

FLORIDA PUBLIC SERVICE COMMISSION
EXHIBIT INDEX

FILED 12/4/2025
DOCUMENT NO. 15342-2025
FPSC - COMMISSION CLERK

FOR THE HEARING DATED 10/06/2025 IN DOCKET 20250011-EI

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ADMITTED

Exhibit

	B	C	D	E	F	G
3						
4						
5						
6						
7						
8						
9	Line	Description		2026		2027
10						
11	1	Revenue Requirement - As Filed		\$ 1,545		\$ 927
12						
13	2	Four-Year Amortization of 2026 and 2027 Battery ITC ⁽¹⁾		\$ 508		\$ (427)
14	3	Four-Year Amortization of 2025 Battery ITC ⁽²⁾		\$ (42)		\$ -
15						
16	4	Revenue Requirement - Adjusted		\$ 2,010		\$ 501
17						
18	5	Lower ROE: 10.60% vs. 11.90% ⁽³⁾		\$ (663)		\$ (49)
19	6	2026 Revenue Shortfall Impact to 2027		\$ -		\$ 480
20						
21	7	Revenue Requirement - Revised at 10.60% ROE ⁽⁴⁾		\$ 1,347		\$ 932
22						
23	8	Non-Signatories Settlement Proposal		\$ 867		\$ 403
24						
25	9	Revenue Shortfall to 10.60% Mid-Point ROE ⁽⁵⁾		\$ 480		\$ 529
26						
27	10	Non-Signatories Settlement Proposal - Implied ROE		9.66%		9.64%
28						
29	⁽¹⁾ Investment tax credits associated with the 2026 and 2027 battery storage projects amortized over the 2026 - 2029 period					
30	⁽²⁾ FPL's response to FEL's 15th Set, Interrogatory No. 185 amortized over 4 years					
31	⁽³⁾ FPL's response to Walmart's 1st Set, Interrogatory No. 2, adjusted to a 10.60% ROE					
32	⁽⁴⁾ Sum Lines 4 through 6					
33	⁽⁵⁾ Line 9 = Line 7 - Line 8; will carry over and impact 2027 revenue requirements					
34						

ADMITTED

ITC >>>

	A	B
1	FPL 059517	
2	20250011-EI	

ADMITTED

26 and 27 ITC Amort

	A	B	C	D	E	F
3						
4						
5	Line No.	Description	2026	2027	2028	2029
6						
7		Base Case: One-Year Flow-Through ⁽²⁾				
8	1	ITC Flow-Through - One-Year Reduction	\$ (512,394,688)	\$ (294,730,248)	\$ -	\$ -
9						
10		Sensitivity: Four-Year Amortization ⁽³⁾				
11	2	Regulatory Liability	\$ (82,178,800)	\$ (458,283,053)	\$ (376,354,413)	\$ (174,573,179)
12	3	ITC Amortization Expense - Four Years	\$ (128,098,672)	\$ (201,781,234)	\$ (201,781,234)	\$ (201,781,234)
13						
14		Estimated Revenue Requirement Impact				
15	4	Total Amount of Rate Base	\$ (82,178,800)	\$ (458,283,053)	\$ (376,354,413)	\$ (174,573,179)
16	5	Weighted Average Cost of Capital	7.13%	7.14%	7.17%	7.20%
17	6	Return on Rate Base	\$ (5,858,245)	\$ (32,737,794)	\$ (26,996,439)	\$ (12,562,752)
18						
19	7	Change in Operating Expenses	\$ 384,296,016	\$ 92,949,014	\$ (201,781,234)	\$ (201,781,234)
20						
21	8	Total of Return and Net Change in Operating Expenses	\$ 378,437,771	\$ 60,211,220	\$ (228,777,673)	\$ (214,343,987)
22	9	NOI Multiplier	1.34115	1.34113	1.34113	1.34113
23	10	Estimated Revenue Requirement Impact - Increase / (Decrease)	\$ 507,542,615	\$ 80,751,282	\$ (306,821,391)	\$ (287,463,891)
24						
25						
26						
27						
28						
29						

ADMITTED

ROE >>>

	A	B
1	FPL 059519	
2	20250011-EI	

ADMITTED

2025 ITC >>>

	A	B
1	FPL 059521	
2	20250011-EI	

ADMITTED

ROE

	A	B	C	D	E	F	G
1		FPL 059520					
2		20250011-EI					
3		(\$000's)					
4							
5							
6		2026 PROJECTED TEST YEAR REVENUE REQUIREMENT	11.9% ROE	10.9% ROE	Impact of		
7		REVENUE DEFICIENCY CALCULATION	2026	2026	100 Basis Points		
8	1	RATE BASE	\$ 75,129,876	\$ 75,129,876			
9	2	NET OPERATING INCOME	\$ 4,580,123	\$ 4,580,123			
10	3	EARNED RATE OF RETURN	6.10%	6.10%			
11							
12	4	REQUIRED RATE OF RETURN (AFTER-TAX)	7.63%	7.12%	-0.51%		
13							
14	5	REQUIRED NET OPERATING INCOME	\$ 5,731,953	\$ 5,351,209	\$ (380,744)		
15							
16	6	NOI DEFICIENCY/ EXCESS	\$ 1,151,831	\$ 771,086			
17	7	NOI MULTIPLIER	1.34115	1.34115			
18	8	REVENUE DEFICIENCY	\$ 1,544,780	\$ 1,034,144	\$ (510,636)		
19							
20	9	REQUIRED RATE OF RETURN (PRE-TAX)	9.68%	9.00%	-0.68%		
21							
22	10	REQUIRED PRE-TAX RETURN	\$ 7,270,156	\$ 6,760,151	\$ (510,005)		
23							
24							
25							
26							
27							
28		2027 PROJECTED TEST YEAR REVENUE REQUIREMENT	11.9% ROE	10.9% ROE	Impact of		
29		REVENUE DEFICIENCY CALCULATION	2027	2027	100 Basis Points		
30	1	RATE BASE	\$ 80,751,580	\$ 80,751,580			
31	2	NET OPERATING INCOME	\$ 4,325,766	\$ 4,325,766			
32							
33	3	EARNED RATE OF RETURN	5.36%	5.36%			
34							
35	4	REQUIRED RATE OF RETURN	7.64%	7.14%	-0.51%		
36							
37	5	REQUIRED NET OPERATING INCOME	\$ 6,173,269	\$ 5,764,154	\$ (409,114)		
38							
39	6	NOI DEFICIENCY/ EXCESS	\$ 1,847,502	\$ 1,438,388			
40	7	NOI MULTIPLIER	1.34113	1.34113			
41	8	REVENUE DEFICIENCY	\$ 2,477,747	\$ 1,929,070	\$ (548,677)		
42							
43	9	2026 REVENUE INCREASE WITH SALES GROWTH	\$ 1,550,393	\$ 1,037,901	\$ (512,491)		
44							
45	10	2027 PROJECTED TEST YEAR NET REVENUE INCREASE	\$ 927,354	\$ 891,169	\$ (36,186)		
46							
47	11	NET OPERATING INCOME	\$ 4,325,766	\$ 4,325,766	\$ -		
48	12	2026 RATE INCREASE NOI INCREMENT	\$ 1,156,032	\$ 773,899	\$ (382,133)		
49	13	NET OPERATING INCOME WITH 2026 INCREASE	\$ 5,481,798	\$ 5,099,665	\$ (382,133)		
50							
51	14	NOI DEFICIENCY/ EXCESS	\$ 691,471	\$ 664,489			
52	15	NOI MULTIPLIER	1.34113	1.34113			
53	17	REVENUE DEFICIENCY	\$ 927,354	\$ 891,169	\$ (36,186)		
54							
55	18	REQUIRED RATE OF RETURN (PRE-TAX)	9.69%	9.01%	-0.68%		
56							
57	19	REQUIRED PRE-TAX RETURN	\$ 7,826,086	\$ 7,278,080	\$ (548,007)		
58							
59							
60							
61		SALES INCREASE 2026 TO 2027					
62		2026 RETAIL KWH SALES	128,430,086				
63		2027 RETAIL KWH SALES	128,896,714				
64		% INCREASE	100.3633%				
65							
66		* KWH details					
67							
68							
69							
70							
71							
72			Rev. Req.				
73		Basis Points	2026	2027			
74		100	\$ 510	\$ 548			
75		130	\$ 663	\$ 712			

ADMITTED

ROE

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ADMITTED

2025 Battery ITC

	A	B	C	D	E	F	G
3							
4		Asset Type				2025 Battery Storage	
5							
6							
7							
8		In Service Year				2025	
9		In Service Month		Notes		Oct-25	
10							
11		Cash Closings		(1)		504,072,779	
12		Construction Period Interest Closings		(2)		19,426,644	
13		Total Closings (Tax Basis)		(3) = (1) + (2)		523,499,423	
14							
15		ITC % eligible		(4)		0.913	
16		Cost Subject to ITC		(5) = (3) * (4)		477,954,973	
17							
18		ITC Rate		(6)		0.3	
19		ITC Generated - 30%		(7) = (5) * (6)		143,386,492	
20							
21		Cash Closings		(7)			
22		Construction Period Interest Closings		(8)			
23		Total Closings (Tax Basis)		(9) = (1) + (2)		-	
24							
25		ITC % eligible		(4)		0.913	
26		Cost Subject to ITC		(10) = (9) * (4)		-	
27							
28		ITC Rate		(11)		0.4	
29		ITC Generated - 40%		(12) = (10) * (11)		-	
30							
31		ITC Generated - Total		(13) = (7) + (12)		143,386,492	
32							
33		Tax Basis Adjustment Depreciation Loss - Pre Tax		(14) = (13) / 2		71,693,246	
34							
35		Tax Basis Adjustment Depreciation Loss - Tax Impact		(15) = (14) * .25345		18,170,653	
36		ITC Flowthrough		(13)		(143,386,492)	
37		Operating Income Tax Impact		(16) = (15) + (13)		(125,215,839)	
38							
39							
40							

ADMITTED



Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL 33408-0420

February 26, 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:

The cover letter accompanying Florida Power & Light Company's ("FPL") Rate of Return Surveillance Report for December 2017 filed on February 15, 2018 contained a scrivener's error stating that the return on equity was 11.50%. The correct return on equity for December 2017 is 11.08%, which can be seen on Schedule 1: Page 1 of 1 and Schedule 5: Page 1 of 2.

For ease of reference, I am attaching FPL's Rate of Return Surveillance Report for December 2017 and other accompanying schedules, which are the identical to those FPL provided on February 15, 2018.

Sincerely,

Elizabeth Fuentes
Sr. Director of Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2017

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	\$ 2,292,749,267 (A)	(229,824,932) (B)	2,062,924,335	(156,435,318)	\$ 1,906,489,017
RATE BASE	\$ 32,983,093,544	(354,601,113)	32,628,492,431	0	\$ 32,628,492,431
AVERAGE RATE OF RETURN	6.95%		6.32%		5.84%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,292,749,267 (A)	(220,994,945) (B)	2,071,754,322	(156,435,318)	\$ 1,915,319,003
RATE BASE	\$ 35,472,103,159	(853,209,347)	34,618,893,812	0	\$ 34,618,893,812
YEAR END RATE OF RETURN	6.46%		5.98%		5.53%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.66%
MIDPOINT	6.09%
HIGH	6.56%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.96 (SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.76 (SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.90% (SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	45.38% (SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.25% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.51% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.08% (FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.01% (PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KIMBERLY OUSDAHL
(VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER)

Kimberly Ousdahl
for K. Ousdahl
2/15/18
(DATE)

SCHEDULE 2: PAGE 1 OF 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
DECEMBER, 2017

	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	\$ 45,879,826,433	14,993,282,629	30,986,533,804	278,506,548	3,237,530,419	867,287,342	35,169,868,113	(915,165,894)	\$ 34,254,692,219
JURISDICTIONAL PER BOOKS	\$ 44,106,821,289	13,023,767,688	31,083,053,631	264,188,706	3,108,721,347	838,980,735	35,094,945,420	(2,111,851,876)	\$ 32,983,093,544
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,219,219,778)	(582,140,545)	(1,637,079,233)	0	(1,815,962,338)	0	(3,453,031,572)	3,098,430,459	\$ (354,601,113)
FPSC ADJUSTED:	\$ 41,887,601,511	12,441,627,113	29,445,974,398	264,188,706	1,292,768,008	838,980,735	31,641,913,848	986,578,563	\$ 32,628,492,431
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 41,887,601,511	12,441,627,113	29,445,974,398	264,188,706	1,292,768,008	838,980,735	31,641,913,848	986,578,563	\$ 32,628,492,431

NOTE:

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

SCHEDULE 2: PAGE 2 OF 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2017

	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	\$ 11,676,080,880	3,493,805,509	2,806,827,200	672,384,470	1,293,850,050	193,447,400	935,185,816	(3,502,803)	(6,006,065)	9,385,791,577	\$ 2,290,299,303
JURISDICTIONAL PER BOOKS	\$ 11,244,264,510	3,328,486,639	2,753,255,882	620,279,656	1,275,635,595	183,143,418	885,014,380	(3,379,298)	(6,000,093)	9,048,436,238	\$ 2,195,828,273
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (506,346,509)	0	0	0	(13,023,232)	(190,299,454)	0	0	0	(203,322,686)	\$ (303,023,823)
FRANCHISE EXPENSE	0	0	0	0	(493,323,216)	190,299,431	0	0	0	(303,023,785)	303,023,785
GROSS RECEIPTS TAX	(260,865,872)	0	0	0	(260,812,708)	(87,658)	0	0	0	(260,710,366)	(156,506)
FINANCIAL PLANNING SERVICES	0	0	(373,875)	0	0	144,222	0	0	0	(229,653)	229,653
INDUSTRY ASSOCIATION DUES	0	0	(2,307,827)	0	0	890,244	0	0	0	(1,417,583)	1,417,583
ECONOMIC DEVELOPMENT 5%	0	0	(135,695)	0	0	52,344	0	0	0	(83,350)	83,350
AVIATION - EXPENSES	0	0	(151,946)	0	0	58,613	0	0	0	(93,333)	93,333
EXECUTIVE COMPENSATION	0	0	(36,137,478)	0	0	13,940,032	0	0	0	(22,197,446)	22,197,446
FUEL COST REC RETAIL	(3,125,419,088)	(3,109,482,160)	(223,736)	8,050,670	(2,225,499)	(28,595,272)	18,286,848	0	0	(3,112,189,148)	(13,223,940)
CONSERVATION COST RECOVERY	(56,630,159)	0	(43,503,850)	(9,566,945)	(1,130,275)	(935,972)	(1,049)	0	0	(55,138,091)	(1,482,068)
CAPACITY COST RECOVERY	(317,800,212)	(197,049,811)	(36,487,283)	(4,285,849)	(381,156)	(20,172,540)	(10,527,799)	0	0	(268,914,448)	(48,885,764)
ENVIRONMENTAL COST RECOVERY	(200,286,208)	0	(33,660,143)	(43,722,679)	(289,530)	(68,231,587)	18,883,352	0	117,480	(124,903,126)	(75,395,082)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(392,970,924)	0	(73,343,361)	(311,251,282)	0	(3,231,139)	0	0	0	(387,825,812)	(5,145,112)
INTEREST TAX DEFICIENCIES	0	0	188,015	0	0	(72,527)	0	0	0	115,488	(115,488)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,756,749	(8,250,445)	0	0	12,506,304	(12,506,304)
TOTAL FPSC ADJUSTMENTS	\$ (4,860,330,973)	(3,306,531,971)	(226,137,217)	(360,786,085)	(770,983,617)	(81,494,513)	18,390,307	0	117,480	(4,727,427,036)	\$ (132,903,938)
FPSC ADJUSTED	\$ 6,393,993,537	21,954,668	2,527,118,665	259,493,571	504,649,978	103,648,904	913,405,287	(3,379,298)	(5,882,573)	4,321,009,202	\$ 2,067,924,335

PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (254,860,453)	0	0	0	(189,500)	(88,241,635)	0	0	0	(98,425,194)	\$ (156,435,318)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,129,073,085	21,954,668	2,527,118,665	259,493,571	504,466,478	5,407,270	913,405,287	(3,379,298)	(5,882,573)	4,222,584,068	\$ 1,906,489,017

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY
AND THE JURISDICTIONAL NOI BY(B) ECONOMIC DEVELOPMENT COSTS RELATED
TO THE PERIOD ARE:
ON A TOTAL COMPANY BASIS
ON A JURISDICTIONAL BASIS

CURRENT MONTH AMOUNT	\$ 880,585,651	253,612,124	1,416,990,424	(1,002,316,190)	92,864,312	213,001,532	(184,794,038)	(273,648)	(612,693)	788,471,822	\$ 92,123,829
SYSTEM PER BOOKS	\$ 851,553,958	241,277,949	1,407,254,193	(1,001,360,653)	91,612,779	198,745,482	(172,478,257)	(263,998)	(606,853)	764,180,698	\$ 87,373,319
JURISDICTIONAL PER BOOKS											

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DEAMTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-18-0560-AS-EI.

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2017

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (254,860,453)	0	0	0	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)
TOTAL PROFORMA ADJUSTMENTS	\$ (254,860,453)	0	0	0	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)

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
DECEMBER, 2017

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,827,831,836	\$ 1,548,316,648
FUEL AND CAPACITY	132,956,082	126,425,378
CAPITALIZED EXECUTIVE COMPENSATION	18,688,458	18,133,980
LOAD CONTROL	48,264,376	48,264,376
ASSET RETIREMENT OBLIGATION	433,358,656	420,501,091
CAPITAL LEASES	59,338,864	57,578,305
TOTAL	\$ 2,320,438,274	\$ 2,219,219,778
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (282,198,475)	\$ (268,413,842)
ACCUM PROV DECOMMISSIONING COSTS	(4,251,585,434)	(4,076,104,882)
ASSET RETIREMENT OBLIGATION	3,338,601	3,239,546
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,942,764,012	3,825,783,894
FUEL AND CAPACITY	(39,365,121)	(37,470,370)
OTHER RATE CASE ADJUSTMENTS (1)	0	0
LOAD CONTROL	(21,223,220)	(21,223,220)
CAPITAL LEASES	(8,194,808)	(7,951,671)
TOTAL	\$ (656,484,445)	\$ (582,140,545)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,877,862,259	\$ 1,780,033,540
CWIP - CLAUSE PROJECTS	37,772,518	35,918,799
TOTAL	\$ 1,915,634,778	\$ 1,815,952,338
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)	\$ (3,175,017,375)	\$ (3,098,430,459)
TOTAL ADJUSTMENTS	\$ 404,591,231	\$ 354,601,113

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
DECEMBER, 2017

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	\$ 11,676,090,880	3,493,805,509	2,806,827,200	672,384,470	1,293,650,050	193,447,400	595,185,916	(3,502,803)	(6,008,065)	9,385,791,577	\$ 2,290,299,303
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (506,346,509)	0	0	0	(13,023,232)	(190,299,454)	0	0	0	(203,322,686)	\$ (303,023,823)
FRANCHISE EXPENSE	0	0	0	0	(493,323,216)	190,299,431	0	0	0	(303,023,785)	303,023,785
GROSS RECEIPTS TAX	(260,665,872)	0	0	0	(260,612,709)	(87,658)	0	0	0	(360,710,368)	(155,500)
FINANCIAL PLANNING SERVICES	0	0	0	0	0	148,632	0	0	0	(236,675)	236,675
INDUSTRY ASSOCIATION DUES	0	0	0	0	0	917,465	0	0	0	(1,460,928)	1,460,928
ECONOMIC DEVELOPMENT 5%	0	0	0	0	0	53,945	0	0	0	(85,899)	85,899
AVIATION - EXPENSES	0	0	0	0	0	60,405	0	0	0	(96,186)	96,186
EXECUTIVE COMPENSATION	0	0	0	0	0	14,366,273	0	0	0	(22,876,172)	22,876,172
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,278,392,814)	(3,263,361,609)	(234,987)	8,053,218	(2,226,656)	(25,893,747)	17,542,397	0	0	(3,265,721,463)	(12,661,351)
CONSERVATION COST RECOVERY	(56,630,159)	0	(43,503,850)	(9,566,945)	(1,130,275)	(935,972)	(1,049)	0	0	(55,138,091)	(1,492,068)
CAPACITY COST RECOVERY	(318,163,213)	(207,385,600)	(38,388,854)	(4,519,730)	(369,357)	(15,502,453)	(10,527,799)	0	0	(276,713,874)	(41,448,339)
ENVIRONMENTAL COST RECOVERY	(200,296,208)	0	(35,388,790)	(45,968,096)	(286,993)	(64,698,040)	18,853,352	0	123,492	(127,345,073)	(72,953,134)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(392,970,924)	0	(73,543,391)	(311,251,282)	0	(3,231,139)	0	0	0	(387,825,812)	(5,145,112)
INTEREST TAX DEFICIENCIES	0	0	193,764	0	0	(74,744)	0	0	0	119,019	(119,019)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,376,808	(8,502,717)	0	0	12,874,089	(12,874,089)
TOTAL FPSC ADJUSTMENTS	\$ (5,013,657,700)	(3,470,747,369)	(230,968,687)	(363,252,835)	(771,002,437)	(73,510,250)	17,794,184	0	123,492	(4,891,563,902)	\$ (122,093,799)
FPSC ADJUSTED	\$ 6,662,433,180	23,058,140	2,575,858,513	308,131,635	522,647,613	119,937,150	952,980,000	(3,502,803)	(5,882,573)	4,494,227,875	\$ 2,168,205,506

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

\$ 100,584,817

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2017

SCHEDULE 2: PAGE 38 OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	21,627,018	20,940,551
INTEREST & DIVIDENDS RECEIVABLE	22,971	22,242
NET UNDERRECOVERED FUEL, CAPACITY, ECRC, ECRC	21,781,273	21,982,186
POLE ATTACHMENTS RENTS RECEIVABLE	15,146,192	15,146,192
PREPAYMENTS - ECRC	50,655,155	50,655,155
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,867,409	9,507,987
TEMPORARY CASH INVESTMENTS	428,216	414,624
STORM DEFICIENCY RECOVERY	232,375,554	232,272,890
NUCLEAR COST RECOVERY	27,234	27,234
JOBGING ACCOUNTS	11,840,703	11,484,866
OTH REG ASSETS - CLAUSES	1,042,350	992,442
MISC. DEFERRED DEBIT - CLAUSES	16,571,801	15,778,342
CEDAR BAY TRANSACTION	674,360,581	640,987,318
ICL TRANSACTION	391,685,897	372,284,050
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,447,432,557	\$ 1,392,476,080
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(212,827)	(206,512)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	405,142,023	405,142,023
ACCUM. PROV. - RATE REFUNDS	(6,337)	(7,149)
GAIN ON SALE OF EMISSION ALLOWANCE	(3,017)	(2,870)
JOBGING ACCOUNTS	(18,818,470)	(18,221,150)
POLE ATTACHMENT RENTS PAYABLE	(7,475,517)	(7,475,517)
SJRP ACCELERATED RECOVERY	(14,446,533)	(13,730,936)
STORM DEFICIENCY RECOVERY	(353,268,071)	(353,268,071)
ASSET RETIREMENT OBLIGATION	(4,379,475,886)	(4,248,538,714)
MARGIN CALL CASH COLLATERAL	(513,462)	(497,164)
NUCLEAR COST RECOVERY	(247,893,679)	(247,893,679)
CEDAR BAY TRANSACTION	(5,478,157)	(5,206,801)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,622,449,932)	\$ (4,490,906,538)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,175,017,375)	\$ (3,098,430,459)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2017

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (254,860,453)	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)
TOTAL PROFORMA ADJUSTMENTS	\$ (254,860,453)	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)

FOOTNOTES:

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

SCHEDULE 3: PAGE 1 OF 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
RATE BASE
DECEMBER, 2017

	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	\$ 47,193,672,524	15,364,153,315	31,829,489,210	334,980,725	3,839,548,895	610,318,742	38,614,317,572	(915,165,894)	\$ 35,699,151,678
JURISDICTIONAL PER BOOKS	\$ 45,288,321,176	12,285,625,617	33,002,695,558	317,463,448	3,679,367,252	584,428,767	37,583,955,035	(2,111,851,875)	\$ 35,472,103,159
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,281,177,817)	(640,768,051)	(1,620,409,765)	0	(2,331,230,040)	0	(3,951,539,806)	3,056,430,459	\$ (853,209,347)
FPSC ADJUSTED:	\$ 43,027,143,359	11,644,857,566	31,382,285,753	317,463,448	1,348,137,221	584,428,767	33,632,315,229	986,576,583	\$ 34,618,693,812
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 43,027,143,359	11,644,857,566	31,382,285,753	317,463,448	1,348,137,221	584,428,767	33,632,315,229	986,576,583	\$ 34,618,693,812

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2017

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,678,090,880	3,493,805,509	2,806,827,200	1,293,650,050	193,447,400	933,185,816	(3,502,803)	(6,006,065)	9,385,791,577	\$ 2,290,298,303
JURISDICTIONAL PER BOOKS	\$ 11,244,264,510	3,328,486,639	2,753,255,882	1,273,635,595	185,143,418	895,014,380	(3,379,298)	(8,000,033)	9,048,436,238	\$ 2,195,828,273
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (506,346,509)	0	0	(13,023,232)	(190,298,454)	0	0	0	(203,322,696)	\$ (303,023,823)
FRANCHISE EXPENSE	0	0	0	(493,323,216)	190,298,431	0	0	0	(303,023,785)	303,023,785
GROSS RECEIPTS TAX	(260,865,872)	0	0	(260,612,708)	(97,658)	0	0	0	(260,710,366)	(155,506)
FINANCIAL PLANNING SERVICES	0	0	(373,875)	0	144,222	0	0	0	(229,653)	229,653
INDUSTRY ASSOCIATION DUES	0	0	(2,307,827)	0	880,244	0	0	0	(1,417,583)	1,417,583
ECONOMIC DEVELOPMENT 5%	0	0	(135,656)	0	52,944	0	0	0	(83,350)	83,350
AVIATION - EXPENSES	0	0	(151,946)	0	58,613	0	0	0	(93,333)	93,333
EXECUTIVE COMPENSATION	0	0	(56,137,478)	0	13,940,032	0	0	0	(22,197,446)	22,197,446
FUEL COST REC RETAIL	(3,125,419,088)	(3,109,482,160)	8,050,670	(2,225,459)	(26,595,272)	18,286,848	0	0	(3,112,185,148)	(13,229,940)
CONSERVATION COST RECOVERY	(95,630,199)	0	(9,586,945)	(1,130,275)	(935,972)	(1,049)	0	0	(53,136,091)	(1,492,068)
CAPACITY COST RECOVERY	(317,800,212)	(197,049,811)	(4,285,849)	(381,156)	(20,172,540)	(10,527,799)	0	0	(268,914,448)	(48,885,784)
ENVIRONMENTAL COST RECOVERY	(200,288,208)	0	(33,680,143)	(289,530)	(66,231,887)	18,893,352	0	117,460	(124,903,126)	(75,395,082)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(392,970,924)	0	(73,343,391)	0	(3,231,139)	0	0	0	(387,825,812)	(5,145,112)
INTEREST TAX DEFICIENCIES	0	0	(311,251,282)	0	(72,527)	0	0	0	115,488	(115,488)
INTEREST SYNCHRONIZATION	0	0	0	0	11,926,762	(8,250,445)	0	0	3,676,317	(3,676,317)
TOTAL FPSC ADJUSTMENTS	\$ (4,880,330,973)	(3,305,531,971)	(360,786,085)	(770,385,517)	(90,324,500)	18,390,907	0	117,460	(4,736,257,022)	\$ (124,073,951)
FPSC ADJUSTED	\$ 6,393,933,537	21,954,668	2,527,118,665	504,649,878	94,818,918	913,405,287	(3,379,298)	(5,882,573)	4,312,179,216	\$ 2,071,754,322
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (254,860,493)	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,129,073,085	21,954,668	2,527,118,665	504,466,479	(3,422,717)	913,405,287	(3,379,298)	(5,882,573)	4,213,754,081	\$ 1,915,319,003

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

\$ 100,584,817
\$ 98,920,984

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2017

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (254,860,453)	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)
TOTAL PROFORMA ADJUSTMENTS	\$ (254,860,453)	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (156,435,318)

