



July 15, 2014

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 May 2014. This report was prepared using a thirteen month average and year-end rate base and adjustments consistent with Docket No. 120015-EI, Order No. PSC-13-0023-S-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 11.24%.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Sol L. Stamm', written over a horizontal line.

Sol L Stamm
Director of Regulatory Accounting

Enclosures

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

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
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DIVISION OF
ACCOUNTING & FINANCE

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
MAY, 2014

SCHEDULE 1: PAGE 1 OF 1

	<u>ACTUAL PER BOOKS</u>	<u>FPSC ADJUSTMENTS</u>	<u>FPSC ADJUSTED</u>	<u>PRO FORMA ADJUSTMENTS</u>	<u>PRO FORMA ADJUSTED</u>
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,813,730,924 (A)	(167,331,907) (B)	1,646,399,016	(22,702,263)	\$ 1,623,696,753
RATE BASE	\$ 24,811,484,307	(291,502,821)	24,519,981,486	0	\$ 24,519,981,486
AVERAGE RATE OF RETURN	7.31%		6.71%		6.62%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,813,730,924 (A)	(159,064,669) (B)	1,654,666,255	(22,702,263)	\$ 1,631,963,992
RATE BASE	\$ 25,686,837,432	772,491,467	26,459,328,899	0	\$ 26,459,328,899
YEAR END RATE OF RETURN	7.06%		6.25%		6.17%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.90%
MIDPOINT	6.37%
HIGH	6.84%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.22	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.07	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	4.20%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	90.01%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.23%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.60%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.24%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.04%	(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. 120015-EI, ORDER NO. PSC-13-0023-S-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)

(SIGNATURE)

Kim Ousdahl
602
Kim OUSDAHL
7/15/14
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
MAY, 2014

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	\$ 36,991,718,976	13,055,686,315	23,936,032,662	238,562,699	1,848,857,853	703,124,791	26,726,578,005	(1,194,797,668)	\$ 25,531,780,337
JURISDICTIONAL PER BOOKS	\$ 35,727,590,410	11,751,150,078	23,976,440,332	228,709,847	1,784,106,418	681,368,415	26,670,625,013	(1,859,140,705)	\$ 24,811,484,307
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,078,597,580)	(315,839,193)	(1,762,758,387)	0	(1,270,200,591)	0	(3,032,958,978)	2,741,456,157	\$ (291,502,821)
FPSC ADJUSTED:	\$ 33,648,992,830	11,435,310,885	22,213,681,946	228,709,847	513,905,826	681,368,415	23,637,666,035	882,315,451	\$ 24,519,981,486
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 33,648,992,830	11,435,310,885	22,213,681,946	228,709,847	513,905,826	681,368,415	23,637,666,035	882,315,451	\$ 24,519,981,486

