



October 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 OCT 15 PM 4:12
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 August 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 11.31%.

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 'S. Stamm', with a long horizontal stroke extending to the right.

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
AUGUST, 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	\$ 1,848,180,341 (A)	(163,896,681) (B)	1,684,283,660	(25,873,034)	\$ 1,658,410,626
RATE BASE	\$ 24,919,925,392	34,735,619	24,954,661,010	0	\$ 24,954,661,010
AVERAGE RATE OF RETURN	7.42%		6.75%		6.65%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,848,180,341 (A)	(158,682,086) (B)	1,689,498,255	(25,873,034)	\$ 1,663,625,221
RATE BASE	\$ 25,634,750,341	688,013,994	26,322,764,335	0	\$ 26,322,764,335
YEAR END RATE OF RETURN	7.21%		6.42%		6.32%

(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	6.28	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.15	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PER CENT OF NET INCOME	3.66%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	75.86%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.25%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.33%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.31%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.09%	(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)

(DATE)

Kim Ousdahl
for
10/15/14
Kim OUSDAHL

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
AUGUST, 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	\$ 37,533,414,064	13,198,111,294	24,335,302,770	244,266,009	1,817,547,883	725,231,449	27,122,348,111	(1,363,530,360)	\$ 25,758,817,751
JURISDICTIONAL PER BOOKS	\$ 36,083,796,747	11,812,010,351	24,271,786,396	233,152,520	1,740,813,964	698,547,849	26,944,300,728	(2,024,375,337)	\$ 24,919,925,392
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3	\$ (1,901,159,896)	(318,888,439)	(1,582,271,456)	0	(1,181,103,122)	0	(2,763,374,578)	2,798,110,197	\$ 34,735,619
FPSC ADJUSTED:	\$ 34,182,636,851	11,493,121,912	22,689,514,939	233,152,520	559,710,842	698,547,849	24,180,926,150	773,734,860	\$ 24,954,661,010
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 34,182,636,851	11,493,121,912	22,689,514,939	233,152,520	559,710,842	698,547,849	24,180,926,150	773,734,860	\$ 24,954,661,010