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
DECEMBER, 2017

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,726,325	\$ 1,548,216,291
FUEL AND CAPACITY	148,058,415	140,779,549
CAPITALIZED EXECUTIVE COMPENSATION	24,221,926	23,503,271
LOAD CONTROL	51,082,126	51,082,126
ASSET RETIREMENT OBLIGATION	453,401,251	439,949,031
CAPITAL LEASES	59,410,224	57,647,548
TOTAL	\$ 2,363,900,267	\$ 2,261,177,817
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (306,618,479)	\$ (291,640,995)
ACCUM PROV DECOMMISSIONING COSTS	(4,501,082,634)	(4,315,304,299)
ASSET RETIREMENT OBLIGATION	(13,582,920)	(13,180,514)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,175,546,408	4,051,659,737
FUEL AND CAPACITY	(41,354,736)	(39,361,352)
OTHER RATE CASE ADJUSTMENTS (1)	0	0
LOAD CONTROL	(24,322,261)	(24,322,261)
CAPITAL LEASES	(8,902,500)	(8,638,367)
TOTAL	\$ (720,297,123)	\$ (640,768,051)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,401,206,972	\$ 2,272,322,213
CWIP - CLAUSE PROJECTS	61,939,787	58,907,828
TOTAL	\$ 2,463,146,759	\$ 2,331,230,040
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)	\$ (3,175,017,375)	\$ (3,098,430,459)
TOTAL ADJUSTMENTS	\$ 931,732,528	\$ 853,209,347

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
DECEMBER 2017

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	SCHEDULE 3: PAGE 3A OF 3	
									TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,678,090,880	3,493,805,509	2,808,827,200	1,293,650,050	133,447,400	935,185,816	(3,502,803)	(6,008,085)	9,385,791,577	\$ 2,290,298,303
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (506,346,509)	0	0	(13,023,232)	(180,299,454)	0	0	0	(203,322,686)	\$ (303,023,823)
FRANCHISE EXPENSE	0	0	0	(493,333,216)	190,299,431	0	0	0	(303,023,785)	303,023,785
GROSS RECEIPTS TAX	(260,864,872)	0	0	(260,812,708)	(97,658)	0	0	0	(260,710,366)	(155,506)
FINANCIAL PLANNING SERVICES	0	0	0	0	148,632	0	0	0	(236,679)	236,675
INDUSTRY ASSOCIATION DUES	0	0	0	0	917,465	0	0	0	(1,460,328)	1,460,328
ECONOMIC DEVELOPMENT 5%	0	0	0	0	53,945	0	0	0	(85,999)	85,999
AVIATION - EXPENSES	0	0	0	0	60,405	0	0	0	(96,186)	96,186
EXECUTIVE COMPENSATION	0	0	0	0	14,365,273	0	0	0	(22,876,172)	22,876,172
FUEL COST REC RETAIL	(3,278,382,814)	(3,263,361,666)	(234,957)	(2,226,656)	(35,863,747)	17,942,397	0	0	(3,285,721,463)	(12,861,351)
CONSERVATION COST RECOVERY	(56,630,159)	0	(43,503,650)	(1,130,275)	(935,872)	(1,049)	0	0	(55,138,091)	(1,492,068)
CAPACITY COST RECOVERY	(318,163,213)	(207,385,680)	(38,388,854)	(4,519,730)	(15,502,453)	(10,527,799)	0	0	(276,713,674)	(41,449,339)
ENVIRONMENTAL COST RECOVERY	(200,298,208)	0	(35,388,750)	(296,983)	(84,688,040)	18,883,352	0	123,492	(127,345,073)	(72,953,194)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(392,970,924)	0	(73,343,391)	(311,251,282)	(3,231,135)	0	0	0	(387,825,812)	(5,145,112)
INTEREST TAX DEFICIENCIES	0	0	193,764	0	(74,744)	0	0	0	119,019	(119,019)
INTEREST SYNCHRONIZATION	0	0	0	0	17,958,897	(6,502,717)	0	0	9,456,180	(9,456,180)
TOTAL FPSC ADJUSTMENTS	\$ (5,013,657,700)	(3,470,747,366)	(250,968,667)	(771,002,437)	(76,928,159)	17,794,184	0	123,492	(4,894,981,811)	\$ (118,675,898)
FPSC ADJUSTED	\$ 6,662,433,180	23,058,140	2,575,858,513	522,647,613	116,519,241	952,980,000	(3,502,803)	(5,882,573)	4,490,809,766	\$ 2,171,623,414
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (254,860,453)	0	0	(183,500)	(38,241,635)	0	0	0	(38,425,134)	\$ (158,435,318)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,407,572,726	23,058,140	2,575,858,513	522,464,113	18,277,606	952,980,000	(3,502,803)	(5,882,573)	4,392,384,632	\$ 2,015,188,096
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 100,564,817									

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DEMANDMENT 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.

SCHEDULE 3: PAGE 3B OF 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2017

	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)	\$ (254,860,453)	0	0	0	0	(98,241,635)	0	0	0	(98,425,134)	\$ (158,435,318)
TOTAL PROFORMA ADJUSTMENTS	\$ (254,860,453)	0	0	0	(183,500)	(98,241,635)	0	0	0	(98,425,134)	\$ (158,435,318)

FOOTNOTES:

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

SCHEDULE 4: PAGE 1 OF 2

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER, 2017

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	\$ 9,455,269,337	\$ 9,104,754,795	\$ 88,579,559	\$ (201,685,161)	\$ 8,991,649,192	27.56%	4.41%	1.21%	4.41%	1.21%	4.41%	1.21%
SHORT TERM DEBT	1,151,901,705	1,108,493,894	11,028,769	(0)	1,119,522,663	3.43%	2.04%	0.07%	2.04%	0.07%	2.04%	0.07%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	15,110,778,827	14,541,350,186	144,576,661	(0)	14,686,026,846	45.01%	9.60%	4.32%	10.55%	4.75%	11.60%	5.22%
CUSTOMER DEPOSITS	405,774,045	405,288,405	4,032,347	0	409,320,752	1.25%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%
DEFERRED INCOME TAX	7,879,311,685	7,582,634,079	72,079,893	(337,934,299)	7,316,779,674	22.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	251,656,621	240,572,185	1,036,292	(136,415,174)	105,193,304	0.32%	7.60%	0.02%	8.22%	0.03%	8.84%	0.03%
TOTAL	\$ 34,254,692,219	\$ 32,983,093,544	\$ 321,433,522	\$ (676,034,634)	\$ 32,628,492,431	100.00%		5.66%		6.09%		6.56%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 10,250,915,493	\$ 10,189,623,696	\$ (51,878,731)	\$ (201,067,709)	\$ 9,936,677,156	28.70%	4.09%	1.17%	4.09%	1.17%	4.09%	1.17%
SHORT TERM DEBT	1,713,044,510	1,702,914,759	(8,844,628)	(0)	1,694,070,132	4.89%	2.13%	0.10%	2.13%	0.10%	2.13%	0.10%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,957,957,442	14,869,506,509	(77,229,465)	(0)	14,792,277,014	42.73%	9.60%	4.10%	10.55%	4.51%	11.60%	4.96%
CUSTOMER DEPOSITS	393,587,246	392,957,638	(2,040,950)	(0)	390,916,688	1.13%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%
DEFERRED INCOME TAX	8,139,821,610	8,080,753,372	(40,214,785)	(337,934,299)	7,702,604,288	22.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	243,825,377	236,347,285	(534,355)	(133,464,395)	102,348,535	0.30%	7.35%	0.02%	7.95%	0.02%	8.55%	0.03%
TOTAL	\$ 35,698,151,678	\$ 35,472,103,159	\$ (180,742,943)	\$ (672,466,404)	\$ 34,618,893,812	100.00%		5.43%		5.83%		6.28%

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
DECEMBER, 2017

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	LOW POINT				MIDPOINT			HIGH POINT		
	1	2	3	4	5	6	7	8	9	10
LONG TERM DEBT	\$ 8,991,649,192	\$ -	\$ 8,991,649,192	27.56%	4.41%	1.21%	4.41%	1.21%	4.41%	1.21%
SHORT TERM DEBT	1,119,522,663	-	1,119,522,663	3.43%	2.04%	0.07%	2.04%	0.07%	2.04%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,686,026,846	-	14,686,026,846	45.01%	9.60%	4.32%	10.55%	4.75%	11.60%	5.22%
CUSTOMER DEPOSITS	409,320,752	-	409,320,752	1.25%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%
DEFERRED INCOME TAX	7,316,779,674	-	7,316,779,674	22.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	105,193,304	-	105,193,304	0.32%	7.60%	0.02%	8.22%	0.03%	8.84%	0.03%
TOTAL	\$ 32,628,492,431	\$ -	\$ 32,628,492,431	100.00%		5.66%		6.09%		6.56%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT			MIDPOINT			HIGH POINT		
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10			
LONG TERM DEBT	\$ 9,936,677,156	\$ -	\$ 9,936,677,156	28.70%	4.09%	1.17%	4.09%	1.17%	4.09%	1.17%	4.09%	1.17%	
SHORT TERM DEBT	1,694,070,132	-	1,694,070,132	4.89%	2.13%	0.10%	2.13%	0.10%	2.13%	0.10%	2.13%	0.10%	
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	14,792,277,014	-	14,792,277,014	42.73%	9.60%	4.10%	10.55%	4.51%	11.60%	4.96%	11.60%	4.96%	
CUSTOMER DEPOSITS	390,916,688	-	390,916,688	1.13%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%	
DEFERRED INCOME TAX	7,702,604,288	-	7,702,604,288	22.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (1)	102,348,535	-	102,348,535	0.30%	7.35%	0.02%	7.95%	0.02%	8.55%	0.03%	8.55%	0.03%	
TOTAL	\$ 34,618,893,812	\$ -	\$ 34,618,893,812	100.00%		5.43%		5.83%		6.28%		6.28%	

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
DECEMBER, 2017

SCHEDULE S: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,358,971,757
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	22,042,040
INCOME TAXES	1,102,278,591
TOTAL	\$ 3,483,292,388
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 500,744,898
TIMES INTEREST EARNED WITH AFUDC	6.96

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,358,971,757
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(78,542,777)
INCOME TAXES	1,102,278,591
TOTAL	\$ 3,382,707,571
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 500,744,898
TIMES INTEREST EARNED WITHOUT AFUDC	6.76

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 22,042,040
X (1 - INCOME TAX RATE)	0.8143
SUBTOTAL	\$ 13,539,323
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	78,542,777
TOTAL	\$ 92,082,100
NET INCOME AVAILABLE FOR COMMON	\$ 1,880,268,899
AFUDC AS PERCENT OF NET INCOME	4.90%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY
GAINS ON DISPOSITION OF PROPERTY
LONG TERM DEBT RETIREMENTS & REDEMPTIONS
INCREASE/DECREASE IN DECOMMISSIONING FUNDS

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,880,268,899
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,450,000,000)
AFUDC (DEBT & OTHER)	(100,584,817)
DEPRECIATION AND AMORTIZATION EXPENSE	672,384,470
DEFERRED INCOME TAXES	925,234,912
INVESTMENT TAX CREDITS	(3,502,803)
OTHER SOURCE/USES OF FUNDS	216,070,878
INTERNALLY GENERATED FUNDS	\$ 2,139,871,539
CONSTRUCTION EXPENDITURES	\$ 4,715,810,415
PERCENT INTERNALLY GENERATED FUNDS	45.38%

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

AVERAGE RETAIL AMOUNTS	\$ 8,991,649,192
JURIS ADJUSTED LONG TERM DEBT	1,119,522,863
JURIS ADJUSTED SHORT TERM DEBT	0
JURIS ADJUSTED PREFERRED STOCK	14,686,026,846
JURIS ADJUSTED COMMON STOCK	\$ 24,797,198,702
TOTAL	36.26%
LTD TO TOTAL INVESTOR FUNDS	4.51%
STD TO TOTAL INVESTOR FUNDS	

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.32%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.21%
SHORT TERM DEBT	0.07%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.03%
SUBTOTAL	1.34%
TOTAL	4.99%
DIVIDED BY COMMON EQUITY RATIO	45.01%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.08%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
FINANCIAL INTEGRITY INDICATORS
DECEMBER, 2017

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 5.84%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.21%
SHORT TERM DEBT	0.07%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.03%
SUBTOTAL	<u>1.34%</u>

PRO FORMA ROR LESS NON EQUITY COST

4.51%

PRO FORMA COMMON EQUITY RATIO

45.01%

PRO FORMA RETURN ON COMMON EQUITY

10.01%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2017

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 8,991,649,192	27.56%	4.09%	1.13%
SHORT TERM DEBT	1,119,522,663	3.43%	2.04% *	0.07%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	409,320,752	1.25%	2.09% *	0.03%
COMMON EQUITY	14,686,026,846	45.01%	10.55%	4.75%
DEFERRED INCOME TAX	7,316,779,674	22.42%	0.00%	0.00%
INVESTMENT TAX CREDITS	105,193,304	0.32%	0.00%	0.00%
TOTAL	\$ 32,628,492,431	100.00%		5.97%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2017 THE COMMISSION APPROVED AFUDC RATE IS 6.16%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2017

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 9,455,269,337	9,104,754,795	(113,105,603)	8,991,649,192
SHORT TERM DEBT	1,151,901,705	1,108,493,894	11,028,769	1,119,522,663
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	15,110,778,827	14,541,350,186	144,676,661	14,686,026,846
CUSTOMER DEPOSITS	405,774,045	405,288,405	4,032,347	409,320,752
DEFERRED INCOME TAX	7,879,311,685	7,582,634,079	(265,854,406)	7,316,779,674
INVESTMENT TAX CREDITS	251,656,621	240,572,185	(135,378,881)	105,193,304
TOTAL	\$ 34,254,692,219	32,983,093,544	(354,601,113)	32,628,492,431

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2017

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,548,316,648
FUEL AND CAPACITY	126,425,378
CAPITALIZED EXECUTIVE COMPENSATION	18,133,980
LOAD CONTROL	48,264,376
ASSET RETIREMENT OBLIGATION	420,501,091
CAPITAL LEASES	57,578,305
TOTAL	\$ 2,219,219,778
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (268,413,842)
ACCUM PROV DECOMMISSIONING COSTS	(4,076,104,882)
ASSET RETIREMENT OBLIGATION	3,239,546
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,825,783,894
FUEL AND CAPACITY	(37,470,370)
OTHER RATE CASE ADJUSTMENTS (1)	0
LOAD CONTROL	(21,223,220)
CAPITAL LEASES	(7,951,671)
TOTAL	\$ (582,140,545)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,780,033,540
CWIP - CLAUSE PROJECTS (1)	\$ 35,918,799
TOTAL	\$ 1,815,952,338
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL: (SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,098,430,459)
TOTAL ADJUSTMENTS	\$ 354,601,113

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-\$-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2017

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 20,940,551
INTEREST & DIVIDENDS RECEIVABLE	22,242
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECCR	21,982,186
POLE ATTACHMENTS RENTS RECEIVABLE	15,146,192
PREPAYMENTS - ECCR	50,655,155
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,507,987
TEMPORARY CASH INVESTMENTS	414,624
STORM DEFICIENCY RECOVERY	232,272,890
NUCLEAR COST RECOVERY	27,234
JOBGING ACCOUNTS	11,464,866
OTH REG ASSETS - CLAUSES	992,442
MISC. DEFERRED DEBIT - CLAUSES	15,778,342
CEDAR BAY TRANSACTION	640,987,318
ICL TRANSACTION	372,284,050
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,392,476,080
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(206,512)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	405,142,023
ACCUM. PROV. - RATE REFUNDS	(7,149)
GAIN ON SALE OF EMISSION ALLOWANCE	(2,870)
JOBGING ACCOUNTS	(18,221,150)
POLE ATTACHMENT RENTS PAYABLE	(7,475,517)
SJRPP ACCELERATED RECOVERY	(13,730,936)
ASSET RETIREMENT OBLIGATION	(4,249,538,714)
MARGIN CALL CASH COLLATERAL	(497,164)
STORM DEFICIENCY RECOVERY	(353,268,071)
NUCLEAR COST RECOVERY	(247,893,679)
CEDAR BAY TRANSACTION	(5,206,801)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,490,906,539)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,098,430,459)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2017

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$$\begin{aligned} ((1+R/12)^{**12})-1 &= \\ ((1+R/12)^{**12})-1 &= \\ ((1+R/12)^{**12}) &= \\ (1+R/12) &= \\ (R/12) &= \end{aligned}$$

APPROVED RATE
5.97%
1.05970000
1.00484385
0.00484385

MONTHS	AFUDC		MONTHLY		CUMULATIVE	
	BASE		AFUDC		AFUDC	
JAN	1.00000000		0.00484385		0.00484385	
FEB	1.00484385		0.00486731		0.00971116	
MAR	1.00971116		0.00489089		0.01460205	
APR	1.01460205		0.00491458		0.01951662	
MAY	1.01951662		0.00493838		0.02445501	
JUN	1.02445501		0.00496230		0.02941731	
JUL	1.02941731		0.00498634		0.03440365	
AUG	1.03440365		0.00501049		0.03941415	
SEP	1.03941415		0.00503476		0.04444891	
OCT	1.04444891		0.00505915		0.04950806	
NOV	1.04950806		0.00508366		0.05459172	
DEC	1.05459172		0.00510828		0.05970000	

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2017

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2017 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is ⁽¹⁾ [REDACTED]

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2017

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	\$0	

Notes:

(1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.

(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.

ADMITTED

**FPL**

Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL 33408-0420
Docket No. 20250011-EI
FAIR-19, Page 1 of 26
FPL ESR December 2018

February 15, 2019

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 December 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.

Pursuant to the above referenced order, FPL has provided the monthly and year-end total amounts of amortization credit or debit to the Reserve Amount during 2018 herein as Attachment 1. The balance of the Reserve Amount as of December 31, 2018 is \$540,949,289.

Sincerely,

Jason Chin
Sr. Manager of Regulatory Accounting

Enclosures

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

ADMITTED

Docket No. 20250011-EI
FAIR-19, Page 2 of 26
FPL ESR December 2018

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

SCHEDULE 1: PAGE 1 OF 1

I. LEVERAGE RATE OF RETURN (JURISDICTIONAL)		ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
NET OPERATING INCOME		\$ 2,638,261,784 (A)	(223,931,147) (B)	2,408,440,336	16,157,078	\$ 2,424,597,414
RATE BASE		\$ 36,177,280,412	(205,534,992)	35,971,745,420	0	\$ 35,971,745,420
AVERAGE RATE OF RETURN		7.29%		6.70%		6.74%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)						
NET OPERATING INCOME		\$ 2,638,261,784 (A)	(223,931,147) (B)	2,414,330,636	16,157,078	\$ 2,430,487,714
RATE BASE		\$ 37,232,696,572	(416,601,008)	36,816,094,564	0	\$ 36,816,094,564
YEAR END RATE OF RETURN		7.09%		6.56%		6.60%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS						

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

LOW	5.78%
MIDPOINT	6.22%
HIGH	6.70%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.79	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.59	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.00%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	82.29%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.81%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.59%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.70%	(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. 160027-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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

KEITH FERGUSON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

(SIGNATURE)

2/15/2019
(DATE)

FOR KEITH FERGUSON

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

SCHEDULE 2: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>	<u>NET PLANT IN SERVICE</u>	<u>PROPERTY HELD FOR FUTURE USE</u>	<u>CONSTRUCTION WORK IN PROGRESS</u>	<u>NUCLEAR FUEL</u>	<u>NET UTILITY PLANT</u>	<u>WORKING CAPITAL</u>	<u>TOTAL RATE BASE</u>
SYSTEM PER BOOKS	<u>\$ 48,548,529,954</u>	<u>15,480,145,587</u>	<u>33,068,384,366</u>	<u>372,183,848</u>	<u>3,776,294,635</u>	<u>603,421,837</u>	<u>37,820,284,687</u>	<u>(165,967,676)</u>	<u>\$ 37,654,317,011</u>
JURISDICTIONAL PER BOOKS	<u>\$ 46,496,972,000</u>	<u>12,373,525,644</u>	<u>34,123,446,355</u>	<u>351,257,682</u>	<u>3,600,371,969</u>	<u>578,776,744</u>	<u>38,653,852,751</u>	<u>(2,476,572,340)</u>	<u>\$ 36,177,280,412</u>
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	<u>\$ (2,207,055,579)</u>	<u>(650,315,793)</u>	<u>(1,556,739,786)</u>	<u>0</u>	<u>(2,167,708,695)</u>	<u>0</u>	<u>(3,724,448,481)</u>	<u>3,518,913,489</u>	<u>\$ (205,534,992)</u>
FPSC ADJUSTED:	<u>\$ 44,289,916,421</u>	<u>11,723,209,851</u>	<u>32,566,706,569</u>	<u>351,257,682</u>	<u>1,432,663,274</u>	<u>578,776,744</u>	<u>34,929,404,270</u>	<u>1,042,341,149</u>	<u>\$ 35,971,745,420</u>
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 0</u>
PRO FORMA ADJUSTED	<u>\$ 44,289,916,421</u>	<u>11,723,209,851</u>	<u>32,566,706,569</u>	<u>351,257,682</u>	<u>1,432,663,274</u>	<u>578,776,744</u>	<u>34,929,404,270</u>	<u>1,042,341,149</u>	<u>\$ 35,971,745,420</u>

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
DECEMBER, 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	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
JURISDICTIONAL PER BOOKS	\$ 11,148,186,144	3,134,284,090	1,370,421,930	2,327,248,987	1,285,863,774	334,316,566	(25,342,035)	198,954,213	(6,095,649)	8,619,651,875	\$ 2,528,534,269
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(119,282,789)	0	0	0	(131,707,110)	\$ (351,353,584)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	119,378,318	0	0	0	(351,634,969)	351,634,969
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(83,952)	0	0	0	(255,132,222)	(247,284)
FINANCIAL PLANNING SERVICES	0	0	(412,737)	0	0	104,608	0	0	0	(308,129)	308,129
INDUSTRY ASSOCIATION DUES	0	0	(2,303,964)	0	0	583,940	0	0	0	(1,720,024)	1,720,024
ECONOMIC DEVELOPMENT 5%	0	0	(141,274)	0	0	35,806	0	0	0	(105,468)	105,468
AVIATION - EXPENSES	0	0	(172,360)	0	0	43,685	0	0	0	(128,676)	128,676
EXECUTIVE COMPENSATION	0	0	(34,859,280)	0	0	8,835,085	0	0	0	(26,024,196)	26,024,196
FUEL COST REC RETAIL	(2,972,833,854)	(2,960,992,886)	(178,961)	52,309	(2,091,882)	48,162,459	(50,601,265)	0	0	(2,965,650,226)	(7,183,628)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(463,263)	(617)	0	0	(56,540,233)	(1,366,382)
CAPACITY COST RECOVERY	(248,154,854)	(153,164,711)	(28,764,215)	2,890,746	(321,530)	(19,050,966)	1,614,836	0	0	(196,795,840)	(51,359,014)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(31,479,020)	(42,773,087)	(273,343)	(15,136,805)	(10,781,037)	0	341	(100,442,952)	(76,342,337)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,339,040)	0	0	0	(139,733,985)	(3,944,211)
INTEREST TAX DEFICIENCIES	0	0	341,684	0	0	(86,600)	0	0	0	255,084	(255,084)
INTEREST SYNCHRONIZATION	0	0	0	0	0	13,638,446	(5,804,168)	0	0	7,834,277	(7,834,277)
TOTAL FPSC ADJUSTMENTS	\$ (4,337,799,007)	(3,114,157,597)	(160,909,935)	(170,084,565)	(742,276,003)	35,294,936	(65,572,251)	0	341	(4,217,705,075)	\$ (120,093,933)
FPSC ADJUSTED	\$ 6,810,387,136	20,126,492	1,209,511,996	2,157,164,422	543,587,771	369,611,501	(90,914,286)	198,954,213	(6,095,308)	4,401,946,800	\$ 2,408,440,336
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,823,286,510	20,126,492	1,209,511,996	2,157,164,422	543,597,058	366,344,509	(90,914,286)	198,954,213	(6,095,308)	4,398,689,096	\$ 2,424,597,414
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 114,144,685 \$ 109,727,515										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,917,464										
ON A JURISDICTIONAL BASIS	\$ 2,825,475										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 859,278,630	248,076,269	128,031,695	255,395,800	100,474,560	7,387,796	6,551,938	(353,888)	(505,631)	745,058,539	\$ 114,220,091
JURISDICTIONAL PER BOOKS	\$ 826,141,061	233,246,433	123,815,295	249,500,027	98,725,310	6,964,815	6,043,642	(340,509)	(505,630)	717,449,383	\$ 108,691,678

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 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)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

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
DECEMBER, 2018

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,578,598,955	\$ 1,503,325,374
FUEL AND CAPACITY	152,987,416	146,175,336
CAPITALIZED EXECUTIVE COMPENSATION	27,469,598	26,603,471
LOAD CONTROL	50,422,215	50,422,215
ASSET RETIREMENT OBLIGATION	436,609,647	422,843,188
CAPITAL LEASES	59,564,070	57,685,994
TOTAL	\$ 2,305,651,901	\$ 2,207,055,579
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (312,047,755)	\$ (297,168,136)
ACCUM PROV DECOMMISSIONING COSTS	(4,551,160,940)	(4,352,768,762)
ASSET RETIREMENT OBLIGATION	(12,771,171)	(12,368,492)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,221,677,549	4,088,566,546
FUEL AND CAPACITY	(43,359,939)	(41,315,652)
OTHER RATE CASE ADJUSTMENTS (1)	13,353	13,353
LOAD CONTROL	(25,948,288)	(25,948,288)
CAPITAL LEASES	(9,630,000)	(9,326,363)
TOTAL	\$ (733,227,192)	\$ (650,315,793)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,230,502,695	\$ 2,094,396,113
CWIP - CLAUSE PROJECTS	76,765,547	73,312,582
TOTAL	\$ 2,307,268,242	\$ 2,167,708,695
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)	\$ (3,616,670,787)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS		
	\$ 263,022,164	\$ 205,534,992

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
DECEMBER, 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	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(142,407,873)	0	0	0	(154,832,194)	\$ (328,228,499)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	142,532,579	0	0	0	(328,480,708)	328,480,708
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(102,441)	0	0	0	(255,150,711)	(228,794)
FINANCIAL PLANNING SERVICES	0	0	(426,175)	0	0	127,622	0	0	0	(298,553)	298,553
INDUSTRY ASSOCIATION DUES	0	0	(2,378,974)	0	0	707,826	0	0	0	(1,671,148)	1,671,148
ECONOMIC DEVELOPMENT 5%	0	0	(145,873)	0	0	43,662	0	0	0	(102,211)	102,211
AVIATION - EXPENSES	0	0	(177,972)	0	0	54,009	0	0	0	(123,963)	123,963
EXECUTIVE COMPENSATION	0	0	(35,994,190)	0	0	10,817,018	0	0	0	(25,177,172)	25,177,172
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,129,070,863)	(3,118,811,808)	(188,036)	54,962	(2,093,145)	48,930,956	(50,915,572)	0	0	(3,123,022,643)	(6,048,221)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(556,344)	(617)	0	0	(56,633,315)	(1,273,301)
CAPACITY COST RECOVERY	(248,527,098)	(160,128,885)	(30,072,082)	2,645,013	(328,294)	(19,997,574)	1,614,836	0	0	(206,266,985)	(42,260,113)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(33,055,218)	(44,914,795)	(280,656)	(19,187,165)	(10,781,037)	0	358	(108,218,514)	(68,566,775)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,636,331)	0	0	0	(140,031,276)	(3,646,919)
INTEREST TAX DEFICIENCIES	0	0	352,808	0	0	(106,504)	0	0	0	246,304	(246,304)
INTEREST SYNCHRONIZATION	0	0	0	0	0	14,161,256	(5,993,134)	0	0	8,168,122	(8,168,122)
TOTAL FPSC ADJUSTMENTS	\$ (4,494,408,260)	(3,278,940,693)	(165,025,518)	(172,469,353)	(742,291,342)	33,336,698	(66,075,524)	0	358	(4,391,465,374)	\$ (102,942,886)
FPSC ADJUSTED	\$ 7,106,817,936	21,069,922	1,251,406,764	2,224,183,672	564,474,921	385,010,508	(88,893,598)	206,771,636	(6,095,308)	4,557,928,516	\$ 2,548,889,420
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,119,717,309	21,069,922	1,251,406,764	2,224,183,672	564,484,208	381,743,515	(88,893,598)	206,771,636	(6,095,308)	4,554,670,811	\$ 2,565,046,498