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
MAY, 2014

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	\$ 10,725,365,994	3,944,470,166	1,668,793,044	1,326,926,472	1,146,027,083	276,860,290	578,397,392	873,400	(1,248,253)	8,941,099,595	\$ 1,784,266,399
JURISDICTIONAL PER BOOKS	\$ 10,469,970,454	3,830,773,116	1,629,645,419	1,287,959,316	1,134,442,060	271,772,136	567,791,084	849,980	(1,233,453)	8,721,999,658	\$ 1,747,970,797
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (462,572,693)	0	0	0	(11,897,370)	(173,848,006)	0	0	0	(185,745,376)	\$ (276,827,317)
FRANCHISE EXPENSE	0	0	0	0	(450,675,333)	173,848,010	0	0	0	(276,827,323)	276,827,323
GROSS RECEIPTS TAX	(241,090,152)	0	0	0	(240,725,488)	(140,677)	0	0	0	(240,866,145)	(224,007)
FINANCIAL PLANNING SERVICES	0	0	(333,456)	0	0	128,631	0	0	0	(204,825)	204,825
INDUSTRY ASSOCIATION DUES	0	0	(1,499,781)	0	0	578,540	0	0	0	(921,240)	921,240
ECONOMIC DEVELOPMENT 5%	0	0	(107,986)	0	0	41,656	0	0	0	(66,330)	66,330
AVIATION - EXPENSES	0	0	(195,278)	0	0	75,328	0	0	0	(119,949)	119,949
EXECUTIVE COMPENSATION	0	0	(33,093,881)	0	0	12,765,964	0	0	0	(20,327,916)	20,327,916
FUEL COST REC RETAIL	(3,320,357,256)	(3,294,689,789)	(10,153,066)	0	(2,317,083)	79,813,441	(84,904,306)	0	0	(3,312,250,803)	(8,106,453)
CONSERVATION COST RECOVERY	(141,356,408)	0	(128,367,900)	(7,936,833)	(1,591,294)	969,902	(2,304,744)	0	0	(139,230,869)	(2,125,539)
CAPACITY COST RECOVERY	(664,592,554)	(511,968,231)	(58,082,846)	(98,066,757)	(598,542)	(21,313,289)	22,904,053	0	0	(667,125,611)	2,533,058
ENVIRONMENTAL COST RECOVERY	(215,157,126)	0	(28,894,142)	(50,183,455)	(284,583)	(54,602,481)	2,038,394	0	469,701	(131,456,567)	(83,700,559)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(1,092,527)	0	421,442	0	0	0	(671,084)	671,084
STORM DEFICIENCY RECOVERY	(110,671,501)	0	(480,460)	(89,982,373)	0	(7,795,494)	0	0	0	(98,258,327)	(12,413,174)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,502,917	0	0	(579,750)	0	0	0	923,167	(923,167)
INTEREST SYNCHRONIZATION	0	0	0	0	0	25,017,559	(6,094,267)	0	0	18,923,291	(18,923,291)
TOTAL FPSC ADJUSTMENTS	\$ (5,155,797,689)	(3,806,658,020)	(259,705,878)	(247,261,944)	(708,089,674)	35,380,777	(68,360,871)	0	469,701	(5,054,225,908)	\$ (101,571,780)
FPSC ADJUSTED	\$ 5,314,172,766	24,115,096	1,369,939,541	1,040,697,372	426,352,387	307,152,914	499,430,212	849,980	(763,752)	3,667,773,749	\$ 1,646,399,016
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,277,186,815	24,115,096	1,369,939,541	1,040,697,372	426,325,757	292,895,856	499,430,212	849,980	(763,752)	3,653,490,061	\$ 1,623,696,753
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 67,738,505										
	\$ 65,760,127										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,211,377										
ON A JURISDICTIONAL BASIS	\$ 2,159,722										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 977,883,905	353,015,609	131,917,500	92,685,591	100,207,431	53,631,809	45,947,666	3,885	(100,249)	777,309,242	\$ 200,574,663
JURISDICTIONAL PER BOOKS	\$ 945,304,220	343,497,108	129,039,475	90,658,490	99,230,368	50,332,576	43,061,265	3,781	(99,261)	755,723,802	\$ 189,580,418

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-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
MAY, 2014

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)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
TOTAL PROFORMA ADJUSTMENTS	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)

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
MAY, 2014

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,455,954,604	\$ 1,411,480,403
FUEL AND CAPACITY	573,064,940	554,941,075
CAPITALIZED EXECUTIVE COMPENSATION	3,082,054	3,010,061
LOAD CONTROL	39,645,596	39,645,596
ASSET RETIREMENT OBLIGATION	12,778,448	12,479,961
CAPITAL LEASES	58,404,741	57,040,484
TOTAL	\$ 2,142,930,383	\$ 2,078,597,580
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (89,881,914)	\$ (87,136,343)
ACCUM PROV DECOMMISSIONING COSTS	(3,487,375,920)	(3,370,260,247)
ASSET RETIREMENT OBLIGATION	47,227,827	46,124,649
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,232,351,491	3,156,848,091
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(39,113,879)	(38,003,318)
OTHER RATE CASE ADJUSTMENTS (1)	(86,569)	(84,041)
LOAD CONTROL	(19,875,370)	(19,875,370)
CAPITAL LEASES	(3,535,192)	(3,452,615)
TOTAL	\$ (360,289,526)	\$ (315,839,193)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,257,387,166	\$ 1,214,923,152
CWIP - CAPACITY & ECRC	57,022,241	55,277,439
TOTAL	\$ 1,314,409,407	\$ 1,270,200,591
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)	\$ (2,818,236,764)	\$ (2,741,456,157)
TOTAL ADJUSTMENTS	\$ 278,813,500	\$ 291,502,821

NOTE :

