



September 14, 2018

Mr. Bart Fletcher
Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for July 2018. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.60%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Chin', is written over a horizontal line.

Jason Chin
Sr. Manager of Regulatory Accounting

Enclosures

Copy: J. R. Kelly, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
JULY, 2018

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,509,315,912 (A)	(243,853,876) (B)	2,265,462,036	(54,659,981)	\$ 2,210,802,055
RATE BASE	\$ 34,960,874,947	(276,784,928)	34,684,090,019	0	\$ 34,684,090,019
AVERAGE RATE OF RETURN	7.18%		6.53%		6.37%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,509,315,912 (A)	(230,961,950) (B)	2,278,353,962	(54,659,981)	\$ 2,223,693,981
RATE BASE	\$ 36,760,279,096	(268,467,440)	36,491,811,656	0	\$ 36,491,811,656
YEAR END RATE OF RETURN	6.83%		6.24%		6.09%

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

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

LOW	5.64%
MIDPOINT	6.07%
HIGH	6.54%

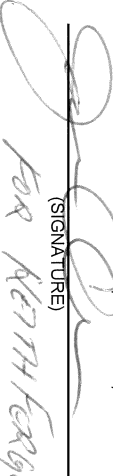
IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.21	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.01	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.98%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	56.00%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.03%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.60%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.25%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160024-EI, ORDER NO. PSC-16-0560-A5-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES: WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KEITH FERGUSON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)


(SIGNATURE)

9/14/2018
(DATE)

FOR KEITH FERGUSON

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
JULY, 2018

SCHEDULE 2: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 47,462,909,798	15,302,847,310	32,160,062,488	323,823,077	3,618,125,264	623,111,286	36,725,122,066	(346,176,396)	\$ 36,378,945,670
JURISDICTIONAL PER BOOKS	\$ 45,449,318,639	12,585,079,776	32,864,238,864	305,766,891	3,458,189,113	597,661,984	37,225,856,852	(2,264,981,904)	\$ 34,960,874,947
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,224,925,729)	(627,979,535)	(1,596,946,194)	0	(2,054,777,352)	0	(3,651,723,546)	3,374,938,618	\$ (276,764,928)
FPSC ADJUSTED:	\$ 43,224,392,911	11,957,100,241	31,267,292,670	305,766,891	1,403,411,761	597,661,984	33,574,133,306	1,109,956,714	\$ 34,684,090,019
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 43,224,392,911	11,957,100,241	31,267,292,670	305,766,891	1,403,411,761	597,661,984	33,574,133,306	1,109,956,714	\$ 34,684,090,019