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

\$ 114,144,685

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
DECEMBER, 2018

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	26,421,923	25,548,829
INTEREST & DIVIDENDS RECEIVABLE	113,650	109,894
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	66,979,300	66,856,483
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,519,628	15,519,628
PREPAYMENTS - ECCR	47,660,762	47,660,762
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,643,858	8,309,358
TEMPORARY CASH INVESTMENTS	1,155,158	1,116,987
STORM DEFICIENCY RECOVERY	117,557,626	117,557,626
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	59,510,745	57,544,254
OTH REG ASSETS - CLAUSES	5,228,981	4,976,622
MISC. DEFFERED DEBIT - CLAUSES	5,278,629	5,023,874
CEDAR BAY TRANSACTION	590,136,066	564,470,429
ICL TRANSACTION	376,250,000	359,886,492
SJRPP TRANSACTION	115,549,438	110,340,033
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,436,005,762	\$ 1,384,921,271
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(92,259)	(89,350)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(110,282,748)	(110,282,748)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(721)	(687)
JOBGING ACCOUNTS	(53,378,459)	(51,614,605)
POLE ATTACHMENT RENTS PAYABLE	(7,395,913)	(7,395,913)
SJRPP ACCELERATED RECOVERY	(8,612,690)	(8,238,115)
STORM DEFICIENCY RECOVERY	23,792,943	23,792,943
ASSET RETIREMENT OBLIGATION	(4,645,544,963)	(4,499,069,268)
MARGIN CALL CASH COLLATERAL	(551,923)	(533,685)
NUCLEAR COST RECOVERY	(245,862,070)	(245,862,070)
CEDAR BAY TRANSACTION	(4,747,741)	(4,541,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,052,676,544)	\$ (4,903,834,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,616,670,781)	\$ (3,518,913,489)

NOTES:

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

SCHEDULE 2: PAGE 3C 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)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

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
DECEMBER, 2018

SCHEDULE 3: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>	<u>NET PLANT IN SERVICE</u>	<u>PROPERTY HELD FOR FUTURE USE</u>	<u>CONSTRUCTION WORK IN PROGRESS</u>	<u>NUCLEAR FUEL</u>	<u>NET UTILITY PLANT</u>	<u>WORKING CAPITAL</u>	<u>TOTAL RATE BASE</u>
SYSTEM PER BOOKS	<u>\$ 48,974,935,440</u>	<u>15,231,329,022</u>	<u>33,743,606,418</u>	<u>408,394,200</u>	<u>4,093,867,812</u>	<u>593,879,501</u>	<u>38,839,747,931</u>	<u>(165,967,676)</u>	<u>\$ 38,673,780,255</u>
JURISDICTIONAL PER BOOKS	<u>\$ 46,882,368,532</u>	<u>12,026,225,498</u>	<u>34,856,143,034</u>	<u>385,362,058</u>	<u>3,898,138,681</u>	<u>569,624,138</u>	<u>39,709,267,912</u>	<u>(2,476,572,340)</u>	<u>\$ 37,232,695,572</u>
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	<u>\$ (2,059,593,889)</u>	<u>(638,091,755)</u>	<u>(1,421,502,134)</u>	<u>0</u>	<u>(2,514,012,363)</u>	<u>0</u>	<u>(3,935,514,497)</u>	<u>3,518,913,489</u>	<u>\$ (416,601,008)</u>
FPSC ADJUSTED:	<u>\$ 44,822,774,643</u>	<u>11,388,133,743</u>	<u>33,434,640,900</u>	<u>385,362,058</u>	<u>1,384,126,318</u>	<u>569,624,138</u>	<u>35,773,753,415</u>	<u>1,042,341,149</u>	<u>\$ 36,816,094,564</u>
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$ 0</u>
PRO FORMA ADJUSTED	<u>\$ 44,822,774,643</u>	<u>11,388,133,743</u>	<u>33,434,640,900</u>	<u>385,362,058</u>	<u>1,384,126,318</u>	<u>569,624,138</u>	<u>35,773,753,415</u>	<u>1,042,341,149</u>	<u>\$ 36,816,094,564</u>

FLORIDA POWER & LIGHT COMPANY

AND SUBSIDIARIES

YEAR END RATE OF RETURN

INCOME STATEMENT

DECEMBER, 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	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
JURISDICTIONAL PER BOOKS	\$ 11,148,186,144	3,134,284,090	1,370,421,930	2,327,248,987	1,285,863,774	334,316,566	(25,342,035)	198,954,213	(6,095,649)	8,619,651,875	\$ 2,528,534,269
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(119,282,789)	0	0	0	(131,707,110)	\$ (351,353,584)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	119,378,318	0	0	0	(351,634,969)	351,634,969
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(83,952)	0	0	0	(255,132,222)	(247,284)
FINANCIAL PLANNING SERVICES	0	0	(412,737)	0	0	104,608	0	0	0	(308,129)	308,129
INDUSTRY ASSOCIATION DUES	0	0	(2,303,964)	0	0	583,940	0	0	0	(1,720,024)	1,720,024
ECONOMIC DEVELOPMENT 5%	0	0	(141,274)	0	0	35,806	0	0	0	(105,468)	105,468
AVIATION - EXPENSES	0	0	(172,360)	0	0	43,685	0	0	0	(128,676)	128,676
EXECUTIVE COMPENSATION	0	0	(34,859,280)	0	0	8,835,085	0	0	0	(26,024,196)	26,024,196
FUEL COST REC RETAIL	(2,972,833,854)	(2,960,992,886)	(178,961)	52,309	(2,091,882)	48,162,459	(50,601,265)	0	0	(2,965,650,226)	(7,183,628)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(463,263)	(617)	0	0	(56,540,233)	(1,366,382)
CAPACITY COST RECOVERY	(248,154,854)	(153,164,711)	(28,764,215)	2,890,746	(321,530)	(19,050,966)	1,614,836	0	0	(196,795,840)	(51,359,014)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(31,479,020)	(42,773,087)	(273,343)	(15,136,805)	(10,781,037)	0	341	(100,442,952)	(76,342,337)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,339,040)	0	0	0	(139,733,985)	(3,944,211)
INTEREST TAX DEFICIENCIES	0	0	341,684	0	0	(86,600)	0	0	0	255,084	(255,084)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,748,145	(5,804,168)	0	0	1,943,977	(1,943,977)
TOTAL FPSC ADJUSTMENTS	\$ (4,337,799,007)	(3,114,157,597)	(160,909,935)	(170,084,565)	(742,276,003)	29,404,635	(65,572,251)	0	341	(4,223,595,375)	\$ (114,203,632)
FPSC ADJUSTED	\$ 6,810,387,136	20,126,492	1,209,511,996	2,157,164,422	543,587,771	363,721,201	(90,914,286)	198,954,213	(6,095,308)	4,396,056,500	\$ 2,414,330,636
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,823,286,510	20,126,492	1,209,511,996	2,157,164,422	543,597,058	360,454,209	(90,914,286)	198,954,213	(6,095,308)	4,392,798,795	\$ 2,430,487,714
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 114,144,685 \$ 109,727,515										

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 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)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

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
DECEMBER, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,432,540,499	\$ 1,364,231,539
FUEL AND CAPACITY	158,237,007	151,196,731
CAPITALIZED EXECUTIVE COMPENSATION	31,037,569	30,058,943
LOAD CONTROL	49,752,419	49,752,419
ASSET RETIREMENT OBLIGATION	418,061,963	404,880,319
CAPITAL LEASES	61,410,224	59,473,938
TOTAL	\$ 2,151,039,681	\$ 2,059,593,889
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (312,139,421)	\$ (297,255,431)
ACCUM PROV DECOMMISSIONING COSTS	(4,405,787,996)	(4,213,732,850)
ASSET RETIREMENT OBLIGATION	(6,490,510)	(6,285,862)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,086,476,727	3,957,628,654
FUEL AND CAPACITY	(43,065,864)	(41,034,502)
OTHER RATE CASE ADJUSTMENTS (1)	173,589	173,589
LOAD CONTROL	(27,543,534)	(27,543,534)
CAPITAL LEASES	(10,368,750)	(10,041,819)
TOTAL	\$ (718,745,759)	\$ (638,091,755)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,615,074,673	\$ 2,449,036,302
CWIP - CLAUSE PROJECTS	67,898,002	64,976,062
TOTAL	\$ 2,682,972,676	\$ 2,514,012,363
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)	\$ (3,616,670,787)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS		
	\$ 498,595,810	\$ 416,601,008

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
DECEMBER, 2018

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(142,407,873)	0	0	0	(154,832,194)	\$ (328,228,499)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	142,532,579	0	0	0	(328,480,708)	328,480,708
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(102,441)	0	0	0	(255,150,711)	(228,794)
FINANCIAL PLANNING SERVICES	0	0	(426,175)	0	0	127,622	0	0	0	(298,553)	298,553
INDUSTRY ASSOCIATION DUES	0	0	(2,378,974)	0	0	707,826	0	0	0	(1,671,148)	1,671,148
ECONOMIC DEVELOPMENT 5%	0	0	(145,873)	0	0	43,662	0	0	0	(102,211)	102,211
AVIATION - EXPENSES	0	0	(177,972)	0	0	54,009	0	0	0	(123,963)	123,963
EXECUTIVE COMPENSATION	0	0	(35,994,190)	0	0	10,817,018	0	0	0	(25,177,172)	25,177,172
FUEL COST REC RETAIL	(3,129,070,863)	(3,118,811,808)	(188,036)	54,962	(2,093,145)	48,930,956	(50,915,572)	0	0	(3,123,022,643)	(6,048,221)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(556,344)	(617)	0	0	(56,633,315)	(1,273,301)
CAPACITY COST RECOVERY	(248,527,098)	(160,128,885)	(30,072,082)	2,645,013	(328,294)	(19,997,574)	1,614,836	0	0	(206,266,985)	(42,260,113)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(33,055,218)	(44,914,795)	(280,656)	(19,187,165)	(10,781,037)	0	358	(108,218,514)	(68,566,775)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,636,331)	0	0	0	(140,031,276)	(3,646,919)
INTEREST TAX DEFICIENCIES	0	0	352,808	0	0	(106,504)	0	0	0	246,304	(246,304)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,367,779	(5,993,134)	0	0	2,374,645	(2,374,645)
TOTAL FPSC ADJUSTMENTS	\$ (4,494,408,260)	(3,278,940,693)	(165,025,518)	(172,469,353)	(742,291,342)	27,543,221	(66,075,524)	0	358	(4,397,258,850)	\$ (97,149,410)
FPSC ADJUSTED	\$ 7,106,817,936	21,069,922	1,251,406,764	2,224,183,672	564,474,921	379,217,031	(88,893,598)	206,771,636	(6,095,308)	4,552,135,040	\$ 2,554,682,896
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,119,717,309	21,069,922	1,251,406,764	2,224,183,672	564,484,208	375,950,039	(88,893,598)	206,771,636	(6,095,308)	4,548,877,335	\$ 2,570,839,974

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

\$ 114,144,685

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 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)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

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
DECEMBER, 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	SPECIFIC			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			3	4								
LONG TERM DEBT	\$ 10,607,209,967	\$ 10,189,623,606	\$ 81,510,456	\$ (130,688,258)	\$ 10,140,445,803	28.19%	4.41%	1.24%	4.41%	1.24%	4.41%	1.24%
SHORT TERM DEBT	1,020,625,524	980,122,740	7,942,217	0	988,064,957	2.75%	2.74%	0.08%	2.74%	0.08%	2.74%	0.08%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,958,149,021	16,285,177,159	131,963,490	0	16,417,140,649	45.64%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
CUSTOMER DEPOSITS	397,688,599	397,147,387	3,218,200	(0)	400,365,587	1.11%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX	8,268,612,494	7,940,230,102	62,451,318	(233,319,860)	7,769,361,560	21.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	402,031,406	384,979,418	2,060,716	(130,673,270)	256,366,864	0.71%	7.59%	0.05%	8.21%	0.06%	8.83%	0.06%
TOTAL	\$ 37,654,317,011	\$ 36,177,280,412	\$ 289,146,396	\$ (494,681,388)	\$ 35,971,745,420	100.00%		5.78%		6.22%		6.70%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			3	4								
LONG TERM DEBT	\$ 10,463,948,606	\$ 10,073,048,838	\$ 20,618,214	\$ (131,760,745)	\$ 9,961,906,307	27.06%	4.62%	1.25%	4.62%	1.25%	4.62%	1.25%
SHORT TERM DEBT	1,121,823,032	1,079,583,927	2,239,055	(0)	1,081,822,982	2.94%	3.46%	0.10%	3.46%	0.10%	3.46%	0.10%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,093,652,158	17,412,386,345	36,113,258	(0)	17,448,499,603	47.39%	9.60%	4.55%	10.55%	5.00%	11.60%	5.50%
CUSTOMER DEPOSITS	391,669,667	390,986,447	810,905	(0)	391,797,352	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	8,179,211,900	7,870,504,756	15,839,508	(233,319,860)	7,653,024,404	20.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	423,474,892	406,185,259	577,539	(127,718,882)	279,043,916	0.76%	7.76%	0.06%	8.39%	0.06%	9.03%	0.07%
TOTAL	\$ 38,673,780,255	\$ 37,232,695,572	\$ 76,198,479	\$ (492,799,487)	\$ 36,816,094,564	100.00%		5.98%		6.44%		6.94%

NOTE:
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3,175 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

DECEMBER, 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
LONG TERM DEBT	\$ 10,140,445,803	\$ -	\$ 10,140,445,803	28.19%	4.41%	1.24%	4.41%	1.24%	4.41%	1.24%
SHORT TERM DEBT	988,064,957	-	988,064,957	2.75%	2.74%	0.08%	2.74%	0.08%	2.74%	0.08%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,417,140,649	-	16,417,140,649	45.64%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
CUSTOMER DEPOSITS	400,365,587	-	400,365,587	1.11%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX	7,769,361,560	-	7,769,361,560	21.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	256,366,864	-	256,366,864	0.71%	7.59%	0.05%	8.21%	0.06%	8.83%	0.06%
TOTAL	\$ 35,971,745,420	\$ -	\$ 35,971,745,420	100.00%		5.78%		6.22%		6.70%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 9,961,906,307	\$ -	\$ 9,961,906,307	27.06%	4.62%	1.25%	4.62%	1.25%	4.62%	1.25%
SHORT TERM DEBT	1,081,822,982	-	1,081,822,982	2.94%	3.46%	0.10%	3.46%	0.10%	3.46%	0.10%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,448,499,603	-	17,448,499,603	47.39%	9.60%	4.55%	10.55%	5.00%	11.60%	5.50%
CUSTOMER DEPOSITS	391,797,352	-	391,797,352	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,653,024,404	-	7,653,024,404	20.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	279,043,916	-	279,043,916	0.76%	7.76%	0.06%	8.39%	0.06%	9.03%	0.07%
TOTAL	\$ 36,816,094,564	\$ -	\$ 36,816,094,564	100.00%		5.98%		6.44%		6.94%

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
DECEMBER, 2018

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,702,916,781
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,646,218
INCOME TAXES	528,727,297
TOTAL	<u>\$ 3,255,290,296</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 562,321,703</u>
TIMES INTEREST EARNED WITH AFUDC	<u>5.79</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,702,916,781
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(90,498,467)
INCOME TAXES	528,727,297
TOTAL	<u>\$ 3,141,145,611</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 562,321,703</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>5.59</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,646,218
X (1 - INCOME_TAX_RATE)	0.7466
SUBTOTAL	<u>\$ 17,653,084</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	90,498,467
TOTAL	<u>\$ 108,151,551</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 2,164,241,295</u>
AFUDC AS PERCENT OF NET INCOME	<u>5.00%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (39,092,480)
GAINS ON DISPOSITION OF PROPERTY	(6,095,666)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (45,188,147)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,164,241,295
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(500,000,000)
AFUDC (DEBT & OTHER)	(114,144,685)
DEPRECIATION AND AMORTIZATION EXPENSE	2,396,653,024
DEFERRED INCOME TAXES	(30,623,279)
INVESTMENT TAX CREDITS	206,771,636
OTHER SOURCE/USES OF FUNDS	(45,188,147)
INTERNALLY GENERATED FUNDS	<u>\$ 4,077,709,845</u>
CONSTRUCTION EXPENDITURES	<u>\$ 4,955,432,098</u>
PERCENT INTERNALLY GENERATED FUNDS	<u>82.29%</u>

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

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 10,140,445,803
JURIS ADJUSTED SHORT TERM DEBT	988,064,957
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	16,417,140,649
TOTAL	<u>\$ 27,545,651,409</u>
LTD TO TOTAL INVESTOR FUNDS	<u>36.81%</u>
STD TO TOTAL INVESTOR FUNDS	<u>3.59%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.70%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.24%
SHORT TERM DEBT	0.08%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.06%
SUBTOTAL	<u>1.40%</u>
TOTAL	<u>5.29%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>45.64%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.60%</u>

FLORIDA POWER & LIGHT COMPANY

AND SUBSIDIARIES

FINANCIAL INTEGRITY INDICATORS

DECEMBER, 2018

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.74%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.24%
SHORT TERM DEBT	0.08%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.06%
SUBTOTAL	1.40%
PRO FORMA ROR LESS NON EQUITY COST	5.34%
PRO FORMA COMMON EQUITY RATIO	45.64%
PRO FORMA RETURN ON COMMON EQUITY	11.70%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2018

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 10,140,445,803	28.19%	4.62%	1.30%
SHORT TERM DEBT	988,064,957	2.75%	2.74% *	0.08%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	400,365,587	1.11%	2.08% *	0.02%
COMMON EQUITY	16,417,140,649	45.64%	10.55%	4.81%
DEFERRED INCOME TAX	7,769,361,560	21.60%	0.00%	0.00%
INVESTMENT TAX CREDITS	256,366,864	0.71%	0.00%	0.00%
TOTAL	\$ 35,971,745,420	100.00%		6.22%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2018 THE COMMISSION APPROVED AFUDC RATE IS 5.97%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2018

SCHEDULE B: PAGE 1 OF 3

AVERAGE		SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$	10,607,209,967	10,189,623,606	(49,177,803)	10,140,445,803
SHORT TERM DEBT		1,020,625,524	980,122,740	7,942,217	988,064,957
PREFERRED STOCK		-	-	-	-
COMMON EQUITY		16,958,149,021	16,285,177,159	131,963,490	16,417,140,649
CUSTOMER DEPOSITS		397,688,599	397,147,387	3,218,200	400,365,587
DEFERRED INCOME TAX		8,268,612,494	7,940,230,102	(170,868,542)	7,769,361,560
INVESTMENT TAX CREDITS		402,031,406	384,979,418	(128,612,554)	256,366,864
TOTAL	\$	37,654,317,011	36,177,280,412	(205,534,992)	35,971,745,420

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

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

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,503,325,374
FUEL AND CAPACITY	146,175,336
CAPITALIZED EXECUTIVE COMPENSATION	26,603,471
LOAD CONTROL	50,422,215
ASSET RETIREMENT OBLIGATION	422,843,188
CAPITAL LEASES	57,685,994
TOTAL	\$ 2,207,055,579
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (297,168,136)
ACCUM PROV DECOMMISSIONING COSTS	(4,352,768,762)
ASSET RETIREMENT OBLIGATION	(12,368,492)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,088,566,546
FUEL AND CAPACITY	(41,315,652)
OTHER RATE CASE ADJUSTMENTS (1)	13,353
LOAD CONTROL	(25,948,288)
CAPITAL LEASES	(9,326,363)
TOTAL	\$ (650,315,793)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 2,094,396,113
CWIP - CLAUSE PROJECTS	\$ 73,312,582
TOTAL	\$ 2,167,708,695
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS	
	\$ 205,534,992

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

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

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 25,548,829
INTEREST & DIVIDENDS RECEIVABLE	109,894
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	66,856,483
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,519,628
PREPAYMENTS - ECCR	47,660,762
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,309,358
TEMPORARY CASH INVESTMENTS	1,116,987
STORM DEFICIENCY RECOVERY	117,557,626
NUCLEAR COST RECOVERY	0
JOBGING ACCOUNTS	57,544,254
OTH REG ASSETS - CLAUSES	4,976,622
MISC. DEFFERED DEBIT - CLAUSES	5,023,874
CEDAR BAY TRANSACTION	564,470,429
ICL TRANSACTION	359,886,492
SJRPP TRANSACTION	110,340,033
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,384,921,271
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(89,350)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(110,282,748)
ACCUM. PROV. - RATE REFUNDS	0
GAIN ON SALE OF EMISSION ALLOWANCE	(687)
JOBGING ACCOUNTS	(51,614,605)
POLE ATTACHMENT RENTS PAYABLE	(7,395,913)
SJRPP ACCELERATED RECOVERY	(8,238,115)
ASSET RETIREMENT OBLIGATION	(4,499,069,268)
MARGIN CALL CASH COLLATERAL	(533,685)
STORM DEFICIENCY RECOVERY	23,792,943
NUCLEAR COST RECOVERY	(245,862,070)
CEDAR BAY TRANSACTION	(4,541,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,903,834,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,518,913,489)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2018

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.22%
$((1+R/12)^{**12}) =$	1.06220000
$(1+R/12) =$	1.00504118
$(R/12) =$	0.00504118

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00504118	0.00504118
FEB	1.00504118	0.00506660	0.01010778
MAR	1.01010778	0.00509214	0.01519992
APR	1.01519992	0.00511781	0.02031773
MAY	1.02031773	0.00514361	0.02546134
JUN	1.02546134	0.00516954	0.03063087
JUL	1.03063087	0.00519560	0.03582647
AUG	1.03582647	0.00522179	0.04104827
SEP	1.04104827	0.00524812	0.04629638
OCT	1.04629638	0.00527457	0.05157095
NOV	1.05157095	0.00530116	0.05687211
DEC	1.05687211	0.00532789	0.06220000

ADMITTED

Docket No. 20250011-EI
FAIR-19, Page 25 of 26
FPL ESR December 2018

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2018

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI.
This supplemental information is to be treated as confidential. The total difference for all executed Contract
Service Arrangements (CSAs) between the calendar year 2018 revenues that would have been received under
the otherwise applicable tariff rate(s) and the CISR rate is [REDACTED].^{(1)A}

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and
would receive no revenues for it.

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2018

Docket No. 20250011-EI
 FAIR-19, Page 26 of 26
 EPL ESR December 2018

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	<u>\$0</u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	\$ 100,738,501	
Total Amortization from 1/1/2018 - 12/31/2018	\$ 540,949,289	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	

Notes:

(1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.

(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.

ADMITTED



Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL 33408-0420

February 14, 2020

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 December 2019. 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.

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL also provides as Attachment 1 to the Report the monthly amounts of amortization credits or debits to the Reserve Amount during 2019. The balance of the Reserve Amount as of December 31, 2019 is \$892,613,441.

Sincerely,

Keith Ferguson
Vice President Accounting & Controller

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2019

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	\$ 2,868,527,610 (A)	(197,295,905) (B)	2,671,231,704	(144,423,897)	\$ 2,526,807,808
RATE BASE	\$ 38,484,210,299	766,574,659	39,250,784,958	0	\$ 39,250,784,958
AVERAGE RATE OF RETURN	7.45%		6.81%		6.44%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,868,527,610 (A)	(187,526,396) (B)	2,681,001,214	(144,423,897)	\$ 2,536,577,317
RATE BASE	\$ 40,310,878,712	586,027,210	40,896,905,921	0	\$ 40,896,905,921
YEAR END RATE OF RETURN	7.12%		6.56%		6.20%

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

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

LOW	5.87%
MIDPOINT	6.32%
HIGH	6.81%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.53	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.40	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.24%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	39.93%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.94%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.41%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.81%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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

KEITH FERGUSON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

(SIGNATURE)

(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
DECEMBER, 2019

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	\$ 51,975,708,233	15,694,410,484	36,281,297,749	427,554,064	3,076,860,712	609,911,884	40,395,624,408	(349,326,017)	\$ 40,046,298,391
JURISDICTIONAL PER BOOKS	\$ 49,858,268,985	12,622,967,689	37,235,301,296	405,416,173	2,927,035,649	579,861,855	41,147,614,973	(2,663,404,674)	\$ 38,484,210,299
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,159,129,376)	(719,821,198)	(1,439,308,178)	0	(1,524,329,869)	0	(2,963,638,047)	3,730,212,706	\$ 766,574,659
FPSC ADJUSTED:	\$ 47,699,139,609	11,903,146,491	35,795,993,118	405,416,173	1,402,705,780	579,861,855	38,183,976,926	1,066,808,031	\$ 39,250,784,958
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 47,699,139,609	11,903,146,491	35,795,993,118	405,416,173	1,402,705,780	579,861,855	38,183,976,926	1,066,808,031	\$ 39,250,784,958

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
DECEMBER, 2019

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	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
JURISDICTIONAL PER BOOKS	\$ 11,455,948,231	3,154,907,061	1,539,200,345	2,228,692,062	1,328,860,460	378,057,996	(43,317,063)	83,408,761	(5,406,713)	8,664,402,909	\$ 2,791,545,322
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,163,384)	0	0	0	(136,026,821)	\$ (364,106,792)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,197,169	0	0	0	(364,206,670)	364,206,670
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,416)	0	0	0	(262,766,217)	(181,565)
FINANCIAL PLANNING SERVICES	0	0	(494,798)	0	0	125,066	0	0	0	(369,731)	369,731
INDUSTRY ASSOCIATION DUES	0	0	(1,983,807)	0	0	501,431	0	0	0	(1,482,376)	1,482,376
ECONOMIC DEVELOPMENT 5%	0	0	(173,187)	0	0	43,775	0	0	0	(129,412)	129,412
AVIATION - EXPENSES	0	0	(137,609)	0	0	34,782	0	0	0	(102,827)	102,827
EXECUTIVE COMPENSATION	0	0	(37,510,254)	0	0	9,481,167	0	0	0	(28,029,088)	28,029,088
FUEL COST REC RETAIL	(3,000,865,233)	(2,972,430,736)	(801,577)	143,711	(2,113,645)	(54,035,146)	47,677,942	0	0	(2,981,559,451)	(19,305,782)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(404,493)	(681)	0	0	(55,023,409)	(1,197,806)
CAPACITY COST RECOVERY	(265,053,709)	(162,388,406)	(29,516,594)	(13,053,456)	(327,667)	(17,175,502)	2,074,158	0	0	(220,387,467)	(44,666,242)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(29,508,969)	(38,016,476)	(301,261)	(25,209,898)	(1,210,928)	0	405	(94,247,126)	(78,094,641)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,644)	0	0	0	(64,995,780)	(708,457)
INTEREST TAX DEFICIENCIES	0	0	300,628	0	0	(75,987)	0	0	0	224,641	(224,641)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,562,543	(4,497,086)	0	0	6,065,458	(6,065,458)
TOTAL FPSC ADJUSTMENTS	\$ (4,323,267,556)	(3,134,819,141)	(144,205,069)	(124,775,658)	(766,750,492)	(76,447,389)	44,043,405	0	405	(4,202,953,939)	\$ (120,313,618)
FPSC ADJUSTED	\$ 7,132,680,675	20,087,920	1,394,995,276	2,103,916,405	562,109,968	301,610,607	726,343	83,408,761	(5,406,308)	4,461,448,971	\$ 2,671,231,704
PRO FORMA ADJUSTMENTS											
(SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,939,086,198	20,087,920	1,394,995,276	2,103,916,405	561,970,580	252,579,415	726,343	83,408,761	(5,406,308)	4,412,278,390	\$ 2,526,807,808
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 79,975,324										
AND THE JURISDICTIONAL NOI BY	\$ 76,982,288										
(B) ECONOMIC DEVELOPMENT COSTS RELATED											
TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 3,573,932										
ON A JURISDICTIONAL BASIS	\$ 3,463,742										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 835,569,372	219,843,537	402,735,056	(14,921,451)	100,348,152	14,928,617	(7,067,060)	(1,289,689)	(188,591)	714,388,572	\$ 121,180,800
JURISDICTIONAL PER BOOKS	\$ 807,036,934	209,600,311	396,917,681	(18,018,897)	98,670,055	13,799,715	(6,977,380)	(1,242,736)	(188,589)	692,560,161	\$ 114,476,773