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 2014

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	\$ 10,725,365,994	3,944,470,166	1,668,793,044	1,326,926,472	1,146,027,083	276,860,290	578,397,392	873,400	(1,248,253)	8,941,099,595	\$ 1,784,266,399
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (462,572,693)	0	0	0	(11,897,370)	(173,848,006)	0	0	0	(185,745,376)	\$ (276,827,317)
FRANCHISE EXPENSE	0	0	0	0	(450,675,333)	173,848,010	0	0	0	(276,827,323)	276,827,323
GROSS RECEIPTS TAX	(241,090,152)	0	0	0	(240,725,468)	(140,677)	0	0	0	(240,866,145)	(224,007)
FINANCIAL PLANNING SERVICES	0	0	(341,431)	0	0	131,707	0	0	0	(209,724)	209,724
INDUSTRY ASSOCIATION DUES	0	0	(1,535,652)	0	0	592,378	0	0	0	(943,274)	943,274
ECONOMIC DEVELOPMENT 5%	0	0	(110,569)	0	0	42,652	0	0	0	(67,917)	67,917
AVIATION - EXPENSES	0	0	(199,948)	0	0	77,130	0	0	0	(122,818)	122,818
EXECUTIVE COMPENSATION	0	0	(33,885,398)	0	0	13,071,292	0	0	0	(20,814,106)	20,814,106
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST REC RETAIL	(3,415,634,460)	(3,392,721,275)	(10,443,724)	0	(2,317,231)	81,986,710	(85,902,933)	0	0	(3,409,398,453)	(6,236,007)
CONSERVATION COST RECOVERY	(141,356,408)	0	(128,367,900)	(7,936,833)	(1,591,294)	969,902	(2,304,744)	0	0	(139,230,869)	(2,125,539)
CAPACITY COST RECOVERY	(664,732,766)	(526,863,791)	(59,873,055)	(98,066,757)	(602,594)	(14,929,278)	22,904,053	0	0	(677,431,420)	12,698,654
ENVIRONMENTAL COST RECOVERY	(215,157,126)	0	(29,638,065)	(51,764,680)	(288,669)	(53,709,688)	2,038,394	0	484,501	(132,878,208)	(82,278,918)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(1,125,395)	0	434,121	0	0	0	(691,274)	691,274
STORM DEFICIENCY RECOVERY	(110,671,501)	0	(497,876)	(89,982,373)	0	(7,788,775)	0	0	0	(98,269,024)	(12,402,476)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,538,863	0	0	(593,617)	0	0	0	945,247	(945,247)
INTEREST SYNCHRONIZATION	0	0	0	0	0	25,414,114	(6,240,026)	0	0	19,174,088	(19,174,088)
TOTAL FPSC ADJUSTMENTS	\$ (5,251,215,105)	(3,919,585,065)	(263,354,755)	(248,876,038)	(708,097,959)	45,557,976	(69,505,257)	0	484,501	(5,163,376,596)	\$ (87,838,509)
FPSC ADJUSTED	\$ 5,474,150,888	24,885,101	1,405,438,289	1,078,050,435	437,929,124	322,418,266	508,892,135	873,400	(763,752)	3,777,722,998	\$ 1,696,427,890
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,437,164,937	24,885,101	1,405,438,289	1,078,050,435	437,902,495	308,161,208	508,892,135	873,400	(763,752)	3,763,439,310	\$ 1,673,725,627

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 67,738,505

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-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
MAY, 2014

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 18,139,496	\$ 17,700,689
INTEREST & DIVIDENDS RECEIVABLE	247,090	241,112
ACCTS RECEIVABLE - TAX REFUND	0	0
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	175,293,140	174,657,386
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	13,991,136	13,652,681
PREPAYMENTS - ECCR	21,786,132	21,786,132
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,036,782	8,772,853
RATE CASE EXPENSE	231,276	231,276
TEMPORARY CASH INVESTMENTS	9,513,808	9,283,663
ASSET RETIREMENT OBLIGATION	0	0
STORM DEFICIENCY RECOVERY	587,470,300	587,470,300
NUCLEAR COST RECOVERY	9,585,117	9,585,117
JOBGING ACCOUNTS	9,763,260	9,527,080
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 855,057,536	\$ 852,908,288
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	\$ 0	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(155,859)	(152,218)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(121,021,642)	(121,021,642)
ACCUM. PROV. - RATE REFUNDS	(1,285)	0
GAIN ON SALE OF EMISSION ALLOWANCE	(710,088)	(688,397)
JOBGING ACCOUNTS	(13,462,693)	(13,137,021)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0	0
LEHMAN HEDGE	0	0
POLE ATTACHMENT RENTS PAYABLE	(7,149,386)	(6,976,438)
PREFERRED STOCK DIVIDENDS ACCRUED	0	0
SJRPP ACCELERATED RECOVERY	(47,062,496)	(45,562,946)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,292,357,884)	(3,215,452,816)
MARGIN CALL CASH COLLATERAL	0	0
NUCLEAR COST RECOVERY	(191,372,966)	(191,372,966)
TRANSMISSION RELIABILITY ENHANCEMENT	0	0
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (3,673,294,299)	\$ (3,594,364,445)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (2,818,236,764)	\$ (2,741,456,157)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
MAY, 2014

