



September 15, 2014

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

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 SEP 15 PM 3:59
DIVISION OF
ACCOUNTING & FINANCE

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for July 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 11.29%.

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

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

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	\$ 1,832,452,403 (A)	(164,230,402) (B)	1,668,222,001	(26,456,462)	\$ 1,641,765,539
RATE BASE	\$ 24,861,793,130	(86,845,672)	24,774,947,458	0	\$ 24,774,947,458
AVERAGE RATE OF RETURN	7.37%		6.73%		6.63%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,832,452,403 (A)	(158,020,852) (B)	1,674,431,552	(26,456,462)	\$ 1,647,975,090
RATE BASE	\$ 25,646,126,233	685,559,866	26,331,686,099	0	\$ 26,331,686,099
YEAR END RATE OF RETURN	7.15%		6.36%		6.26%
(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	6.83%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.23	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.09	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	3.85%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	74.62%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.29%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.43%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.29%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.06%	(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)

[Handwritten Signature]
for **K. OUSDAHL** (DATE) **9/15/14**

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
JULY, 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	\$ 37,357,112,559	13,153,786,746	24,203,325,812	242,375,047	1,828,476,169	718,370,797	26,992,547,825	(1,297,717,645)	\$ 25,694,830,180
JURISDICTIONAL PER BOOKS	\$ 35,917,124,825	11,768,706,282	24,148,418,543	231,308,789	1,751,484,718	691,939,622	26,823,151,672	(1,981,358,542)	\$ 24,861,793,130
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,961,171,229)	(313,718,692)	(1,647,452,537)	0	(1,209,250,215)	0	(2,856,702,751)	2,769,857,080	\$ (86,845,672)
FPSC ADJUSTED	\$ 33,955,953,596	11,454,987,590	22,500,966,007	231,308,789	542,234,503	691,939,622	23,966,448,920	808,498,538	\$ 24,774,947,458
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 33,955,953,596	11,454,987,590	22,500,966,007	231,308,789	542,234,503	691,939,622	23,966,448,920	808,498,538	\$ 24,774,947,458

NOTE:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
JULY, 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	\$ 10,909,761,063	4,036,421,411	1,682,003,666	1,354,816,926	1,157,681,273	312,478,210	549,989,305	838,124	(1,279,156)	9,092,949,758	\$ 1,816,811,305
JURISDICTIONAL PER BOOKS	\$ 10,602,506,127	3,896,497,902	1,637,136,569	1,310,045,036	1,144,405,727	305,353,970	537,545,195	812,575	(1,263,068)	8,830,533,907	\$ 1,771,972,220
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,167,052)	0	0	0	(11,989,817)	(175,198,869)	0	0	0	(187,188,685)	\$ (278,978,367)
FRANCHISE EXPENSE	0	0	0	0	(454,177,245)	175,198,872	0	0	0	(278,978,373)	278,978,373
GROSS RECEIPTS TAX	(244,799,951)	0	0	0	(244,443,164)	(137,631)	0	0	0	(244,580,795)	(219,157)
FINANCIAL PLANNING SERVICES	0	0	(333,627)	0	0	128,697	0	0	0	(204,930)	204,930
INDUSTRY ASSOCIATION DUES	0	0	(1,754,480)	0	0	676,791	0	0	0	(1,077,689)	1,077,689
ECONOMIC DEVELOPMENT 5%	0	0	(105,620)	0	0	40,743	0	0	0	(64,877)	64,877
AVIATION - EXPENSES	0	0	(184,097)	0	0	71,016	0	0	0	(113,082)	113,082
EXECUTIVE COMPENSATION	0	0	(31,530,721)	0	0	12,162,976	0	0	0	(19,367,745)	19,367,745
FUEL COST REC RETAIL	(3,395,271,929)	(3,367,211,814)	(10,260,036)	0	(2,375,050)	71,362,304	(77,312,509)	0	0	(3,385,797,105)	(9,474,824)
CONSERVATION COST RECOVERY	(148,998,912)	0	(135,244,837)	(8,220,123)	(1,596,105)	(355,742)	(1,163,282)	0	0	(146,580,089)	(2,418,823)
CAPACITY COST RECOVERY	(641,686,467)	(505,578,773)	(58,438,958)	(80,909,036)	(583,534)	(19,241,605)	20,716,649	0	0	(644,035,256)	2,348,789
ENVIRONMENTAL COST RECOVERY	(214,962,659)	0	(28,970,734)	(50,198,633)	(287,459)	(54,732,575)	2,290,991	0	441,242	(131,457,168)	(83,505,491)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(132,897)	0	51,265	0	0	0	(81,632)	81,632
STORM DEFICIENCY RECOVERY	(108,136,185)	0	(259,645)	(88,173,733)	0	(7,600,358)	0	0	0	(96,033,736)	(12,102,449)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,493,423	0	0	(576,088)	0	0	0	917,335	(917,335)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,952,507	(5,581,614)	0	0	18,370,893	(18,370,893)
TOTAL FPSC ADJUSTMENTS	\$ (5,220,023,155)	(3,872,790,587)	(265,589,332)	(227,634,423)	(715,452,373)	25,802,302	(61,049,766)	0	441,242	(5,116,272,936)	\$ (103,750,219)
FPSC ADJUSTED	\$ 5,382,482,972	23,707,315	1,371,547,237	1,082,410,614	428,953,355	331,156,272	476,495,430	812,575	(821,826)	3,714,260,971	\$ 1,668,222,001
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,339,380,776	23,707,315	1,371,547,237	1,082,410,614	428,922,321	314,541,571	476,495,430	812,575	(821,826)	3,697,615,236	\$ 1,641,765,539
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 62,574,774										
	\$ 60,460,183										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,172,065										
ON A JURISDICTIONAL BASIS	\$ 2,112,405										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 1,082,551,412	395,288,014	156,961,219	103,422,849	105,189,233	71,663,638	34,388,109	(32,001)	(140,594)	866,740,467	\$ 215,810,945
JURISDICTIONAL PER BOOKS	\$ 1,039,332,651	381,945,406	153,483,215	100,723,700	104,056,047	66,274,584	31,640,905	(31,025)	(139,450)	837,953,382	\$ 201,379,269