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2019

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)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

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
DECEMBER, 2019

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,480,625,080	\$ 1,413,709,994
FUEL AND CAPACITY	167,828,445	160,490,468
CAPITALIZED EXECUTIVE COMPENSATION	34,301,700	33,244,130
LOAD CONTROL	48,040,421	48,040,421
ASSET RETIREMENT OBLIGATION	430,613,395	417,336,963
CAPITAL LEASES	89,053,034	86,307,400
TOTAL	\$ 2,250,462,075	\$ 2,159,129,376
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (333,999,110)	\$ (318,904,418)
ACCUM PROV DECOMMISSIONING COSTS	(4,767,803,746)	(4,564,234,949)
ASSET RETIREMENT OBLIGATION	(27,347,074)	(26,503,924)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,423,825,082	4,287,432,169
FUEL AND CAPACITY	(47,460,968)	(45,247,602)
OTHER RATE CASE ADJUSTMENTS (1)	8,476	8,476
LOAD CONTROL	(26,988,629)	(26,988,629)
CAPITAL LEASES	(26,189,789)	(25,382,320)
TOTAL	\$ (805,955,758)	\$ (719,821,198)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,547,982,692	\$ 1,451,706,342
CWIP - CLAUSE PROJECTS	75,823,715	72,623,527
TOTAL	\$ 1,623,806,408	\$ 1,524,329,869
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)	\$ (3,817,238,336)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	\$ (748,925,611)	\$ (766,574,659)

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
DECEMBER, 2019

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	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,474,864)	0	0	0	(136,338,300)	\$ (363,795,313)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,508,740	0	0	0	(363,895,099)	363,895,099
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,583)	0	0	0	(262,766,384)	(181,398)
FINANCIAL PLANNING SERVICES	0	0	(510,538)	0	0	129,338	0	0	0	(381,200)	381,200
INDUSTRY ASSOCIATION DUES	0	0	(2,046,917)	0	0	518,573	0	0	0	(1,528,344)	1,528,344
ECONOMIC DEVELOPMENT 5%	0	0	(178,697)	0	0	45,266	0	0	0	(133,430)	133,430
AVIATION - EXPENSES	0	0	(141,987)	0	0	35,975	0	0	0	(106,012)	106,012
EXECUTIVE COMPENSATION	0	0	(38,703,540)	0	0	9,805,000	0	0	0	(28,898,541)	28,898,541
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,139,328,303)	(3,115,576,226)	(842,340)	151,019	(2,115,025)	(53,288,246)	47,987,409	0	0	(3,123,683,409)	(15,644,894)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(405,510)	(681)	0	0	(55,024,426)	(1,196,790)
CAPACITY COST RECOVERY	(265,474,762)	(169,609,481)	(30,829,136)	(13,633,916)	(334,055)	(15,017,077)	2,074,158	0	0	(227,349,506)	(38,125,256)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(30,905,716)	(39,815,908)	(309,647)	(24,462,656)	(1,210,928)	0	425	(96,704,431)	(75,637,336)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,886)	0	0	0	(64,996,021)	(708,215)
INTEREST TAX DEFICIENCIES	0	0	310,192	0	0	(78,593)	0	0	0	231,600	(231,600)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,829,888	(4,640,148)	0	0	6,189,740	(6,189,740)
TOTAL FPSC ADJUSTMENTS	\$ (4,462,151,680)	(3,285,185,707)	(148,227,580)	(127,148,242)	(766,766,647)	(72,183,485)	44,209,810	0	425	(4,355,301,426)	\$ (106,850,253)
FPSC ADJUSTED	\$ 7,422,806,385	21,148,409	1,436,941,602	2,174,446,778	582,911,875	322,510,639	692,957	86,560,097	(5,406,308)	4,619,806,049	\$ 2,803,000,336
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,229,211,908	21,148,409	1,436,941,602	2,174,446,778	582,772,487	273,479,446	692,957	86,560,097	(5,406,308)	4,570,635,469	\$ 2,658,576,439

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

\$ 79,975,324

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.

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2019

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	35,585,959	34,889,060
INTEREST & DIVIDENDS RECEIVABLE	656,845	643,981
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	141,562,355	141,642,316
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,126,684	14,126,684
PREPAYMENTS - ECCR	44,666,369	44,666,369
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,170,424	6,902,075
TEMPORARY CASH INVESTMENTS	1,106,454	1,084,786
STORM DEFICIENCY RECOVERY	15,148,915	15,148,915
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	30,940,621	30,334,694
OTH REG ASSETS - CLAUSES	3,226,641	3,070,497
MISC. DEFERRED DEBIT - CLAUSES	4,248,520	4,042,924
CEDAR BAY TRANSACTION	499,345,902	478,086,393
ICL TRANSACTION	326,083,333	312,200,429
SJRPP TRANSACTION	98,651,946	94,337,633
EARLY RETIRED ASSETS	134,371,061	128,298,295
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,356,892,029	\$ 1,309,475,050
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	15,384,615	0
ACCUM DEFERRED RETIREMENT BENEFITS	(225,191)	(218,248)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(37,821,171)	(37,821,171)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(453)	(433)
JOBGING ACCOUNTS	(28,008,243)	(27,459,742)
POLE ATTACHMENT RENTS PAYABLE	(6,747,032)	(6,747,032)
SJRPP ACCELERATED RECOVERY	(6,028,883)	(5,772,205)
STORM DEFICIENCY RECOVERY	(37,033,158)	(37,033,158)
ASSET RETIREMENT OBLIGATION	(4,827,091,403)	(4,678,265,207)
MARGIN CALL CASH COLLATERAL	(911,538)	(893,687)
NUCLEAR COST RECOVERY	(241,630,584)	(241,630,584)
CEDAR BAY TRANSACTION	(4,017,325)	(3,846,289)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,174,130,365)	\$ (5,039,687,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,817,238,336)	\$ (3,730,212,706)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2019

SCHEDULE 2: PAGE 3C 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)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

FOOTNOTES:

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

FLOR DA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
RATE BASE
DECEMBER, 2019

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT N SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK N PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 54,085,721,889	16,215,889,581	37,869,832,309	509,561,331	3,551,881,553	620,855,537	42,552,130,729	(349,326,017)	\$ 42,202,804,712
JURISDICTIONAL PER BOOKS	\$ 51,889,270,917	13,362,311,474	38,526,959,444	483,681,690	3,373,375,931	590,266,320	42,974,283,386	(2,663,404,674)	\$ 40,310,878,712
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,142,968,244)	(783,731,064)	(1,359,237,181)	0	(1,784,948,315)	0	(3,144,185,496)	3,730,212,706	\$ 586,027,210
FPSC ADJUSTED:	\$ 49,746,302,673	12,578,580,410	37,167,722,263	483,681,690	1,588,427,616	590,266,320	39,830,097,890	1,066,808,031	\$ 40,896,905,921
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 49,746,302,673	12,578,580,410	37,167,722,263	483,681,690	1,588,427,616	590,266,320	39,830,097,890	1,066,808,031	\$ 40,896,905,921

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2019

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	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
JURISDICTIONAL PER BOOKS	\$ 11,455,948,231	3,154,907,061	1,539,200,345	2,228,692,062	1,328,860,460	378,057,996	(43,317,063)	83,408,761	(5,406,713)	8,664,402,909	\$ 2,791,545,322
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,163,384)	0	0	0	(136,026,821)	\$ (364,106,792)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,197,169	0	0	0	(364,206,670)	364,206,670
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,416)	0	0	0	(262,766,217)	(181,565)
FINANCIAL PLANNING SERVICES	0	0	(494,798)	0	0	125,066	0	0	0	(369,731)	369,731
INDUSTRY ASSOCIATION DUES	0	0	(1,983,807)	0	0	501,431	0	0	0	(1,482,376)	1,482,376
ECONOMIC DEVELOPMENT 5%	0	0	(173,187)	0	0	43,775	0	0	0	(129,412)	129,412
AVIATION - EXPENSES	0	0	(137,609)	0	0	34,782	0	0	0	(102,827)	102,827
EXECUTIVE COMPENSATION	0	0	(37,510,254)	0	0	9,481,167	0	0	0	(28,029,088)	28,029,088
FUEL COST REC RETAIL	(3,000,865,233)	(2,972,430,736)	(801,577)	143,711	(2,113,645)	(54,035,146)	47,677,942	0	0	(2,981,559,451)	(19,305,782)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(404,493)	(681)	0	0	(55,023,409)	(1,197,806)
CAPACITY COST RECOVERY	(265,053,709)	(162,388,406)	(29,516,594)	(13,053,456)	(327,667)	(17,175,502)	2,074,158	0	0	(220,387,467)	(44,666,242)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(29,508,969)	(38,016,476)	(301,261)	(25,209,898)	(1,210,928)	0	405	(94,247,126)	(78,094,641)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,644)	0	0	0	(64,995,780)	(708,457)
INTEREST TAX DEFICIENCIES	0	0	300,628	0	0	(75,987)	0	0	0	224,641	(224,641)
INTEREST SYNCHRONIZATION	0	0	0	0	0	793,034	(4,497,086)	0	0	(3,704,052)	3,704,052
TOTAL FPSC ADJUSTMENTS	\$ (4,323,267,556)	(3,134,819,141)	(144,205,069)	(124,775,658)	(766,750,492)	(86,216,898)	44,043,405	0	405	(4,212,723,448)	\$ (110,544,108)
FPSC ADJUSTED	\$ 7,132,680,675	20,087,920	1,394,995,276	2,103,916,405	562,109,968	291,841,098	726,343	83,408,761	(5,406,308)	4,451,679,461	\$ 2,681,001,214
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,939,086,198	20,087,920	1,394,995,276	2,103,916,405	561,970,580	242,809,906	726,343	83,408,761	(5,406,308)	4,402,508,881	\$ 2,536,577,317
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 79,975,324										
AND THE JURISDICTIONAL NOI BY	\$ 76,982,288										

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2019

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)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

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
DECEMBER, 2019

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,491,413,307	\$ 1,424,010,660
FUEL AND CAPACITY	172,455,463	164,920,981
CAPITALIZED EXECUTIVE COMPENSATION	38,471,291	37,285,166
LOAD CONTROL	47,432,988	47,432,988
ASSET RETIREMENT OBLIGATION	383,249,205	371,433,079
CAPITAL LEASES	100,999,325	97,885,370
TOTAL	\$ 2,234,021,579	\$ 2,142,968,244
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (357,521,126)	\$ (341,363,385)
ACCUM PROV DECOMMISSIONING COSTS	(5,123,094,487)	(4,904,356,000)
ASSET RETIREMENT OBLIGATION	(42,902,592)	(41,579,843)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,754,894,702	4,608,294,435
FUEL AND CAPACITY	(50,558,338)	(48,213,591)
OTHER RATE CASE ADJUSTMENTS (1)	110,190	110,190
LOAD CONTROL	(24,867,136)	(24,867,136)
CAPITAL LEASES	(32,765,955)	(31,755,733)
TOTAL	\$ (876,704,742)	\$ (783,731,064)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,810,275,054	\$ 1,693,345,681
CWIP - CLAUSE PROJECTS	95,845,824	91,602,634
TOTAL	\$ 1,906,120,878	\$ 1,784,948,315
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)	\$ (3,817,238,336)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	\$ (553,800,621)	\$ (586,027,210)

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
DECEMBER, 2019

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,474,864)	0	0	0	(136,338,300)	\$ (363,795,313)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,508,740	0	0	0	(363,895,099)	363,895,099
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,583)	0	0	0	(262,766,384)	(181,398)
FINANCIAL PLANNING SERVICES	0	0	(510,538)	0	0	129,338	0	0	0	(381,200)	381,200
INDUSTRY ASSOCIATION DUES	0	0	(2,046,917)	0	0	518,573	0	0	0	(1,528,344)	1,528,344
ECONOMIC DEVELOPMENT 5%	0	0	(178,697)	0	0	45,266	0	0	0	(133,430)	133,430
AVIATION - EXPENSES	0	0	(141,987)	0	0	35,975	0	0	0	(106,012)	106,012
EXECUTIVE COMPENSATION	0	0	(38,703,540)	0	0	9,805,000	0	0	0	(28,898,541)	28,898,541
FUEL COST REC RETAIL	(3,139,328,303)	(3,115,576,226)	(842,340)	151,019	(2,115,025)	(53,288,246)	47,987,409	0	0	(3,123,683,409)	(15,644,894)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(405,510)	(681)	0	0	(55,024,426)	(1,196,790)
CAPACITY COST RECOVERY	(265,474,762)	(169,609,481)	(30,829,136)	(13,633,916)	(334,055)	(15,017,077)	2,074,158	0	0	(227,349,506)	(38,125,256)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(30,905,716)	(39,815,908)	(309,647)	(24,462,656)	(1,210,928)	0	425	(96,704,431)	(75,637,336)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,886)	0	0	0	(64,996,021)	(708,215)
INTEREST TAX DEFICIENCIES	0	0	310,192	0	0	(78,593)	0	0	0	231,600	(231,600)
INTEREST SYNCHRONIZATION	0	0	0	0	0	(207,025)	(4,640,148)	0	0	(4,847,173)	4,847,173
TOTAL FPSC ADJUSTMENTS	\$ (4,462,151,680)	(3,285,185,707)	(148,227,580)	(127,148,242)	(766,766,647)	(83,220,398)	44,209,810	0	425	(4,366,338,339)	\$ (95,813,341)
FPSC ADJUSTED	\$ 7,422,806,385	21,148,409	1,436,941,602	2,174,446,778	582,911,875	311,473,726	692,957	86,560,097	(5,406,308)	4,608,769,136	\$ 2,814,037,248
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,229,211,908	21,148,409	1,436,941,602	2,174,446,778	582,772,487	262,442,534	692,957	86,560,097	(5,406,308)	4,559,598,556	\$ 2,669,613,352
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 79,975,324										

NOTES:

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

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
DECEMBER, 2019

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)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

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
DECEMBER, 2019

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETA L PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		M DPOINT		HIGH PO NT	
			PRO RATA 3	SPEC FIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 11,775,841,181	\$ 11,313,232,033	\$ 336,118,030	\$ (78,031,677)	\$ 11,571,318,386	29.48%	4.31%	1.27%	4.31%	1.27%	4.31%	1.27%
SHORT TERM DEBT	744,379,334	715,076,509	21,392,596	-	736,469,105	1.88%	3.25%	0.06%	3.25%	0.06%	3.25%	0.06%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,390,365,232	17,666,420,293	528,517,712	-	18,194,938,004	46.36%	9.60%	4.45%	10.55%	4.89%	11.60%	5.38%
CUSTOMER DEPOSITS	401,361,580	400,894,164	11,993,356	-	412,887,520	1.05%	2.10%	0.02%	2.10%	0.02%	2.10%	0.02%
DEFERRED NCOME TAX (1)	8,232,992,466	7,907,728,490	231,472,680	(170,440,669)	7,968,760,502	20.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	501,358,598	480,858,810	10,643,341	(125,090,711)	366,411,440	0.93%	7.51%	0.07%	8.12%	0.08%	8.73%	0.08%
TOTAL	\$ 40,046,298,391	\$ 38,484,210,299	\$ 1,140,137,715	\$ (373,563,056)	\$ 39,250,784,958	100.00%		5.87%		6.32%		6.81%

							LOW POINT		M DPOINT		HIGH POINT	
YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETA L 5	RATIO (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			PRO RATA 3	SPEC FIC 4								
LONG TERM DEBT	\$ 12,848,658,833	\$ 12,268,205,727	\$ 293,473,914	\$ (83,236,235)	\$ 12,478,443,406	30.51%	4.25%	1 30%	4 25%	1.30%	4 25%	1 30%
SHORT TERM DEBT	1,348,961,476	1,287,865,625	31,018,130	0	1,318,883,755	3.22%	2.24%	0 07%	2 24%	0.07%	2 24%	0 07%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0 00%	0 00%	0.00%	0 00%	0 00%
COMMON EQUITY	18,798,515,414	17,947,111,344	432,254,592	-	18,379,365,935	44.94%	9.60%	4 31%	10 55%	4.74%	11 60%	5 21%
CUSTOMER DEPOSITS	415,084,458	414,494,060	9,983,053	-	424,477,113	1.04%	2.19%	0 02%	2.19%	0.02%	2.19%	0 02%
DEFERRED NCOME TAX (1)	8,286,155,012	7,910,695,285	186,423,349	(170,440,669)	7,926,677,966	19.38%	0.00%	0 00%	0 00%	0.00%	0 00%	0 00%
INVESTMENT TAX CREDITS (2)	505,429,519	482,506,670	8,679,674	(122,128,598)	369,057,746	0.90%	7.41%	0 07%	8 00%	0.07%	8 60%	0 08%
TOTAL	\$ 42,202,804,712	\$ 40,310,878,712	\$ 961,832,711	\$ (375,805,501)	\$ 40,896,905,921	100.00%		5.77%		6.21%		6 68%

NOTE:

(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2,998 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
DECEMBER, 2019

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
LONG TERM DEBT	\$ 11,571,318,386	\$ -	\$ 11,571,318,386	29.48%	4.31%	1.27%	4.31%	1.27%	4.31%	1.27%
SHORT TERM DEBT	736,469,105	-	736,469,105	1.88%	3.25%	0.06%	3.25%	0.06%	3.25%	0.06%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,194,938,004	-	18,194,938,004	46.36%	9.60%	4.45%	10.55%	4.89%	11.60%	5.38%
CUSTOMER DEPOSITS	412,887,520	-	412,887,520	1.05%	2.10%	0.02%	2.10%	0.02%	2.10%	0.02%
DEFERRED INCOME TAX	7,968,760,502	-	7,968,760,502	20.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	366,411,440	-	366,411,440	0.93%	7.51%	0.07%	8.12%	0.08%	8.73%	0.08%
TOTAL	\$ 39,250,784,958	\$ -	\$ 39,250,784,958	100.00%		5.87%		6.32%		6.81%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 12,478,443,406	\$ -	\$ 12,478,443,406	30.51%	4.25%	1.30%	4.25%	1.30%	4.25%	1.30%
SHORT TERM DEBT	1,318,883,755	-	1,318,883,755	3.22%	2.24%	0.07%	2.24%	0.07%	2.24%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,379,365,935	-	18,379,365,935	44.94%	9.60%	4.31%	10.55%	4.74%	11.60%	5.21%
CUSTOMER DEPOSITS	424,477,113	-	424,477,113	1.04%	2.19%	0.02%	2.19%	0.02%	2.19%	0.02%
DEFERRED INCOME TAX	7,926,677,966	-	7,926,677,966	19.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	369,057,746	-	369,057,746	0.90%	7.41%	0.07%	8.00%	0.07%	8.60%	0.08%
TOTAL	\$ 40,896,905,921	\$ -	\$ 40,896,905,921	100.00%		5.77%		6.21%		6.68%

NOTE:

(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.

(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBS DIARIES
DECEMBER, 2019

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARN NGS BEFORE INTEREST CHARGES	\$ 2,916,587,854
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	18,307,944
INCOME TAXES	426,821,038
TOTAL	\$ 3,361,716,836
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 607,996,783
TIMES INTEREST EARNED WITH AFUDC	5.53

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARN NGS BEFORE INTEREST CHARGES	\$ 2,916,587,854
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(61,667,380)
INCOME TAXES	426,821,038
TOTAL	\$ 3,281,741,512
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 607,996,783
TIMES INTEREST EARNED WITHOUT AFUDC	5.40

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 18,307,944
X (1 - INCOME_TAX_RATE)	0.7472
SUBTOTAL	\$ 13,680,428
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	61,667,380
TOTAL	\$ 75,347,808
NET INCOME AVAILABLE FOR COMMON	\$ 2,326,899,015
AFUDC AS PERCENT OF NET INCOME	3.24%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 357,265,283
GAINS ON DISPOSITION OF PROPERTY	(5,406,733)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 351,858,550

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,326,899,015
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(2,200,000,000)
AFUDC (DEBT & OTHER)	(79,975,324)
DEPRECIATION AND AMORTIZATION EXPENSE	2,301,595,020
DEFERRED INCOME TAXES	(52,121,155)
INVESTMENT TAX CREDITS	86,560,097
OTHER SOURCE/USES OF FUNDS	351,858,550
INTERNALLY GENERATED FUNDS	\$ 2,734,816,204

CONSTRUCTION EXPENDITURES \$ 6,849,585,909

PERCENT INTERNALLY GENERATED FUNDS 39.93%

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

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 11,571,318,386
JURIS ADJUSTED SHORT TERM DEBT	736,469,105
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	18,194,938,004
TOTAL	\$ 30,502,725,495
LTD TO TOTAL INVESTOR FUNDS	37.94%
STD TO TOTAL INVESTOR FUNDS	2.41%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.81%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.27%
SHORT TERM DEBT	0.06%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.08%
SUBTOTAL	1.43%
TOTAL	5.38%
DIVIDED BY COMMON EQUITY RATIO	46.36%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
FINANCIAL INTEGRITY INDICATORS
DECEMBER, 2019

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.44%
--------------------------	-------

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.27%
----------------	-------

SHORT TERM DEBT	0.06%
-----------------	-------

PREFERRED STOCK	0.00%
-----------------	-------

CUSTOMER DEPOSITS	0.02%
-------------------	-------

TAX CREDITS - WTD COST	0.08%
------------------------	-------

SUBTOTAL	1.43%
----------	-------

PRO FORMA ROR LESS NON EQUITY COST	5.01%
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PRO FORMA COMMON EQUITY RATIO	46.36%
-------------------------------	--------

PRO FORMA RETURN ON COMMON EQUITY	10.81%
-----------------------------------	--------

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2019

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 11,571,318,386	29.48%	4.25%	1.25%
SHORT TERM DEBT	736,469,105	1.88%	3.25% *	0.06%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	412,887,520	1.05%	2.10% *	0.02%
COMMON EQUITY	18,194,938,004	46.36%	10.55%	4.89%
DEFERRED INCOME TAX	7,968,760,502	20.30%	0.00%	0.00%
INVESTMENT TAX CREDITS	366,411,440	0.93%	0.00%	0.00%
TOTAL	\$ 39,250,784,958	100.00%		6.23%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2019 THE COMMISSION APPROVED AFUDC RATE IS 6.22%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2019

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 11,775,841,181	11,313,232,033	258,086,353	11,571,318,386
SHORT TERM DEBT	744,379,334	715,076,509	21,392,596	736,469,105
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	18,390,365,232	17,666,420,293	528,517,712	18,194,938,004
CUSTOMER DEPOSITS	401,361,580	400,894,164	11,993,356	412,887,520
DEFERRED INCOME TAX	8,232,992,466	7,907,728,490	61,032,012	7,968,760,502
INVESTMENT TAX CREDITS	501,358,598	480,858,810	(114,447,369)	366,411,440
TOTAL	\$ 40,046,298,391	38,484,210,299	766,574,659	39,250,784,958

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2019

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,413,709,994
FUEL AND CAPACITY	160,490,468
FUEL CLAUSE - GAS RESERVES (1)	0
CAPITALIZED EXECUTIVE COMPENSATION	33,244,130
LOAD CONTROL	48,040,421
ASSET RETIREMENT OBLIGATION	417,336,963
CAPITAL LEASES	86,307,400
TOTAL	\$ 2,159,129,376
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (318,904,418)
ACCUM PROV DECOMMISSIONING COSTS	(4,564,234,949)
ASSET RETIREMENT OBLIGATION	(26,503,924)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,287,432,169
FUEL AND CAPACITY	(45,247,602)
FUEL CLAUSE - GAS RESERVES (1)	8,476
OTHER RATE CASE ADJUSTMENTS (2)	0
LOAD CONTROL	(26,988,629)
CAPITAL LEASES	(25,382,320)
TOTAL	\$ (719,821,198)
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,451,706,342
CWIP - CLAUSE PROJECTS (1)	\$ 72,623,527
TOTAL	\$ 1,524,329,869
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	\$ 0
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	\$ (766,574,659)

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
DECEMBER, 2019

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 34,889,066
INTEREST & DIVIDENDS RECEIVABLE	643,981
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	141,642,316
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,126,684
PREPAYMENTS - ECCR	44,666,369
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	6,902,075
TEMPORARY CASH INVESTMENTS	1,084,786
STORM DEFICIENCY RECOVERY	15,148,915
NUCLEAR COST RECOVERY	0
JOBGING ACCOUNTS	30,334,694
OTH REG ASSETS - CLAUSES	3,070,497
MISC. DEFERRED DEBIT - CLAUSES	4,042,924
CEDAR BAY TRANSACTION	478,086,393
ICL TRANSACTION	312,200,429
SJRPP TRANSACTION	94,337,633
EARLY RETIRED ASSETS	128,298,295
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,309,475,056
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(218,248)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(37,821,171)
ACCUM. PROV. - RATE REFUNDS	0
GAIN ON SALE OF EMISSION ALLOWANCE	(433)
JOBGING ACCOUNTS	(27,459,742)
FUEL CLAUSE – GAS RESERVES	0
POLE ATTACHMENT RENTS PAYABLE	(6,747,032)
SJRPP ACCELERATED RECOVERY	(5,772,205)
ASSET RETIREMENT OBLIGATION	(4,678,265,207)
MARGIN CALL CASH COLLATERAL	(893,687)
STORM DEFICIENCY RECOVERY	(37,033,158)
NUCLEAR COST RECOVERY	(241,630,584)
CEDAR BAY TRANSACTION	(3,846,289)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,039,687,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,730,212,700)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2019

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.23%
$((1+R/12)^{**12}) =$	1.06230000
$(1+R/12) =$	1.00504907
$(R/12) =$	0.00504907

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00504907	0.00504907
FEB	1.00504907	0.00507456	0.01012363
MAR	1.01012363	0.00510018	0.01522381
APR	1.01522381	0.00512593	0.02034975
MAY	1.02034975	0.00515182	0.02550156
JUN	1.02550156	0.00517783	0.03067939
JUL	1.03067939	0.00520397	0.03588336
AUG	1.03588336	0.00523025	0.04111360
SEP	1.04111360	0.00525665	0.04637026
OCT	1.04637026	0.00528319	0.05165345
NOV	1.05165345	0.00530987	0.05696332
DEC	1.05696332	0.00533668	0.06230000

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2019

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2019 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is \$ [REDACTED].⁽¹⁾

Footnotes:

- (1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

ADMITTED

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2019

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	<u>\$0</u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	\$ 100,738,501	
Total Amortization from 1/1/2018 - 12/31/2018	\$ 540,949,289	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	
Actual Amortization from 1/1/2019 - 12/31/2019:		
January, 2019	\$ (84,875,022)	
February, 2019	\$ (33,423,808)	
March, 2019	\$ (37,487,852)	
April, 2019	\$ (1,238,828)	
May, 2019	\$ 48,530,293	
June, 2019	\$ 173,309,107	
July, 2019	\$ 86,035,009	
August, 2019	\$ 52,771,234	
September, 2019	\$ 172,044,151	
October, 2019	\$ 157,733,862	
November, 2019	\$ (657,986)	
December, 2019	\$ (176,076,008)	
Total Amortization from 1/1/2019 - 12/31/2019	\$ 356,664,152	
Reduction in Total Reserve Amount Available Under Current Settlement Agreement	\$ (5,000,000)	PSC-2019-0319-S-EI
Remaining Reserve Amount - 12/31/2019	<u>\$892,613,441</u>	

Notes:

- (1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI,
(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.
(3) Available Reserve Amount reduction pursuant to Order No. PSC-2019-0319-S-EI, Docket No. 20180049-EI.

ADMITTED

**FPL**

Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL 33408-0420

Docket No. 20250011-EI
FAIR-21, Page 1 of 18
FPL ESR December 2020

February 15, 2021

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 December 2020. 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.