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)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
TOTAL PROFORMA ADJUSTMENTS	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)

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
MAY, 2014

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	\$ 38,578,396,062	13,342,191,071	25,236,204,991	243,539,700	1,367,827,258	752,406,869	27,599,978,818	(1,194,797,668)	\$ 26,405,181,150
JURISDICTIONAL PER BOOKS	\$ 37,264,547,091	11,999,816,294	25,264,730,797	233,759,479	1,318,362,274	729,125,587	27,545,978,138	(1,859,140,705)	\$ 25,686,837,432
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,628,755,476)	(349,687,640)	(1,279,067,836)	0	(689,896,853)	0	(1,968,964,690)	2,741,456,157	\$ 772,491,467
FPSC ADJUSTED:	\$ 35,635,791,615	11,650,128,654	23,985,662,961	233,759,479	628,465,421	729,125,587	25,577,013,448	882,315,451	\$ 26,459,328,899
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 35,635,791,615	11,650,128,654	23,985,662,961	233,759,479	628,465,421	729,125,587	25,577,013,448	882,315,451	\$ 26,459,328,899

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
MAY, 2014

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	\$ 10,725,365,994	3,944,470,166	1,668,793,044	1,326,926,472	1,146,027,083	276,860,290	578,397,392	873,400	(1,248,253)	8,941,099,595	\$ 1,784,266,399
JURISDICTIONAL PER BOOKS	\$ 10,469,970,454	3,830,773,116	1,629,645,419	1,287,959,316	1,134,442,060	271,772,136	567,791,084	849,980	(1,233,453)	8,721,999,658	\$ 1,747,970,797
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (462,572,693)	0	0	0	(11,897,370)	(173,848,006)	0	0	0	(185,745,376)	\$ (276,827,317)
FRANCHISE EXPENSE	0	0	0	0	(450,675,333)	173,848,010	0	0	0	(276,827,323)	276,827,323
GROSS RECEIPTS TAX	(241,090,152)	0	0	0	(240,725,468)	(140,677)	0	0	0	(240,866,145)	(224,007)
FINANCIAL PLANNING SERVICES	0	0	(333,456)	0	0	128,631	0	0	0	(204,825)	204,825
INDUSTRY ASSOCIATION DUES	0	0	(1,499,781)	0	0	578,540	0	0	0	(921,240)	921,240
ECONOMIC DEVELOPMENT 5%	0	0	(107,986)	0	0	41,656	0	0	0	(66,330)	66,330
AVIATION - EXPENSES	0	0	(195,278)	0	0	75,328	0	0	0	(119,949)	119,949
EXECUTIVE COMPENSATION	0	0	(33,093,881)	0	0	12,765,964	0	0	0	(20,327,916)	20,327,916
FUEL COST REC RETAIL	(3,320,357,256)	(3,294,689,789)	(10,153,066)	0	(2,317,083)	79,813,441	(84,904,306)	0	0	(3,312,250,803)	(8,106,453)
CONSERVATION COST RECOVERY	(141,356,408)	0	(128,367,900)	(7,936,833)	(1,591,294)	969,902	(2,304,744)	0	0	(139,230,869)	(2,125,539)
CAPACITY COST RECOVERY	(664,592,554)	(511,968,231)	(58,082,846)	(98,066,757)	(598,542)	(21,313,289)	22,904,053	0	0	(667,125,611)	2,533,058
ENVIRONMENTAL COST RECOVERY	(215,157,126)	0	(28,894,142)	(50,183,455)	(284,583)	(54,602,481)	2,038,394	0	469,701	(131,456,567)	(83,700,559)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(1,092,527)	0	421,442	0	0	0	(671,084)	671,084
STORM DEFICIENCY RECOVERY	(110,671,501)	0	(480,460)	(89,982,373)	0	(7,795,494)	0	0	0	(98,258,327)	(12,413,174)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,502,917	0	0	(579,750)	0	0	0	923,167	(923,167)
INTEREST SYNCHRONIZATION	0	0	0	0	0	16,750,321	(6,094,267)	0	0	10,656,053	(10,656,053)
TOTAL FPSC ADJUSTMENTS	\$ (5,155,797,689)	(3,806,658,020)	(259,705,878)	(247,261,944)	(708,089,674)	27,113,539	(68,360,871)	0	469,701	(5,062,493,147)	\$ (93,304,542)
FPSC ADJUSTED	\$ 5,314,172,766	24,115,096	1,369,939,541	1,040,697,372	426,352,387	298,885,675	499,430,212	849,980	(763,752)	3,659,506,511	\$ 1,654,666,255
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,277,186,815	24,115,096	1,369,939,541	1,040,697,372	426,325,757	284,628,617	499,430,212	849,980	(763,752)	3,645,222,823	\$ 1,631,963,992
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 67,738,505 \$ 65,760,127										