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
AUGUST, 2014

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		FUEL & NET INTERCHANGE	OTHER								
SYSTEM PER BOOKS	\$ 11,018,848,576	4,082,930,335	1,660,379,072	1,398,591,617	1,162,392,835	362,320,245	510,185,060	820,486	(1,315,207)	9,176,304,442	\$ 1,842,544,134
JURISDICTIONAL PER BOOKS	\$ 10,680,895,815	3,926,743,486	1,615,409,808	1,351,693,096	1,149,067,394	352,272,314	496,105,582	795,475	(1,298,630)	8,890,788,523	\$ 1,790,107,292
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (467,120,476)	0	0	0	(12,014,339)	(175,557,192)	0	0	0	(187,571,531)	\$ (279,548,945)
FRANCHISE EXPENSE	0	0	0	0	(455,106,147)	175,557,196	0	0	0	(279,548,951)	279,548,951
GROSS RECEIPTS TAX	(246,878,421)	0	0	0	(246,530,851)	(134,075)	0	0	0	(246,664,926)	(213,495)
FINANCIAL PLANNING SERVICES	0	0	(362,032)	0	0	139,654	0	0	0	(222,378)	222,378
INDUSTRY ASSOCIATION DUES	0	0	(1,760,188)	0	0	678,993	0	0	0	(1,081,196)	1,081,196
ECONOMIC DEVELOPMENT 5%	0	0	(112,047)	0	0	43,222	0	0	0	(68,825)	68,825
AVIATION - EXPENSES	0	0	(179,171)	0	0	69,115	0	0	0	(110,056)	110,056
EXECUTIVE COMPENSATION	0	0	(30,650,046)	0	0	11,823,255	0	0	0	(18,826,790)	18,826,790
FUEL COST REC RETAIL	(3,435,744,609)	(3,406,035,923)	(10,551,275)	0	(2,406,507)	71,118,878	(77,580,539)	0	0	(3,425,455,366)	(10,289,242)
CONSERVATION COST RECOVERY	(154,421,691)	0	(140,404,265)	(8,307,288)	(1,594,710)	(1,637,361)	49,835	0	0	(151,893,789)	(2,527,901)
CAPACITY COST RECOVERY	(623,678,598)	(496,721,347)	(56,763,211)	(73,138,984)	(570,497)	(18,381,312)	19,737,393	0	0	(625,837,957)	2,159,359
ENVIRONMENTAL COST RECOVERY	(212,630,297)	0	(26,882,309)	(50,240,582)	(287,612)	(54,583,171)	2,257,352	0	427,175	(129,309,146)	(83,321,151)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	1,674,176	0	(645,813)	0	0	0	1,028,363	(1,028,363)
STORM DEFICIENCY RECOVERY	(106,700,057)	0	(138,128)	(87,092,986)	0	(7,510,144)	0	0	0	(94,741,259)	(11,958,797)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,491,827	0	0	(575,472)	0	0	0	916,354	(916,354)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,382,263	(5,345,326)	0	0	18,036,938	(18,036,938)
TOTAL FPSC ADJUSTMENTS	\$ (5,247,174,148)	(3,902,757,270)	(266,310,846)	(217,105,665)	(718,510,662)	23,788,035	(60,881,284)	0	427,175	(5,141,350,516)	\$ (105,823,632)
FPSC ADJUSTED	\$ 5,433,721,667	23,986,216	1,349,098,962	1,134,587,431	430,556,731	376,060,348	435,224,298	795,475	(871,455)	3,749,438,007	\$ 1,684,283,660
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,391,569,977	23,986,216	1,349,098,962	1,134,587,431	430,526,382	359,812,041	435,224,298	795,475	(871,455)	3,733,159,351	\$ 1,658,410,626
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 60,084,274										
	\$ 58,073,049										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,304,226										
ON A JURISDICTIONAL BASIS	\$ 2,240,937										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 1,138,578,813	414,764,460	125,345,715	162,344,155	108,661,638	118,359,916	(9,003,689)	(32,001)	(140,938)	920,299,256	\$ 218,279,557
JURISDICTIONAL PER BOOKS	\$ 1,092,295,444	398,211,085	121,789,166	157,224,234	107,554,685	110,708,657	(8,513,157)	(31,025)	(139,723)	886,803,921	\$ 205,491,522

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
AUGUST, 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)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
TOTAL PROFORMA ADJUSTMENTS	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)

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
AUGUST, 2014

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,481,669,935	\$ 1,426,320,154
FUEL AND CAPACITY	371,693,765	357,408,928
CAPITALIZED EXECUTIVE COMPENSATION	3,946,198	3,837,809
LOAD CONTROL	41,148,633	41,148,633
ASSET RETIREMENT OBLIGATION	16,085,642	15,643,821
CAPITAL LEASES	58,404,741	56,800,550
TOTAL	\$ 1,972,948,914	\$ 1,901,159,896
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (103,678,416)	\$ (99,805,369)
ACCUM PROV DECOMMISSIONING COSTS	(3,575,817,471)	(3,427,792,931)
ASSET RETIREMENT OBLIGATION	47,523,816	46,218,489
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,314,305,198	3,223,271,873
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(37,960,352)	(36,553,737)
OTHER RATE CASE ADJUSTMENTS (1)	133,243	128,783
LOAD CONTROL	(20,626,350)	(20,626,350)
CAPITAL LEASES	(3,834,519)	(3,729,197)
TOTAL	\$ (379,954,852)	\$ (318,888,439)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,177,425,151	\$ 1,128,211,555
CWIP - CAPACITY & ECRC	54,951,088	52,891,567
TOTAL	\$ 1,232,376,239	\$ 1,181,103,122
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)	\$ (2,890,771,487)	\$ (2,798,110,197)
TOTAL ADJUSTMENTS	\$ (65,401,186)	\$ (34,735,619)

