



December 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 October 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 11.48%.

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', 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
OCTOBER, 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	\$ 1,880,556,277 (A)	(159,412,646) (B)	1,721,143,631	(10,227,323)	\$ 1,710,916,308
RATE BASE	\$ 24,920,563,313	246,038,199	25,166,601,512	0	\$ 25,166,601,512
AVERAGE RATE OF RETURN	7.55%		6.84%		6.80%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 1,880,556,277 (A)	(149,419,014) (B)	1,731,137,263	(10,227,323)	\$ 1,720,909,939
RATE BASE	\$ 25,556,514,698	592,027,346	26,148,542,044	0	\$ 26,148,542,044
YEAR END RATE OF RETURN	7.36%		6.62%		6.58%

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

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

LOW	5.91%
MIDPOINT	6.38%
HIGH	6.85%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.32	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.20	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.27%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	69.15%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.51%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.01%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.48%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.39%	(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)

K. OUSDAHL

(DATE)

12/15/14

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
OCTOBER, 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	\$ 37,907,706,374	13,286,678,739	24,621,027,635	245,399,655	1,796,458,582	735,447,659	27,398,333,531	(1,525,361,553)	\$ 25,872,971,978
JURISDICTIONAL PER BOOKS	\$ 36,277,487,984	11,850,420,446	24,427,067,538	233,114,208	1,708,324,478	704,085,207	27,072,591,431	(2,152,028,118)	\$ 24,920,563,313
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,777,905,189)	(314,755,537)	(1,463,149,652)	0	(1,117,547,172)	0	(2,580,696,823)	2,826,735,022	\$ 246,038,199
FPSC ADJUSTED:	\$ 34,499,582,796	11,535,664,909	22,963,917,886	233,114,208	590,777,306	704,085,207	24,491,894,608	674,706,904	\$ 25,166,601,512
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 34,499,582,796	11,535,664,909	22,963,917,886	233,114,208	590,777,306	704,085,207	24,491,894,608	674,706,904	\$ 25,166,601,512

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
OCTOBER, 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	\$ 11,178,499,830	4,155,012,244	1,631,105,136	1,446,610,896	1,170,076,119	504,370,026	377,072,094	1,124,455	(1,393,914)	9,283,977,055	\$ 1,894,522,775
JURISDICTIONAL PER BOOKS	\$ 10,784,937,293	3,971,291,152	1,581,591,211	1,399,092,636	1,155,055,370	486,563,839	363,819,064	1,086,052	(1,376,638)	8,957,122,686	\$ 1,827,814,608
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,010,881)	0	0	0	(12,037,240)	(175,891,832)	0	0	0	(187,929,072)	\$ (280,081,809)
FRANCHISE EXPENSE	0	0	0	0	(455,973,593)	175,891,813	0	0	0	(280,081,779)	280,081,779
GROSS RECEIPTS TAX	(250,432,553)	0	0	0	(250,036,651)	(152,719)	0	0	0	(250,189,370)	(243,183)
FINANCIAL PLANNING SERVICES	0	0	(381,303)	0	0	147,087	0	0	0	(234,215)	234,215
INDUSTRY ASSOCIATION DUES	0	0	(1,879,065)	0	0	724,849	0	0	0	(1,154,216)	1,154,216
ECONOMIC DEVELOPMENT 5%	0	0	(108,473)	0	0	41,844	0	0	0	(66,630)	66,630
AVIATION - EXPENSES	0	0	(184,748)	0	0	71,267	0	0	0	(113,482)	113,482
EXECUTIVE COMPENSATION	0	0	(27,717,983)	0	0	10,692,212	0	0	0	(17,025,771)	17,025,771
FUEL COST REC RETAIL	(3,508,271,651)	(3,476,935,360)	(10,229,071)	0	(2,461,210)	50,988,608	(58,181,307)	0	0	(3,496,818,339)	(11,453,312)
CONSERVATION COST RECOVERY	(163,572,293)	0	(149,205,360)	(8,377,694)	(1,612,529)	(5,348,416)	3,660,100	0	0	(160,883,899)	(2,688,394)
CAPACITY COST RECOVERY	(583,651,957)	(471,151,729)	(56,479,445)	(58,607,217)	(544,289)	(16,242,355)	17,450,032	0	0	(585,575,004)	1,923,047
ENVIRONMENTAL COST RECOVERY	(208,421,889)	0	(23,347,290)	(50,184,791)	(291,043)	(54,326,118)	2,250,627	0	399,265	(125,499,349)	(82,922,540)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(230,173)	0	88,789	0	0	0	(141,384)	141,384
STORM DEFICIENCY RECOVERY	(108,316,904)	0	29,742	(69,338,995)	0	(7,332,201)	0	0	0	(96,641,454)	(11,675,450)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,482,346	0	0	(571,815)	0	0	0	910,531	(910,531)
INTEREST SYNCHRONIZATION	0	0	0	0	0	22,259,575	(4,823,294)	0	0	17,436,281	(17,436,281)
TOTAL FPSC ADJUSTMENTS	\$ (5,290,678,129)	(3,948,087,089)	(268,020,649)	(206,738,871)	(722,956,555)	1,040,589	(39,643,842)	0	399,265	(5,184,007,152)	\$ (106,670,977)
FPSC ADJUSTED	\$ 5,494,259,164	23,204,063	1,313,570,562	1,192,353,765	432,098,815	487,604,428	324,175,222	1,086,052	(977,373)	3,773,115,534	\$ 1,721,143,631
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,477,597,069	23,204,063	1,313,570,562	1,192,353,765	432,086,818	481,181,652	324,175,222	1,086,052	(977,373)	3,766,680,761	\$ 1,710,916,308
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 54,810,246										
	\$ 52,741,669										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,240,199										
ON A JURISDICTIONAL BASIS	\$ 2,169,465										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 971,931,885	357,245,550	131,178,402	187,282,358	98,776,944	69,980,232	(10,348,893)	258,248	(147,597)	834,225,243	\$ 137,706,642
JURISDICTIONAL PER BOOKS	\$ 930,825,847	341,266,552	127,382,664	181,750,473	97,550,969	64,171,668	(9,578,707)	249,428	(146,249)	802,648,799	\$ 128,177,048

