | | | | | | | | |
| February | | | | | | | | | | | |
| March | | | | | | | | | | | |
| April | | | | | | | | | | | |
| May | | | | | | | | | | | |
| June | | | | | | | | | | | |
| July | | | | | | | | | | | |
| August | | | | | | | | | | | |
| September | | | | | | | | | | | |
| October | | | | | | | | | | | |
| November | | | | | | | | | | | |
| December | | | | | | | | | | | |
| Total | 1,919,429 | 800,131 | 2,838,728 | 7,548,469 | 0 | 1,679,113 | 3,161,263 | 28,000 | 0 | 0 | 17,975,132 |

INCREMENTAL OPTIMIZATION COSTS
Actual for the Period of: January 2020 through December 2020

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|--------------|-------------------------------|----------------------------|-----------------------------|---------------------------------|-----------------------------------|---------------------------------------|--------------------|---|
| Month | Personnel Expenses (\$) | Other Expenses* (\$) | Wholesale Sales (MWh) | Wholesale Purchases (MWh) | Wholesale Sales VOM (\$) | Wholesale Purchases VOM (\$) | Net VOM (\$) | Total Incremental O&M Expenses (\$) |
| | Schedule A2 | | | | | | Schedule A2 | (2) + (3) + (8) |
| January | 46,772 | 0 | 454,795 | 960 | 295,617 | 624 | 294,993 | 341,764 |
| February | 43,406 | 0 | 492,490 | 90 | 320,119 | 59 | 320,060 | 363,466 |
| March | 46,420 | 0 | 187,441 | 34,724 | 121,837 | 22,571 | 99,266 | 145,687 |
| April | 30,338 | 15,112 | 218,562 | 19,783 | 142,065 | 12,859 | 129,206 | 174,656 |
| May | 33,911 | 10,075 | 260,180 | 2,072 | 169,117 | 1,347 | 167,770 | 211,756 |
| June | 40,611 | 6,121 | 172,454 | 41,543 | 112,095 | 27,003 | 85,092 | 131,824 |
| July | 42,357 | 158 | 172,761 | 50,743 | 112,295 | 32,983 | 79,312 | 121,826 |
| August | 37,656 | 0 | 168,343 | 13,348 | 109,423 | 8,676 | 100,747 | 138,403 |
| September | 39,292 | 0 | 159,734 | 36,650 | 103,827 | 23,823 | 80,005 | 119,297 |
| October | 41,653 | 0 | 160,250 | 56,265 | 104,163 | 36,572 | 67,590 | 109,244 |
| November | 37,427 | 0 | 200,853 | 2,004 | 130,554 | 1,303 | 129,252 | 166,679 |
| December | 41,016 | 0 | 163,378 | 80 | 106,196 | 52 | 106,144 | 147,159 |
| Total | 480,859 | 31,467 | 2,811,241 | 258,262 | 1,827,307 | 167,870 | 1,659,436 | 2,171,762 |

*Includes software and hardware expenses