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
AUGUST, 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	\$ 11,018,848,576	4,082,930,335	1,660,379,072	1,398,591,617	1,162,392,835	362,320,245	510,185,060	820,486	(1,315,207)	9,176,304,442	\$ 1,842,544,134
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (467,120,476)	0	0	0	(12,014,339)	(175,557,192)	0	0	0	(187,571,531)	\$ (279,548,945)
FRANCHISE EXPENSE	0	0	0	0	(455,106,147)	175,557,196	0	0	0	(279,548,951)	279,548,951
GROSS RECEIPTS TAX	(246,878,421)	0	0	0	(246,530,851)	(134,075)	0	0	0	(246,664,926)	(213,495)
FINANCIAL PLANNING SERVICES	0	0	(372,257)	0	0	143,598	0	0	0	(228,659)	228,659
INDUSTRY ASSOCIATION DUES	0	0	(1,809,900)	0	0	698,169	0	0	0	(1,111,731)	1,111,731
ECONOMIC DEVELOPMENT 5%	0	0	(115,211)	0	0	44,443	0	0	0	(70,769)	70,769
AVIATION - EXPENSES	0	0	(184,231)	0	0	71,067	0	0	0	(113,164)	113,164
EXECUTIVE COMPENSATION	0	0	(31,515,680)	0	0	12,157,174	0	0	0	(19,358,507)	19,358,507
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST REC RETAIL	(3,569,574,099)	(3,543,178,441)	(10,955,051)	0	(2,406,900)	72,898,385	(77,926,138)	0	0	(3,561,568,145)	(8,005,954)
CONSERVATION COST RECOVERY	(154,421,691)	0	(140,404,265)	(8,307,288)	(1,594,710)	(1,637,361)	49,835	0	0	(151,893,789)	(2,527,901)
CAPACITY COST RECOVERY	(623,843,889)	(514,849,435)	(58,970,227)	(73,138,984)	(575,490)	(10,598,880)	19,737,393	0	0	(638,395,624)	14,551,734
ENVIRONMENTAL COST RECOVERY	(212,630,297)	0	(27,785,615)	(52,190,218)	(292,833)	(53,487,029)	2,257,352	0	443,752	(131,054,590)	(81,575,707)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	1,732,157	0	(668,180)	0	0	0	1,063,977	(1,063,977)
STORM DEFICIENCY RECOVERY	(106,700,057)	0	(158,302)	(87,092,986)	0	(7,502,362)	0	0	0	(94,753,651)	(11,946,406)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,533,960	0	0	(591,725)	0	0	0	942,235	(942,235)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,732,954	(5,496,291)	0	0	18,236,663	(18,236,663)
TOTAL FPSC ADJUSTMENTS	\$ (5,381,168,930)	(4,058,027,877)	(270,736,781)	(218,997,320)	(718,521,269)	35,126,181	(61,377,848)	0	443,752	(5,292,091,161)	\$ (89,077,769)
FPSC ADJUSTED	\$ 5,637,679,646	24,902,458	1,389,642,291	1,179,594,297	443,871,566	397,446,426	448,807,212	820,486	(871,455)	3,884,213,281	\$ 1,753,466,365
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,595,527,956	24,902,458	1,389,642,291	1,179,594,297	443,841,217	381,198,119	448,807,212	820,486	(871,455)	3,867,934,624	\$ 1,727,593,331

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 60,084,274

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
AUGUST, 2014

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 20,363,615	\$ 19,786,416
INTEREST & DIVIDENDS RECEIVABLE	138,011	134,099
ACCTS RECEIVABLE - TAX REFUND	0	0
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	209,238,767	208,402,119
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,469,925	14,059,780
PREPAYMENTS - ECCR	34,857,810	34,857,810
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	6,128,415	5,923,276
RATE CASE EXPENSE	107,930	107,930
TEMPORARY CASH INVESTMENTS	2,561,885	2,489,270
ASSET RETIREMENT OBLIGATION	0	0
STORM DEFICIENCY RECOVERY	564,573,041	564,573,041
NUCLEAR COST RECOVERY	9,641,742	9,641,742
JOBGING ACCOUNTS	13,496,627	13,114,070
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 875,577,768	\$ 873,089,552
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	\$ 0	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(191,083)	(185,834)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(121,191,287)	(121,191,287)
ACCUM. PROV. - RATE REFUNDS	(190,302)	(189,017)
GAIN ON SALE OF EMISSION ALLOWANCE	(594,171)	(571,975)
JOBGING ACCOUNTS	(14,376,743)	(13,969,240)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0	0
LEHMAN HEDGE	0	0
POLE ATTACHMENT RENTS PAYABLE	(7,375,898)	(7,166,830)
PREFERRED STOCK DIVIDENDS ACCRUED	0	0
SJRPP ACCELERATED RECOVERY	(44,669,731)	(42,946,000)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,377,914,723)	(3,285,134,249)
MARGIN CALL CASH COLLATERAL	0	0
NUCLEAR COST RECOVERY	(199,845,317)	(199,845,317)
TRANSMISSION RELIABILITY ENHANCEMENT	0	0
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (3,766,349,255)	\$ (3,671,199,749)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (2,890,771,487)	\$ (2,798,110,197)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
AUGUST, 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)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
TOTAL PROFORMA ADJUSTMENTS	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)