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL also provides as Attachment 1 to the Report the monthly amounts of amortization credits or debits to the Reserve Amount during 2020. The balance of the Reserve Amount as of December 31, 2020 is \$893,809,009.

Florida Power & Light Company does not presently have any proforma adjustments to capital structure to report, therefore Schedule 4.2 has not been included in the Earnings Surveillance Report for December 2020.

Sincerely,

David Hughes
Assistant Controller, FPL Finance

Enclosures

Copy: Richard Gentry, Office of Public Counsel

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
DECEMBER, 2020

Docket No. 20250011-EI
FAIR-21, Page 2 of 18
FPL ESR December 2020

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	\$ 3,135,886,291 (A)	(180,457,256) (B)	2,955,429,035	(187,321,868)	\$ 2,768,107,167
RATE BASE	\$ 42,151,119,364	1,073,028,192	43,224,147,555	0	\$ 43,224,147,555
AVERAGE RATE OF RETURN	7.44%		6.84%		6.40%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 3,135,886,291 (A)	(179,787,245) (B)	2,956,099,046	(187,321,868)	\$ 2,768,777,178
RATE BASE	\$ 44,120,377,400	1,193,725,665	45,314,103,065	0	\$ 45,314,103,065
YEAR END RATE OF RETURN	7.11%		6.52%		6.11%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.89%
MIDPOINT	6.34%
HIGH	6.85%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.26	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.13	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	2.82%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	54.02%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	39.34%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	0.93%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.68%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KEITH FERGUSON
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

Keith Ferguson
(SIGNATURE)
on behalf of Keith Ferguson

2/12/2021
(DATE)

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
DECEMBER, 2020

Docket No. 20250011-EI
FAIR-21, Page 3 of 18
FPL ESR December 2020

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	\$ 56,060,089,732	16,688,454,317	39,371,635,415	492,236,647	3,894,085,389	635,391,911	44,393,349,361	(578,540,726)	\$ 43,814,808,635
JURISDICTIONAL PER BOOKS	\$ 53,804,267,416	13,788,257,394	40,016,010,022	468,688,145	3,696,459,789	602,207,993	44,783,365,949	(2,632,246,586)	\$ 42,151,119,364
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,128,597,651)	(795,191,549)	(1,333,406,101)	0	(1,484,179,762)	0	(2,817,585,863)	3,890,614,055	\$ 1,073,028,192
FPSC ADJUSTED:	\$ 51,675,669,766	12,993,065,845	38,682,603,921	468,688,145	2,212,280,027	602,207,993	41,965,780,086	1,258,367,469	\$ 43,224,147,555
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 51,675,669,766	12,993,065,845	38,682,603,921	468,688,145	2,212,280,027	602,207,993	41,965,780,086	1,258,367,469	\$ 43,224,147,555

NOTE:

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

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2020

Docket No. 20250011-EI
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FPL ESR December 2020

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	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
JURISDICTIONAL PER BOOKS	\$ 10,947,465,103	2,549,508,994	1,488,978,448	1,945,998,904	1,319,615,537	87,008,270	192,423,567	305,115,550	(1,006,319)	7,887,642,952	\$ 3,059,822,151
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(112,987,068)	0	0	0	(125,150,698)	\$ (347,774,277)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	112,958,374	0	0	0	(347,685,959)	347,685,959
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(65,984)	0	0	0	(251,007,426)	(203,098)
FINANCIAL PLANNING SERVICES	0	0	(114,665)	0	0	28,118	0	0	0	(86,547)	86,547
INDUSTRY ASSOCIATION DUES	0	0	(50,969)	0	0	12,499	0	0	0	(38,471)	38,471
ECONOMIC DEVELOPMENT 5%	0	0	(324,738)	0	0	79,632	0	0	0	(245,106)	245,106
AVIATION - EXPENSES	0	0	(61,739)	0	0	15,139	0	0	0	(46,599)	46,599
EXECUTIVE COMPENSATION	0	0	(44,284,175)	0	0	10,859,286	0	0	0	(33,424,889)	33,424,889
FUEL COST REC RETAIL	(2,385,747,729)	(2,367,361,437)	(824,824)	0	(873,067)	20,457,090	(25,373,495)	0	0	(2,373,975,733)	(11,771,996)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,743,996	(2,230,776)	0	0	(50,116,457)	(1,202,847)
CAPACITY COST RECOVERY	(260,756,786)	(163,388,575)	(30,419,016)	(13,992,245)	(258,677)	(9,386,255)	(3,655,033)	0	0	(221,099,800)	(39,656,986)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(28,352,566)	(40,912,859)	(236,056)	(23,826,883)	(2,514,548)	0	109,641	(95,733,271)	(80,745,895)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,221)	0	0	0	(14,884)	(16,072)
INTEREST TAX DEFICIENCIES	0	0	356,537	0	0	(87,429)	0	0	0	269,108	(269,108)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,518,061	(4,419,817)	0	0	4,098,244	(4,098,244)
TOTAL FPSC ADJUSTMENTS	\$ (3,598,469,440)	(2,530,750,012)	(144,866,982)	(62,764,757)	(725,864,714)	8,254,170	(38,193,669)	0	109,641	(3,494,076,323)	\$ (104,393,117)
FPSC ADJUSTED	\$ 7,348,995,663	18,758,982	1,344,111,466	1,883,234,147	593,750,823	95,262,441	154,229,898	305,115,550	(896,678)	4,393,566,628	\$ 2,955,429,035
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,100,636,685	18,758,982	1,343,932,647	1,883,234,147	593,750,823	34,404,149	154,229,898	305,115,550	(896,678)	4,332,529,518	\$ 2,768,107,167
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 78,970,399										
AND THE JURISDICTIONAL NOI BY	\$ 76,064,139										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 6,704,569										
ON A JURISDICTIONAL BASIS	\$ 6,494,753										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 812,174,455	199,239,220	350,556,447	(17,439,537)	103,048,205	(180,782,173)	107,519,101	103,309,469	(190,187)	665,260,545	\$ 146,913,911
JURISDICTIONAL PER BOOKS	\$ 783,292,458	189,599,363	344,761,949	(20,337,611)	101,254,738	(170,938,840)	99,819,140	99,694,523	(184,952)	643,668,310	\$ 139,624,148

NOTES:

- (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

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

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2020

Docket No. 20250011-EI
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SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,524,717,127	\$ 1,455,164,499
FUEL AND CAPACITY	178,273,164	170,570,396
CAPITALIZED EXECUTIVE COMPENSATION	42,221,787	40,900,474
LOAD CONTROL	41,627,753	41,627,753
ASSET RETIREMENT OBLIGATION	333,293,259	322,862,991
CAPITAL LEASES	100,620,409	97,471,537
TOTAL	\$ 2,220,753,499	\$ 2,128,597,651
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (381,617,802)	\$ (364,209,641)
ACCUM PROV DECOMMISSIONING COSTS	(5,075,650,175)	(4,859,511,023)
ASSET RETIREMENT OBLIGATION	(28,559,200)	(27,665,452)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,710,625,554	4,563,208,573
FUEL AND CAPACITY	(49,046,859)	(46,815,273)
OTHER RATE CASE ADJUSTMENTS (1)	18,565	18,565
LOAD CONTROL	(22,489,982)	(22,489,982)
CAPITAL LEASES	(38,946,118)	(37,727,316)
TOTAL	\$ (885,666,016)	\$ (795,191,549)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,519,251,431	\$ 1,414,530,396
CWIP - CLAUSE PROJECTS	72,830,621	69,649,366
TOTAL	\$ 1,592,082,052	\$ 1,484,179,762
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)	\$ (4,003,533,505)	\$ (3,890,614,055)
TOTAL ADJUSTMENTS		
	\$ (1,076,363,969)	\$ (1,073,028,192)

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
DECEMBER, 2020

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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	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(114,385,081)	0	0	0	(126,548,711)	\$ (346,376,264)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	114,356,282	0	0	0	(346,288,052)	346,288,052
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(66,644)	0	0	0	(251,008,086)	(202,438)
FINANCIAL PLANNING SERVICES	0	0	(118,369)	0	0	30,427	0	0	0	(87,942)	87,942
INDUSTRY ASSOCIATION DUES	0	0	(52,616)	0	0	17,993	0	0	0	(34,623)	34,623
ECONOMIC DEVELOPMENT 5%	0	0	(335,228)	0	0	82,904	0	0	0	(252,325)	252,325
AVIATION - EXPENSES	0	0	(63,733)	0	0	15,897	0	0	0	(47,836)	47,836
EXECUTIVE COMPENSATION	0	0	(45,714,800)	0	0	11,346,154	0	0	0	(34,368,646)	34,368,646
FUEL COST RECOVERY	(2,500,496,315)	(2,487,689,161)	(825,953)	0	(874,382)	22,424,535	(25,657,563)	0	0	(2,492,622,524)	(7,873,791)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,745,796	(2,230,776)	0	0	(50,114,657)	(1,204,647)
CAPACITY COST RECOVERY	(261,033,781)	(170,611,942)	(31,760,482)	(14,610,839)	(265,363)	(7,263,250)	(3,655,033)	0	0	(228,166,909)	(32,866,873)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(29,705,227)	(42,868,375)	(243,774)	(23,283,894)	(2,514,548)	0	114,882	(98,500,937)	(77,978,230)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,119)	0	0	0	(14,782)	(16,174)
INTEREST TAX DEFICIENCIES	0	0	368,055	0	0	(91,517)	0	0	0	276,538	(276,538)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,760,115	(4,562,602)	0	0	4,197,513	(4,197,513)
TOTAL FPSC ADJUSTMENTS	\$ (3,713,495,022)	(2,658,301,103)	(148,999,182)	(65,338,867)	(725,880,434)	13,625,415	(38,620,522)	0	114,882	(3,623,399,811)	\$ (90,095,211)
FPSC ADJUSTED	\$ 7,659,904,113	19,810,336	1,386,325,585	1,959,090,335	615,162,597	104,302,644	163,795,974	316,179,110	(896,678)	4,563,769,903	\$ 3,096,134,210
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,411,545,134	19,810,336	1,386,146,767	1,959,090,335	615,162,597	43,444,352	163,795,974	316,179,110	(896,678)	4,502,732,792	\$ 2,908,812,342
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY											
	\$ 78,970,399										

NOTES:

- (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

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

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2020

Docket No. 20250011-EI
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SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	116,704,520	115,358,282
INTEREST & DIVIDENDS RECEIVABLE	218,223	211,113
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	40,251,244	41,267,019
POLE ATTACHMENTS RENTS RECEIVABLE	26,929,476	26,052,091
PREPAYMENTS - SWA	41,671,975	41,671,975
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	5,675,913	5,481,615
TEMPORARY CASH INVESTMENTS	188,008,569	181,883,089
JOBGING ACCOUNTS	29,763,980	28,794,244
OTH REG ASSETS - CLAUSES	8,128,928	7,746,626
FUEL COST RECOVERY - GPIF	5,538,640	5,278,159
CEDAR BAY TRANSACTION	408,555,738	391,258,308
ICL TRANSACTION	275,916,666	264,234,908
SJRPP TRANSACTION	75,069,337	71,748,048
EARLY RETIRED ASSETS - ECRC	134,471,418	128,337,235
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,356,904,627	\$ 1,309,322,712
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	34,615,385	33,487,581
ACCUM DEFERRED RETIREMENT BENEFITS	(106,749)	(103,408)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(80,641,338)	(80,641,338)
ACCUM. PROV. - RATE REFUNDS	(3,449,540)	0
GAIN ON SALE OF EMISSION ALLOWANCE	(243)	(231)
JOBGING ACCOUNTS	(24,936,365)	(24,123,917)
SJRPP ACCELERATED RECOVERY	(3,445,076)	(3,299,219)
STORM DEFICIENCY RECOVERY	(7,313,644)	(7,313,644)
ASSET RETIREMENT OBLIGATION	(5,015,359,613)	(4,858,406,112)
MARGIN CALL CASH COLLATERAL	(902,331)	(872,933)
NUCLEAR COST RECOVERY	(241,630,584)	(241,630,584)
CEDAR BAY TRANSACTION	(3,286,909)	(3,147,748)
OTH REG LIAB - CLAUSES	(13,981,124)	(13,885,214)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,360,438,131)	\$ (5,199,936,767)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (4,003,533,505)	\$ (3,890,614,055)

NOTES:

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
RATE BASE
DECEMBER, 2020

Docket No. 20250011-EI
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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	\$ 57,906,627,493	17,132,227,272	40,774,400,221	505,308,534	4,545,461,755	666,298,436	46,491,468,947	(578,540,726)	\$ 45,912,928,221
JURISDICTIONAL PER BOOKS	\$ 55,581,330,595	14,252,965,160	41,328,365,434	481,183,279	4,311,574,876	631,500,397	46,752,623,986	(2,632,246,586)	\$ 44,120,377,400
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,892,945,794)	(772,946,496)	(1,119,999,299)	0	(1,576,889,091)	0	(2,696,888,390)	3,890,614,055	\$ 1,193,725,665
FPSC ADJUSTED:	\$ 53,688,384,800	13,480,018,665	40,208,366,136	481,183,279	2,734,685,784	631,500,397	44,055,735,596	1,258,367,469	\$ 45,314,103,065
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 53,688,384,800	13,480,018,665	40,208,366,136	481,183,279	2,734,685,784	631,500,397	44,055,735,596	1,258,367,469	\$ 45,314,103,065

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2020

Docket No. 20250011-EI
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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	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
JURISDICTIONAL PER BOOKS	\$ 10,947,465,103	2,549,508,994	1,488,978,448	1,945,998,904	1,319,615,537	87,008,270	192,423,567	305,115,550	(1,006,319)	7,887,642,952	\$ 3,059,822,151
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(112,987,068)	0	0	0	(125,150,698)	\$ (347,774,277)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	112,958,374	0	0	0	(347,685,959)	347,685,959
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(65,984)	0	0	0	(251,007,426)	(203,098)
FINANCIAL PLANNING SERVICES	0	0	(114,665)	0	0	28,118	0	0	0	(86,547)	86,547
INDUSTRY ASSOCIATION DUES	0	0	(50,969)	0	0	12,499	0	0	0	(38,471)	38,471
ECONOMIC DEVELOPMENT 5%	0	0	(324,738)	0	0	79,632	0	0	0	(245,106)	245,106
AVIATION - EXPENSES	0	0	(61,739)	0	0	15,139	0	0	0	(46,599)	46,599
EXECUTIVE COMPENSATION	0	0	(44,284,175)	0	0	10,859,286	0	0	0	(33,424,889)	33,424,889
FUEL COST REC RETAIL	(2,385,747,729)	(2,367,361,437)	(824,824)	0	(873,067)	20,457,090	(25,373,495)	0	0	(2,373,975,733)	(11,771,996)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,743,996	(2,230,776)	0	0	(50,116,457)	(1,202,847)
CAPACITY COST RECOVERY	(260,756,786)	(163,388,575)	(30,419,016)	(13,992,245)	(258,677)	(9,386,255)	(3,655,033)	0	0	(221,099,800)	(39,656,986)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(28,352,566)	(40,912,859)	(236,056)	(23,826,883)	(2,514,548)	0	109,641	(95,733,271)	(80,745,895)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,221)	0	0	0	(14,884)	(16,072)
INTEREST TAX DEFICIENCIES	0	0	356,537	0	0	(87,429)	0	0	0	269,108	(269,108)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,848,050	(4,419,817)	0	0	3,428,233	(3,428,233)
TOTAL FPSC ADJUSTMENTS	\$ (3,598,469,440)	(2,530,750,012)	(144,866,982)	(62,764,757)	(725,864,714)	7,584,159	(38,193,669)	0	109,641	(3,494,746,334)	\$ (103,723,105)
FPSC ADJUSTED	\$ 7,348,995,663	18,758,982	1,344,111,466	1,883,234,147	593,750,823	94,592,430	154,229,898	305,115,550	(896,678)	4,392,896,617	\$ 2,956,099,046
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,100,636,685	18,758,982	1,343,932,647	1,883,234,147	593,750,823	33,734,138	154,229,898	305,115,550	(896,678)	4,331,859,507	\$ 2,768,777,178
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 78,970,399										
	\$ 76,064,139										

NOTES:

- (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

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

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2020

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SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,582,210,839	\$ 1,510,035,535
FUEL AND CAPACITY	186,347,670	178,303,044
CAPITALIZED EXECUTIVE COMPENSATION	47,718,326	46,225,002
LOAD CO d	40,416,718	40,416,718
ASSET RETIREMENT OBLIGATION	33,028,710	31,995,090
CAPITAL LEASES	88,747,727	85,970,405
TOTAL	\$ 1,978,469,990	\$ 1,892,945,794
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (406,994,767)	\$ (388,428,992)
ACCUM PROV DECOMMISSIONING COSTS	(5,700,735,430)	(5,457,977,935)
ASSET RETIREMENT OBLIGATION	59,302,054	57,446,222
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	5,293,048,004	5,127,404,365
FUEL AND CAPACITY	(49,436,764)	(47,188,671)
OTHER RATE CASE ADJUSTMENTS (1)	241,350	241,350
LOAD CONTROL	(23,589,899)	(23,589,899)
CAPITAL LEASES	(42,172,713)	(40,852,936)
TOTAL	\$ (870,338,165)	\$ (772,946,496)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,673,778,638	\$ 1,555,816,067
CWIP - CLAUSE PROJECTS	21,862,248	21,073,024
TOTAL	\$ 1,695,640,886	\$ 1,576,889,091
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)	\$ (4,003,533,505)	\$ (3,890,614,055)
TOTAL ADJUSTMENTS	\$ (1,199,760,793)	\$ (1,193,725,665)

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
DECEMBER, 2020

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SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(114,385,081)	0	0	0	(126,548,711)	\$ (346,376,264)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	114,356,282	0	0	0	(346,288,052)	346,288,052
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(66,644)	0	0	0	(251,008,086)	(202,438)
FINANCIAL PLANNING SERVICES	0	0	(118,369)	0	0	30,427	0	0	0	(87,942)	87,942
INDUSTRY ASSOCIATION DUES	0	0	(52,616)	0	0	17,993	0	0	0	(34,623)	34,623
ECONOMIC DEVELOPMENT 5%	0	0	(335,228)	0	0	82,904	0	0	0	(252,325)	252,325
AVIATION - EXPENSES	0	0	(63,733)	0	0	15,897	0	0	0	(47,836)	47,836
EXECUTIVE COMPENSATION	0	0	(45,714,800)	0	0	11,346,154	0	0	0	(34,368,646)	34,368,646
FUEL COST REC RETAIL	(2,500,496,315)	(2,487,689,161)	(825,953)	0	(874,382)	22,424,535	(25,657,563)	0	0	(2,492,622,524)	(7,873,791)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,745,796	(2,230,776)	0	0	(50,114,657)	(1,204,647)
CAPACITY COST RECOVERY	(261,033,781)	(170,611,942)	(31,760,482)	(14,610,839)	(265,363)	(7,263,250)	(3,655,033)	0	0	(228,166,909)	(32,866,873)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(29,705,227)	(42,868,375)	(243,774)	(23,283,894)	(2,514,548)	0	114,882	(98,500,937)	(77,978,230)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,119)	0	0	0	(14,782)	(16,174)
INTEREST TAX DEFICIENCIES	0	0	368,055	0	0	(91,517)	0	0	0	276,538	(276,538)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,913,878	(4,562,602)	0	0	3,351,276	(3,351,276)
TOTAL FPSC ADJUSTMENTS	\$ (3,713,495,022)	(2,658,301,103)	(148,999,182)	(65,338,867)	(725,880,434)	12,779,179	(38,620,522)	0	114,882	(3,624,246,047)	\$ (89,248,974)
FPSC ADJUSTED	\$ 7,659,904,113	19,810,336	1,386,325,585	1,959,090,335	615,162,597	103,456,408	163,795,974	316,179,110	(896,678)	4,562,923,666	\$ 3,096,980,447
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,411,545,134	19,810,336	1,386,146,767	1,959,090,335	615,162,597	42,598,115	163,795,974	316,179,110	(896,678)	4,501,886,556	\$ 2,909,658,579
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 78,970,399										

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

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

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER, 2020

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SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
LONG TERM DEBT	\$ 13,600,790,591	\$ 13,080,690,152	\$ 431,238,052	\$ (65,225,836)	\$ 13,446,702,368	31.11%	3.96%	1.23%	3.96%	1.23%	3.96%	1.23%
SHORT TERM DEBT	320,487,164	308,220,905	10,212,204	0	318,433,109	0.74%	0.92%	0.01%	0.92%	0.01%	0.92%	0.01%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	20,550,559,958	19,764,012,118	654,835,961	(0)	20,418,848,080	47.24%	9.60%	4.53%	10.55%	4.98%	11.60%	5.48%
CUSTOMER DEPOSITS	406,324,542	405,991,577	13,451,615	0	419,443,192	0.97%	2.16%	0.02%	2.16%	0.02%	2.16%	0.02%
DEFERRED INCOME TAX	(1) 4,977,851,054	4,785,843,843	154,299,381	(128,838,100)	4,811,305,124	11.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,292,179,909	3,166,175,703	104,904,090	(0)	3,271,079,793	7.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	(2) 666,615,416	640,185,065	17,264,524	(119,113,701)	538,335,889	1.25%	7.36%	0.09%	7.93%	0.10%	8.57%	0.11%
TOTAL	\$ 43,814,808,635	\$ 42,151,119,364	\$ 1,386,205,828	\$ (313,177,637)	\$ 43,224,147,555	100.00%		5.89%		6.34%		6.85%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
LONG TERM DEBT	\$ 14,092,505,646	\$ 13,538,693,710	\$ 458,371,460	\$ (50,599,084)	\$ 13,946,466,087	30.78%	3.81%	1.17%	3.81%	1.17%	3.81%	1.17%
SHORT TERM DEBT	1,377,913,550	1,323,726,027	44,984,725	(0)	1,368,710,752	3.02%	0.38%	0.01%	0.38%	0.01%	0.38%	0.01%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	20,884,490,920	20,063,192,058	681,815,697	(0)	20,745,007,756	45.78%	9.60%	4.39%	10.55%	4.83%	11.60%	5.31%
CUSTOMER DEPOSITS	385,058,379	384,728,211	13,074,377	0	397,802,588	0.88%	2.20%	0.02%	2.20%	0.02%	2.20%	0.02%
DEFERRED INCOME TAX	5,189,795,801	4,984,317,740	165,005,759	(128,838,100)	5,020,485,399	11.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,202,379,187	3,076,443,133	104,548,031	0	3,180,991,164	7.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	(2) 780,784,738	749,276,520	21,515,700	(116,152,900)	654,639,319	1.44%	7.24%	0.10%	7.84%	0.11%	8.44%	0.12%
TOTAL	\$ 45,912,928,221	\$ 44,120,377,400	\$ 1,489,315,749	\$ (295,590,084)	\$ 45,314,103,065	100.00%		5.70%		6.15%		6.64%

NOTE:

(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2,797 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
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SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 3,241,072,033
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	18,001,981
INCOME TAXES	596,205,447
TOTAL	\$ 3,855,279,461
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 615,795,670
TIMES INTEREST EARNED WITH AFUDC	6.26

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 3,241,072,033
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(60,968,418)
INCOME TAXES	596,205,447
TOTAL	\$ 3,776,309,062
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 615,795,670
TIMES INTEREST EARNED WITHOUT AFUDC	6.13

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 18,001,981
X (1 - INCOME TAX RATE)	0.7548
SUBTOTAL	\$ 13,587,568
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	60,968,418
TOTAL	\$ 74,555,985
NET INCOME AVAILABLE FOR COMMON	\$ 2,643,278,343
AFUDC AS PERCENT OF NET INCOME	2.82%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,643,278,343
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(2,210,000,000)
AFUDC (DEBT & OTHER)	(78,970,399)
DEPRECIATION AND AMORTIZATION EXPENSE	2,024,429,202
DEFERRED INCOME TAXES	197,873,248
INVESTMENT TAX CREDITS	316,179,110
CLAUDE OVER/UNDER RECOVERY	34,960,847
OTHER	30,179,083
INTERNALLY GENERATED FUNDS	\$ 2,957,929,435
CONSTRUCTION EXPENDITURES	\$ 5,475,129,749
PERCENT INTERNALLY GENERATED FUNDS	54.02%

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

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 13,446,702,368
JURIS ADJUSTED SHORT TERM DEBT	318,433,109
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	20,418,848,080
TOTAL	\$ 34,183,983,557
LTD TO TOTAL INVESTOR FUNDS	39.34%
STD TO TOTAL INVESTOR FUNDS	0.93%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

G. FPSC ADJ.

H. PROFORMA

RATE OF RETURN	6.84%	6.40%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	1.23%	1.23%
SHORT TERM DEBT	0.01%	0.01%
PREFERRED STOCK	0.00%	0.00%
CUSTOMER DEPOSITS	0.02%	0.02%
TAX CREDITS - WEIGHTED COST	0.10%	0.10%
SUBTOTAL	1.36%	1.36%
TOTAL	5.48%	5.05%
DIVIDED BY COMMON EQUITY RATIO	47.24%	47.24%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%	10.68%

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
BASIS FOR THE REQUESTED AFUDC RATE
FPSC ADJUSTED BASIS
DECEMBER, 2020

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SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 13,446,702,368	31.11%	3.81%	1.19%
SHORT TERM DEBT	318,433,109	0.74%	0.92% *	0.01%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	419,443,192	0.97%	2.16% *	0.02%
COMMON EQUITY	20,418,848,080	47.24%	10.55%	4.98%
DEFERRED INCOME TAX	4,811,305,124	11.13%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,271,079,793	7.57%	0.00%	0.00%
INVESTMENT TAX CREDITS	538,335,889	1.25%	0.00%	0.00%
TOTAL	\$ 43,224,147,555	100.00%		6.20%

* 13-MONTH AVERAGE

NOTE:
EFFECTIVE JANUARY 1, 2019 THE COMMISSION APPROVED AFUDC RATE IS 6.22%

ADMITTED

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FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 DECEMBER, 2020

SCHEDULE B: PAGE 1 OF 1

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS (1), (2)		ADJUSTED RETAIL 8
			PRO RATA 6	SPECIFIC 7	
LONG TERM DEBT	\$ 13,600,790,591	\$ 13,080,690,152	\$ 431,238,052	\$ (65,225,836)	\$ 13,446,702,368
SHORT TERM DEBT	320,487,164	308,220,905	10,212,204	0	318,433,109
PREFERRED STOCK	-	-	-	-	-
COMMON EQUITY	20,550,559,958	19,764,012,118	654,835,961	(0)	20,418,848,080
CUSTOMER DEPOSITS	406,324,542	405,991,577	13,451,615	0	419,443,192
DEFERRED INCOME TAX	4,977,851,054	4,785,843,843	154,299,381	(128,838,100)	4,811,305,124
FAS 109 DEFERRED INCOME TAX	3,292,179,909	3,166,175,703	104,904,090	(0)	3,271,079,793
INVESTMENT TAX CREDITS	666,615,416	640,185,065	17,264,524	(119,113,701)	538,335,889
TOTAL	\$ 43,814,808,635	\$ 42,151,119,364	\$ 1,386,205,828	\$ (313,177,637)	\$ 43,224,147,555

NOTE:

- (1) FOR RATE BASE ADJUSTMENTS SEE SCHEDULE 2 PAGE 3
 (2) FOR WORKING CAPITAL ADJUSTMENTS SEE SCHEDULE 2 PAGE 3B
 (3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

ADMITTED

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
METHODOLOGY FOR MONTHLY COMPOUNDING
OF THE AFUDC RATE
DECEMBER, 2020

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SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.20%
$((1+R/12)^{**12}) =$	1.06200000
$(1+R/12) =$	1.00502541
$(R/12) =$	0.00502541

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00502541	0.00502541
FEB	1.00502541	0.00505067	0.01007608
MAR	1.01007608	0.00507605	0.01515213
APR	1.01515213	0.00510156	0.02025369
MAY	1.02025369	0.00512720	0.02538088
JUN	1.02538088	0.00515296	0.03053384
JUL	1.03053384	0.00517886	0.03571270
AUG	1.03571270	0.00520488	0.04091758
SEP	1.04091758	0.00523104	0.04614862
OCT	1.04614862	0.00525733	0.05140595
NOV	1.05140595	0.00528375	0.05668970
DEC	1.05668970	0.00531030	0.06200000

ADMITTED

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FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2020

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI.