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-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
MAY, 2014

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)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
TOTAL PROFORMA ADJUSTMENTS	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)

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
MAY, 2014

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,520,945,330	\$ 1,474,485,895
FUEL AND CAPACITY	28,804,882	28,022,681
CAPITALIZED EXECUTIVE COMPENSATION	4,916,398	4,801,557
LOAD CONTROL	44,388,366	44,388,366
ASSET RETIREMENT OBLIGATION	20,495,234	20,016,493
CAPITAL LEASES	58,404,741	57,040,484
TOTAL	\$ 1,677,954,951	\$ 1,628,755,476
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (116,873,244)	\$ (113,303,185)
ACCUM PROV DECOMMISSIONING COSTS	(3,634,187,050)	(3,512,141,054)
ASSET RETIREMENT OBLIGATION	47,772,593	46,656,689
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,368,320,872	3,289,641,410
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(33,577,886)	(32,643,603)
OTHER RATE CASE ADJUSTMENTS (1)	(1,125,395)	(1,092,527)
LOAD CONTROL	(22,765,331)	(22,765,331)
CAPITAL LEASES	(4,136,667)	(4,040,040)
TOTAL	\$ (396,572,108)	\$ (349,687,640)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 680,214,912	\$ 656,472,454
CWIP - CAPACITY & ECRC	34,488,348	33,424,399
TOTAL	\$ 714,703,260	\$ 689,896,853
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)	\$ (2,818,236,764)	\$ (2,741,456,157)
TOTAL ADJUSTMENTS	\$ (822,150,660)	\$ (772,491,467)