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
OCTOBER, 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)	\$ (16,862,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
TOTAL PROFORMA ADJUSTMENTS	\$ (16,862,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)

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
OCTOBER, 2014

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,494,027,067	\$ 1,432,063,475
FUEL AND CAPACITY	235,547,503	225,371,281
CAPITALIZED EXECUTIVE COMPENSATION	4,542,442	4,399,015
LOAD CONTROL	41,797,883	41,797,883
ASSET RETIREMENT OBLIGATION	18,290,438	17,712,919
CAPITAL LEASES	58,404,741	56,560,616
TOTAL	\$ 1,852,610,074	\$ 1,777,905,189
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (112,962,503)	\$ (108,277,472)
ACCUM PROV DECOMMISSIONING COSTS	(3,626,916,314)	(3,448,438,446)
ASSET RETIREMENT OBLIGATION	47,694,913	46,188,950
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,361,452,861	3,255,315,255
FUEL AND CAPACITY	(36,597,940)	(35,026,118)
OTHER RATE CASE ADJUSTMENTS (1)	(18,400)	(17,706)
LOAD CONTROL	(20,591,225)	(20,591,225)
CAPITAL LEASES	(4,036,218)	(3,908,775)
TOTAL	\$ (391,974,827)	\$ (314,755,537)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,116,758,468	\$ 1,061,167,302
CWIP - CAPACITY & ECRC PROJECTS	58,836,074	56,379,870
TOTAL	\$ 1,175,594,542	\$ 1,117,547,172
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)	\$ (2,934,729,510)	\$ (2,826,735,022)
TOTAL ADJUSTMENTS	\$ (298,499,721)	\$ (246,038,199)

