

Florida Power & Light Company
Docket No. 20180046-EI
OPC's Second Set of Interrogatories
Interrogatory No. 17
Attachment No. 2
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Schedule C-22
2018 SUBSEQUENT YEAR ADJUSTMENT

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 Projected Subsequent Year

Type of Data Shown:

___ Projected Test Year Ended __/__/__

___ Prior Year Ended __/__/__

___ Historical Test Year Ended __/__/__

X Proj. Subsequent Yr Ended 12/31/18

Witness: Kim Ousdahl

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES

(\$000)

DOCKET NO.: 160021-EI

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	1,962,535	1,962,535				
2	Add Income Tax Accounts	846,144	846,144				
3	Less Interest Charges	569,484	569,484				
4	Taxable Income Per Books	2,239,195	2,239,195				
5							
6	Temporary Adjustments To Taxable Income						
7	Book Depreciation	1,961,051	1,961,051		(108,626)	(648,349)	
8	Equity AFUDC Depreciation	(30,275)	(30,275)		1,665	10,013	
9	Solar ITC Depreciation	(2,237)	(2,237)		123	740	
10	Tax Depreciation	(2,362,480)	(2,362,082)		130,380	781,096	
11	Net Book/Tax Depreciation	(433,941)	(433,543)		23,542	143,500	
12							
13	AFUDC Debt	(16,511)	(16,511)		908	5,461	
14	Accrued FICA Taxes	356	356		(20)	(118)	
15	Accrued Revenues	0	0		0	0	
16	Amortization of Intangibles	0	0		0	0	
17	Asset Retirement Obligation	(6)	(6)		0	2	
18	Bad Debt Expense	115	115		(6)	(38)	
19	Capital Gain Emission Allowance	(0)	(0)		0	0	
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	1,280	1,280		(70)	(424)	
26	Deferred Costs - Clauses	(0)	(0)		0	0	
27	Employee Bonuses	4,649	4,649		(256)	(1,538)	
28	Environmental Liability	(93)	(93)		5	31	
29	EPU Asset Retirements	0	0		0	0	
30	Fossil Dismantlement	8,668	8,668		(477)	(2,867)	
31	Gain Disposition of Property	(14,801)	(14,801)		814	4,896	
32	Gain on Reacquired Debt	5,947	5,947		(327)	(1,967)	
33	Injuries and Damages	0	0		0	0	

Supporting Schedules: C-23

Recap Schedules: C-4

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		(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
2	Interest Tax Deficiencies	(12)	(12)		1	4	
3	Method Life CIAC	29,330	29,330		(1,613)	(9,701)	
4	Method Life CPI	81,808	81,808		(4,499)	(27,058)	
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	(2,388)	(2,388)		131	790	
10	Nuclear Recovery Costs	0	0		0	0	
11	Pension SFAS 87	(68,388)	(68,388)		3,761	22,619	
12	Post Retirement Benefits	(8,575)	(8,575)		472	2,836	
13	Prepaid Franchise Fees	(526)	(526)		29	174	
14	Prepaid Insurance	(300)	(300)		17	99	
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	(519,454)	0		28,570	(9,999)	
21	State Net Operating Loss, net	220,647	0		(13,239)	4,634	
22	Storm Recovery Securitization	113,870	113,870		(6,263)	(37,662)	
23	Unbilled Revenue FPSC	111	111		(6)	(37)	
24	Vacation Pay Accrual	477	477		(26)	(158)	
25	Welfare Capitalized	4,578	4,578		(252)	(1,514)	
26	Total Temporary Differences	(1,452,536)	(1,153,332)		80,337	375,548	
27							
28							
29							
30							
31							
32							
33							

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Line No.	DESCRIPTION	Current Tax			Deferred Tax		
		(1) State	(2) Federal	(3) Total (Note A)	(4) State	(5) Federal	(6) Total (Note A)
1	Permanent Adjustments To Taxable Income						
2	Equity AFUDC Depreciation	30,275	30,275				
3	Manufacturer's Deduction	(75,789)	(61,858)				
4	Non-Deductible Compensation	253	253				
5	Solar ITC Depreciation	2,237	2,237				
6	Business Meals	1,945	1,945				
7	Fuel Tax Credit	0	43				
8	State Exemption	(50)	0				
9	Total Permanent Adjustments	(41,130)	(27,106)				
10							
11							
12	State Taxable Income	<u>745,528</u>					
13	State Income Tax (5.5% Or Applicable Rate)	41,004					
14							
15	Adjustments To State Income Tax (List)						
16	Return to Provision	0					
17	Other	<u>0</u>					
18	Total Adjustments to State Income Tax	0					
19							
20	Adjustments To Deferred Taxes						
21	Excess Deferred Taxes				(100)		
22	Other				<u>0</u>		
23	Total Adjustments to Deferred Income Tax				(100)		
24							
25	State Income Tax	<u>\$ 41,004</u>			<u>\$ 80,236</u>		
26							
27							
28							
29							
30							
31							
32							
33							

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		(2) State	(3) Federal	(4) Total (Note A)	(5) State	(6) Federal	(7) Total (Note A)
1	Federal Taxable Income		1,017,753				
2	Federal Income Tax (35% Or Applicable Rate)		356,213				
3							
4	Adjustments To Federal Income Tax						
5	ITC Generated		(175)				
6	Fuel Tax Credit		(43)				
7	Total Adjustments To Federal Income Tax		(218)				
8							
9	Adjustments To Deferred Taxes						
10	Excess Deferred Taxes					(2,176)	
11	Other					0	
12	Total Adjustments to Deferred Income Tax					(2,176)	
13							
14	Investment Tax Credits - Net					(4,464)	
15							
16	Federal Income Tax		<u>\$ 355,995</u>			<u>\$ 368,908</u>	
17							
18							
19							
20							
21							
22							
23							
24	NOTES:						
25	(A) Summary of Income Tax Expense		Federal	State		Total	
26	Current Tax Expense		355,995	41,004		397,000	
27	Deferred Income Taxes		373,372	80,236		453,608	
28	Investment Tax Credits, Net		(4,464)			(4,464)	
29	Total Income Tax Provision		<u>724,904</u>	<u>121,240</u>		<u>846,144</u>	
30							
31							
32							
33	TOTALS MAY NOT ADD DUE TO ROUNDING.						