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
JULY, 2018

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,587,967,224	3,327,470,635	2,803,577,345	888,122,767	1,302,070,843	26,620,572	550,954,637	206,920,751	(6,107,823)	9,079,629,727	\$ 2,508,357,497
JURISDICTIONAL PER BOOKS	\$ 11,151,193,658	3,165,694,282	2,751,412,162	803,182,899	1,281,728,220	25,487,026	526,913,711	199,097,690	(6,102,080)	8,747,411,880	\$ 2,403,781,778
FPSC ADJUSTMENTS	\$ (491,670,391)	0	0	0	(12,845,762)	(149,986,720)	0	0	0	(162,632,483)	\$ (329,037,909)
FRANCHISE EXPENSE	0	0	0	0	(479,401,538)	150,082,247	0	0	0	(329,319,291)	329,319,291
GROSS RECEIPTS TAX	(256,413,647)	0	0	0	(256,094,322)	(95,349)	0	0	0	(256,189,671)	(223,976)
FINANCIAL PLANNING SERVICES	0	0	0	0	0	109,038	0	0	0	(252,946)	252,946
INDUSTRY ASSOCIATION DUES	0	0	0	0	0	709,079	0	0	0	(1,515,505)	1,515,505
ECONOMIC DEVELOPMENT 5%	0	0	(132,742)	0	0	41,897	0	0	0	(90,845)	90,845
AVIATION - EXPENSES	0	0	(163,542)	0	0	51,332	0	0	0	(112,210)	112,210
EXECUTIVE COMPENSATION	0	0	(35,655,227)	0	0	11,345,280	0	0	0	(24,309,947)	24,309,947
FUEL COST REC RETAIL	(3,010,816,998)	(2,981,409,312)	(170,235)	3,275,710	(2,119,868)	(4,956,573)	(6,490,479)	0	0	(2,991,870,757)	(18,946,241)
CONSERVATION COST RECOVERY	(55,259,454)	0	(42,000,447)	(10,024,966)	(1,122,292)	(670,170)	(642)	0	0	(53,818,517)	(1,440,937)
CAPACITY COST RECOVERY	(271,729,348)	(163,505,737)	(33,470,152)	(207,729)	(347,354)	(22,679,761)	(456,314)	0	0	(220,661,048)	(51,062,300)
ENVIRONMENTAL COST RECOVERY	(187,127,048)	0	(33,054,854)	(43,266,914)	(272,538)	(39,535,810)	4,783,153	0	115,494	(111,231,468)	(75,895,580)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	3,264,389	0	(827,359)	0	0	0	2,437,030	(2,437,030)
STORM DEFICIENCY RECOVERY	(309,343,806)	0	(120,254,639)	(182,246,044)	0	(2,142,065)	0	0	0	(304,642,748)	(4,701,058)
INTEREST TAX DEFICIENCIES	0	0	302,657	0	0	(92,334)	0	0	0	210,323	(210,323)
INTEREST SYNCHRONIZATION	0	0	0	0	0	17,046,993	(7,081,862)	0	0	9,965,132	(9,965,132)
TOTAL FPSC ADJUSTMENTS	\$ (4,582,360,693)	\$ (3,144,915,050)	\$ (267,185,749)	\$ (229,205,555)	\$ (752,003,674)	\$ (41,600,275)	\$ (9,246,143)	\$ 0	\$ 115,494	\$ (4,444,040,951)	\$ (138,319,742)
FPSC ADJUSTED	\$ 6,568,832,965	20,779,213	2,484,226,414	573,977,345	529,722,546	(16,113,250)	517,667,567	199,097,690	(5,986,586)	4,303,370,929	\$ 2,285,462,036
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,483,569,537	20,779,213	2,484,226,414	573,977,345	529,661,156	(46,655,307)	517,667,567	199,097,690	(5,986,586)	4,272,767,482	\$ 2,210,802,055
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 109,782,495	\$ 105,634,134									
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: ON A TOTAL COMPANY BASIS ON A JURISDICTIONAL BASIS	\$ 2,741,268	\$ 2,654,835									
CURRENT MONTH AMOUNT	\$ 1,127,426,711	316,929,604	114,430,467	213,680,289	119,316,796	72,366,326	(264,954)	(1,030,756)	(511,417)	834,916,355	\$ 292,510,355
SYSTEM PER BOOKS	\$ 1,085,441,655	301,740,719	110,926,169	207,675,887	117,548,307	69,224,377	(293,143)	(991,796)	(511,415)	805,319,123	\$ 280,122,531

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0580-AS-EI

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

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

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
TOTAL PROFORMA ADJUSTMENTS	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

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

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,603,413,440	\$ 1,527,592,053
FUEL AND CAPACITY	145,118,579	138,317,688
CAPITALIZED EXECUTIVE COMPENSATION	23,951,637	23,196,434
LOAD CONTROL	50,166,469	50,166,469
ASSET RETIREMENT OBLIGATION	442,054,215	428,116,087
CAPITAL LEASES	59,410,224	57,536,999
TOTAL	\$ 2,324,114,564	\$ 2,224,925,729
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (297,864,792)	\$ (283,779,516)
ACCUM PROV DECOMMISSIONING COSTS	(4,443,158,148)	(4,249,473,979)
ASSET RETIREMENT OBLIGATION	(13,430,957)	(13,007,475)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,121,016,975	3,991,079,836
FUEL AND CAPACITY	(42,125,930)	(40,111,470)
OTHER RATE CASE ADJUSTMENTS (1)	251,107	251,107
LOAD CONTROL	(24,198,096)	(24,198,096)
CAPITAL LEASES	(9,024,487)	(8,739,942)
TOTAL	\$ (708,534,328)	\$ (627,979,535)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,122,392,208	\$ 1,997,677,305
CWIP - CLAUSE PROJECTS	59,797,926	57,100,047
TOTAL	\$ 2,182,190,135	\$ 2,054,777,352
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,467,063,295)	\$ (3,374,938,618)
TOTAL ADJUSTMENTS	\$ 330,707,075	\$ 276,784,928