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
OCTOBER, 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	\$ 11,178,499,830	4,155,012,244	1,631,105,136	1,446,610,896	1,170,076,119	504,370,026	377,072,094	1,124,455	(1,393,914)	9,283,977,055	\$ 1,894,522,775
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,010,881)	0	0	0	(12,037,240)	(175,891,832)	0	0	0	(187,929,072)	\$ (280,081,809)
FRANCHISE EXPENSE	0	0	0	0	(455,973,593)	175,891,813	0	0	0	(280,081,779)	280,081,779
GROSS RECEIPTS TAX	(250,432,553)	0	0	0	(250,036,651)	(152,719)	0	0	0	(250,189,370)	(243,183)
FINANCIAL PLANNING SERVICES	0	0	(393,735)	0	0	151,883	0	0	0	(241,852)	241,852
INDUSTRY ASSOCIATION DUES	0	0	(1,940,331)	0	0	748,483	0	0	0	(1,191,848)	1,191,848
ECONOMIC DEVELOPMENT 5%	0	0	(112,010)	0	0	43,208	0	0	0	(68,802)	68,802
AVIATION - EXPENSES	0	0	(190,772)	0	0	73,590	0	0	0	(117,182)	117,182
EXECUTIVE COMPENSATION	0	0	(28,621,711)	0	0	11,040,825	0	0	0	(17,580,886)	17,580,886
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST REC RETAIL	(3,669,840,116)	(3,639,356,162)	(10,687,811)	0	(2,461,825)	51,618,390	(58,305,103)	0	0	(3,659,192,511)	(10,647,605)
CONSERVATION COST RECOVERY	(163,572,293)	0	(149,205,360)	(8,377,694)	(1,612,529)	(5,348,416)	3,660,100	0	0	(160,883,899)	(2,688,394)
CAPACITY COST RECOVERY	(583,840,013)	(491,418,428)	(59,059,075)	(58,607,217)	(550,033)	(7,499,711)	17,450,032	0	0	(599,684,432)	15,844,419
ENVIRONMENTAL COST RECOVERY	(208,421,889)	0	(24,357,498)	(52,356,224)	(297,143)	(53,103,111)	2,250,627	0	416,541	(127,446,807)	(80,975,082)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(239,201)	0	92,272	0	0	0	(146,929)	146,929
STORM DEFICIENCY RECOVERY	(108,316,904)	0	7,385	(89,338,995)	0	(7,323,577)	0	0	0	(96,655,187)	(11,661,717)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,530,677	0	0	(590,459)	0	0	0	940,219	(940,219)
INTEREST SYNCHRONIZATION	0	0	0	0	0	22,553,851	(4,980,555)	0	0	17,573,296	(17,573,296)
TOTAL FPSC ADJUSTMENTS	\$ (5,452,434,649)	(4,130,774,590)	(273,030,240)	(208,919,331)	(722,969,014)	12,304,491	(39,924,899)	0	416,541	(5,362,897,042)	\$ (89,537,607)
FPSC ADJUSTED	\$ 5,726,065,181	24,237,654	1,358,074,896	1,237,691,564	447,107,106	516,674,517	337,147,195	1,124,455	(977,373)	3,921,080,013	\$ 1,804,985,168
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,709,403,086	24,237,654	1,358,074,896	1,237,691,564	447,095,109	510,251,741	337,147,195	1,124,455	(977,373)	3,914,645,241	\$ 1,794,757,845

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 54,810,246

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
OCTOBER, 2014

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	21,109,832	20,423,792
INTEREST & DIVIDENDS RECEIVABLE	95,825	92,711
ACCTS RECEIVABLE - TAX REFUND	0	0
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	225,250,758	224,312,463
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,808,569	14,327,311
PREPAYMENTS - ECCR	43,572,263	43,572,263
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	4,301,112	4,138,785
RATE CASE EXPENSE	51,396	51,396
TEMPORARY CASH INVESTMENTS	1,948,154	1,884,841
ASSET RETIREMENT OBLIGATION	0	0
STORM DEFICIENCY RECOVERY	549,809,350	549,809,350
NUCLEAR COST RECOVERY	9,022,178	9,022,178
JOBGING ACCOUNTS	15,370,954	14,871,420
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 885,340,391	\$ 882,506,511
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(201,428)	(195,068)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(121,370,083)	(121,370,083)
ACCUM. PROV. - RATE REFUNDS	(348,601)	(347,316)
GAIN ON SALE OF EMISSION ALLOWANCE	(522,108)	(500,454)
JOBGING ACCOUNTS	(14,447,339)	(13,977,821)
PAYABLE TO NUCLEAR DECOMMISSIONING FUND	0	0
LEHMAN HEDGE	0	0
POLE ATTACHMENT RENTS PAYABLE	(7,494,695)	(7,251,128)
PREFERRED STOCK DIVIDENDS ACCRUED	0	0
SJRPP ACCELERATED RECOVERY	(43,119,836)	(41,254,939)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,427,438,246)	(3,319,217,157)
MARGIN CALL CASH COLLATERAL	0	0
NUCLEAR COST RECOVERY	(205,127,566)	(205,127,566)
TRANSMISSION RELIABILITY ENHANCEMENT	0	0
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (3,820,069,902)	\$ (3,709,241,533)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (2,934,729,510)	\$ (2,826,735,022)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
OCTOBER, 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)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
TOTAL PROFORMA ADJUSTMENTS	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)