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
AUGUST, 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	\$ 38,712,055,669	13,450,476,620	25,261,579,049	243,146,104	1,612,558,287	724,117,984	27,841,401,425	(1,363,530,360)	\$ 26,477,871,064
JURISDICTIONAL PER BOOKS	\$ 37,218,418,396	12,032,055,814	25,186,362,582	232,203,196	1,543,084,548	697,475,352	27,659,125,678	(2,024,375,337)	\$ 25,634,750,341
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,620,211,557)	(346,705,254)	(1,273,506,303)	0	(836,589,900)	0	(2,110,096,203)	2,798,110,197	\$ 688,013,994
FPSC ADJUSTED:	\$ 35,598,206,839	11,685,350,560	23,912,856,279	232,203,196	706,494,648	697,475,352	25,549,029,475	773,734,860	\$ 26,322,764,335
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 35,598,206,839	11,685,350,560	23,912,856,279	232,203,196	706,494,648	697,475,352	25,549,029,475	773,734,860	\$ 26,322,764,335

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
AUGUST, 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	\$ 11,018,848,576	4,082,930,335	1,660,379,072	1,398,591,617	1,162,392,835	362,320,245	510,185,060	820,486	(1,315,207)	9,176,304,442	\$ 1,842,544,134
JURISDICTIONAL PER BOOKS	\$ 10,680,895,815	3,926,743,486	1,615,409,808	1,351,693,096	1,149,067,394	352,272,314	496,105,582	795,475	(1,298,630)	8,890,788,523	\$ 1,790,107,292
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (467,120,476)	0	0	0	(12,014,339)	(175,557,192)	0	0	0	(187,571,531)	\$ (279,548,945)
FRANCHISE EXPENSE	0	0	0	0	(455,106,147)	175,557,196	0	0	0	(279,548,951)	279,548,951
GROSS RECEIPTS TAX	(246,878,421)	0	0	0	(246,530,851)	(134,075)	0	0	0	(246,664,926)	(213,495)
FINANCIAL PLANNING SERVICES	0	0	(362,032)	0	0	139,654	0	0	0	(222,378)	222,378
INDUSTRY ASSOCIATION DUES	0	0	(1,760,188)	0	0	678,993	0	0	0	(1,081,196)	1,081,196
ECONOMIC DEVELOPMENT 5%	0	0	(112,047)	0	0	43,222	0	0	0	(68,825)	68,825
AVIATION - EXPENSES	0	0	(179,171)	0	0	69,115	0	0	0	(110,056)	110,056
EXECUTIVE COMPENSATION	0	0	(30,650,046)	0	0	11,823,255	0	0	0	(18,826,790)	18,826,790
FUEL COST REC RETAIL	(3,435,744,609)	(3,406,035,923)	(10,551,275)	0	(2,406,507)	71,118,878	(77,580,539)	0	0	(3,425,455,366)	(10,289,242)
CONSERVATION COST RECOVERY	(154,421,691)	0	(140,404,265)	(8,307,288)	(1,594,710)	(1,637,361)	49,835	0	0	(151,893,789)	(2,527,901)
CAPACITY COST RECOVERY	(623,678,598)	(496,721,347)	(56,763,211)	(73,138,984)	(570,497)	(18,381,312)	19,737,393	0	0	(625,837,957)	2,159,359
ENVIRONMENTAL COST RECOVERY	(212,630,297)	0	(26,882,309)	(50,240,582)	(287,612)	(54,583,171)	2,257,352	0	427,175	(129,309,146)	(83,321,151)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	1,674,176	0	(645,813)	0	0	0	1,028,363	(1,028,363)
STORM DEFICIENCY RECOVERY	(106,700,057)	0	(138,128)	(87,092,986)	0	(7,510,144)	0	0	0	(94,741,259)	(11,958,797)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,491,827	0	0	(575,472)	0	0	0	916,354	(916,354)
INTEREST SYNCHRONIZATION	0	0	0	0	0	18,167,669	(5,345,326)	0	0	12,822,343	(12,822,343)
TOTAL FPSC ADJUSTMENTS	\$ (5,247,174,148)	(3,902,757,270)	(266,310,846)	(217,105,665)	(718,510,662)	18,573,440	(60,881,284)	0	427,175	(5,146,565,111)	\$ (100,609,037)
FPSC ADJUSTED	\$ 5,433,721,667	23,986,216	1,349,098,962	1,134,587,431	430,556,731	370,845,754	435,224,298	795,475	(871,455)	3,744,223,412	\$ 1,689,498,255
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,391,569,977	23,986,216	1,349,098,962	1,134,587,431	430,526,382	354,597,446	435,224,298	795,475	(871,455)	3,727,944,756	\$ 1,663,625,221