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JULY, 2018

SCHEDULE 2, PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,587,987,224	3,327,470,635	2,803,577,345	888,122,767	1,302,070,843	28,620,572	550,954,637	206,920,751	(6,107,823)	9,079,629,727	\$ 2,508,337,497
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (491,670,391)	0	0	0	(12,645,762)	(149,986,720)	0	0	0	(162,632,483)	\$ (329,037,909)
FRANCHISE EXPENSE	0	0	0	0	(479,401,538)	150,082,247	0	0	0	(329,319,291)	329,319,291
GROSS RECEIPTS TAX	(256,413,647)	0	0	0	(256,094,322)	(95,349)	0	0	0	(256,189,671)	(223,978)
FINANCIAL PLANNING SERVICES	0	0	0	0	0	112,588	0	0	0	(261,181)	261,181
INDUSTRY ASSOCIATION DUES	0	0	0	0	0	732,164	0	0	0	(1,564,845)	1,564,845
ECONOMIC DEVELOPMENT 5%	0	0	0	0	(137,063)	43,261	0	0	0	(93,802)	93,802
AVIATION - EXPENSES	0	0	0	0	0	53,003	0	0	0	(15,863)	15,863
EXECUTIVE COMPENSATION	0	0	0	0	0	11,714,647	0	0	0	(25,101,403)	25,101,403
FUEL COST RECOVERY	(3,159,201,218)	(3,134,182,003)	(178,652)	0	(2,121,116)	(3,192,025)	(6,413,885)	0	0	(3,142,846,389)	(17,054,849)
CONSERVATION COST RECOVERY	(55,258,454)	0	(42,000,447)	0	(1,122,282)	(670,170)	(642)	0	0	(53,818,517)	(1,440,937)
CAPACITY COST RECOVERY	(272,133,361)	(171,536,959)	(35,101,443)	(449,456)	(355,039)	(19,655,150)	(456,314)	0	0	(227,554,361)	(44,579,000)
ENVIRONMENTAL COST RECOVERY	(187,127,048)	0	(34,695,517)	(45,414,449)	(279,378)	(38,355,901)	4,793,153	0	121,226	(113,840,865)	(73,286,183)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	3,264,388	0	(827,359)	0	0	0	2,437,030	(2,437,030)
STORM DEFICIENCY RECOVERY	(309,343,809)	0	(120,254,639)	(182,246,044)	0	(2,142,085)	0	0	0	(304,642,748)	(4,701,058)
INTEREST TAX DEFICIENCIES	0	0	312,510	0	0	(95,340)	0	0	0	217,170	(217,170)
INTEREST SYNCHRONIZATION	0	0	0	0	0	17,618,520	(7,312,425)	0	0	10,306,095	(10,306,095)
TOTAL FPSC ADJUSTMENTS	\$ (4,731,648,926)	(3,305,718,962)	(271,711,145)	(231,429,013)	(752,019,447)	(34,663,649)	(9,400,113)	0	121,226	(4,604,821,104)	\$ (1,268,827,623)
FPSC ADJUSTED	\$ 6,856,338,297	21,751,672	2,531,866,200	636,693,754	550,051,395	(8,043,077)	541,554,524	206,920,751	(5,986,596)	4,474,808,623	\$ 2,381,509,674
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (85,263,428)	0	0	0	(61,380)	(30,542,057)	0	0	0	(30,603,447)	\$ (64,659,981)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,771,054,869	21,751,672	2,531,866,200	636,693,754	549,990,006	(38,585,135)	541,554,524	206,920,751	(5,986,596)	4,444,205,176	\$ 2,326,849,693

