

**Florida Power & Light Company**  
**Docket No. 20180046-EI**  
**OPC's Second Set of Interrogatories**  
**Interrogatory No. 17**  
**Attachment No. 1**  
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Schedule C-22

STATE AND FEDERAL INCOME TAX CALCULATION

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FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the calculation of State and Federal Income Taxes for the Historical Base Year and the Projected Test Year

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

Type of Data Shown:  
 Projected Test Year Ended 12/31/17  
 Prior Year Ended \_\_\_/\_\_\_/\_\_\_  
 Historical Test Year Ended \_\_\_/\_\_\_/\_\_\_

(\$000)

DOCKET NO.: 160021-EI

Witness: Kim Ousdahl

Line No.	(1) DESCRIPTION	(3) Current Tax			(6) Deferred Tax		
		(2) State	(3) Federal	(4) Total (Note A)	(5) State	(6) Federal	(7) Total (Note A)
1	Net Utility Operating Income	1,981,485	1,981,485				
2	Add Income Tax Accounts	903,065	903,065				
3	Less Interest Charges	508,500	508,500				
4	Taxable Income Per Books	2,376,050	2,376,050				
5							
6	Temporary Adjustments To Taxable Income						
7	Book Depreciation	1,852,738	1,852,738		(102,479)	(612,590)	
8	Equity AFUDC Depreciation	(29,096)	(29,096)		1,600	9,624	
9	Solar ITC Depreciation	(2,244)	(2,244)		123	742	
10	Tax Depreciation	(2,642,795)	(2,642,618)		145,799	873,887	
11	Net Book/Tax Depreciation	(821,398)	(821,221)		45,044	271,662	
12							
13	AFUDC Debt	(10,475)	(10,475)		576	3,464	
14	Accrued FICA Taxes	252	252		(14)	(83)	
15	Accrued Revenues	11,303	11,303		(622)	(3,739)	
16	Amortization of Intangibles	(779)	(779)		43	258	
17	Asset Retirement Obligation	(4,491)	(4,491)		247	1,485	
18	Bad Debt Expense	(89)	(89)		5	30	
19	Capital Gain Emission Allowance	(4)	(4)		0	1	
20	Cedar Bay Regulatory Asset, net	90,032	90,032		(4,952)	(29,778)	
21	Computer Software	(18,890)	(18,890)		1,039	6,248	
22	Convertible ITC	(10,101)	(10,101)		556	3,341	
23	Convertible ITC - Basis Adjustment	5,051	5,051		(278)	(1,670)	
24	Cost of Removal	(122,494)	(122,494)		6,737	40,515	
25	Deferred Compensation	1,263	1,263		(69)	(418)	
26	Deferred Costs - Clauses	2,485	2,485		(137)	(822)	
27	Employee Bonuses	3,291	3,291		(181)	(1,089)	
28	Environmental Liability	(93)	(93)		5	31	
29	EPU Asset Retirements	4,392	4,392		(242)	(1,453)	
30	Fossil Dismantlement	2,366	2,366		(130)	(783)	
31	Gain Disposition of Property	(14,830)	(14,830)		816	4,905	
32	Gain on Reacquired Debt	5,947	5,947		(327)	(1,967)	
33	Injuries and Damages	(1,296)	(1,296)		71	429	