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 60,084,274
AND THE JURISDICTIONAL NOI BY \$ 58,073,049

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
AUGUST, 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)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
TOTAL PROFORMA ADJUSTMENTS	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)

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
AUGUST, 2014

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,528,727,496	\$ 1,471,619,817
FUEL AND CAPACITY	28,189,265	27,159,699
CAPITALIZED EXECUTIVE COMPENSATION	5,641,728	5,486,768
LOAD CONTROL	39,212,427	39,212,427
ASSET RETIREMENT OBLIGATION	20,495,234	19,932,296
CAPITAL LEASES	58,404,741	56,800,550
TOTAL	\$ 1,680,670,891	\$ 1,620,211,557
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (131,819,572)	\$ (126,895,274)
ACCUM PROV DECOMMISSIONING COSTS	(3,744,463,294)	(3,589,457,491)
ASSET RETIREMENT OBLIGATION	47,989,896	46,671,767
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,470,514,831	3,375,190,929
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(33,545,112)	(32,308,873)
OTHER RATE CASE ADJUSTMENTS (1)	1,732,157	1,674,176
LOAD CONTROL	(17,263,251)	(17,263,251)
CAPITAL LEASES	(4,439,167)	(4,317,237)
TOTAL	\$ (411,293,511)	\$ (346,705,254)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 818,738,296	\$ 783,679,102
CWIP - CAPACITY & ECRC	54,985,926	52,910,798
TOTAL	\$ 873,724,222	\$ 836,589,900
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)	\$ (2,890,771,487)	\$ (2,798,110,197)
TOTAL ADJUSTMENTS	\$ (747,669,884)	\$ (688,013,994)