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 109,782,495

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

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

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	21,867,354	21,144,763
INTEREST & DIVIDENDS RECEIVABLE	43,710	42,265
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	32,731,172	32,719,600
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENT RENTS RECEIVABLE	14,522,918	14,522,918
PREPAYMENTS - ECCR	48,908,426	48,908,426
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,940,416	9,555,742
TEMPORARY CASH INVESTMENTS	797,456	771,104
STORM DEFICIENCY RECOVERY	167,017,944	167,034,552
NUCLEAR COST RECOVERY	0	0
JOBING ACCOUNTS	30,943,159	29,920,664
OTH REG ASSETS - CLAUSES	4,454,231	4,239,638
MISC. DEFERRED DEBIT - CLAUSES	7,253,085	6,903,651
CEDAR BAY TRANSACTION	627,965,301	598,781,490
ICL TRANSACTION	397,152,778	378,695,656
SRPP TRANSACTION	61,223,324	58,364,399
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,424,821,273	\$ 1,371,604,868
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(127,446)	(123,427)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	251,537,948	251,537,948
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(1,252)	(1,193)
JOBING ACCOUNTS	(34,860,465)	(33,708,526)
POLE ATTACHMENT RENTS PAYABLE	(7,172,368)	(7,172,368)
SRPP ACCELERATED RECOVERY	(10,314,283)	(9,834,941)
STORM DEFICIENCY RECOVERY	(288,250,287)	(288,250,287)
ASSET RETIREMENT OBLIGATION	(4,549,669,171)	(4,406,216,474)
MARGIN CALL CASH COLLATERAL	(551,923)	(533,685)
NUCLEAR COST RECOVERY	(247,423,240)	(247,423,240)
CEDAR BAY TRANSACTION	(5,052,081)	(4,817,293)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,891,884,568)	\$ (4,746,543,486)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,467,063,295)	\$ (3,374,938,618)

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

SCHEDULE 2: PAGE 30 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
TOTAL PROFORMA ADJUSTMENTS	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
RATE BASE
JULY, 2018

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 48,944,741,087	15,625,055,571	33,319,685,516	386,327,324	3,804,494,125	608,361,455	38,118,868,420	(346,176,396)	\$ 37,772,692,024
JURISDICTIONAL PER BOOKS	\$ 46,881,969,827	12,428,454,658	34,453,515,169	364,597,381	3,623,633,833	583,514,617	39,025,261,000	(2,264,981,904)	\$ 36,760,279,096
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,205,554,899)	(646,427,160)	(1,559,127,736)	0	(2,084,278,322)	0	(3,643,408,089)	3,374,998,618	\$ (268,467,440)
FPSC ADJUSTED:	\$ 44,676,414,931	11,782,027,498	32,894,387,433	364,597,381	1,539,355,511	583,514,617	35,381,854,942	1,109,956,714	\$ 36,491,811,656
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 44,676,414,931	11,782,027,498	32,894,387,433	364,597,381	1,539,355,511	583,514,617	35,381,854,942	1,109,956,714	\$ 36,491,811,656