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
JULY, 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)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
TOTAL PROFORMA ADJUSTMENTS	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)

FOOTNOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
JULY, 2014

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,473,717,359	\$ 1,421,873,736
FUEL AND CAPACITY	439,262,302	423,406,275
CAPITALIZED EXECUTIVE COMPENSATION	3,661,790	3,561,212
LOAD CONTROL	40,957,753	40,957,753
ASSET RETIREMENT OBLIGATION	14,983,244	14,571,703
CAPITAL LEASES	58,404,741	56,800,550
TOTAL	\$ 2,030,987,189	\$ 1,961,171,229
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (99,057,458)	\$ (95,572,735)
ACCUM PROV DECOMMISSIONING COSTS	(3,545,500,953)	(3,398,731,395)
ASSET RETIREMENT OBLIGATION	47,430,399	46,127,638
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,286,212,246	3,195,950,544
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(38,465,149)	(37,165,493)
OTHER RATE CASE ADJUSTMENTS (1)	(10,577)	(10,223)
LOAD CONTROL	(20,685,209)	(20,685,209)
CAPITAL LEASES	(3,734,391)	(3,631,819)
TOTAL	\$ (373,811,093)	\$ (313,718,692)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,206,622,029	\$ 1,156,289,546
CWIP - CAPACITY & ECRC	54,896,612	52,960,669
TOTAL	\$ 1,261,518,641	\$ 1,209,250,215
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)	\$ (2,861,529,323)	\$ (2,769,857,080)
TOTAL ADJUSTMENTS	\$ 57,165,415	\$ 86,845,672