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Witness: Kim Ousdahl

Line No.	DESCRIPTION	Current Tax			Deferred Tax		
		(2) State	(3) Federal	(4) Total (Note A)	(5) State	(6) Federal	(7) Total (Note A)
1	Intangible Drilling Costs	(375,000)	(375,000)		22,500	123,375	
2	Interest Tax Deficiencies	(12)	(12)		1	4	
3	Method Life CIAC	29,330	29,330		(1,613)	(9,701)	
4	Method Life CPI	57,569	57,569		(3,166)	(19,041)	
5	Mixed Service Costs	(101,299)	(101,299)		5,571	33,505	
6	Nuclear COLA Payroll	(2,991)	(2,991)		165	989	
7	Nuclear Last Core Expense	11,754	11,754		(646)	(3,888)	
8	Nuclear M and S Inventory	1,407	1,407		(77)	(466)	
9	Nuclear Maintenance Reserve	(13,044)	(13,044)		717	4,314	
10	Nuclear Recovery Costs	6,060	6,060		(333)	(2,004)	
11	Pension SFAS 87	(63,828)	(63,828)		3,511	21,111	
12	Post Retirement Benefits	(9,272)	(9,272)		510	3,067	
13	Prepaid Franchise Fees	(1,982)	(1,982)		109	656	
14	Prepaid Insurance	(366)	(366)		20	121	
15	Regulatory Liability SWAPC	(2,981)	(2,981)		164	986	
16	Repair Projects	(331,925)	(331,925)		18,256	109,784	
17	Research and Experimental Costs	(220)	(220)		12	73	
18	SJRPP Decommissioning	1,583	1,583		(87)	(524)	
19	SJRPP Deferred Interest	(3,302)	(3,302)		182	1,092	
20	State Bonus Depreciation Adjustment	(285,193)	0		15,686	(5,490)	
21	State Net Operating Loss, net	285,435	0		(17,126)	5,994	
22	Storm Recovery Securitization	107,376	107,376		(5,906)	(35,515)	
23	Unbilled Revenue FPSC	(3,178)	(3,178)		175	1,051	
24	Vacation Pay Accrual	463	463		(25)	(153)	
25	Welfare Capitalized	4,578	4,578		(252)	(1,514)	
26	Total Temporary Differences	(1,567,595)	(1,567,661)		86,533	518,395	
27							
28							
29							
30							
31							
32							
33							

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COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES	(\$000)	
DOCKET NO.: 160021-EI		Witness: Kim Ousdahl

Line No.	DESCRIPTION	Current Tax			Deferred Tax		
		(2) State	(3) Federal	(4) Total (Note A)	(5) State	(6) Federal	(7) Total (Note A)
1	Permanent Adjustments To Taxable Income						
2	Equity AFUDC Depreciation	29,096	29,096				
3	Manufacturer's Deduction	(67,302)	(49,344)				
4	Non-Deductible Compensation	253	253				
5	Solar ITC Depreciation	2,244	2,244				
6	Business Meals	1,945	1,945				
7	Fuel Tax Credit	0	43				
8	State Exemption	(50)	0				
9	Total Permanent Adjustments	(33,814)	(15,762)				
10							
11							
12	State Taxable Income	774,641					
13	State Income Tax (5.5% Or Applicable Rate)	42,605					
14							
15	Adjustments To State Income Tax (List)						
16	Return to Provision	0					
17	Other	0					
18	Total Adjustments to State Income Tax	0					
19							
20	Adjustments To Deferred Taxes						
21	Excess Deferred Taxes				(101)		
22	Other				0		
23	Total Adjustments to Deferred Income Tax				(101)		
24							
25	State Income Tax	\$ 42,605			\$ 86,432		
26							
27							
28							
29							
30							
31							
32							
33							

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Line No.	(1) DESCRIPTION	(2) State	(3) Current Tax		(4) Total (Note A)	(5) State	(6) Deferred Tax		(7) Total (Note A)
			Federal				Federal		
1	Federal Taxable Income		750,021						
2	Federal Income Tax (35% Or Applicable Rate)		262,507						
3									
4	Adjustments To Federal Income Tax								
5	ITC Generated		(850)						
6	Fuel Tax Credit		(43)						
7	Total Adjustments To Federal Income Tax		(894)						
8									
9	Adjustments To Deferred Taxes								
10	Excess Deferred Taxes						(2,178)		
11	Other						0		
12	Total Adjustments to Deferred Income Tax						(2,178)		
13									
14	Investment Tax Credits - Net						(3,803)		
15									
16	Federal Income Tax		\$ 261,614				\$ 512,414		
17									
18									
19									
20									
21									
22									
23									
24	<b>NOTES:</b>								
25	(A) Summary of Income Tax Expense		Federal	State	Total				
26	Current Tax Expense		261,614	42,605	304,219				
27	Deferred Income Taxes		516,217	86,432	602,649				
28	Investment Tax Credits, Net		(3,803)		(3,803)				
29	Total Income Tax Provision		774,028	129,038	903,065				
30									
31									
32	Totals may not add due to rounding								
33									