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
OCTOBER, 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	\$ 38,992,416,245	13,574,183,550	25,418,232,695	243,157,816	1,808,354,352	725,862,979	28,195,607,843	(1,525,361,553)	\$ 26,670,246,290
JURISDICTIONAL PER BOOKS	\$ 37,314,486,766	12,252,275,121	25,062,211,645	231,038,424	1,720,383,491	694,909,257	27,708,542,817	(2,152,028,118)	\$ 25,556,514,698
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,619,311,896)	(343,477,806)	(1,275,834,091)	0	(958,873,586)	0	(2,234,707,676)	2,826,735,022	\$ 592,027,346
FPSC ADJUSTED:	\$ 35,695,174,870	11,908,797,316	23,786,377,554	231,038,424	761,509,906	694,909,257	25,473,835,140	674,706,904	\$ 26,148,542,044
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 35,695,174,870	11,908,797,316	23,786,377,554	231,038,424	761,509,906	694,909,257	25,473,835,140	674,706,904	\$ 26,148,542,044

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
OCTOBER, 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	\$ 11,178,499,830	4,155,012,244	1,631,105,136	1,446,610,896	1,170,076,119	504,370,026	377,072,094	1,124,455	(1,393,914)	9,283,977,055	\$ 1,894,522,775
JURISDICTIONAL PER BOOKS	\$ 10,784,937,293	3,971,291,152	1,581,591,211	1,399,092,636	1,155,055,370	486,563,839	363,819,064	1,086,052	(1,376,638)	8,957,122,686	\$ 1,827,814,608
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,010,881)	0	0	0	(12,037,240)	(175,891,832)	0	0	0	(187,929,072)	\$ (280,081,809)
FRANCHISE EXPENSE	0	0	0	0	(455,973,593)	175,891,813	0	0	0	(280,081,779)	280,081,779
GROSS RECEIPTS TAX	(250,432,553)	0	0	0	(250,036,651)	(152,719)	0	0	0	(250,189,370)	(243,183)
FINANCIAL PLANNING SERVICES	0	0	(381,303)	0	0	147,087	0	0	0	(234,215)	234,215
INDUSTRY ASSOCIATION DUES	0	0	(1,879,065)	0	0	724,849	0	0	0	(1,154,216)	1,154,216
ECONOMIC DEVELOPMENT 5%	0	0	(108,473)	0	0	41,844	0	0	0	(66,630)	66,630
AVIATION - EXPENSES	0	0	(184,748)	0	0	71,267	0	0	0	(113,482)	113,482
EXECUTIVE COMPENSATION	0	0	(27,717,983)	0	0	10,692,212	0	0	0	(17,025,771)	17,025,771
FUEL COST REC RETAIL	(3,508,271,651)	(3,476,935,360)	(10,229,071)	0	(2,461,210)	50,988,608	(58,181,307)	0	0	(3,498,818,339)	(11,453,312)
CONSERVATION COST RECOVERY	(163,572,293)	0	(149,205,360)	(8,377,694)	(1,612,529)	(5,348,416)	3,680,100	0	0	(160,883,899)	(2,688,394)
CAPACITY COST RECOVERY	(583,651,957)	(471,151,729)	(56,479,445)	(58,607,217)	(544,289)	(16,242,355)	17,450,032	0	0	(585,575,004)	1,923,047
ENVIRONMENTAL COST RECOVERY	(208,421,889)	0	(23,347,290)	(50,184,791)	(291,043)	(54,326,118)	2,250,627	0	399,265	(125,499,349)	(82,922,540)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(230,173)	0	88,789	0	0	0	(141,384)	141,384
STORM DEFICIENCY RECOVERY	(108,316,904)	0	29,742	(89,338,995)	0	(7,332,201)	0	0	0	(96,641,454)	(11,675,450)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,482,346	0	0	(571,815)	0	0	0	910,531	(910,531)
INTEREST SYNCHRONIZATION	0	0	0	0	0	12,265,944	(4,823,294)	0	0	7,442,649	(7,442,649)
TOTAL FPSC ADJUSTMENTS	\$ (5,290,678,129)	(3,948,087,089)	(268,020,649)	(206,738,871)	(722,956,555)	(8,953,043)	(39,643,842)	0	399,265	(5,194,000,784)	\$ (96,677,345)
FPSC ADJUSTED	\$ 5,494,259,164	23,204,063	1,313,570,562	1,192,353,765	432,098,815	477,610,796	324,175,222	1,086,052	(977,373)	3,763,121,902	\$ 1,731,137,263
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,477,597,069	23,204,063	1,313,570,562	1,192,353,765	432,086,818	471,188,020	324,175,222	1,086,052	(977,373)	3,756,687,129	\$ 1,720,909,939