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
JULY, 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	\$ 10,909,761,063	4,036,421,411	1,682,003,666	1,354,816,926	1,157,681,273	312,478,210	549,989,305	838,124	(1,279,156)	9,092,949,758	\$ 1,816,811,305
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,167,052)	0	0	0	(11,989,817)	(175,198,869)	0	0	0	(187,188,685)	\$ (278,978,367)
FRANCHISE EXPENSE	0	0	0	0	(454,177,245)	175,198,872	0	0	0	(278,978,373)	278,978,373
GROSS RECEIPTS TAX	(244,799,951)	0	0	0	(244,443,164)	(137,631)	0	0	0	(244,580,795)	(219,157)
FINANCIAL PLANNING SERVICES	0	0	(343,049)	0	0	132,331	0	0	0	(210,718)	210,718
INDUSTRY ASSOCIATION DUES	0	0	(1,804,031)	0	0	695,905	0	0	0	(1,108,126)	1,108,126
ECONOMIC DEVELOPMENT 5%	0	0	(108,603)	0	0	41,894	0	0	0	(66,710)	66,710
AVIATION - EXPENSES	0	0	(189,297)	0	0	73,021	0	0	0	(116,276)	116,276
EXECUTIVE COMPENSATION	0	0	(32,421,228)	0	0	12,506,489	0	0	0	(19,914,739)	19,914,739
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST REC RETAIL	(3,514,587,381)	(3,489,199,843)	(10,614,833)	0	(2,375,346)	73,063,459	(77,845,740)	0	0	(3,506,972,303)	(7,615,078)
CONSERVATION COST RECOVERY	(148,998,912)	0	(135,244,837)	(8,220,123)	(1,596,105)	(355,742)	(1,163,282)	0	0	(146,580,089)	(2,418,823)
CAPACITY COST RECOVERY	(641,844,437)	(522,608,665)	(60,530,101)	(80,909,036)	(588,227)	(11,924,792)	20,716,649	0	0	(655,844,173)	13,999,736
ENVIRONMENTAL COST RECOVERY	(214,962,659)	0	(29,810,503)	(52,028,950)	(292,297)	(53,706,930)	2,290,991	0	457,330	(133,090,357)	(81,872,301)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(137,500)	0	53,041	0	0	0	(84,459)	84,459
STORM DEFICIENCY RECOVERY	(108,136,185)	0	(279,817)	(88,173,733)	0	(7,592,576)	0	0	0	(96,046,127)	(12,090,058)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,535,601	0	0	(592,358)	0	0	0	943,243	(943,243)
INTEREST SYNCHRONIZATION	0	0	0	0	0	24,322,253	(5,739,253)	0	0	18,583,000	(18,583,000)
TOTAL FPSC ADJUSTMENTS	\$ (5,339,496,577)	(4,011,808,508)	(269,810,699)	(229,469,342)	(715,462,201)	36,578,367	(61,740,635)	0	457,330	(5,251,255,687)	\$ (88,240,890)
FPSC ADJUSTED	\$ 5,570,264,486	24,612,903	1,412,192,967	1,125,347,584	442,219,072	349,056,577	488,248,670	838,124	(821,826)	3,841,694,071	\$ 1,728,570,415
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,527,162,289	24,612,903	1,412,192,967	1,125,347,584	442,188,038	332,441,876	488,248,670	838,124	(821,826)	3,825,048,336	\$ 1,702,113,953

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 62,574,774

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
JULY, 2014

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 19,737,818	\$ 19,178,356
INTEREST & DIVIDENDS RECEIVABLE	159,124	154,614
ACCTS RECEIVABLE - TAX REFUND	0	0
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	198,269,486	197,476,204
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,305,711	13,900,220
PREPAYMENTS - ECCR	30,500,584	30,500,584
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,077,904	6,840,983
RATE CASE EXPENSE	143,906	143,906
TEMPORARY CASH INVESTMENTS	8,777,270	8,528,481
ASSET RETIREMENT OBLIGATION	0	0
STORM DEFICIENCY RECOVERY	572,190,883	572,190,883
NUCLEAR COST RECOVERY	9,662,536	9,662,536
JOBGING ACCOUNTS	12,287,610	11,939,322
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 873,112,832	\$ 870,516,091
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	\$ 0	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(187,802)	(182,644)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(121,041,301)	(121,041,301)
ACCUM. PROV. - RATE REFUNDS	(121,590)	(120,305)
GAIN ON SALE OF EMISSION ALLOWANCE	(631,766)	(609,541)
JOBGING ACCOUNTS	(14,324,731)	(13,918,701)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0	0
LEHMAN HEDGE	0	0
POLE ATTACHMENT RENTS PAYABLE	(7,313,666)	(7,106,363)
PREFERRED STOCK DIVIDENDS ACCRUED	0	0
SJRPP ACCELERATED RECOVERY	(45,458,263)	(43,807,286)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,348,625,973)	(3,256,649,966)
MARGIN CALL CASH COLLATERAL	0	0
NUCLEAR COST RECOVERY	(196,937,063)	(196,937,063)
TRANSMISSION RELIABILITY ENHANCEMENT	0	0
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (3,734,642,155)	\$ (3,640,373,171)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (2,861,529,323)	\$ (2,769,857,080)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JULY, 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)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
TOTAL PROFORMA ADJUSTMENTS	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)

FOOTNOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
RATE BASE
JULY, 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	\$ 38,619,352,212	13,391,866,305	25,227,485,907	243,144,866	1,538,630,953	732,512,857	27,741,774,583	(1,297,717,645)	\$ 26,444,056,938
JURISDICTIONAL PER BOOKS	\$ 37,131,396,974	11,934,714,742	25,196,682,232	232,202,004	1,473,039,190	705,561,350	27,607,484,775	(1,961,358,542)	\$ 25,646,126,233
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,629,533,068)	(350,259,307)	(1,279,273,760)	0	(805,023,453)	0	(2,084,297,214)	2,769,857,080	\$ 685,559,866
FPSC ADJUSTED:	\$ 35,501,863,906	11,584,455,435	23,917,408,471	232,202,004	668,015,737	705,561,350	25,523,187,561	808,498,538	\$ 26,331,686,099
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 35,501,863,906	11,584,455,435	23,917,408,471	232,202,004	668,015,737	705,561,350	25,523,187,561	808,498,538	\$ 26,331,686,099

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
JULY, 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	\$ 10,909,761,063	4,036,421,411	1,682,003,666	1,354,816,926	1,157,681,273	312,478,210	549,989,305	838,124	(1,279,156)	9,092,949,758	\$ 1,816,811,305
JURISDICTIONAL PER BOOKS	\$ 10,602,506,127	3,896,497,902	1,637,136,569	1,310,045,036	1,144,405,727	305,353,970	537,545,195	812,575	(1,263,068)	8,830,533,907	\$ 1,771,972,220
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,167,052)	0	0	0	(11,989,817)	(175,198,869)	0	0	0	(187,188,685)	\$ (278,978,367)
FRANCHISE EXPENSE	0	0	0	0	(454,177,245)	175,198,872	0	0	0	(278,978,373)	278,978,373
GROSS RECEIPTS TAX	(244,799,951)	0	0	0	(244,443,164)	(137,631)	0	0	0	(244,580,795)	(219,157)
FINANCIAL PLANNING SERVICES	0	0	(333,627)	0	0	128,697	0	0	0	(204,930)	204,930
INDUSTRY ASSOCIATION DUES	0	0	(1,754,480)	0	0	676,791	0	0	0	(1,077,689)	1,077,689
ECONOMIC DEVELOPMENT 5%	0	0	(105,620)	0	0	40,743	0	0	0	(64,877)	64,877
AVIATION - EXPENSES	0	0	(184,097)	0	0	71,016	0	0	0	(113,082)	113,082
EXECUTIVE COMPENSATION	0	0	(31,530,721)	0	0	12,162,976	0	0	0	(19,367,745)	19,367,745
FUEL COST REC RETAIL	(3,395,271,929)	(3,367,211,814)	(10,260,036)	0	(2,375,050)	71,362,304	(77,312,509)	0	0	(3,385,797,105)	(9,474,824)
CONSERVATION COST RECOVERY	(148,998,912)	0	(135,244,837)	(8,220,123)	(1,596,105)	(355,742)	(1,163,282)	0	0	(146,580,089)	(2,418,823)
CAPACITY COST RECOVERY	(641,686,467)	(505,578,773)	(58,438,958)	(80,909,036)	(583,534)	(19,241,605)	20,716,649	0	0	(644,035,256)	2,348,789
ENVIRONMENTAL COST RECOVERY	(214,962,659)	0	(28,970,734)	(50,198,633)	(287,459)	(54,732,575)	2,290,991	0	441,242	(131,457,168)	(83,505,491)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(132,897)	0	51,265	0	0	0	(81,632)	81,632
STORM DEFICIENCY RECOVERY	(108,136,185)	0	(259,645)	(88,173,733)	0	(7,600,358)	0	0	0	(96,033,736)	(12,102,449)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,493,423	0	0	(576,088)	0	0	0	917,335	(917,335)
INTEREST SYNCHRONIZATION	0	0	0	0	0	17,742,956	(5,581,614)	0	0	12,161,342	(12,161,342)
TOTAL FPSC ADJUSTMENTS	\$ (5,220,023,155)	(3,872,790,587)	(265,589,332)	(227,634,423)	(715,452,373)	19,592,751	(61,049,766)	0	441,242	(5,122,482,487)	\$ (97,540,669)
FPSC ADJUSTED	\$ 5,382,482,972	23,707,315	1,371,547,237	1,082,410,614	428,953,355	324,946,722	476,495,430	812,575	(821,826)	3,708,051,420	\$ 1,674,431,552
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,339,380,776	23,707,315	1,371,547,237	1,082,410,614	428,922,321	308,332,020	476,495,430	812,575	(821,826)	3,691,405,686	\$ 1,647,975,090