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 2014

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	\$ 10,725,365,994	3,944,470,166	1,668,793,044	1,326,926,472	1,146,027,083	276,860,290	578,397,392	873,400	(1,248,253)	8,941,099,595	\$ 1,784,266,399
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (462,572,693)	0	0	0	(11,897,370)	(173,848,006)	0	0	0	(185,745,376)	\$ (276,827,317)
FRANCHISE EXPENSE	0	0	0	0	(450,675,333)	173,848,010	0	0	0	(276,827,323)	276,827,323
GROSS RECEIPTS TAX	(241,090,152)	0	0	0	(240,725,468)	(140,677)	0	0	0	(240,866,145)	(224,007)
FINANCIAL PLANNING SERVICES	0	0	(341,431)	0	0	131,707	0	0	0	(209,724)	209,724
INDUSTRY ASSOCIATION DUES	0	0	(1,535,652)	0	0	592,378	0	0	0	(943,274)	943,274
ECONOMIC DEVELOPMENT 5%	0	0	(110,569)	0	0	42,652	0	0	0	(67,917)	67,917
AVIATION - EXPENSES	0	0	(199,948)	0	0	77,130	0	0	0	(122,818)	122,818
EXECUTIVE COMPENSATION	0	0	(33,885,398)	0	0	13,071,292	0	0	0	(20,814,106)	20,814,106
FUEL COST REC RETAIL	(3,415,634,460)	(3,392,721,275)	(10,443,724)	0	(2,317,231)	81,986,710	(85,902,933)	0	0	(3,409,398,453)	(6,236,007)
CONSERVATION COST RECOVERY	(141,356,408)	0	(128,367,900)	(7,936,833)	(1,591,294)	969,902	(2,304,744)	0	0	(139,230,869)	(2,125,539)
CAPACITY COST RECOVERY	(664,732,766)	(526,863,791)	(59,873,055)	(98,066,757)	(602,594)	(14,929,278)	22,904,053	0	0	(677,431,420)	12,698,654
ENVIRONMENTAL COST RECOVERY	(215,157,126)	0	(29,638,065)	(51,764,680)	(288,669)	(53,709,688)	2,038,394	0	484,501	(132,878,208)	(82,278,918)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(1,125,395)	0	434,121	0	0	0	(691,274)	691,274
STORM DEFICIENCY RECOVERY	(110,671,501)	0	(497,876)	(89,982,373)	0	(7,788,775)	0	0	0	(98,269,024)	(12,402,476)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,538,863	0	0	(593,617)	0	0	0	945,247	(945,247)
INTEREST SYNCHRONIZATION	0	0	0	0	0	17,032,820	(6,240,026)	0	0	10,792,794	(10,792,794)
TOTAL FPSC ADJUSTMENTS	\$ (5,251,215,105)	(3,919,585,065)	(263,354,755)	(248,876,038)	(708,097,959)	37,176,682	(69,505,257)	0	484,501	(5,171,757,890)	\$ (79,457,215)
FPSC ADJUSTED	\$ 5,474,150,888	24,885,101	1,405,438,289	1,078,050,435	437,929,124	314,036,972	508,892,135	873,400	(763,752)	3,769,341,704	\$ 1,704,809,184
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,437,164,937	24,885,101	1,405,438,289	1,078,050,435	437,902,495	299,779,914	508,892,135	873,400	(763,752)	3,755,058,016	\$ 1,682,106,921
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 67,738,505										

NOTE:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-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
MAY, 2014

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)	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)
TOTAL PROFORMA ADJUSTMENTS	\$ (36,985,951)	0	0	0	(26,630)	(14,257,058)	0	0	0	(14,283,688)	\$ (22,702,263)

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
MAY, 2014

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			LONG TERM DEBT	\$ 7,759,860,889			\$ 7,543,266,369	\$ 139,924,221	\$ (422,999,700)	\$ 7,260,190,891	29.61%	4.77%
SHORT TERM DEBT	306,954,897	297,955,923	5,855,293	(0)	303,811,216	1.24%	2.18%	0.03%	2.18%	0.03%	2.18%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,545,656,848	11,207,173,669	220,238,247	-	11,427,411,916	46.60%	9.50%	4.43%	10.50%	4.89%	11.50%	5.36%
CUSTOMER DEPOSITS	414,187,921	414,274,375	8,141,130	0	422,415,505	1.72%	2.04%	0.04%	2.04%	0.04%	2.04%	0.04%
DEFERRED INCOME TAX	5,338,124,911	5,186,918,549	98,384,281	(180,477,835)	5,104,824,995	20.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	166,994,870	161,895,423	25,574	(160,594,034)	1,326,963	0.01%	7.66%	0.00%	8.27%	0.00%	8.89%	0.00%
TOTAL	\$ 25,531,780,337	\$ 24,811,484,307	\$ 472,568,748	\$ (764,071,569)	\$ 24,519,981,486	100.00%		5.90%		6.37%		6.84%

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	\$ 7,963,729,429			\$ 7,749,428,382	\$ 450,610,569	\$ (422,412,275)	\$ 7,777,626,676	29.39%	4.81%
SHORT TERM DEBT	26,666,643	25,914,669	1,593,749	0	27,508,418	0.10%	0.15%	0.00%	0.15%	0.00%	0.15%	0.00%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	12,234,292,638	11,889,297,367	731,190,293	0	12,620,487,661	47.70%	9.50%	4.53%	10.50%	5.01%	11.50%	5.49%
CUSTOMER DEPOSITS	397,906,662	398,092,109	24,482,615	0	422,574,723	1.60%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,617,179,331	5,463,803,686	324,923,876	(180,477,835)	5,608,249,726	21.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	165,406,446	160,301,219	166,956	(157,586,481)	2,881,695	0.01%	7.71%	0.00%	8.33%	0.00%	8.95%	0.00%
TOTAL	\$ 26,405,181,149	\$ 25,686,837,432	\$ 1,532,968,058	\$ (760,476,591)	\$ 26,459,328,899	100.00%		5.98%		6.46%		6.93%