This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2020 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is \$ [REDACTED] ⁽¹⁾

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

ADMITTED

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2020

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	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	<u>\$0</u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	\$ 100,738,501	
Total Amortization from 1/1/2018 - 12/31/2018	\$ 540,949,289	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	
Actual Amortization from 1/1/2019 - 12/31/2019:		
January, 2019	\$ (84,875,022)	
February, 2019	\$ (33,423,808)	
March, 2019	\$ (37,487,852)	
April, 2019	\$ (1,238,828)	
May, 2019	\$ 48,530,293	
June, 2019	\$ 173,309,107	
July, 2019	\$ 86,035,009	
August, 2019	\$ 52,771,234	
September, 2019	\$ 172,044,151	
October, 2019	\$ 157,733,862	
November, 2019	\$ (657,986)	
December, 2019	\$ (176,076,008)	
Total Amortization from 1/1/2019 - 12/31/2019	\$ 356,664,152	
Actual Amortization from 1/1/2020 - 12/31/2020:		
January, 2020	\$ (114,482,970)	
February, 2020	\$ (45,574,339)	
March, 2020	\$ 11,911,325	
April, 2020	\$ 5,861,698	
May, 2020	\$ (5,982,714)	
June, 2020	\$ (9,495,711)	
July, 2020	\$ 41,960,553	
August, 2020	\$ 78,526,460	
September, 2020	\$ 137,409,299	
October, 2020	\$ 117,397,423	
November, 2020	\$ (26,854,283)	
December, 2020	\$ (189,481,173)	
Total Amortization from 1/1/2020 - 12/31/2020	\$ 1,195,568	
Reduction in Total Reserve Amount Available Under Current Settlement Agreement	\$ (5,000,000)	PSC-2019-0319-S-EI
Remaining Reserve Amount - 12/31/2020	<u>\$893,809,009</u>	

Notes:

- (1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.
 (2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.
 (3) Available Reserve Amount reduction pursuant to Order No. PSC-2019-0319-S-EI, Docket No. 20180049-EI.

ADMITTED

Actual Historical Hourly FPL Data

Month	90th	95th	99th	99.9th	max
1	62%	65%	76%	92%	100%
2	63%	67%	71%	79%	90%
3	67%	70%	76%	82%	85%
4	72%	76%	82%	87%	91%
5	80%	83%	88%	92%	95%
6	87%	90%	95%	99%	100%
7	90%	93%	96%	99%	100%
8	91%	94%	97%	100%	100%
9	85%	88%	93%	98%	100%
10	79%	82%	87%	91%	93%
11	67%	71%	78%	84%	87%
12	63%	66%	72%	78%	86%

Simulated Historical Hourly FPL Data

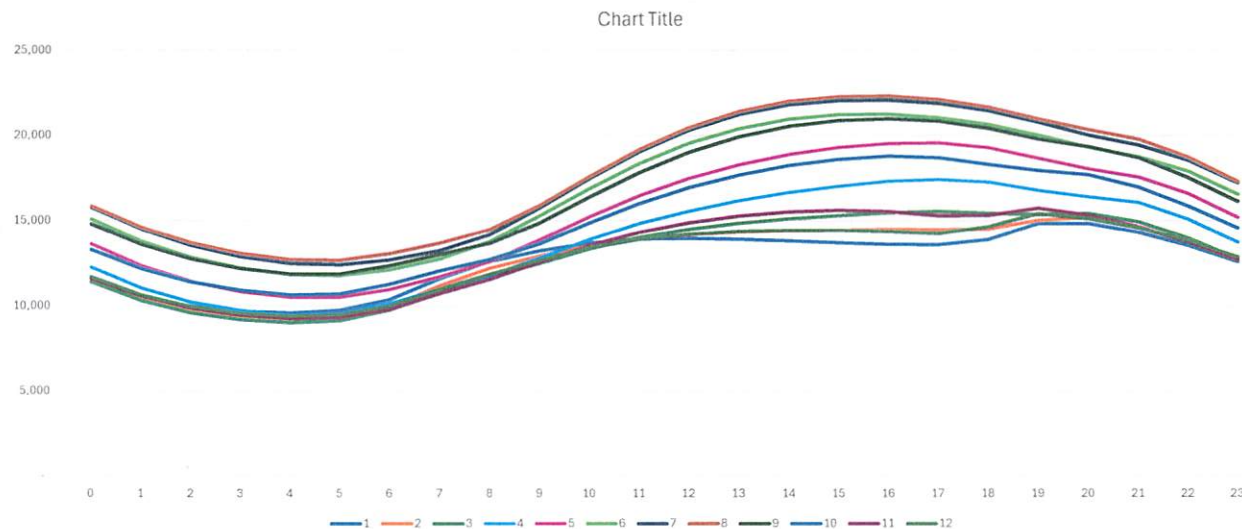
Month	90th	95th	99th	99.9th	max
1	63%	67%	76%	91%	100%
2	58%	62%	68%	76%	92%
3	61%	65%	72%	79%	81%
4	67%	71%	78%	87%	96%
5	74%	78%	85%	93%	100%
6	81%	85%	92%	97%	100%
7	85%	89%	95%	99%	100%
8	85%	88%	94%	99%	100%
9	80%	84%	89%	96%	100%
10	72%	76%	81%	87%	95%
11	61%	65%	70%	76%	85%
12	59%	62%	70%	86%	100%

Delta

Month	90th	95th	99th	99.9th	max
1	1%	2%	0%	-1%	0%
2	-5%	-5%	-3%	-3%	3%
3	-6%	-5%	-4%	-3%	-4%
4	-6%	-5%	-3%	0%	6%
5	-6%	-5%	-4%	1%	5%
6	-5%	-5%	-3%	-2%	0%
7	-5%	-4%	-2%	0%	0%
8	-6%	-5%	-3%	-1%	0%
9	-5%	-5%	-4%	-2%	0%
10	-7%	-7%	-6%	-4%	2%
11	-5%	-6%	-8%	-7%	-2%
12	-5%	-4%	-1%	9%	14%

ADMITTED

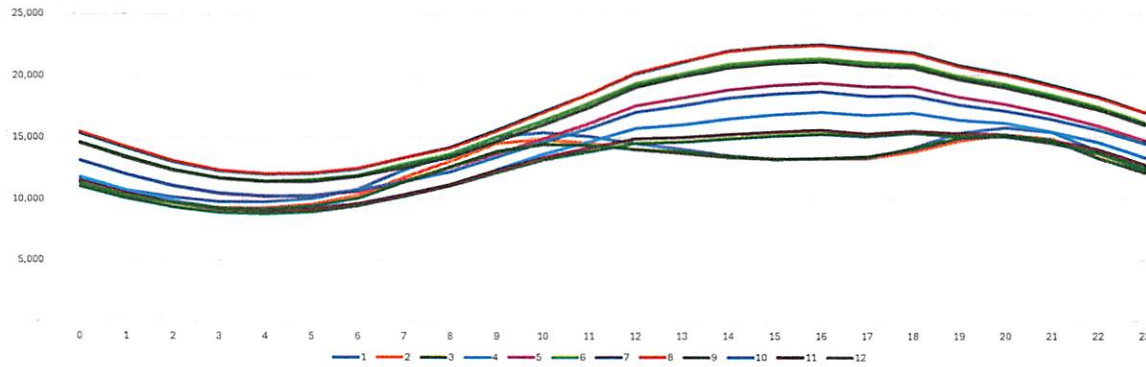
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1	11,492	10,539	9,972	9,686	9,604	9,749	10,374	11,609	12,616	13,241	13,695	13,932	13,968	13,931	13,834	13,710	13,620	13,598	13,894	14,840	14,830	14,319	13,546	12,591
2	11,440	10,376	9,702	9,356	9,223	9,327	9,924	11,182	12,194	12,920	13,532	13,959	14,188	14,334	14,411	14,445	14,473	14,468	14,496	15,018	15,175	14,590	13,729	12,678
3	11,417	10,310	9,598	9,196	9,026	9,145	9,771	10,833	11,691	12,512	13,347	14,021	14,492	14,852	15,118	15,316	15,482	15,549	15,443	15,367	15,431	14,941	13,982	12,766
4	12,259	11,046	10,225	9,724	9,476	9,551	10,137	10,997	11,786	12,794	13,892	14,834	15,565	16,170	16,656	17,036	17,321	17,433	17,270	16,790	16,408	16,062	15,090	13,736
5	13,618	12,335	11,426	10,833	10,503	10,497	10,957	11,704	12,596	13,856	15,229	16,465	17,472	18,274	18,872	19,287	19,522	19,554	19,270	18,660	18,024	17,542	16,580	15,187
6	15,078	13,788	12,847	12,211	11,846	11,792	12,134	12,766	13,791	15,292	16,894	18,364	19,555	20,415	20,973	21,231	21,249	21,059	20,655	20,006	19,298	18,752	17,893	16,558
7	15,780	14,517	13,555	12,901	12,515	12,434	12,717	13,245	14,198	15,764	17,491	19,062	20,323	21,239	21,809	22,067	22,086	21,895	21,470	20,782	20,025	19,447	18,560	17,242
8	15,835	14,590	13,689	13,072	12,713	12,678	13,072	13,689	14,487	15,898	17,597	19,170	20,459	21,404	22,006	22,277	22,306	22,109	21,647	20,953	20,322	19,764	18,695	17,282
9	14,800	13,606	12,763	12,196	11,873	11,885	12,365	13,041	13,698	14,872	16,394	17,840	19,029	19,936	20,545	20,881	20,992	20,855	20,416	19,811	19,347	18,705	17,537	16,148
10	13,307	12,187	11,417	10,916	10,654	10,719	11,283	12,082	12,731	13,656	14,885	16,017	16,943	17,697	18,252	18,615	18,797	18,705	18,305	17,952	17,704	16,962	15,858	14,567
11	11,585	10,602	9,883	9,474	9,278	9,314	9,789	10,722	11,563	12,557	13,531	14,312	14,873	15,276	15,516	15,605	15,533	15,287	15,308	15,718	15,314	14,631	13,743	12,712
12	11,694	10,643	9,953	9,569	9,408	9,486	9,997	11,001	11,852	12,667	13,412	13,927	14,221	14,382	14,448	14,448	14,366	14,268	14,658	15,428	15,130	14,579	13,833	12,857



ADMITTED

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1	11,711	10,711	10,146	9,764	9,766	10,051	10,799	12,389	13,691	15,066	15,392	15,085	14,506	14,030	13,503	13,238	13,295	13,331	14,126	15,363	15,793	15,406	13,892	12,592
2	11,288	10,304	9,702	9,274	9,237	9,525	10,296	11,755	13,061	14,500	14,822	14,520	14,018	13,702	13,392	13,235	13,279	13,286	13,799	14,690	15,204	14,850	13,338	12,101
3	11,038	10,068	9,347	8,908	8,796	8,951	9,437	10,255	11,121	12,191	13,192	13,843	14,536	14,635	14,899	15,123	15,281	15,086	15,360	15,044	15,059	14,534	13,699	12,422
4	11,787	10,722	9,870	9,245	9,045	9,169	9,626	10,398	11,199	12,421	13,638	14,655	15,747	16,051	16,507	16,855	17,076	16,808	16,987	16,415	16,156	15,443	14,582	13,332
5	13,125	11,994	11,077	10,447	10,213	10,260	10,628	11,478	12,231	13,638	14,888	16,125	17,549	18,191	18,840	19,200	19,389	19,101	19,069	18,232	17,675	16,860	15,905	14,690
6	14,624	13,456	12,417	11,741	11,492	11,573	11,940	12,852	13,641	15,069	16,398	17,784	19,349	20,186	20,926	21,227	21,397	21,046	20,893	19,943	19,291	18,427	17,455	16,189
7	15,345	14,142	13,031	12,276	12,002	12,057	12,448	13,344	14,158	15,592	17,073	18,505	20,185	21,095	21,954	22,331	22,501	22,150	21,852	20,810	20,122	19,200	18,227	16,987
8	15,406	14,204	13,084	12,320	12,040	12,075	12,482	13,327	14,146	15,535	17,013	18,500	20,208	21,115	21,944	22,301	22,447	22,070	21,782	20,706	20,023	19,123	18,189	16,980
9	14,565	13,368	12,342	11,671	11,426	11,442	11,836	12,590	13,408	14,712	16,036	17,463	19,079	19,914	20,628	20,968	21,134	20,777	20,636	19,671	19,020	18,157	17,238	16,007
10	13,111	12,002	11,096	10,483	10,259	10,286	10,731	11,422	12,249	13,433	14,602	15,752	17,056	17,589	18,177	18,525	18,695	18,336	18,363	17,641	17,150	16,464	15,606	14,473
11	11,463	10,463	9,690	9,200	9,051	9,149	9,613	10,340	11,190	12,300	13,338	14,130	14,903	14,994	15,244	15,446	15,603	15,286	15,533	15,318	15,214	14,746	13,986	12,771
12	11,322	10,325	9,668	9,229	9,162	9,411	10,078	11,437	12,624	13,862	14,418	14,369	14,038	13,806	13,432	13,229	13,317	13,424	14,033	14,957	15,197	14,786	13,308	12,191

Chart Title



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MW Values from E3 Analysis			
Date	FOSSIL OH IRP (MW)*	Total Scheduled Generation Capacity Out under E3** (MW)	Delta
1/1/2026	0	0	0
1/2/2026	0	0	0
1/3/2026	0	0	0
1/4/2026	0	0	0
1/5/2026	0	0	0
1/6/2026	0	0	0
1/7/2026	0	0	0
1/8/2026	0	0	0
1/9/2026	0	0	0
1/10/2026	203	0	203
1/11/2026	232	0	232
1/12/2026	232	0	232
1/13/2026	232	0	232
1/14/2026	232	0	232
1/15/2026	232	0	232
1/16/2026	232	0	232
1/17/2026	232	0	232
1/18/2026	232	0	232
1/19/2026	232	0	232
1/20/2026	232	0	232
1/21/2026	232	0	232
1/22/2026	232	0	232
1/23/2026	232	0	232
1/24/2026	232	0	232
1/25/2026	232	0	232
1/26/2026	232	0	232
1/27/2026	232	0	232
1/28/2026	232	0	232
1/29/2026	232	0	232
1/30/2026	232	0	232
1/31/2026	0	0	0
2/1/2026	0	1669	-1669
2/2/2026	0	1669	-1669
2/3/2026	0	1669	-1669
2/4/2026	0	1669	-1669
2/5/2026	0	1669	-1669
2/6/2026	0	1669	-1669
2/7/2026	0	1669	-1669
2/8/2026	0	416	-416
2/9/2026	0	416	-416
2/10/2026	0	416	-416

*From "FPL FOSSIL OH IRP 2025 TO 2034 Rev 10-8-2024-
CONFIDENTIAL", FPL 008539 (Not Used in E3 Analysis)

** Outage data from "Confidential - Maintenance
Schedule" (provided in response to OPC's Pod 1-15 - 4th
Corrected)

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2/11/2026	0	416	-416
2/12/2026	0	416	-416
2/13/2026	0	416	-416
2/14/2026	0	416	-416
2/15/2026	1619	2517	-898
2/16/2026	1619	2517	-898
2/17/2026	2034	2517	-483
2/18/2026	2034	2517	-483
2/19/2026	2034	2517	-483
2/20/2026	2034	2517	-483
2/21/2026	2034	2517	-483
2/22/2026	2034	2147	-113
2/23/2026	2034	2147	-113
2/24/2026	2034	2147	-113
2/25/2026	2034	2147	-113
2/26/2026	2442	2147	295
2/27/2026	2442	2147	295
2/28/2026	2442	2147	295
3/1/2026	2129	6940	-4811
3/2/2026	2129	6940	-4811
3/3/2026	2129	6940	-4811
3/4/2026	2129	6940	-4811
3/5/2026	2129	6940	-4811
3/6/2026	2129	6940	-4811
3/7/2026	2444	6940	-4496
3/8/2026	3291	5314	-2023
3/9/2026	3291	5314	-2023
3/10/2026	3291	5314	-2023
3/11/2026	3291	5314	-2023
3/12/2026	3291	5314	-2023
3/13/2026	3291	5314	-2023
3/14/2026	3291	5314	-2023
3/15/2026	3291	4318	-1027
3/16/2026	3291	4318	-1027
3/17/2026	3291	4318	-1027
3/18/2026	3291	4318	-1027
3/19/2026	2876	4318	-1442
3/20/2026	2876	4318	-1442
3/21/2026	2227	4318	-2091
3/22/2026	2227	4318	-2091
3/23/2026	3536	4318	-782
3/24/2026	3536	4318	-782
3/25/2026	3536	4318	-782
3/26/2026	3536	4633	-1097
3/27/2026	3536	4633	-1097
3/28/2026	3536	4633	-1097
3/29/2026	3536	4633	-1097
3/30/2026	3536	4633	-1097
3/31/2026	3461	3388	73
4/1/2026	3437	4681	-1244
4/2/2026	3437	4681	-1244
4/3/2026	3437	4681	-1244
4/4/2026	3437	4265	-828

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4/5/2026	3437	4265	-828
4/6/2026	3034	4265	-1231
4/7/2026	3034	4265	-1231
4/8/2026	3268	3079	189
4/9/2026	3268	3079	189
4/10/2026	3268	3079	189
4/11/2026	3268	3079	189
4/12/2026	3268	3079	189
4/13/2026	3268	3079	189
4/14/2026	3268	3079	189
4/15/2026	3268	3079	189
4/16/2026	3268	2664	604
4/17/2026	2652	2664	-12
4/18/2026	2652	2664	-12
4/19/2026	2652	2664	-12
4/20/2026	2652	2664	-12
4/21/2026	2652	2664	-12
4/22/2026	2652	2664	-12
4/23/2026	2652	2664	-12
4/24/2026	2652	2664	-12
4/25/2026	2652	2664	-12
4/26/2026	2652	2664	-12
4/27/2026	2978	2664	314
4/28/2026	2978	2664	314
4/29/2026	2978	2237	740
4/30/2026	2978	2237	740
5/1/2026	2099	3526	-1427
5/2/2026	2099	3526	-1427
5/3/2026	2099	3526	-1427
5/4/2026	2099	3526	-1427
5/5/2026	2099	3526	-1427
5/6/2026	2099	3526	-1427
5/7/2026	854	3526	-2672
5/8/2026	854	3526	-2672
5/9/2026	854	3526	-2672
5/10/2026	854	2559	-1705
5/11/2026	2106	2559	-453
5/12/2026	2106	2559	-453
5/13/2026	2106	2559	-453
5/14/2026	2106	2559	-453
5/15/2026	2106	2559	-453
5/16/2026	2106	2244	-138
5/17/2026	2106	1612	494
5/18/2026	1465	1612	-147
5/19/2026	1465	1612	-147
5/20/2026	1465	1612	-147
5/21/2026	1465	1612	-147
5/22/2026	1465	1612	-147
5/23/2026	1465	1612	-147
5/24/2026	1465	1612	-147
5/25/2026	838	1612	-774
5/26/2026	625	1612	-987
5/27/2026	625	1612	-987

ADMITTED

5/28/2026	929	1612	-683
5/29/2026	1339	323	1017
5/30/2026	1339	323	1017
5/31/2026	1339	323	1017
6/1/2026	1441	323	1119
6/2/2026	817	323	494
6/3/2026	817	323	494
6/4/2026	817	323	494
6/5/2026	1472	323	1149
6/6/2026	1472	0	1472
6/7/2026	1472	215	1257
6/8/2026	1472	215	1257
6/9/2026	1472	215	1257
6/10/2026	1472	215	1257
6/11/2026	1168	215	953
6/12/2026	1168	215	953
6/13/2026	1168	215	953
6/14/2026	102	215	-113
6/15/2026	102	215	-113
6/16/2026	102	215	-113
6/17/2026	102	215	-113
6/18/2026	102	215	-113
6/19/2026	102	215	-113
6/20/2026	102	215	-113
6/21/2026	102	0	102
6/22/2026	102	0	102
6/23/2026	102	0	102
6/24/2026	102	0	102
6/25/2026	102	0	102
6/26/2026	102	0	102
6/27/2026	102	0	102
6/28/2026	102	0	102
6/29/2026	102	0	102
6/30/2026	102	0	102
7/1/2026	0	0	0
7/2/2026	0	0	0
7/3/2026	0	0	0
7/4/2026	0	0	0
7/5/2026	0	0	0
7/6/2026	0	0	0
7/7/2026	0	0	0
7/8/2026	0	0	0
7/9/2026	0	0	0
7/10/2026	0	0	0
7/11/2026	0	0	0
7/12/2026	0	0	0
7/13/2026	0	0	0
7/14/2026	0	0	0
7/15/2026	0	0	0
7/16/2026	0	0	0
7/17/2026	0	0	0
7/18/2026	0	0	0
7/19/2026	0	0	0

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7/20/2026	0	0	0
7/21/2026	0	0	0
7/22/2026	0	0	0
7/23/2026	0	0	0
7/24/2026	0	0	0
7/25/2026	0	0	0
7/26/2026	0	0	0
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8/5/2026	0	0	0
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8/17/2026	0	0	0
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8/19/2026	0	0	0
8/20/2026	0	0	0
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8/22/2026	0	0	0
8/23/2026	0	0	0
8/24/2026	0	0	0
8/25/2026	0	0	0
8/26/2026	0	0	0
8/27/2026	0	0	0
8/28/2026	0	0	0
8/29/2026	0	0	0
8/30/2026	0	0	0
8/31/2026	0	0	0
9/1/2026	0	0	0
9/2/2026	0	0	0
9/3/2026	0	0	0
9/4/2026	0	0	0
9/5/2026	0	0	0
9/6/2026	0	0	0
9/7/2026	0	0	0
9/8/2026	0	0	0
9/9/2026	0	0	0
9/10/2026	0	0	0

ADMITTED

9/11/2026	0	0	0
9/12/2026	0	0	0
9/13/2026	0	0	0
9/14/2026	0	0	0
9/15/2026	304	2774	-2470
9/16/2026	304	2774	-2470
9/17/2026	304	2774	-2470
9/18/2026	304	2774	-2470
9/19/2026	304	2774	-2470
9/20/2026	304	2774	-2470
9/21/2026	304	2774	-2470
9/22/2026	304	2147	-1843
9/23/2026	304	2147	-1843
9/24/2026	304	2147	-1843
9/25/2026	304	3415	-3111
9/26/2026	304	3415	-3111
9/27/2026	304	3415	-3111
9/28/2026	304	3415	-3111
9/29/2026	0	3415	-3415
9/30/2026	0	3415	-3415
10/1/2026	1397	5015	-3618
10/2/2026	1397	4064	-2667
10/3/2026	1397	4064	-2667
10/4/2026	1397	4064	-2667
10/5/2026	1397	3747	-2350
10/6/2026	1397	3747	-2350
10/7/2026	1397	3747	-2350
10/8/2026	1397	2913	-1516
10/9/2026	1397	2913	-1516
10/10/2026	1397	2913	-1516
10/11/2026	1397	2086	-689
10/12/2026	1397	2086	-689
10/13/2026	1397	2086	-689
10/14/2026	1397	2086	-689
10/15/2026	1718	1997	-279
10/16/2026	1718	1997	-279
10/17/2026	1718	1997	-279
10/18/2026	1718	1997	-279
10/19/2026	1718	1997	-279
10/20/2026	1718	1997	-279
10/21/2026	1718	1997	-279
10/22/2026	1718	1997	-279
10/23/2026	1718	1997	-279
10/24/2026	1718	1997	-279
10/25/2026	2043	1997	46
10/26/2026	2043	1997	46
10/27/2026	2118	1997	121
10/28/2026	2118	1997	121
10/29/2026	2118	1997	121
10/30/2026	2118	1997	121
10/31/2026	2118	1997	121
11/1/2026	2740	4473	-1733
11/2/2026	2740	4473	-1733

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11/3/2026	2740	4473	-1733
11/4/2026	2740	4473	-1733
11/5/2026	2740	4473	-1733
11/6/2026	2740	3262	-522
11/7/2026	2740	3262	-522
11/8/2026	2740	2215	525
11/9/2026	2740	1905	835
11/10/2026	2740	1273	1467
11/11/2026	2740	1273	1467
11/12/2026	2740	1273	1467
11/13/2026	2740	1273	1467
11/14/2026	2740	1273	1467
11/15/2026	3500	1273	2227
11/16/2026	3500	1273	2227
11/17/2026	3500	1273	2227
11/18/2026	3500	1273	2227
11/19/2026	3500	1273	2227
11/20/2026	3500	846	2654
11/21/2026	3703	846	2857
11/22/2026	3463	523	2940
11/23/2026	3463	523	2940
11/24/2026	3463	523	2940
11/25/2026	3463	523	2940
11/26/2026	3463	523	2940
11/27/2026	3388	523	2865
11/28/2026	3388	523	2865
11/29/2026	3388	523	2865
11/30/2026	3388	523	2865
12/1/2026	4027	942	3084
12/2/2026	4027	942	3084
12/3/2026	4665	942	3723
12/4/2026	4665	942	3723
12/5/2026	4665	942	3723
12/6/2026	4665	942	3723
12/7/2026	4665	632	4033
12/8/2026	4665	632	4033
12/9/2026	4665	632	4033
12/10/2026	3296	632	2664
12/11/2026	2890	398	2492
12/12/2026	2252	398	1853
12/13/2026	2252	398	1853
12/14/2026	1193	398	795
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12/21/2026	0	185	-185
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12/23/2026	0	0	0
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ADMITTED

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12/27/2026	0	0	0
12/28/2026	0	0	0
12/29/2026	0	0	0
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1/28/2027	234	0	234
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2/4/2027	0	1669	-1669
2/5/2027	0	1669	-1669
2/6/2027	0	1669	-1669
2/7/2027	0	1669	-1669
2/8/2027	0	416	-416
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2/13/2027	0	416	-416
2/14/2027	0	416	-416
2/15/2027	3715	2517	1198
2/16/2027	3715	2517	1198

ADMITTED

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2/21/2027	3715	2517	1198
2/22/2027	3715	2147	1568
2/23/2027	3715	2147	1568
2/24/2027	3715	2147	1568
2/25/2027	3715	2147	1568
2/26/2027	3715	2147	1568
2/27/2027	3715	2147	1568
2/28/2027	3715	2147	1568
3/1/2027	3715	6940	-3225
3/2/2027	2535	6940	-4405
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3/4/2027	2535	6940	-4405
3/5/2027	2535	6940	-4405
3/6/2027	2967	6940	-3974
3/7/2027	3396	6940	-3545
3/8/2027	4069	5314	-1245
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3/17/2027	4661	4318	343
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3/20/2027	4661	4318	343
3/21/2027	4661	4318	343
3/22/2027	4661	4318	343
3/23/2027	4278	4318	-40
3/24/2027	4278	4318	-40
3/25/2027	4278	4318	-40
3/26/2027	4278	4633	-355
3/27/2027	3800	4633	-833
3/28/2027	3800	4633	-833
3/29/2027	3800	4633	-833
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3/31/2027	3800	3388	412
4/1/2027	3647	4681	-1035
4/2/2027	3647	4681	-1035
4/3/2027	4315	4681	-366
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4/6/2027	3591	4265	-674
4/7/2027	3180	4265	-1085
4/8/2027	3500	3079	421
4/9/2027	3911	3079	832
4/10/2027	3911	3079	832

ADMITTED

4/11/2027	3911	3079	832
4/12/2027	3911	3079	832
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4/21/2027	4221	2664	1557
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5/15/2027	2555	2559	-3
5/16/2027	2555	2244	312
5/17/2027	2555	1612	944
5/18/2027	2555	1612	944
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5/28/2027	2892	1612	1281
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5/31/2027	2892	323	2570
6/1/2027	2892	323	2570
6/2/2027	2892	323	2570

ADMITTED

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6/4/2027	2892	323	2570
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6/6/2027	2892	0	2892
6/7/2027	3107	215	2892
6/8/2027	3107	215	2892
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6/11/2027	2797	215	2582
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6/13/2027	1504	215	1289
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6/16/2027	2129	215	1913
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6/18/2027	840	215	624
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10/23/2027	2714	1997	717
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10/25/2027	2714	1997	717
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10/28/2027	2090	1997	93
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10/30/2027	2090	1997	93
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11/8/2027	2917	2215	702

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11/9/2027	2917	1905	1012
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11/13/2027	2778	1273	1505
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11/20/2027	2597	846	1751
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11/23/2027	2597	523	2074
11/24/2027	2597	523	2074
11/25/2027	2597	523	2074
11/26/2027	3236	523	2712
11/27/2027	3236	523	2712
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11/30/2027	3236	523	2712
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12/21/2027	0	185	-185
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FILED 9/19/2025
DOCUMENT NO. 13589-2025
FPSC - COMMISSION CLERK

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September 19, 2025

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

Re: Docket No. 20250011-EI

Dear Mr. Teitzman:

I enclose for filing in the above docket Florida Power & Light Company's ("FPL") Quality of Service Hearings Report. From May 28, 2025 to June 6, 2025, the Commission conducted ten service hearings as part of Florida Power & Light Company's Petition for Rate Increase before the Commission.