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

\$ 54,810,246
\$ 52,741,669

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
OCTOBER, 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)	\$ (16,662,096)	0	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
TOTAL PROFORMA ADJUSTMENTS	\$ (16,662,096)	0	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)

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
OCTOBER, 2014

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,529,736,879	\$ 1,466,292,058
FUEL AND CAPACITY	28,189,265	26,981,111
CAPITALIZED EXECUTIVE COMPENSATION	6,346,570	6,146,177
LOAD CONTROL	43,483,835	43,483,835
ASSET RETIREMENT OBLIGATION	20,495,234	19,848,099
CAPITAL LEASES	58,404,741	56,560,616
TOTAL	\$ 1,686,656,323	\$ 1,619,311,896
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (141,737,935)	\$ (135,859,466)
ACCUM PROV DECOMMISSIONING COSTS	(3,738,262,059)	(3,554,304,949)
ASSET RETIREMENT OBLIGATION	48,134,764	46,614,912
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,464,770,673	3,355,370,816
AVIATION - RESERVE	0	0
FUEL AND CAPACITY	(33,523,262)	(32,084,417)
OTHER RATE CASE ADJUSTMENTS (1)	(239,201)	(230,173)
LOAD CONTROL	(18,485,386)	(18,485,386)
CAPITAL LEASES	(4,645,833)	(4,499,141)
TOTAL	\$ (423,988,240)	\$ (343,477,806)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 934,846,222	\$ 887,470,739
CWIP - CAPACITY & ECRC PROJECTS	74,538,488	71,402,847
TOTAL	\$ 1,009,384,710	\$ 958,873,586
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL:	\$ (2,934,729,510)	\$ (2,826,735,022)
(SEE SCHEDULE 2, PAGE 3B OF 3)		
TOTAL ADJUSTMENTS	\$ (662,676,718)	\$ (592,027,346)