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
JULY, 2018

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,587,967,224	3,327,470,635	2,803,677,345	868,122,767	1,302,070,843	26,620,572	550,954,637	206,920,751	(6,107,823)	9,079,629,727	\$ 2,508,337,497
JURISDICTIONAL PER BOOKS	\$ 11,151,193,658	3,165,694,282	2,751,412,162	803,182,899	1,281,728,220	25,487,026	528,913,711	199,097,690	(6,102,090)	8,747,411,880	\$ 2,403,781,778
PSC ADJUSTMENTS											
	\$ (491,670,391)	0	0	0	(12,645,782)	(149,986,720)	0	0	0	(152,632,483)	\$ (329,037,909)
FRANCHISE REVENUE					(474,011,526)	(150,982,247)	0	0	0	(329,016,291)	\$ (329,016,291)
FUEL & NET INTERCHANGE					(256,094,322)	109,038	0	0	0	(256,189,671)	\$ (256,189,671)
GROSS RECEIPTS TAX	(256,413,647)	0	0	0	0	709,079	0	0	0	(252,946)	\$ (252,946)
FINANCIAL PLANNING SERVICES	0	0	(2,224,583)	0	0	41,897	0	0	0	(1,515,505)	\$ (1,515,505)
INDUSTRIAL ASSOCIATION DUES	0	0	(132,742)	0	0	51,332	0	0	0	(90,845)	\$ (90,845)
ECONOMIC DEVELOPMENT 5%	0	0	(63,542)	0	0	11,345,280	0	0	0	(112,210)	\$ (112,210)
AVIATION - EXPENSES	0	0	(35,655,227)	0	0	(4,956,573)	0	0	0	(24,309,947)	\$ (24,309,947)
EXECUTIVE COMPENSATION	0	(2,981,409,312)	(170,235)	3,275,710	(2,119,868)	(6,490,479)	0	0	0	(2,981,870,757)	\$ (2,981,870,757)
FUEL COST REC RETAIL	(3,010,816,998)	0	(42,000,447)	(10,024,866)	(1,122,282)	(642)	0	0	0	(3,063,818,517)	\$ (3,063,818,517)
CONSERVATION COST RECOVERY	(55,259,454)	0	(33,470,152)	(207,729)	(347,354)	(22,879,761)	(456,314)	0	0	(220,667,048)	\$ (220,667,048)
CAPACITY COST RECOVERY	(271,729,348)	(163,505,797)	(33,054,854)	(43,286,914)	(272,538)	(39,535,810)	4,783,153	0	115,494	(111,231,468)	\$ (111,231,468)
ENVIRONMENTAL COST RECOVERY	(187,127,048)	0	0	3,264,389	0	(827,359)	0	0	0	2,437,030	\$ (2,437,030)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(120,254,639)	0	0	(92,334)	0	0	0	(304,642,748)	\$ (304,642,748)
STORM DEFICIENCY RECOVERY	(309,343,806)	0	302,657	(182,246,044)	0	(2,142,065)	0	0	0	210,323	\$ (210,323)
INTEREST TAX DEFICIENCIES	0	0	0	0	0	4,155,067	(7,081,862)	0	0	(2,926,794)	\$ (2,926,794)
INTEREST SYNCHRONIZATION	0	0	0	0	0	(54,492,201)	(9,246,143)	0	115,494	(4,456,932,877)	\$ (4,456,932,877)
TOTAL PSC ADJUSTMENTS	\$ (4,582,360,693)	(3,144,915,050)	(287,185,748)	(229,205,555)	(752,003,674)	(54,492,201)	(9,246,143)	0	115,494	(4,456,932,877)	\$ (4,456,932,877)
PSC ADJUSTED	\$ 6,569,832,965	20,779,213	2,484,228,414	573,977,345	529,722,546	(29,005,175)	517,667,567	199,097,690	(5,986,596)	4,290,479,003	\$ 2,278,933,962
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (85,263,429)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,483,569,537	20,779,213	2,484,228,414	573,977,345	529,661,156	(59,547,233)	517,667,567	199,097,690	(5,986,596)	4,259,875,556	\$ 2,223,893,981
NOTES:											
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.											
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 109,792,495 AND THE JURISDICTIONAL NOI BY \$ 105,534,134											

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JULY, 2018

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
TOTAL PROFORMA ADJUSTMENTS	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
JULY, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,595,888,338	\$ 1,520,422,795
FUEL AND CAPACITY	153,324,660	146,142,545
CAPITALIZED EXECUTIVE COMPENSATION	28,034,791	27,150,844
LOAD CONTROL	49,421,394	49,421,394
ASSET RETIREMENT OBLIGATION	418,061,963	404,880,319
CAPITAL LEASES	59,410,224	57,536,999
TOTAL	2,304,141,370	2,205,554,896
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (324,867,755)	\$ (309,505,576)
ACCUM PROV DECOMMISSIONING COSTS	(4,554,010,303)	(4,355,493,916)
ASSET RETIREMENT OBLIGATION	1,917,437	1,856,980
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,224,833,659	4,091,623,142
FUEL AND CAPACITY	(44,955,038)	(42,809,250)
OTHER RATE CASE ADJUSTMENTS (1)	3,264,389	3,264,389
LOAD CONTROL	(25,921,964)	(25,921,964)
CAPITAL LEASES	(9,748,333)	(9,440,965)
TOTAL	(729,487,907)	(646,427,160)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,143,539,645	\$ 2,012,292,326
CWIP - CLAUSE PROJECTS	75,363,072	71,985,996
TOTAL	2,218,902,716	2,084,278,322
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,467,063,295)	\$ (3,374,938,618)
TOTAL ADJUSTMENTS	\$ 326,492,884	\$ 268,467,440