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
AUGUST, 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	\$ 11,018,848,576	4,082,930,335	1,660,379,072	1,398,591,617	1,162,392,835	362,320,245	510,185,060	820,486	(1,315,207)	9,176,304,442	\$ 1,842,544,134
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (467,120,476)	0	0	0	(12,014,339)	(175,557,192)	0	0	0	(187,571,531)	\$ (279,548,945)
FRANCHISE EXPENSE	0	0	0	0	(455,106,147)	175,557,196	0	0	0	(279,548,951)	279,548,951
GROSS RECEIPTS TAX	(246,878,421)	0	0	0	(246,530,851)	(134,075)	0	0	0	(246,664,926)	(213,495)
FINANCIAL PLANNING SERVICES	0	0	(372,257)	0	0	143,598	0	0	0	(228,659)	228,659
INDUSTRY ASSOCIATION DUES	0	0	(1,809,900)	0	0	698,169	0	0	0	(1,111,731)	1,111,731
ECONOMIC DEVELOPMENT 5%	0	0	(115,211)	0	0	44,443	0	0	0	(70,769)	70,769
AVIATION - EXPENSES	0	0	(184,231)	0	0	71,067	0	0	0	(113,164)	113,164
EXECUTIVE COMPENSATION	0	0	(31,515,680)	0	0	12,157,174	0	0	0	(19,358,507)	19,358,507
FUEL COST REC RETAIL	(3,589,574,099)	(3,543,178,441)	(10,955,051)	0	(2,406,900)	72,898,385	(77,926,138)	0	0	(3,561,568,145)	(8,005,954)
CONSERVATION COST RECOVERY	(154,421,691)	0	(140,404,265)	(8,307,288)	(1,594,710)	(1,637,361)	49,835	0	0	(151,893,789)	(2,527,901)
CAPACITY COST RECOVERY	(623,843,889)	(514,849,435)	(58,970,227)	(73,138,984)	(575,490)	(10,598,880)	19,737,393	0	0	(638,395,624)	14,551,734
ENVIRONMENTAL COST RECOVERY	(212,630,297)	0	(27,785,615)	(52,190,218)	(292,833)	(53,487,029)	2,257,352	0	443,752	(131,054,590)	(81,575,707)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	1,732,157	0	(668,180)	0	0	0	1,063,977	(1,063,977)
STORM DEFICIENCY RECOVERY	(106,700,057)	0	(158,302)	(87,092,986)	0	(7,502,362)	0	0	0	(94,753,651)	(11,946,406)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,533,960	0	0	(591,725)	0	0	0	942,235	(942,235)
INTEREST SYNCHRONIZATION	0	0	0	0	0	18,424,096	(5,496,291)	0	0	12,927,805	(12,927,805)
TOTAL FPSC ADJUSTMENTS	\$ (5,381,168,930)	(4,058,027,877)	(270,736,781)	(218,997,320)	(718,521,269)	29,817,324	(61,377,848)	0	443,752	(5,297,400,018)	\$ (83,768,911)
FPSC ADJUSTED	\$ 5,637,679,646	24,902,458	1,389,642,291	1,179,594,297	443,871,566	392,137,569	448,807,212	820,486	(871,455)	3,878,904,423	\$ 1,758,775,223
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,595,527,956	24,902,458	1,389,642,291	1,179,594,297	443,841,217	375,889,262	448,807,212	820,486	(871,455)	3,862,625,767	\$ 1,732,902,189

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 60,084,274

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
AUGUST, 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)	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)
TOTAL PROFORMA ADJUSTMENTS	\$ (42,151,690)	0	0	0	(30,349)	(16,248,307)	0	0	0	(16,278,657)	\$ (25,873,034)

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
AUGUST, 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	\$ 7,804,079,419			\$ 7,552,555,753	\$ 227,498,554	\$ (405,453,126)	\$ 7,374,601,180	29.55%	4.77%
SHORT TERM DEBT	257,381,961	248,689,282	7,915,998	0	256,605,280	1.03%	2.56%	0.03%	2.56%	0.03%	2.56%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,685,315,448	11,290,661,915	359,391,685	0	11,650,053,600	46.68%	9.50%	4.44%	10.50%	4.90%	11.50%	5.37%
CUSTOMER DEPOSITS	403,480,803	403,669,107	12,849,142	(0)	416,518,249	1.67%	2.03%	0.03%	2.03%	0.03%	2.03%	0.03%
DEFERRED INCOME TAX	5,442,951,036	5,264,921,405	162,122,885	(171,663,112)	5,255,381,178	21.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	165,609,085	159,427,931	46,320	(157,972,727)	1,501,524	0.01%	7.67%	0.00%	8.28%	0.00%	8.89%	0.00%
TOTAL	\$ 25,758,817,751	\$ 24,919,925,392	\$ 769,824,584	\$ (735,088,965)	\$ 24,954,661,010	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	\$ 7,938,538,374			\$ 7,688,345,432	\$ 415,171,263	\$ (404,865,087)	\$ 7,698,651,608	29.25%	4.81%
SHORT TERM DEBT	409,571,513	396,069,146	22,576,642	(0)	418,645,788	1.59%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,907,903,493	11,515,334,968	656,394,462	-	12,171,729,430	46.24%	9.50%	4.39%	10.50%	4.86%	11.50%	5.32%
CUSTOMER DEPOSITS	399,591,044	399,886,729	22,794,251	-	422,680,980	1.61%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,658,058,438	5,477,104,472	302,419,542	(171,663,112)	5,607,860,902	21.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	164,208,201	158,009,594	172,333	(154,986,301)	3,195,627	0.01%	7.68%	0.00%	8.30%	0.00%	8.91%	0.00%
TOTAL	\$ 26,477,871,064	\$ 25,634,750,341	\$ 1,419,528,493	\$ (731,514,499)	\$ 26,322,764,335	100.00%		5.84%		6.30%		6.76%