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
OCTOBER, 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	\$ 11,178,499,830	4,155,012,244	1,631,105,136	1,446,610,896	1,170,076,119	504,370,026	377,072,094	1,124,455	(1,393,914)	9,283,977,055	\$ 1,894,522,775
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,010,881)	0	0	0	(12,037,240)	(175,891,832)	0	0	0	(187,929,072)	\$ (280,081,809)
FRANCHISE EXPENSE	0	0	0	0	(455,973,593)	175,891,813	0	0	0	(280,081,779)	280,081,779
GROSS RECEIPTS TAX	(250,432,553)	0	0	0	(250,036,651)	(152,719)	0	0	0	(250,189,370)	(243,183)
FINANCIAL PLANNING SERVICES	0	0	(393,735)	0	0	151,883	0	0	0	(241,852)	241,852
INDUSTRY ASSOCIATION DUES	0	0	(1,940,331)	0	0	748,483	0	0	0	(1,191,848)	1,191,848
ECONOMIC DEVELOPMENT 5%	0	0	(112,010)	0	0	43,208	0	0	0	(68,802)	68,802
AVIATION - EXPENSES	0	0	(190,772)	0	0	73,590	0	0	0	(117,182)	117,182
EXECUTIVE COMPENSATION	0	0	(28,621,711)	0	0	11,040,825	0	0	0	(17,580,886)	17,580,886
FUEL COST REC RETAIL	(3,669,840,116)	(3,639,356,162)	(10,687,811)	0	(2,461,825)	51,618,390	(58,305,103)	0	0	(3,659,192,511)	(10,647,605)
CONSERVATION COST RECOVERY	(163,572,293)	0	(149,205,360)	(8,377,694)	(1,612,529)	(5,348,416)	3,660,100	0	0	(160,883,899)	(2,688,394)
CAPACITY COST RECOVERY	(583,840,013)	(491,418,428)	(59,059,075)	(58,607,217)	(550,033)	(7,499,711)	17,450,032	0	0	(599,684,432)	15,844,419
ENVIRONMENTAL COST RECOVERY	(208,421,889)	0	(24,357,498)	(52,356,224)	(297,143)	(53,103,111)	2,250,627	0	416,541	(127,446,807)	(80,975,082)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(239,201)	0	92,272	0	0	0	(146,929)	146,929
STORM DEFICIENCY RECOVERY	(108,316,904)	0	7,385	(89,338,995)	0	(7,323,577)	0	0	0	(96,655,187)	(11,661,717)
GAIN ON SALE LAND (PROPERTY)	0	0	0	0	0	0	0	0	0	0	0
INTEREST TAX DEFICIENCIES	0	0	1,530,677	0	0	(590,459)	0	0	0	940,219	(940,219)
INTEREST SYNCHRONIZATION	0	0	0	0	0	11,347,244	(4,980,555)	0	0	6,366,689	(6,366,689)
TOTAL FPSC ADJUSTMENTS	\$ (5,452,434,649)	(4,130,774,590)	(273,030,240)	(208,919,331)	(722,969,014)	1,097,884	(39,924,899)	0	416,541	(5,374,103,649)	\$ (78,331,000)
FPSC ADJUSTED	\$ 5,726,065,181	24,237,654	1,358,074,896	1,237,691,564	447,107,106	505,467,910	337,147,195	1,124,455	(977,373)	3,909,873,407	\$ 1,816,191,775
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,709,403,086	24,237,654	1,358,074,896	1,237,691,564	447,095,109	499,045,135	337,147,195	1,124,455	(977,373)	3,903,438,634	\$ 1,805,964,451
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 54,810,246										

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
OCTOBER, 2014

SCHEDULE 3: PAGE 3B 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								
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)
TOTAL PROFORMA ADJUSTMENTS	\$ (16,662,096)	0	0	0	(11,997)	(6,422,776)	0	0	0	(6,434,772)	\$ (10,227,323)

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
OCTOBER, 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	\$ 7,876,531,363			\$ 7,589,312,433	\$ 286,087,064	\$ (394,204,759)	\$ 7,481,194,739	29.73%	4.78%
SHORT TERM DEBT	196,566,906	189,068,908	7,517,632	0	196,586,539	0.78%	3.21%	0.03%	3.21%	0.03%	3.21%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,748,127,125	11,299,997,567	449,302,954	(0)	11,749,300,521	46.69%	9.50%	4.44%	10.50%	4.90%	11.50%	5.37%
CUSTOMER DEPOSITS	396,890,143	397,248,030	15,795,111	0	413,043,141	1.64%	2.05%	0.03%	2.05%	0.03%	2.05%	0.03%
DEFERRED INCOME TAX	5,490,121,043	5,287,027,700	203,625,128	(165,842,909)	5,324,809,920	21.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	164,735,397	157,908,675	63,734	(156,305,757)	1,666,652	0.01%	7.66%	0.00%	8.27%	0.00%	8.88%	0.00%
TOTAL	\$ 25,872,971,978	\$ 24,920,563,313	\$ 962,391,623	\$ (716,353,425)	\$ 25,166,601,512	100.00%		5.91%		6.38%		6.85%