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JULY, 2018

SCHEDULE 3: PAGE 3A OF 3

SYSTEM PER BOOKS	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
	\$ 11,587,967,224	3,327,470,635	2,803,577,345	888,122,767	1,302,070,843	26,620,572	560,354,637	206,920,751	(6,107,823)	9,079,629,727	\$ 2,508,337,487
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	(491,670,391)	0	0	0	(12,645,792)	(149,986,720)	0	0	0	(162,632,489)	\$ (329,037,909)
FRANCHISE EXPENSE	0	0	0	0	(479,401,538)	150,082,247	0	0	0	(329,319,291)	329,319,291
GROSS RECEIPTS TAX	(256,413,647)	0	0	0	(256,994,322)	(95,349)	0	0	0	(256,189,671)	(223,976)
FINANCIAL PLANNING SERVICES	0	0	(373,768)	0	0	112,588	0	0	0	(261,181)	261,181
INDUSTRY ASSOCIATION DUES	0	0	(2,297,009)	0	0	732,164	0	0	0	(1,564,845)	1,564,845
ECONOMIC DEVELOPMENT 5%	0	0	(137,063)	0	0	43,261	0	0	0	(93,802)	93,802
AVIATION - EXPENSES	0	0	(168,867)	0	0	53,003	0	0	0	(115,863)	115,863
EXECUTIVE COMPENSATION	0	0	(36,816,050)	0	0	11,714,647	0	0	0	(25,101,403)	25,101,403
FUEL COST REC RETAIL	(3,159,701,218)	(3,134,182,003)	(178,852)	3,441,513	(2,121,116)	(3,192,029)	(6,413,868)	0	0	(3,142,646,369)	(17,054,849)
CONSERVATION COST RECOVERY	(55,259,454)	0	(42,000,447)	(10,024,966)	(1,122,292)	(670,170)	(642)	0	0	(53,818,517)	(1,440,937)
CAPACITY COST RECOVERY	(272,133,361)	(171,536,959)	(35,101,443)	(449,459)	(355,039)	(19,655,150)	(456,314)	0	0	(227,554,361)	(44,579,000)
ENVIRONMENTAL COST RECOVERY	(187,127,048)	0	(34,695,517)	(45,414,449)	(279,378)	(38,555,901)	4,783,153	0	121,226	(113,840,665)	(73,286,183)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	3,264,389	0	0	(827,359)	0	0	0	2,437,030	(2,437,030)
STORM DEFICIENCY RECOVERY	(309,343,806)	0	(120,254,639)	(182,246,044)	0	(2,142,065)	0	0	0	(304,642,748)	(4,701,056)
INTEREST TAX DEFICIENCIES	0	0	312,510	0	0	(95,340)	0	0	0	217,170	(217,170)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,979,164	(7,312,425)	0	0	(1,333,261)	1,333,261
TOTAL FPSC ADJUSTMENTS	\$ (4,731,648,926)	(3,305,718,962)	(271,711,145)	(231,429,013)	(752,019,447)	(46,303,005)	(9,400,113)	0	121,226	(4,616,460,459)	\$ (115,188,457)
FPSC ADJUSTED	\$ 6,856,318,297	21,751,672	2,531,866,200	636,693,754	550,051,395	(19,682,433)	541,554,524	206,920,751	(5,986,596)	4,463,169,267	\$ 2,393,149,030
PRO FORMA ADJUSTMENTS											
(SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (64,659,981)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,771,054,869	21,751,672	2,531,866,200	636,693,754	549,990,006	(50,224,490)	541,554,524	206,920,751	(5,986,596)	4,432,565,820	\$ 2,338,489,049

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 109,782,495

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0360-AS-EI.