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
AUGUST, 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	\$ 7,374,601,180	\$ (0)	\$ 7,374,601,180	29.55%	4.77%	1.41%	4.77%	1.41%	4.77%	1.41%
SHORT TERM DEBT	256,605,280	0	256,605,280	1.03%	2.56%	0.03%	2.56%	0.03%	2.56%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,650,053,600	(0)	11,650,053,600	46.68%	9.50%	4.44%	10.50%	4.90%	11.50%	5.37%
CUSTOMER DEPOSITS	416,518,249	(0)	416,518,249	1.67%	2.03%	0.03%	2.03%	0.03%	2.03%	0.03%
DEFERRED INCOME TAX	5,255,381,178	(0)	5,255,381,178	21.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	1,501,524	0	1,501,524	0.01%	7.67%	0.00%	8.28%	0.00%	8.89%	0.00%
TOTAL	\$ 24,954,661,010	\$ (0)	\$ 24,954,661,010	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	\$ 7,698,651,608	\$ 0	\$ 7,698,651,608	29.25%	4.81%	1.41%	4.81%	1.41%	4.81%	1.41%
SHORT TERM DEBT	418,645,788	(0)	418,645,788	1.59%	0.18%	0.00%	0.18%	0.00%	0.18%	0.00%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	12,171,729,430	0	12,171,729,430	46.24%	9.50%	4.39%	10.50%	4.86%	11.50%	5.32%
CUSTOMER DEPOSITS	422,680,980	(0)	422,680,980	1.61%	2.13%	0.03%	2.13%	0.03%	2.13%	0.03%
DEFERRED INCOME TAX	5,607,860,902	(0)	5,607,860,902	21.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	3,195,627	(0)	3,195,627	0.01%	7.68%	0.00%	8.30%	0.00%	8.91%	0.00%
TOTAL	\$ 26,322,764,335	\$ (0)	\$ 26,322,764,335	100.00%		5.84%		6.30%		6.76%

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	\$ 1,875,065,301
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	17,989,734
INCOME TAXES	<u>877,036,014</u>
TOTAL	\$ 2,770,091,049
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 440,832,062
TIMES INTEREST EARNED WITH AFUDC	<u>6.28</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,875,085,301
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(42,094,539)
INCOME TAXES	<u>877,036,014</u>
TOTAL	\$ 2,710,006,775
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 440,832,062
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.15</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 17,989,734
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	\$ 11,050,194
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	42,094,539
TOTAL	\$ 53,144,734
NET INCOME AVAILABLE FOR COMMON	\$ 1,452,222,974
AFUDC AS PER CENT OF NET INCOME	<u>3.66%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (143,965,433)
GAINS ON DISPOSITION OF PROPERTY	(1,321,439)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	<u>0</u>
	\$ (145,286,872)

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,452,222,974
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,230,000,000)
AFUDC (DEBT & OTHER)	(60,084,274)
DEPRECIATION AND AMORTIZATION EXPENSE	1,400,929,673
DEFERRED INCOME TAXES	502,028,171
INVESTMENT TAX CREDITS	820,486
OTHER SOURCE/USES OF FUNDS	<u>(145,286,872)</u>
INTERNALLY GENERATED FUNDS	\$ 1,920,630,158

CONSTRUCTION EXPENDITURES \$ 2,531,776,183

PERCENT INTERNALLY GENERATED FUNDS 75.86%

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	\$ 7,374,601,180
JURIS ADJUSTED SHORT TERM DEBT	256,605,280
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	<u>11,650,053,600</u>
TOTAL	\$ 19,281,260,059
LTD TO TOTAL INVESTOR FUNDS	<u>38.25%</u>
STD TO TOTAL INVESTOR FUNDS	<u>1.33%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.75%
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>5.28%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.68%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.31%</u>

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.65%
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	<u>1.47%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>5.18%</u>
PRO FORMA COMMON EQUITY RATIO	46.68%
PRO FORMA RETURN ON COMMON EQUITY	11.09%