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

Sincerely,

s/ Maria Jose Moncada

Maria Jose Moncada
Fla. Bar No. 0773301

Enclosure

cc: Counsel for Parties of Record

ADMITTED

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 19th day of September 2025:

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Before the Florida Public Service Commission

In the Matter of:

**Petition for rate increase by Florida Power & Light Company
Docket No. 20250011-EI**

Quality of Service Hearings Report

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Summary of Service Hearings

The Florida Public Service Commission (FPSC) conducted 10 service hearings in Docket No. 20250011-EI from May 28 to June 6, 2025. The hearings took place virtually and in person in seven locations across Florida Power & Light Company's service area.

Location	Date	Time (ET)	Speakers
North Fort Myers	May 28, 2025	9:00 AM	26
Miami Gardens	May 28, 2025	6:00 PM	82
Hollywood	May 29, 2025	9:30 AM	61
West Palm Beach	May 29, 2025	6:00 PM	37
Daytona Beach Shores	May 30, 2025	1:00 PM	26
Virtual	June 3, 2025	6:00 PM	50
Virtual	June 4, 2025	10:00 AM	42
Virtual	June 4, 2025	2:00 PM	39
Pensacola	June 5, 2025	7:00 PM	40
Panama City	June 6, 2025	2:00 PM	25

A total of 428 speakers testified at the 10 service hearings.

The majority of speakers expressed appreciation for FPL's quality of service, with 326 speakers (76 percent) providing positive comments about FPL's reliability, customer relations, emergency preparedness and response, energy-efficiency programs and/or various other aspects of service. There were 34 speakers (8 percent) who provided negative comments relating to aspects of FPL's service, including three who expressed specific service concerns.

Nearly half of the speakers testifying (196 or 46 percent) spoke positively about FPL's rate increase proposal. One-quarter (107 speakers) spoke against the proposed rate increase while 29 percent (125 speakers) did not state a position on the request.

FPL's Vice President of Customer Service Dawn Nichols and FPL Customer Advocates were present at each in-person hearing to provide support and speak with customers in attendance. FPL Customer Advocates were also available via a dedicated phone number throughout the hearings.

Following are graphical summaries of speaker sentiment regarding FPL's quality of service and proposed rate increase. In addition, transcripts of the three specific concerns and summaries of their resolutions are included with this report.

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Chart 1 – Overall speaker sentiment regarding FPL’s quality of service

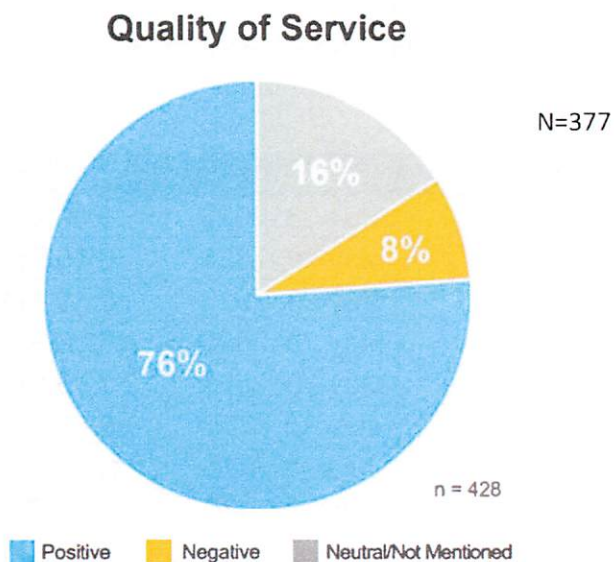
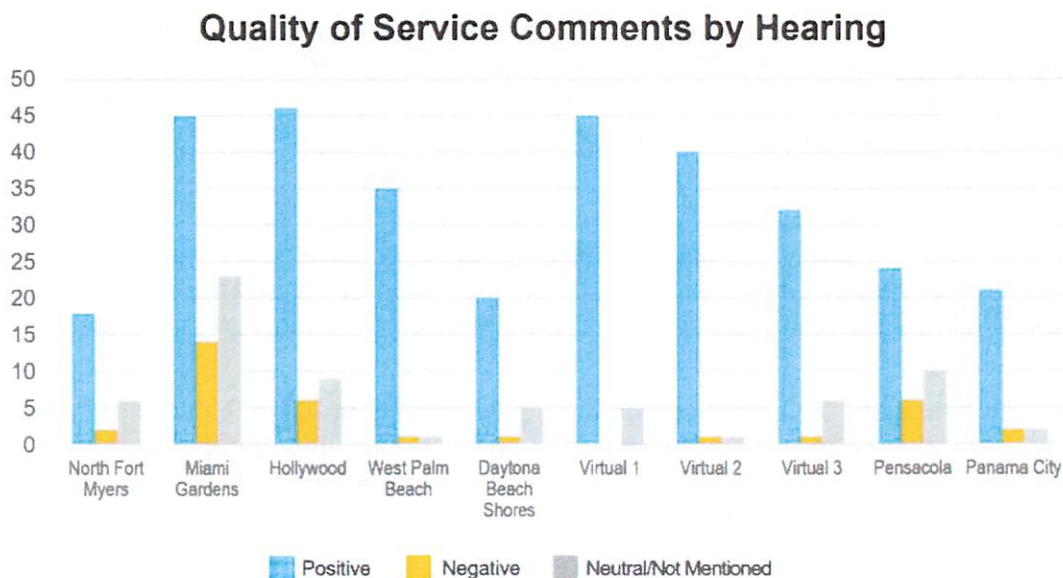


Chart 2 – Speaker sentiment regarding FPL’s quality of service by hearing



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Chart 3 – Speaker sentiment regarding FPL’s proposed rate increase

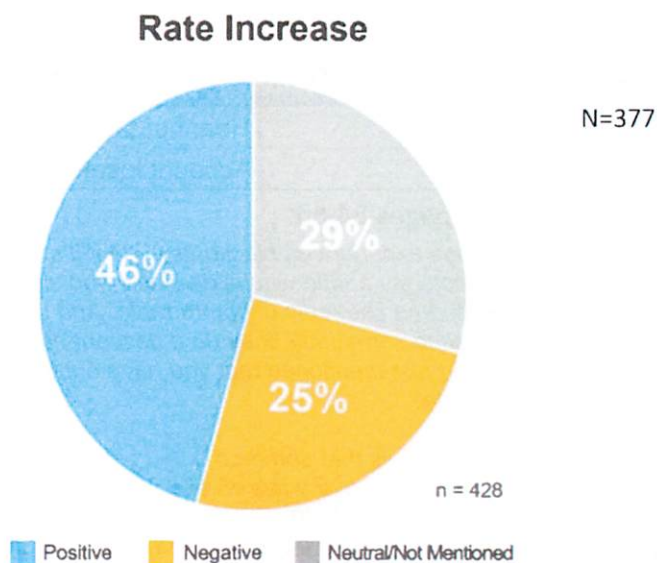
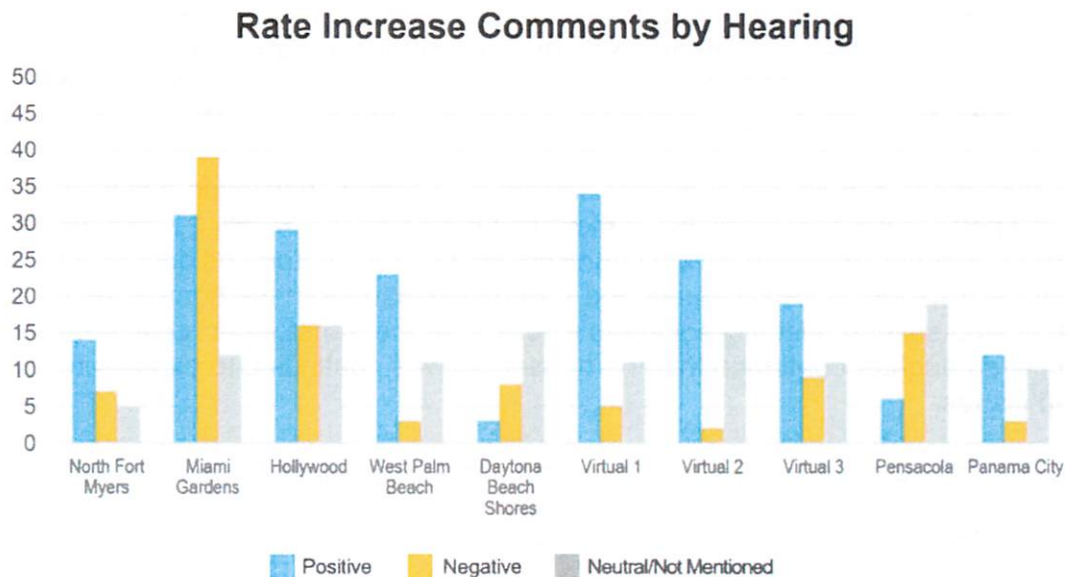


Chart 4 – Speaker sentiment regarding FPL’s proposed rate increase by hearing



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Specific Service Concerns and Resolutions

The following report provides information regarding the actions taken by FPL to assist the three customers who raised service concerns during the hearings.

Customer #1	
Hearing location: Miami Gardens	Hearing date: May 28, 2025
Speaker name: Jamal Victor	Account location: Miami
<p>Hearing transcript 04576-2025, pages 84-86:</p> <p>MR. VICTOR: ...my household has experienced blackouts even if it's stormy or a clear sunny day, and it really affects -- it really affects my auntie who is disabled who sleeps on an air mattress bed, when it happened, the bed dellate and she feels uncomfortable. And I call FPL, right, multiple times for this issue, but when they do send somebody, they do a descent half job...</p> <p>COMMISSIONER FAY: Yeah, you just mentioned that you have outages even when it's not raining outside, there is not a storm outside?</p> <p>MR. VICTOR: Yes.</p> <p>COMMISSIONER FAY: Is that rare, or is that common?</p> <p>MR. VICTOR: Common. It would happen every few weeks. Sometimes it happens consistently, and it's usually around nighttime, after around 12:00.</p> <p>COMMISSIONER FAY: And you reach out to the utility, and they typically send somebody out?</p> <p>MR. VICTOR: Yes.</p>	

RESOLUTION

Note: The FPL account referenced is under the name Maryse Demerzier.

FPL investigated the concerns raised by Mr. Victor and determined that service reliability could be improved by upgrading the size of the aerial transformer that serves the customer's home and neighbors to better accommodate the area's increased electricity consumption. FPL's Area Engineer completed the engineering design in early June, and the transformer was upgraded on June 10, 2025.

FPL attempted to contact the customer and left a voicemail requesting a call back to discuss efforts to improve reliability at the customer's home. On July 21, FPL Power Delivery Customer Advocate Edwin Laboy spoke with the customer's daughter to explain the transformer replacement and also review data from the home's smart meter that indicated several brief flickers in the weeks after the transformer replacement. The customer's daughter confirmed that the household was continuing to experience power-related issues.

FPL dispatched a crew on July 22 to examine the facilities directly serving the customer's home. They discovered a loose lug in the customer's meter can. As this equipment is customer-owned, the customer was advised it would be necessary to hire an electrician to conduct the repair.

Since that day, the customer's smart meter readings show no interruptions other than a meter outage on July 29 for approximately five minutes, which may have been due to the customer's equipment being repaired. Mr. Laboy is awaiting confirmation from the customer and will continue to monitor the account to be sure the problem has been resolved.

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Customer #2	
Hearing location: Panama City	Hearing date: June 6, 2025
Speaker name: Mary Frank Sheesley	Account location: Lynn Haven
Hearing transcript 05774-2025 pages 61, 80: <i>MS. SHEESLEY: ...They charge 17 cents per kilowatt hour. Now, I didn't like having to pay them so much money for energy that I like in my home, so I had solar panels put on my house. I like them very much, and if you give -- or produce excess energy from your solar panels, they only pay three to four cents back to us when we have -- give them extra energy. I mean, we don't even get half of the amount they charge for 17 cents is what they charge per kilowatt hour, but we only get three to four cents back when we give them extra energy... What I wanted to say was since FPL charges 17 cents ... I need to have more money from them for my solar panels when I give them excess energy, and not only four cents per hour when they get 17 cents.</i>	

RESOLUTION

An FPL Net Metering Specialist Richard Brooks spoke with the customer at length regarding FPL's approved tariff for net metering, which complies with the state's net metering rule. Mr. Brooks explained that the credit issued to customers with excess net metering credits is calculated in accordance with the tariff and rule.

At the end of each year, if a net metering customer has any remaining kilowatt-hour credits, they are converted to a bill credit (in dollars) reflecting FPL's COG-1, As-Available Energy Rate. The customer expressed appreciation for the information.

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Customer #3	
Hearing location: Panama City	Hearing date: June 6, 2025
Speaker name: Mitchell Hilkemeyer	Account location: St. Augustine
<p>Hearing transcript 05774-2025, pages 71-73:</p> <p><i>MR. HILKEMEYER: ...I am a project executive with Burke Construction. Even though do I have a residential account with you and Scintilla Electric, I am here today to talk about your commercial accounts and the quality of service, and not necessarily the rate increase. We have been delayed on jobs in Florida because we cannot get our engineering services stuff through FPL quick enough. This has happened in many places in Florida, and we need something to track from when we make contact with FPL to track all the way through your engineering department, to when it's completed, to when we know we can accept services, because communication through the commercial accounts can be lacking. Now, I arrived in Panama City about two years ago, and the Eastern District of FPL has been the best I have ever worked for, or worked with. I have traveled this whole country working for many different energy providers, but I would really like to thank the communication in the Eastern District provides us, especially Reggie Kennedy and ... Shane Boyett that I have never met, but has jumped into some emails for us. But if this rate increase goes through, I would really like to see some type of internet, something on the internet, to where we can track what is going on with our jobs, if that can be available; because there are energy providers that do provide us some type of contact, even if it's just random emails in where our accounts and stuff are at for new services, but FPL provides us nothing like they do with the residential side, so I would like to so that changed...</i></p> <p><i>COMMISSIONER FAY: On the residential or commercial, they don't, in your opinion, don't respond quick enough, but then you mentioned a specific area and team that was very responsive.</i></p> <p><i>MR. HILKEMEYER: Yes. It's the Eastern District here that covers Panama City has been great. The engineers, we reach out to, there is -- Reggie Kennedy is actually on some of these emails, he must be able to manage his email really well, because there are on-site meetings that will take place, and Reggie will send an email, like, two weeks later making sure that everything was taken care of on those on-site meetings.</i></p> <p><i>COMMISSIONER FAY: So when you communicate with them, they are responsive, but you just feel that maybe there could be an expedited way for the actual paperwork to be done for you?</i></p> <p><i>MR. HILKEMEYER: And for us to be able to not have to reach out to try and call the engineer and see where the new service is at... Or where it's at in engineering, or if it's came out of engineering and we are waiting on the construction side to send somebody out to install it.</i></p>	

RESOLUTION

FPL Senior Manager of Power Delivery Customer Advocacy Ellis Clenton spoke with Mr. Hilkemeyer on site at the hearing and informed him about FPL's new construction Project Portal, which is designed to help contractors work efficiently through the process of requesting, planning, designing, scheduling and installing essential electrical service needs.

The following week, Mr. Clenton introduced Mr. Hilkemeyer to leaders on FPL's Major Construction Project Services team to provide The Burke Construction Group with additional points of contact throughout the FPL's service area. Since then, Mr. Hilkemeyer has reached out to the team for project-related support, and FPL remains committed to working with him and his business to help ensure their projects are completed safely and efficiently.

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BEFORE THE

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FLORIDA PUBLIC SERVICE COMMISSION

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DOCKET NO. 20250011-EI

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FLORIDA POWER & LIGHT COMPANY

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REBUTTAL TESTIMONY OF NICHOLAS L. PHILLIPS

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Filed: July 9, 2025

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I. INTRODUCTION

1

2 Q. Please state your name and business address.

3 A. My name is Nicholas L. Phillips. My business address is 10 Hospital Center Commons,
4 Suite 400, Hilton Head Island, South Carolina, 29926.

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

6 A. I am a Director at Atrium Economics, LLC (“Atrium”), a management consulting and
7 financial advisory firm focused on the North American energy industry.

8 Q. Please describe your duties and responsibilities in that position.

9 A. In my position as a Director with Atrium, I provide consulting services and expert
10 witness testimony on behalf of clients across North America. Engagements most often
11 center around regulated utilities with scopes of services typically (though not limited
12 to) involving regulatory strategy, resource planning, class cost of service, rate design
13 new allocation methods, and new service offerings. When conducting engagement
14 with our clients, I am responsible for overall project strategy and execution, personnel
15 and budget management, as well as the preparation of studies, reports and testimonial
16 support.

17 Q. Please describe your educational background and professional experience.

18 A. I have a Degree of Master of Engineering in Electrical Engineering with a concentration
19 in Electric Power and Energy Systems from Iowa State University of Science and
20 Technology, and a Degree of Master of Science in Computational Finance and Risk
21 Management from the University of Washington Seattle. I joined Atrium from Public
22 Service Company of New Mexico (“PNM”) where I directed the Resource Planning
23 and Load Forecasting departments. I was responsible for developing PNM’s triennial

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1 Integrated Resource Plan as well as providing strategic, analytical and regulatory
2 support for resource planning decisions such as asset retirement and acquisition
3 decisions. I was also in charge of long-term resource adequacy studies and supply side
4 resiliency analysis as PNM. Prior to my time at PNM, I provided consulting and expert
5 witness services to clients across the country focused on energy, regulated utility, and
6 competitive electric service issues including resource planning, transmission planning,
7 production cost analysis, electric price forecasting, load forecasting, class cost of
8 service analysis, and rate design.

9 **Q. Have you previously testified before the Florida Public Service Commission**
10 **(“Commission”)?**

11 A. No.

12 **Q. Have you testified in other jurisdictions?**

13 A. Yes. I have presented expert testimony in state public utility regulatory proceedings in
14 California, Idaho, Kansas, Michigan, Missouri, New Hampshire, New Mexico,
15 Nevada, Wisconsin, and Wyoming. I have also provided expert testimony to the
16 Federal Energy Regulatory Commission (“FERC”). My testimony and expert reports
17 relate to various utility regulatory issues such as resource planning, cost of service, rate
18 design, wholesale market structure and wholesale rate design, retail open access,
19 impact fees, and other regulated electric issues.

20 **Q. On whose behalf are you testifying?**

21 A. I am filing rebuttal testimony on behalf of Florida Power & Light Company (“FPL” or
22 the “Company”).
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1 **Q. What is the purpose of your rebuttal testimony?**

2 A. The primary purpose of my rebuttal testimony is to address the testimonies filed by
3 intervenor parties in this proceeding who have taken positions against FPL's proposed
4 change to its allocator for fixed production revenue requirements ("Production
5 Allocator"). As outlined in the direct testimony of FPL witness DuBose, FPL is
6 proposing to alter the current Production Allocator from 12CP and 1/13th energy to a
7 12CP and 25% energy allocation. Intervenors Florida Retail Federation ("FRF"), the
8 Florida Industrial Power Users Group ("FIPUG"), the Federal Executive Agencies
9 ("FEA"), Florida Rising, Inc., the League of Latin American Citizens, and the
10 Environmental Confederation of Southwest Florida (collectively "FEL"), and Walmart
11 Inc. have taken positions opposing this change. I will rebut these witnesses and explain
12 why FPL's proposed change is reasonable. Please note that I am responding to specific
13 issues. Consequently, any argument raised in the testimony presented by intervening
14 parties to which I do not respond, should not be accepted as my support or approval of
15 the positions offered.

16 **Q. Please summarize your rebuttal testimony.**

17 A. Based on my independent review of FPL's system and planning, I conclude that FPL's
18 proposal to continue to use a 12 month coincident peak ("12CP") demand and to
19 modify the energy weighting within its Production Allocator from 1/13th energy to
20 25% energy is reasonable and consistent with the transformation of the system to
21 include more fixed cost energy related resources, such as solar. Therefore, in my
22 opinion, it would be reasonable for the Commission to approve FPL's proposed Class

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1 Cost of Service Study (“COSS”), including FPL’s proposed changes to the Production
2 Allocator.

3 **Q. How is your rebuttal testimony organized?**

4 A. I will begin my presentation by discussing some background concepts fundamental to
5 understanding Class Cost of Service, offering a couple hypothetical examples to
6 illustrate key concepts necessary to understand the basis for FPL’s proposal. In doing
7 so, I will also identify and discuss a thematic fallacy contained in the reasoning used
8 by numerous intervening parties that criticize FPL’s proposed Production Allocator.
9 Then I will provide a specific discussion regarding the reasonableness of the continued
10 use of 12CP and the proposed change in the energy weight used in the Production
11 Allocator from 1/13th energy to 25% energy. Finally, I provide rebuttal to select
12 statements made by intervening parties, which, in my opinion, are not reasonable or
13 appropriate from a cost of service perspective.

14 **Q. Are you sponsoring any rebuttal exhibits in this case?**

15 A. Yes. I am sponsoring the following exhibits:

- 16 • Exhibit NLP-1 Qualifications of Nicholas L. Phillips
- 17 • Exhibit NLP-2 Numerical example demonstrating why resource
18 characteristics must be considered within cost allocation rather than only
19 considering fixed and variable costs
- 20 • Exhibit NLP-3 Demonstration of solar resource capacity and energy
21 split within the 12CP and 25% Production Allocator

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1 **Q.** Before addressing the intervenors testimony regarding FPL's proposed COSS,
2 can you please summarize what you reviewed in preparing your rebuttal
3 testimony?

4 A. Yes. The opinion and conclusions in my rebuttal testimony are based on my review of
5 various sources or information, including FPL's historic load patterns, FPL's recent
6 Ten Year Site Plans ("TYSP"), other recent regulatory filings, and the Resource
7 Adequacy study attached to FPL witness Whitley's Testimony direct testimony as
8 Exhibit AWW-1. I also interviewed members of FPL's resource planning, operations
9 and cost of service teams. Finally, I reviewed the following intervenor testimonies:
10 FIPUG witnesses Jeffry Pollock and Jonathan Ly; FRF witness Tony Georgis; FEA
11 witness Matthew P. Smith; Walmart witness Lisa V. Perry; and FEL witness Karl R.
12 Rabago.

13

14 **II. BACKGROUND ON SYSTEM PLANNING AND COST ALLOCATION**

15 **Q.** What is a COSS?

16 A. A COSS is an analysis of costs that assigns to each customer or rate class its
17 proportionate share of the utility's total cost of service, *i.e.*, the utility's total revenue
18 requirement. The results of these studies can be utilized to determine the relative cost
19 of service for each customer class and to help determine the individual class revenue
20 responsibility.

21 **Q.** What is the purpose of a COSS?

22 A. The purpose of an COSS is to determine what costs are incurred to serve the various
23 classes of customers of the utility. When these costs are all tabulated, the rate of return

1 provided by each class can be determined. This resulting rate of return will be impacted
2 by the cost allocation resulting from the methodology employed. The COSS is a tool
3 that analysts use to assist in determining revenue responsibility by rate class and rate
4 design. The results of the COSS will provide the analyst with the data necessary to
5 design cost-based rates.

6 **Q. Is there a guiding principle that can support the appropriate allocation of costs?**

7 A. Although there may not be a perfect methodology for allocating costs, the principle of
8 cost causation should be followed to produce more accurate and reasonable results.
9 Cost causation addresses the need to identify which customer or group of customers
10 causes the utility to incur particular types of costs. The analysis should result in an
11 appropriate allocation of the utility's total revenue requirement among the various
12 customer classes. In other words, the costs assigned or allocated to particular customers
13 should be those that the particular customers caused the utility to incur because of the
14 characteristics of the customers' usage of utility service.

15 **Q. What are the steps to performing an COSS?**

16 A. To establish the cost responsibility of each customer class, initially, a three-step
17 analysis of the utility's total operating costs must be undertaken. The three steps that
18 comprise the COSS modeling are: (1) cost functionalization, (2) cost classification, and
19 (3) cost allocation of all the costs of the utility's system.

20 **Q. Please describe cost functionalization.**

21 A. The first step, cost functionalization, identifies and separates plant and expenses into
22 specific categories based on the various characteristics of utility operation. The three
23 most general functional categories are Production, Transmission and Distribution

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1 though many utilities will utilize additional functional or sub-functional categories to
2 detail the functional breakdown of costs. FPL's primary functional cost categories
3 associated with electric service include Production, Transmission, and Distribution. In
4 addition, various categories of costs within the distribution function are assigned to
5 separate sub-functions to the extent that their costs vary in response to different
6 customer class characteristics.

7 **Q. Please describe cost classification.**

8 A. The second step, cost classification, further separates the functionalized plant and
9 expenses according to whether the costs are predominantly related to demand, energy
10 or number of customers. Customer related costs are costs predominantly driven by the
11 number of customers on the system, for example, the number of meters. Traditionally,
12 energy related costs are costs that vary by the number of kilowatt-hours (kWh)
13 produced or consumed such as fuel expense. Demand related costs traditionally are
14 costs incurred by the utility in order to meet a capacity or firm-service requirement and
15 must be sized in order to meet the maximum amount of kilowatts (kW) placed on the
16 system in a short interval of time. Traditional examples of demand related costs are
17 the fixed costs in generation plant and transmission lines. Many analysts traditionally
18 equate demand related costs with fixed costs and energy related costs with variable
19 costs. However, this is where the thematic fallacy repeated by numerous intervening
20 parties arises, which I will discuss in more detail shortly.

21 **Q. Please describe cost allocation**

22 A. The final step is the allocation of each functionalized and classified cost element to the
23 individual customer or rate class. Customers are generally divided into customer

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1 classes based on the type and character of services they require. Costs typically are
2 allocated to these customer classes based on factors related to the number of customers,
3 the amount of capacity demanded by customers, and the energy usage of customers.

4 **Q. You mentioned that a thematic fallacy is repeated by numerous intervening**
5 **parties in the classification step, please explain.**

6 A. The fallacy that is repeated by multiple intervenors is that *all* fixed costs are demand
7 related and *all* variable costs are energy related. I agree that logic was true when the
8 sources of generation were mainly limited to thermal technologies, which combusted
9 fuel such as gas or coal (or in the case of nuclear utilized uranium though reacted not
10 combusted) to boil water creating steam that is then put through a steam turbine to
11 produce electricity. For such sources of generation, I completely agree that the fixed
12 costs to construct a plant of a certain size is a demand related cost and that the amount
13 of fuel used to produce energy from hour to hour is an energy related cost. However,
14 the same is not necessarily always true for renewable energy resources, such as wind
15 or solar. These technologies have virtually no variable cost but do provide energy to
16 the system. The fallacy exists when blindly asserting that all fixed costs are demand
17 related without considering the type of resources that underlie the costs.