(A) THE ADDITION OF EARNINGS FROM AFUDC

WOULD INCREASE THE SYSTEM NOI BY	\$ 62,574,774
AND THE JURISDICTIONAL NOI BY	\$ 60,480,183

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
JULY, 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)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
TOTAL PROFORMA ADJUSTMENTS	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)

FOOTNOTES:

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

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

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,528,142,309	\$ 1,474,384,081
FUEL AND CAPACITY	28,189,265	27,262,802
CAPITALIZED EXECUTIVE COMPENSATION	5,402,655	5,254,262
LOAD CONTROL	45,899,077	45,899,077
ASSET RETIREMENT OBLIGATION	20,495,234	19,932,296
CAPITAL LEASES	58,404,741	56,800,550
TOTAL	\$ 1,686,533,281	\$ 1,629,533,068
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (126,740,654)	\$ (122,282,068)
ACCUM PROV DECOMMISSIONING COSTS	(3,732,971,636)	(3,578,441,542)
ASSET RETIREMENT OBLIGATION	47,917,461	46,601,323
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,459,858,322	3,364,827,120
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(33,556,037)	(32,434,661)
OTHER RATE CASE ADJUSTMENTS (1)	(137,500)	(132,897)
LOAD CONTROL	(24,177,408)	(24,177,408)
CAPITAL LEASES	(4,338,333)	(4,219,173)
TOTAL	\$ (414,145,785)	\$ (350,259,307)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 790,562,378	\$ 756,688,155
CWIP - CAPACITY & ECRC	50,115,211	48,335,299
TOTAL	\$ 840,677,589	\$ 805,023,453
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)	\$ (2,861,529,323)	\$ (2,769,857,080)
TOTAL ADJUSTMENTS	\$ (748,464,237)	\$ (685,559,866)