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JULY, 2018

SCHEDULE 3: PAGE 3B OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)
TOTAL PROFORMA ADJUSTMENTS	\$ (85,263,428)	0	0	0	(61,390)	(30,542,057)	0	0	0	(30,603,447)	\$ (54,659,981)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JULY, 2018

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12			
LONG TERM DEBT	\$ 10,252,977,722	\$ 9,852,554,704	\$ 83,210,427	\$ (162,985,958)	\$ 9,772,779,174	28.18%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%	
SHORT TERM DEBT	1,253,560,254	1,204,047,987	10,339,918	(0)	1,214,387,905	3.50%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	15,899,848,335	15,271,846,981	131,148,955	-	15,402,995,946	44.41%	9.60%	4.26%	10.55%	4.69%	11.60%	5.15%	11.60%	5.15%	
CUSTOMER DEPOSITS	399,306,524	398,796,561	3,424,718	(0)	402,221,379	1.18%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%	
DEFERRED INCOME TAX	(1) 8,240,229,494	7,914,847,879	65,600,229	(275,926,343)	7,704,521,765	22.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (2)	333,023,341	318,780,735	1,593,779	(133,190,664)	187,183,850	0.54%	7.53%	0.04%	8.14%	0.04%	8.75%	0.05%	8.75%	0.05%	
TOTAL	\$ 36,378,945,670	\$ 34,960,874,947	\$ 295,318,036	\$ (572,102,965)	\$ 34,684,090,019	100.00%		5.64%		6.07%		6.54%		6.54%	
LONG TERM DEBT	\$ 11,008,700,741	\$ 10,714,271,249	\$ 87,460,978	\$ (162,284,935)	\$ 10,639,447,292	29.16%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%	
SHORT TERM DEBT	680,994,335	662,627,130	5,492,238	-	668,119,367	1.83%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	17,020,071,299	16,561,020,281	137,267,334	(0)	16,698,287,615	45.76%	9.60%	4.39%	10.55%	4.83%	11.60%	5.31%	11.60%	5.31%	
CUSTOMER DEPOSITS	394,079,171	393,589,219	3,262,296	0	396,851,514	1.09%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	
DEFERRED INCOME TAX	8,241,461,104	8,015,682,808	64,151,587	(275,926,343)	7,803,908,052	21.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (2)	427,385,375	413,088,409	2,344,453	(130,235,046)	285,197,815	0.78%	7.55%	0.06%	8.16%	0.06%	8.77%	0.07%	8.77%	0.07%	
TOTAL	\$ 37,772,692,024	\$ 36,760,279,096	\$ 299,978,884	\$ (568,446,324)	\$ 36,491,511,656	100.00%		5.82%		6.26%		6.75%		6.75%	

NOTE:
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$1.975 MILLION OF EXCESS DEFERRED TAXES
(2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
JULY, 2018