18 **Q. Are you suggesting that the tried-and-true principles of cost allocation need to be**
19 **thrown out?**

20 A. No, not at all. While it is undeniable that electric systems are undergoing
21 transformative changes, the fundamental components of the system and the associated
22 characteristics remain, as do the economic underpinnings of regulated cost of service.
23 Customers still place demand and energy burdens on the system; however, the timing

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1 and impact of customer requirements must now also be balanced against a more
2 intermittent and energy-limited supply as the penetration of renewable and energy
3 limited resources interconnected to the system increases. In order to reliably serve the
4 demand and energy needs of their customers, utilities must incur both fixed and
5 variable costs. However, more and more costs are becoming fixed costs as steel in
6 renewable resources replace fuel costs. What is continuing to change are the types and
7 attributes of resources necessary to provide safe and reliable service to customers while
8 simultaneously being able to support changing public policy goals, such as reduction
9 of carbon emissions, advancing efficiency, and etc., while doing so at a reasonable cost.
10 These transformative changes in the electric system reinforce the need to dutifully
11 analyze the actual and planned resources and properly allocate those resources based
12 on the underlying attributes of the resources.

13 **Q. Please explain your last statement.**

14 A. Consider the fact that traditional thermal generation assets possessed the ability to
15 provide both capacity and energy to the system. The traditional approach to the
16 classification and allocation of costs essentially decomposed the capital and operating
17 costs of the resource by way of how those costs were incurred, recognizing that fuel
18 and variable operating costs are more closely linked with the energy output of the
19 resource, whereas the fixed investments are more closely tied to the capacity of the
20 resource.

21
22 Renewable generation assets also provide both capacity and energy to the system.
23 However, due to the nature of renewable generation assets, such as wind or solar, the

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1 amount of capacity that the resource provides varies through the time of day and year,
2 as well as becomes affected by the amount of other renewable and energy limited
3 resources on the system. Further, renewable energy resources do not incur an operating
4 cost, such as fuel, but nevertheless supply energy.

5
6 Consequently, it may become necessary to think about the individual attributes and
7 uses of renewable and energy limited resources differently than the traditional
8 approach, but the fundamental characteristics of capacity, energy, fixed, and variable
9 costs certainly remain. The analysts should continue to consider these characteristics
10 and apply fundamental economic reasoning when selecting the appropriate way to
11 classify and allocate costs to customers. While there are many potential alternatives
12 that could be considered, the goal is to identify the method that is the overall best fit
13 for the system being studied. It may not be unreasonable to seek recovery of energy
14 related portions of renewable resources through a fixed or demand related charge;
15 however, the selection of the most reasonable alternative should appropriately consider
16 both the capacity and energy characteristics of the system.

17 **Q. What is the result if cost of service analysts fail to properly consider and reflect**
18 **these transformative changes in the electric system?**

19 A. The easiest way to explain is by way of example. Consider two systems, the first,
20 System A, is a more traditional system with only conventional thermal resources. The
21 second system, System B, has enough renewable energy resources to meet 80% of its
22 energy needs but still relies on thermal resources for 20% of its energy and reliability
23 requirements. Further assume both systems have identical loads placed on the systems

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1 by the respective customer classes. If one were to allocate production and fuel costs
2 for both System A and System B using a 12CP allocator for all “traditional” demand
3 related production expense (*i.e.*, fixed costs) and an energy allocator for energy related
4 production expense without analyzing the capacity and energy characteristics of the
5 resources installed on the system, it would result in outcomes that are not reflective of
6 the system: System A would allocate 100% of demand costs using 12CP and 100% of
7 fuel/energy costs on an energy basis; and System B would allocate 100% of demand
8 and 80% of energy costs (*i.e.*, the renewable energy resources) on 12CP and only 20%
9 of energy costs on an energy basis. This does not make sense when the same demand
10 and energy loads are being served. Attached as Exhibit NLP-2 is a numerical example
11 demonstrating this concept further.

12
13 This simplified example illustrates why analysis of the resources themselves are critical
14 when determining a reasonable way to allocate costs. If one were to blindly argue all
15 fixed costs should be allocated on a measure of demand, the outcome would be that
16 high energy/high load factor customers end up paying less and low load factor
17 customers pay more for the same reliable electric service on System B than System A.

18 **Q. What are some potential solutions to this problem?**

19 A. There is no one correct solution and, instead, the analyst must evaluate the system and
20 how it is operated to determine the allocation method that is the most reasonable and
21 best reflects how the system is planned and operated. The problem is complex and will
22 require individualized solutions for each utility, taking into account the types of
23 resources, the speed of the system transition, the precedents in place, and whether the

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1 utility and its Commission would prefer an incremental approach or an overhaul to the
2 overall cost allocation paradigm in place.

3

4 Notwithstanding the previous statement, I believe that there are two broad categories
5 of remedies for the issue illustrated by the simplified example in the previous question.

6 The first is to classify the renewable energy resources as demand related but utilize an
7 energy-weighted demand allocator that recognizes the fixed production expense being
8 allocated is comprised of both demand and energy related costs. The energy weighted
9 demand should generally be proportional to the amount of energy related dollars
10 included in the functional and classified revenue requirement being allocated with the
11 Production Allocator. This is the same approach that FPL has proposed in its 12CP
12 and 25% Production Allocator. This energy weighting could increase over time as
13 more fixed costs are incurred to provide energy to the system but this is
14 counterbalanced by the avoidance of fuel costs. I like to think of this as swapping steel
15 for fuel.

16

17 The second approach, which has largely become available due to the recent passage of
18 FERC Order 898,¹ is to create separate tracking of costs for renewable and energy
19 limited resources and classify these costs differently than the fixed expenses associated
20 with thermal plants. Then the traditional process is applied to allocate demand related

¹ On June 29, 2023, the FERC issued Order 898, Accounting and Reporting Treatment of Certain Renewable Energy Assets in Docket No. RM21-11-000, which, among other things, amended the Uniform System of Accounts for public utilities by creating new plant and Operating and Maintenance (“O&M”) accounts for wind, solar, energy storage, and other renewable generating assets. The new accounts under FERC Order 898 became effective January 1, 2025.

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1 costs using a predominantly demand allocation method and energy related costs using
2 a predominantly energy allocation method.

3

4 While both of the approaches have their pluses and minuses, as well as details that must
5 be worked through, either approach, if employed correctly, can arrive at reasonable and
6 cost-based outcomes.

7 **Q. Do you have an example to illustrate the impact if costs for renewable and energy**
8 **limited resources are classified as both demand- and energy-related using one of**
9 **these two methods you discussed?**

10 A. Yes. Using the same simplified example above and provided in Exhibit NLP-2, the
11 column labeled “System B-2” shows the relative impact to System B if the renewable
12 fixed costs are split on the basis of firm capacity so that the proportion of the costs
13 equivalent to the firm capacity percentage are allocated using the fixed production
14 allocator and the remaining costs are allocated using the energy allocator. In this
15 example, both the total costs and the class load characteristics of the two systems are
16 assumed to be the same to illustrate the differences due to how the renewable resources
17 are treated within the allocation process. What can be seen is that the cost responsibility
18 for each class returns towards the traditional system cost share shown in System A.
19 One would not expect it to be exactly the same as much will depend on the firm capacity
20 value of the renewable resources and the relative costs of the renewable resources
21 compared to the traditional. But one would neither expect large swings given least cost
22 planning principles and the demand and energy characteristics of the systems do not

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1 change rapidly, especially given the typical capacity values for current renewable
2 resource technologies and displacement of fuel costs.

3 **Q. You stated that FPL's proposed 12CP and 25% methodology follows the first**
4 **approach you discussed. Do you know why FPL did not apply the second**
5 **approach with specific cost allocators for renewable resources?**

6 A. Based on my discussions with the FPL COSS team, it is my understanding that at the
7 time the filing was being prepared, FPL's system was not capable of applying a separate
8 production plant rate class allocator to renewable and energy limited resources in its
9 COSS system. However, as I have shown by way of my simplified example above,
10 maintaining the status quo, or further regressing as suggested by some of the
11 intervening parties, will have unintended consequences and lead to inequitable
12 outcomes. Thus, I believe that FPL's proposed 12CP and 25% Production Allocator is
13 a reasonable and measured approach to better reflect the increase in renewable
14 generation, particularly solar, that is currently on its system and planned for the future.
15 In section IV of this testimony, I demonstrate how the proposed change in the
16 Production Allocator results in a demand and energy split of costs for the solar
17 resources is in line with the proportion of firm capacity provided to FPL's system by
18 the existing and proposed additions of the solar resources. This in turn aligns with the
19 way I have demonstrated in Exhibit NLP-2 that the allocations in the System B example
20 can be corrected as shown in System B-2.

21

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III. REASONABLENESS OF THE 12CP DEMAND ALLOCATION

Q. Have cost causative factors changed in a way that require a shift away from the 12CP demand allocation?

A. No. I performed a review of FPL's system planning approach, load characteristics, and other information and I do not believe that a change to the 12CP portion of the Production allocator is warranted at this time.

Q. The intervenors opposing the 12CP method appear to rely on peak demands. In your opinion, is analyzing peak demands alone sufficient for purposes of understanding cost-causation for production resources?

A. No. The analysis of peak demands alone without examination of attributes of the resources being allocated and review of other planning and operations practices is overly simplistic and only results in a partial view of the overall picture. Furthermore, analyzing a single year or a small number of years, as was done by a number of the intervenors criticizing the use of 12CP, is worse than simplistic; its insignificant. One cannot make meaningful and conclusive inferences from such a limited review.

Q. What historic loads did you review?

A. I reviewed FPL's Balancing Area historic monthly peaks from 1998-2024. Through this review it becomes evident that, while FPL tends to peak in the summer, the Company also experiences significant peaks in the shoulder months and winter months. In fact, FPL hit its annual peak twice during the winter, once in 2003 and again in 2010, and had eight peaks in the winter that were within 90% of its system peak for the same year. I also note that there were 33 instances where FPL experienced shoulder month peaks within 90% of its system peak for the same year. This is shown in Table NLP-

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1 below. While the frequency of winter peaking events is lower, the impact and magnitude of these events tends to be more extreme.

Table NLP -1

Number of Occurances a Monthly Peak was within 90% of the System Peak												
<u>Period</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>
1998-2024 (27Years)	6	1	0	3	14	26	26	27	26	16	0	1

Q. Did FPL's TYSP provide any additional information

A. Yes. FPL's TYSPs discuss its load forecasting procedures and particular concerns with winter risk. The FPL 2022-2031 Ten Year Site Plan discusses changes to the way it will account for winter risk in its modeling to better protect its customers from High-Impact Low-Frequency ("HILF") events.² FPL discusses that it was adapting its winter load modeling in response to winter storm Uri which left millions in Texas and other parts of the country without electricity noting that similar events occurred in Florida in 1989 and again in 2010.³ From this discussion, it is evident that winter risk is inherent within the planning process – and rightfully so. Winter peak loads, while less frequently realized, present a much more severe and unpredictable risk and play an important role in prudent planning practices. Notably, solar is generally not available during winter peaking events making this planning even more important as the system continues to add solar.

Q. Does FPL continue to express concern about winter peaks in its current TYSP?

A. Yes. In the 2024-2033 TYSP when discussing load forecast uncertainties and the need for the use of multiple risk metrics, FPL states that:

² FPL 2022-2031 TYSP at page 5.

³ *Id.* at page 6

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1 The inherent uncertainty in load forecasting is addressed in different
2 ways regarding the overall resource planning and operational
3 planning work. With respect to resource planning work, the
4 utilization of a 20% total reserve margin (TRM) criterion, a Loss-
5 of-Load-Probability (LOLP) criterion of 0.1 days per year, and a
6 10% generation-only reserve margin (GRM) criterion are designed
7 to maintain reliable electric service for customers in light of
8 forecasting and other uncertainties. In addition, FPL's Winter peak
9 demands have experienced significantly greater volatility than the
10 Summer peak or NEL, and this greater volatility results in additional
11 risks to FPL's ability to serve winter load. FPL continues to analyze
12 system impacts of Winter peak demands due to this greater
13 volatility.⁴

14 **Q. Are there other examples that highlight the difficulty in predicting winter events?**

15 A. Yes. On Christmas Eve in 2022, Duke Energy Carolinas had to shed firm load due to
16 unexpectedly high winter demand.⁵ Other utilities in the Carolinas experienced system
17 peaks during this winter event. The stated reasons for this were the parameters
18 surrounding the event were outside of the load forecasting model, equipment
19 performance during extreme cold became markedly worse and somewhat
20 unpredictable, and the ability to import power decreases during periods of extreme grid
21 stress.⁶

22 **Q. What can you conclude from your review of information related to FPL's**
23 **planning process and winter events.**

24 A. While winter peaking events are less frequent, they do occur and FPL spends
25 considerable time and effort planning to ensure the system is prepared to manage these

⁴ 2024-2033 TYSP at page 50.

⁵ See <https://spectrumlocalnews.com/nc/charlotte/news/2023/01/03/what-caused-rolling-blackouts-on-christmas-eve--duke-grilled-by-n-c--regulators-#:~:text=Equipment%20problems%2C%20software%20failures%2C%20higher-than-expected%20demand%2C%20frigid%20temperatures%2C,that%20led%20to%20rolling%20blackouts%20on%20Christmas%20Eve.>

⁶ *Id.*

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1 events, should they occur. As seen around the United States in the last few years, the
2 risk of these events is real, and the consequences of these events can be devastating and
3 are likely to increase in the near term with the amount of planned coal and gas plant
4 retirements. In light of the preceding evidence surrounding the historic load patterns
5 and FPL's planning process and risks associated with HILF winter events, I believe
6 that focusing cost allocation to the summer only as proposed by multiple intervenor
7 parties would inappropriately ignore these risks when attributing costs to customer
8 class, risks that are without question part of FPL's planning process.

9 **Q. Are there other factors that contribute to planning for peak demands outside of**
10 **the summer months for FPL?**

11 A. Yes. During my interviews with the FPL planning and operations groups, another risk
12 that was raised and considered in the planning process was scheduled maintenance.
13 Given that Florida is a peninsula it has more limited access to market imports for power.
14 Ensuring that there is enough internal generation to meet the Company's requirements
15 plus maintain reserves is another factor within its planning process and operations.
16 This is reinforced by the Resource Adequacy study attached to FPL witness Whitley's
17 Testimony direct testimony as Exhibit AWW-1, which includes a loss of load
18 probability ("LOLP") analysis. In particular, on page 30 of that Resource Adequacy
19 study, there is a heatmap that shows loss of load risk that clearly occurs outside of the
20 summer months, in April-May and October, and the study notes that the risk is
21 attributable to the coincidence of maintenance outage and unplanned outages during
22 the shoulder periods. These facts, in conjunction with the review of historic load
23 information presented earlier demonstrate why the shoulder months are also important

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1 to consider when selecting which CPs to include when allocating costs to customer
2 classes.

3 **Q. What has the Commission articulated with respect to why it preferred the 12CP**
4 **and 1/13th energy weighted production allocator in the past?**

5 A. Based on my review of decisions on this issue in litigated base rate proceedings, it
6 appears the Commission has articulated multiple times that it believes fixed production
7 costs should not be assessed solely on peak demands and instead should consider some
8 energy weight. Further, the Commission has upheld the notion that 12CP is appropriate
9 when considering production costs due to the necessary periods of planned
10 maintenance. None of the facts and circumstances related to FPL's system have
11 changed with respect to the use of the 12CP demand component within the energy
12 weighted production allocator. However, the discussion today should not be whether
13 to include an energy weight, but at what level should it be adjusted to reflect the
14 significance of energy related fixed costs included in the fixed production revenue
15 requirement related to renewable energy resources.

16 **Q. Based on the foregoing, what do you conclude about the 12CP demand allocation?**

17 A. I do not believe sufficient evidence exists to support a change in the 12CP demand
18 allocation and recommend that the 12CP continue to be used to allocate the demand
19 component in FPL's partial energy weighted Production Allocator. Although there are
20 multiple alternative demand allocation methods, it is my opinion that continuing to use
21 the 12 CP demand allocation is the overall most reasonable approach for FPL's system
22 for the reasons I explained above, including the consideration of winter peaks and
23 shoulder month operations.

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1 **IV. REASONABLENESS OF THE 25% ENERGY WEIGHTING**

2 **Q. What is your understanding of why FPL is proposing to change the energy weight**
3 **used in FPL's Production Allocator?**

4 A. My understanding is that FPL's proposed modification to the energy weight used in the
5 Production Allocator is due to the increasing portfolio of utility owned solar projects
6 on its system.

7 **Q. In your opinion, is an increase in the solar resources included in the generation**
8 **portfolio a reasonable basis to change the energy weight used in the Production**
9 **Allocator?**

10 A. Yes. As I noted earlier, solar and other renewable and energy limited resources have
11 distinguishing characteristics that do not fit the traditional template of cost allocation.
12 These characteristics must be examined and taken into consideration when attributing
13 cost responsibility. Specifically, solar has a low capacity value on FPL's system but is
14 economically justified through the planning process primarily based on the low cost
15 energy it provides. Utility owned solar is also a fixed cost resource and the revenue
16 requirements associated with it are combined with other fixed cost plant investments
17 such as nuclear and gas facilities. As a result, the fixed cost revenue requirement being
18 allocated using the Production Allocator now contains a significant portion of energy
19 related costs and this fact should be recognized and treated appropriately.

20 **Q. How will using a 12CP and 25% Production Allocator accomplish this goal?**

21 A. It is my understanding that FPL's current 12CP and 1/13th energy Production Allocator
22 was approved as early as 1982 when there was no solar on the FPL system. Since that
23 time the 12CP and 1/13th allocator has been examined and reaffirmed including in

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1 FPL's 2021 Rate Case. Furthermore, in 2021 when the 12CP and 1/13th Production
2 Allocator was last approved for FPL, FPL only had approximately 3,000 MW of
3 nameplate solar capacity installed whereas it expects to eclipse 10,000 MW by 2027.⁷
4 The 12CP and 1/13th allocation method essentially prescribed a 7.7% (*i.e.*, 1/13)
5 energy value to the resources on the FPL system. Increasing the energy weight to 25%
6 prescribes an incremental 17.3% value of energy to the total fixed cost production
7 revenue requirement. As stated at the outset of this section, the reason for the increase
8 in the energy weight is due to the amount of utility owned solar installation on the FPL
9 system and the associated proportion of that revenue requirement included in the total
10 fixed production revenue requirement. When examined more closely, it can be shown
11 that the proposed increase actually aligns the demand and energy split used in the
12 allocation of the associated revenue requirement with the firm capacity value of the
13 installed and proposed solar resources on the FPL system.

14 **Q. Please explain.**

15 A. Using Net Plant in Service ("NPIS") as a proxy for revenue requirements by Production
16 sub-function, total NPIS is approximately \$33.5 billion for 2026. If the 12CP and
17 1/13th Production Allocator were used, \$2.58 billion (*i.e.*, 7.7% of NPIS) would be
18 allocated on energy. If the energy weight is increased to 25% as proposed, then a total
19 of \$8.39 billion of the fixed production revenue requirement would be allocated on
20 energy, an increase of \$5.81 billion.

21

⁷ FPL 2021- 2030 TYSP compared to FPL 2024-2033 TYSP.

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1 The total solar NPIS is approximately \$10.5 billion, roughly 31% of the total NPIS. If
2 the incremental energy allocation is considered to be assigned to solar, which is
3 reasonable given that the stated reason for the increase in the energy weight is due to
4 solar, this would bring the total solar revenue requirement allocated on energy to \$6.62
5 billion (*i.e.*, \$10.5 B x 7.7% + \$5.81B), which represents 63% of the total solar NPIS.
6 The remaining 37% would thereby be treated as demand related within the Production
7 Allocator. This aligns with the 40% and 36% average firm capacity accreditation for
8 the portfolio of solar resources for FPL's system in 2026 and 2027 respectively. In
9 other words, the effect of increasing the energy weight to 25% splits the solar resources
10 consistent with the current demand and energy characteristics of those resources on the
11 system, with the remaining non-solar resources continuing to be allocated using a
12 1/13th energy weight. I have detailed this breakdown in Exhibit NLP-3.

13

14 I note that this is similar to the example presented in Exhibit NLP-2 showing how the
15 deficiency in the System B allocations can be remedied by aligning the resource
16 allocations with their demand and energy attributes, shown in that same exhibit as
17 System B-2. Aligning cost allocations with resource demand and energy characteristics
18 aligns with cost causation and is a reasonable approach to allocate costs to classes. I
19 believe that this is a step in the right direction for FPL given the changes in its
20 generation portfolio since the 2021 Rate Case and planned through 2027. It should be
21 noted that as more renewable resources are added to the system, the energy weight will
22 need to be reviewed to ensure this relationship between cost allocation and system
23 characteristics is maintained.

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1 **Q. Does this approach still recognize that solar resources do provide some capacity**
2 **to the FPL system?**

3 A. Yes. It would be unreasonable to attribute no capacity value to solar. The 12CP utilizes
4 gross peak demands, which solar does provide some capacity towards meeting. As
5 discussed in my previous answer, effectively embedded within the proposed
6 Production Allocator is a 37% capacity accreditation towards meeting gross peak loads,
7 which is consistent with the current average value of embedded solar capacity on FPL's
8 system. One should keep in mind that solar resources do not provide for consistent
9 contributions to gross peak loads across the entire year. During the winter months,
10 solar will provide no contribution to gross peak demands, whereas over the shoulder
11 and summer months solar will contribute to the gross peak demands.

12 **Q. What is the current level of capacity being attributed to solar resources on the**
13 **FPL system?**

14 A. For planning purposes and associated investment decisions, the marginal capacity
15 value of solar resources used within FPL's planning models is 13% for 2026 and
16 declines to 5% thereafter. However, the average value of all solar installed on FPL's
17 system will range depending on the time of the year from 0% to as high as 50% relative
18 to gross peak loads with an average value of 40% in 2026 and falling to 28% by 2029.⁸

19 **Q. You have used the term gross peak loads a number of times, what is the**
20 **significance of gross peak versus net peak loads?**

21 A. Gross peak loads represent the total customer peak demand placed on the system seen
22 by FPL at the meter (and grossed up for losses incurred to deliver power from the

⁸ See Revised Attachment 1 to FPL response to FEA Third Request for Production of Documents No. 31.

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1 generator to the meter). Net peak loads represent gross peak loads net of renewable
2 production. As discussed by FPL witness Whitley and presented in the Resource
3 Adequacy study in FPL Exhibit AWW-1, due to the amount of solar installed on FPL's
4 system, the net peak has become a greater source of planning risk.

5 **Q. Would it be appropriate to allocate the entire fixed production revenue**
6 **requirement using net peak loads?**

7 A. No. As I just discussed, net peak loads by definition are those loads that already have
8 the portion of each hours loads served by renewable production removed. It would be
9 inappropriate to allocate the entire revenue required for solar using loads that are not
10 served by solar. Unless FPL modifies its systems to separately allocate solar costs to
11 customer classes in its COSS model, the most appropriate way for FPL to allocate its
12 fixed production revenue requirement is an energy weighted Production Allocator,
13 such as the proposed 12CP and 25%.

14 **Q. In your opinion, is FPL's approach reasonable given its system constraints**
15 **regarding production cost allocations to customer classes?**

16 A. Yes. Given the amount of solar installed on the FPL system and the associated revenue
17 requirements, it is my opinion that it is appropriate to reflect this change in the COSS.
18 FPL's proposed 12CP and 25% methodology is a reasonable and measured step in the
19 right direction to properly reflect the significant increase in solar on its system since
20 the 2021 Rate Case.

21

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1 **Q. You have focused on the need to reflect the addition of solar resources, but FPL**
2 **is also forecasting additional Battery Energy Storage Systems (“BESS”). How do**
3 **BESS fit into the equation?**

4 A. BESS are another complexity that does not have a one size fits all solution in the context
5 of cost allocation. BESS do not produce energy, it only stores energy produced by
6 generators for use at a later time, nor do BESS transmit or distribute energy. However,
7 depending on the needs and operations of the system, BESS can support all three
8 functions of the system. Consequently, care must be taken to ensure that individual
9 BESS installations are tracked and allocated based on the function they are supporting,
10 which may be multiple functions. Given the limited amounts of BESS currently on
11 FPL’s system and included in the forecast through the 2027 Projected Test Year, I
12 believe that the most reasonable allocation of the BESS resources is consistent with the
13 traditional assets where the vast majority of the costs are allocated on a measure of
14 demand because these BESS resources were primarily added to provide short duration
15 capacity to the system. However, this does not mean that all BESS should be allocated
16 this way in the future.

17 **Q. What do you conclude regarding the 25% energy weighting component used in**
18 **the Production Allocator?**

19 A. For the reasons discussed above, I believe that this is a reasonable approach given the
20 changes in FPL’s fixed production cost structure and reflects a cost-causative allocation
21 of costs in this case.

22

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V. RESPONSES TO INTERVENING PARTIES

Q. Do you have any observations regarding some of the cost of service arguments or positions advanced by intervenors?

A. Yes. The first is the overarching fallacy discussed in Section II of my testimony -- that is the position that if a resource is a fixed cost, the resource is also 100% demand related. For the reasons I previously explained, it is not appropriate or reasonable to simply ignore changes in FPL's fixed production cost structure and how FPL operates its system, which violates sound resource planning or cost of service principles. I note the opposite position of this was taken by FEL with respect to nuclear generation when recommending to allocate nuclear plant on the basis of energy.⁹ This is equally incorrect, but for the antithetical reason, as it ignores the firm capacity that nuclear provides.

Second, both FEA and FIPUG assert that if investment decisions were based on a 12CP average, FPL would not have sufficient resources to serve load. This is a gross misunderstanding of both the planning process and the purpose of a multiple coincident peak allocator. The use of a 12CP allocation factor in no way suggests that the average of the 12CPs should be used for planning. Rather the use of 12CP indicates that each of the twelve months contributes to the overall planning and investment in the system and, consequently, customer demand from each of the twelve months should be used in the apportionment of cost responsibility.

⁹ Direct Testimony of FEL witness Rabago at page 17.

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1 Third, FEA's assertion that all resources selected within planning models are justified
2 solely on the contribution to peak demand is a misunderstanding of the planning and
3 cost of service processes. When resource planning models select resources, the models
4 seek to minimize both capital investments and operating costs. That is to say that both
5 the demand and energy characteristics of the system are taken into account and a
6 portfolio of resources is output that minimizes total production cost to meet both the
7 demand and energy characteristics of the system. If FEA's position were true, the
8 models would result in a portfolio of resources that minimized cost for only the peak
9 demand hours. Prudent resource planning, and indeed the models used by FPL,
10 consider the lowest reasonable cost approach to reliably serve customers in all hours of
11 the year. Not all hours contribute to the investments necessary to ensure resource
12 adequacy, but all hours incur cost to meet the energy needs of the system.
13 Consequently, resources with minimal capacity contributions but low operating costs
14 can be selected to offset higher operating costs. All these costs must be considered in
15 the planning process and then the cost of service seeks to attribute these costs to
16 customer classes based on how each of those costs were incurred.

17
18 Finally, FRF argues that while the LOLP analysis presented in FPL Exhibit AWW-1
19 shows loss of load risk in the shoulder months, if scheduled maintenance is removed
20 from those months the loss of load risk is eliminated from those months.¹⁰ This
21 approach improperly ignores the reality of the planning and operation of FPL's system.
22 Scheduled maintenance is a requirement to ensure best possible operations of the fleet.

¹⁰ Direct Testimony of FRF witness Georgis at page 39, lines 12-16.

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1 Arbitrarily removing the scheduled maintenance without addressing when it should be
2 scheduled and the effects on system reliability provides no meaningful information to
3 the Commission and is not an appropriate basis for selecting cost of service
4 methodologies. Cost of service methodologies should be selected to appropriately
5 allocate costs consistent with how those costs are incurred to reliably serve customers,
6 *i.e.*, based on how the system is actually planned and operated.

7

8

VI. CONCLUSION

9 **Q. Based on your review of FPL's resource planning process and operations, and the**
10 **existing and proposed generation portfolio resources on FPL's system, do you**
11 **have an opinion on FPL's proposed COSS?**

12 A. Yes. Based on my review, it is my opinion that the proposed modifications to FPL's
13 Production Allocator to represent a 12CP and 25% energy is reasonable and
14 appropriately reflects changes in FPL's system.

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

16 A. Yes.

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The document in relation to this exhibit is
confidential in its entirety