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
JULY, 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	\$ 10,909,761,063	4,036,421,411	1,682,003,666	1,354,816,926	1,157,681,273	312,478,210	549,989,305	838,124	(1,279,156)	9,092,949,758	\$ 1,816,811,305
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,167,052)	0	0	0	(11,989,817)	(175,198,869)	0	0	0	(187,188,685)	\$ (278,978,367)
FRANCHISE EXPENSE	0	0	0	0	(454,177,245)	175,198,872	0	0	0	(278,978,373)	278,978,373
GROSS RECEIPTS TAX	(244,799,951)	0	0	0	(244,443,164)	(137,631)	0	0	0	(244,580,795)	(219,157)
FINANCIAL PLANNING SERVICES	0	0	(343,049)	0	0	132,331	0	0	0	(210,718)	210,718
INDUSTRY ASSOCIATION DUES	0	0	(1,804,031)	0	0	695,905	0	0	0	(1,108,126)	1,108,126
ECONOMIC DEVELOPMENT 5%	0	0	(108,603)	0	0	41,894	0	0	0	(66,710)	66,710
AVIATION - EXPENSES	0	0	(189,297)	0	0	73,021	0	0	0	(116,276)	116,276
EXECUTIVE COMPENSATION	0	0	(32,421,228)	0	0	12,506,489	0	0	0	(19,914,739)	19,914,739
FUEL COST REC RETAIL	(3,514,587,381)	(3,489,199,843)	(10,614,833)	0	(2,375,346)	73,063,459	(77,845,740)	0	0	(3,506,972,303)	(7,615,078)
CONSERVATION COST RECOVERY	(148,998,912)	0	(135,244,837)	(8,220,123)	(1,596,105)	(355,742)	(1,163,282)	0	0	(146,580,089)	(2,418,823)
CAPACITY COST RECOVERY	(641,844,437)	(522,608,665)	(60,530,101)	(80,909,036)	(588,227)	(11,924,792)	20,716,649	0	0	(655,844,173)	13,999,736
ENVIRONMENTAL COST RECOVERY	(214,962,659)	0	(29,810,503)	(52,028,950)	(292,297)	(53,706,930)	2,290,991	0	457,330	(133,090,357)	(81,872,301)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(137,500)	0	53,041	0	0	0	(84,459)	84,459
STORM DEFICIENCY RECOVERY	(108,136,185)	0	(279,817)	(88,173,733)	0	(7,592,576)	0	0	0	(96,046,127)	(12,090,058)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,535,601	0	0	(592,358)	0	0	0	943,243	(943,243)
INTEREST SYNCHRONIZATION	0	0	0	0	0	18,213,422	(5,739,253)	0	0	12,474,169	(12,474,169)
TOTAL FPSC ADJUSTMENTS	\$ (5,339,496,577)	(4,011,808,508)	(269,810,699)	(229,469,342)	(715,462,201)	30,469,536	(61,740,635)	0	457,330	(5,257,364,518)	\$ (82,132,059)
FPSC ADJUSTED	\$ 5,570,264,486	24,612,903	1,412,192,967	1,125,347,584	442,219,072	342,947,746	488,248,670	838,124	(821,826)	3,835,585,240	\$ 1,734,679,246
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,527,162,289	24,612,903	1,412,192,967	1,125,347,584	442,188,038	326,333,045	488,248,670	838,124	(821,826)	3,818,939,505	\$ 1,708,222,784

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 62,574,774

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
JULY, 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)	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)
TOTAL PROFORMA ADJUSTMENTS	\$ (43,102,197)	0	0	0	(31,034)	(16,614,701)	0	0	0	(16,645,735)	\$ (26,456,462)

FOOTNOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JULY, 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	SPECIFIC			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			3	4								
LONG TERM DEBT	\$ 7,801,757,180	\$ 7,551,350,168	\$ 194,747,272	\$ (411,182,067)	\$ 7,334,915,373	29.61%	4.76%	1.41%	4.76%	1.41%	4.76%	1.41%
SHORT TERM DEBT	275,485,513	266,214,154	7,260,961	(0)	273,475,114	1.10%	2.42%	0.03%	2.42%	0.03%	2.42%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,633,936,571	11,242,400,881	306,635,204	0	11,549,036,085	46.62%	9.50%	4.43%	10.50%	4.89%	11.50%	5.36%
CUSTOMER DEPOSITS	406,928,630	407,161,997	11,105,297	(0)	418,267,294	1.69%	2.04%	0.03%	2.04%	0.03%	2.04%	0.03%
DEFERRED INCOME TAX	5,410,649,992	5,234,433,650	138,005,641	(174,627,324)	5,197,811,967	20.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	166,072,293	160,232,281	38,276	(158,828,932)	1,441,626	0.01%	7.66%	0.00%	8.27%	0.00%	8.88%	0.00%
TOTAL	\$ 25,694,830,180	\$ 24,861,793,130	\$ 657,792,651	\$ (744,638,322)	\$ 24,774,947,458	100.00%		5.90%		6.37%		6.83%

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	\$ 7,943,848,301	\$ 7,706,595,869	\$ 417,931,156	\$ (410,594,713)	\$ 7,713,932,312	29.30%	4.81%	1.41%	4.81%	1.41%	4.81%	1.41%
SHORT TERM DEBT	209,199,668	202,662,111	11,608,936	-	214,271,047	0.81%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	12,073,508,830	11,696,207,812	669,984,769	-	12,366,192,581	46.96%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
CUSTOMER DEPOSITS	396,885,809	397,256,256	22,755,721	(0)	420,011,977	1.60%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,656,118,319	5,484,748,942	304,175,564	(174,627,324)	5,614,297,182	21.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	164,496,011	158,655,242	161,507	(155,835,750)	2,980,999	0.01%	7.70%	0.00%	8.31%	0.00%	8.93%	0.00%
TOTAL	\$ 26,444,056,938	\$ 25,646,126,233	\$ 1,426,617,652	\$ (741,057,786)	\$ 26,331,686,099	100.00%		5.91%		6.38%		6.85%