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED ¹	PRO-FORMA ADJUSTMENTS ²	TOTAL PRO-FORMA ADJUSTED ³	TOTAL RATIO (%) ⁴	LOW POINT					MIDPOINT					HIGH POINT				
					COST RATE (%) ⁵	WEIGHTED COST (%) ⁶	COST RATE (%) ⁷	WEIGHTED COST (%) ⁸	COST RATE (%) ⁹	WEIGHTED COST (%) ¹⁰	COST RATE (%) ⁹	WEIGHTED COST (%) ¹⁰	COST RATE (%) ⁹	WEIGHTED COST (%) ¹⁰					
LONG TERM DEBT	\$ 9,772,779,174	-	\$ 9,772,779,174	28.18%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%	4.34%	1.22%			
SHORT TERM DEBT	1,214,387,905	-	1,214,387,905	3.50%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%	2.55%	0.09%			
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
COMMON EQUITY	15,402,995,946	-	15,402,995,946	44.41%	9.60%	4.26%	10.55%	4.69%	11.60%	5.15%	11.60%	5.15%	11.60%	5.15%	11.60%	5.15%			
CUSTOMER DEPOSITS	402,221,379	-	402,221,379	1.16%	2.08%	0.02%	2.08%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%			
DEFERRED INCOME TAX	7,704,521,765	-	7,704,521,765	22.21%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
INVESTMENT TAX CREDITS (1)	187,183,850	-	187,183,850	0.54%	7.53%	0.04%	8.14%	0.04%	8.75%	0.05%	8.75%	0.05%	8.75%	0.05%	8.75%	0.05%			
TOTAL	\$ 34,684,090,019	-	\$ 34,684,090,019	100.00%		5.64%		6.07%		6.54%		6.07%		6.54%		6.54%			
LONG TERM DEBT	\$ 10,639,447,292	-	\$ 10,639,447,292	29.16%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%	4.42%	1.29%			
SHORT TERM DEBT	668,119,367	-	668,119,367	1.83%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%	3.27%	0.06%			
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
COMMON EQUITY	16,698,287,615	-	16,698,287,615	45.76%	9.60%	4.39%	10.55%	4.83%	11.60%	5.31%	11.60%	5.31%	11.60%	5.31%	11.60%	5.31%			
CUSTOMER DEPOSITS	396,851,514	-	396,851,514	1.09%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%			
DEFERRED INCOME TAX	7,803,908,052	-	7,803,908,052	21.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
INVESTMENT TAX CREDITS (1)	285,197,815	-	285,197,815	0.78%	7.55%	0.06%	8.16%	0.06%	8.77%	0.07%	8.77%	0.07%	8.77%	0.07%	8.77%	0.07%			
TOTAL	\$ 36,491,811,656	-	\$ 36,491,811,656	100.00%		5.82%		6.26%		6.75%		6.26%		6.75%		6.75%			

NOTE:
(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

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A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,578,513,285
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,322,763
INCOME TAXES	763,102,542
TOTAL	\$ 3,364,938,590
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 542,064,113
TIMES INTEREST EARNED WITH AFUDC	6.21

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,578,513,285
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(86,459,732)
INCOME TAXES	763,102,542
TOTAL	\$ 3,295,156,095
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 542,064,113
TIMES INTEREST EARNED WITHOUT AFUDC	6.01

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,322,763
X (1 - INCOME_TAX_RATE)(1)	0.6914
SUBTOTAL	\$ 16,125,825
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	86,459,732
TOTAL	\$ 102,585,557
NET INCOME AVAILABLE FOR COMMON	\$ 2,059,771,935
AFUDC AS PERCENT OF NET INCOME	4.98%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 125,160,529
GAINS ON DISPOSITION OF PROPERTY	(6,107,823)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 119,052,706

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

	0
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NOTE:
(1) INCOME TAX RATE IS BASED ON A PHASED IN RATE FOR THE TWELVE MONTHS ENDED JULY 2018

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,059,771,935
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,050,000,000)
AFUDC (DEBT & OTHER)	(109,782,495)
DEPRECIATION AND AMORTIZATION EXPENSE	868,122,767
DEFERRED INCOME TAXES	545,090,898
INVESTMENT TAX CREDITS	206,920,751
OTHER SOURCE/USES OF FUNDS	119,052,706
INTERNALLY GENERATED FUNDS	\$ 2,639,176,562

CONSTRUCTION EXPENDITURES	\$ 4,712,981,387
PERCENT INTERNALLY GENERATED FUNDS	56.00%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 9,772,779,174
JURIS ADJUSTED SHORT TERM DEBT	1,214,387,905
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	\$ 15,402,995,946
TOTAL	\$ 26,390,163,025

LTD TO TOTAL INVESTOR FUNDS	37.03%
STD TO TOTAL INVESTOR FUNDS	4.60%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.53%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.22%
SHORT TERM DEBT	0.09%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.04%
SUBTOTAL	1.36%
TOTAL	5.15%
DIVIDED BY COMMON EQUITY RATIO	44.41%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.37%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.22%
SHORT TERM DEBT	0.09%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.04%
SUBTOTAL	<u>1.38%</u>

PRO FORMA ROR LESS NON EQUITY COST 4.99%

PRO FORMA COMMON EQUITY RATIO 44.41%

PRO FORMA RETURN ON COMMON EQUITY 11.25%