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
MAY, 2014

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	\$ 7,260,190,891	\$ (0)	\$ 7,260,190,891	29.61%	4.77%	1.41%	4.77%	1.41%	4.77%	1.41%
SHORT TERM DEBT	303,811,216	0	303,811,216	1.24%	2.18%	0.03%	2.18%	0.03%	2.18%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,427,411,916	0	11,427,411,916	46.60%	9.50%	4.43%	10.50%	4.89%	11.50%	5.36%
CUSTOMER DEPOSITS	422,415,505	0	422,415,505	1.72%	2.04%	0.04%	2.04%	0.04%	2.04%	0.04%
DEFERRED INCOME TAX	5,104,824,995	0	5,104,824,995	20.82%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	1,326,963	(0)	1,326,963	0.01%	7.66%	0.00%	8.27%	0.00%	8.89%	0.00%
TOTAL	\$ 24,519,981,486	\$ 0	\$ 24,519,981,486	100.00%		5.90%		6.37%		6.84%

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	\$ 7,777,626,676	\$ 0	\$ 7,777,626,676	29.39%	4.81%	1.41%	4.81%	1.41%	4.81%	1.41%
SHORT TERM DEBT	27,508,418	(0)	27,508,418	0.10%	0.15%	0.00%	0.15%	0.00%	0.15%	0.00%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	12,620,487,661	(0)	12,620,487,661	47.70%	9.50%	4.53%	10.50%	5.01%	11.50%	5.49%
CUSTOMER DEPOSITS	422,574,723	(0)	422,574,723	1.60%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,608,249,726	(0)	5,608,249,726	21.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	2,881,695	0	2,881,695	0.01%	7.71%	0.00%	8.33%	0.00%	8.95%	0.00%
TOTAL	\$ 26,459,328,899	\$ (0)	\$ 26,459,328,899	100.00%		5.98%		6.46%		6.93%

NOTE:

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

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A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,839,546,259
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	20,684,657
INCOME TAXES	866,767,135
TOTAL	<u>\$ 2,726,998,052</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 438,323,907</u>
TIMES INTEREST EARNED WITH AFUDC	<u>6.22</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,839,546,259
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(47,053,848)
INCOME TAXES	866,767,135
TOTAL	<u>\$ 2,659,259,546</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 438,323,907</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.07</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 20,684,657
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	<u>\$ 12,705,551</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	47,053,848
TOTAL	<u>\$ 59,759,399</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 1,421,907,010</u>
AFUDC AS PER CENT OF NET INCOME	<u>4.20%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (165,388,566)
GAINS ON DISPOSITION OF PROPERTY	(1,254,484)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (166,643,051)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,421,907,010
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(730,000,000)
AFUDC (DEBT & OTHER)	(67,738,505)
DEPRECIATION AND AMORTIZATION EXPENSE	1,328,096,523
DEFERRED INCOME TAXES	563,827,241
INVESTMENT TAX CREDITS	873,400
OTHER SOURCE/USES OF FUNDS	(166,643,051)
INTERNALLY GENERATED FUNDS	<u>\$ 2,350,322,618</u>

CONSTRUCTION EXPENDITURES \$ 2,611,200,872

PERCENT INTERNALLY GENERATED FUNDS 90.01%

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	\$ 7,260,190,891
JURIS ADJUSTED SHORT TERM DEBT	303,811,216
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	11,427,411,916
TOTAL	<u>\$ 18,991,414,023</u>

LTD TO TOTAL INVESTOR FUNDS 38.23%

STD TO TOTAL INVESTOR FUNDS 1.60%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.71%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.41%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.04%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.48%</u>
TOTAL	<u>5.24%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.60%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.24%</u>

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.62%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.41%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.04%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.48%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>5.15%</u>
PRO FORMA COMMON EQUITY RATIO	46.60%
PRO FORMA RETURN ON COMMON EQUITY	11.04%