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
JULY, 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	\$ 7,334,915,373	\$ 0	\$ 7,334,915,373	29.61%	4.76%	1.41%	4.76%	1.41%	4.76%	1.41%
SHORT TERM DEBT	273,475,114	0	273,475,114	1.10%	2.42%	0.03%	2.42%	0.03%	2.42%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,549,036,085	(0)	11,549,036,085	46.62%	9.50%	4.43%	10.50%	4.89%	11.50%	5.36%
CUSTOMER DEPOSITS	418,267,294	(0)	418,267,294	1.69%	2.04%	0.03%	2.04%	0.03%	2.04%	0.03%
DEFERRED INCOME TAX	5,197,811,967	(0)	5,197,811,967	20.98%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	1,441,626	(0)	1,441,626	0.01%	7.66%	0.00%	8.27%	0.00%	8.88%	0.00%
TOTAL	\$ 24,774,947,458	\$ (0)	\$ 24,774,947,458	100.00%		5.90%		6.37%		6.83%

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	\$ 7,713,932,312	\$ (0)	\$ 7,713,932,312	29.30%	4.81%	1.41%	4.81%	1.41%	4.81%	1.41%
SHORT TERM DEBT	214,271,047	(0)	214,271,047	0.81%	0.17%	0.00%	0.17%	0.00%	0.17%	0.00%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	12,366,192,581	(0)	12,366,192,581	46.96%	9.50%	4.46%	10.50%	4.93%	11.50%	5.40%
CUSTOMER DEPOSITS	420,011,977	0	420,011,977	1.60%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,614,297,182	(0)	5,614,297,182	21.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	2,980,999	0	2,980,999	0.01%	7.70%	0.00%	8.31%	0.00%	8.93%	0.00%
TOTAL	\$ 26,331,686,099	\$ (0)	\$ 26,331,686,099	100.00%		5.91%		6.38%		6.85%

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	\$ 1,856,704,020
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	18,875,417
INCOME TAXES	866,834,797
TOTAL	<u>\$ 2,742,414,234</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 440,056,284</u>
TIMES INTEREST EARNED WITH AFUDC	<u>6.23</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,856,704,020
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(43,699,356)
INCOME TAXES	866,834,797
TOTAL	<u>\$ 2,679,839,460</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 440,056,284</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.09</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION X (1 - INCOME_TAX_RATE)	\$ 18,875,417 0.6143
SUBTOTAL	<u>\$ 11,594,225</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION TOTAL	43,699,356 <u>\$ 55,293,581</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 1,435,523,153</u>
AFUDC AS PER CENT OF NET INCOME	<u>3.85%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (144,366,723)
GAINS ON DISPOSITION OF PROPERTY	(1,285,388)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (145,652,111)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,435,523,153
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,230,000,000)
AFUDC (DEBT & OTHER)	(62,574,774)
DEPRECIATION AND AMORTIZATION EXPENSE	1,356,766,316
DEFERRED INCOME TAXES	540,534,669
INVESTMENT TAX CREDITS	838,124
OTHER SOURCE/USES OF FUNDS	(145,652,111)
INTERNALLY GENERATED FUNDS	<u>\$ 1,895,435,377</u>

CONSTRUCTION EXPENDITURES \$ 2,540,146,934

PERCENT INTERNALLY GENERATED FUNDS 74.62%

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	\$ 7,334,915,373
JURIS ADJUSTED SHORT TERM DEBT	273,475,114
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	11,549,036,085
TOTAL	<u>\$ 19,157,426,572</u>
LTD TO TOTAL INVESTOR FUNDS	<u>38.29%</u>
STD TO TOTAL INVESTOR FUNDS	<u>1.43%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.73%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.41%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.47%</u>
TOTAL	<u>5.26%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.62%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.29%</u>

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.63%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.41%

SHORT TERM DEBT 0.03%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.03%

TAX CREDITS - WTD COST 0.00%

SUBTOTAL 1.47%

PRO FORMA ROR LESS NON EQUITY COST 5.16%

PRO FORMA COMMON EQUITY RATIO 46.62%

PRO FORMA RETURN ON COMMON EQUITY 11.06%