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	\$ 8,481,444,534			\$ 8,129,348,754	\$ 406,288,335	\$ (393,614,392)	\$ 8,142,022,697	31.14%	4.77%
SHORT TERM DEBT	8,096,525	7,746,326	406,845	-	8,153,171	0.03%	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	11,939,637,650	11,423,212,615	599,958,299	-	12,023,170,914	45.98%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
CUSTOMER DEPOSITS	409,271,316	409,602,288	21,512,713	-	431,115,000	1.65%	2.13%	0.04%	2.13%	0.04%	2.13%	0.04%
DEFERRED INCOME TAX	5,665,389,551	5,427,310,711	276,337,435	(165,842,909)	5,537,805,237	21.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	166,406,713	159,294,005	313,125	(153,332,105)	6,275,025	0.02%	7.59%	0.00%	8.19%	0.00%	8.78%	0.00%
TOTAL	\$ 26,670,246,290	\$ 25,556,514,698	\$ 1,304,816,752	\$ (712,789,406)	\$ 26,148,542,044	100.00%		5.89%		6.35%		6.81%

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
OCTOBER, 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	\$ 7,481,194,739	\$ -	\$ 7,481,194,739	29.73%	4.78%	1.42%	4.78%	1.42%	4.78%	1.42%
SHORT TERM DEBT	196,586,539	-	196,586,539	0.78%	3.21%	0.03%	3.21%	0.03%	3.21%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	11,749,300,521	-	11,749,300,521	46.69%	9.50%	4.44%	10.50%	4.90%	11.50%	5.37%
CUSTOMER DEPOSITS	413,043,141	-	413,043,141	1.64%	2.05%	0.03%	2.05%	0.03%	2.05%	0.03%
DEFERRED INCOME TAX	5,324,809,920	-	5,324,809,920	21.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	1,666,652	-	1,666,652	0.01%	7.66%	0.00%	8.27%	0.00%	8.88%	0.00%
TOTAL	\$ 25,166,601,512	\$ -	\$ 25,166,601,512	100.00%		5.91%		6.38%		6.85%

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	\$ 8,142,022,697	\$ -	\$ 8,142,022,697	31.14%	4.77%	1.49%	4.77%	1.49%	4.77%	1.49%
SHORT TERM DEBT	8,153,171	-	8,153,171	0.03%	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	12,023,170,914	-	12,023,170,914	45.98%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
CUSTOMER DEPOSITS	431,115,000	-	431,115,000	1.65%	2.13%	0.04%	2.13%	0.04%	2.13%	0.04%
DEFERRED INCOME TAX	5,537,805,237	-	5,537,805,237	21.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	6,275,025	-	6,275,025	0.02%	7.59%	0.00%	8.19%	0.00%	8.78%	0.00%
TOTAL	\$ 26,148,542,044	\$ -	\$ 26,148,542,044	100.00%		5.89%		6.35%		6.81%

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	\$ 1,916,635,653
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	16,103,123
INCOME TAXES	881,101,218
TOTAL	<u>\$ 2,813,839,994</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 445,361,701</u>
TIMES INTEREST EARNED WITH AFUDC	<u>6.32</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 1,916,635,653
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(38,707,123)
INCOME TAXES	881,101,218
TOTAL	<u>\$ 2,759,029,748</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 445,361,701</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.20</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 16,103,123
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	<u>\$ 9,891,344</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	<u>38,707,123</u>
TOTAL	<u>\$ 48,598,466</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 1,487,377,076</u>
AFUDC AS PERCENT OF NET INCOME	<u>3.27%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (89,494,804)
GAINS ON DISPOSITION OF PROPERTY	(1,400,145)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (90,894,949)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,487,377,076
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,300,000,000)
AFUDC (DEBT & OTHER)	(54,810,246)
DEPRECIATION AND AMORTIZATION EXPENSE	1,449,518,681
DEFERRED INCOME TAXES	365,400,740
INVESTMENT TAX CREDITS	1,124,455
OTHER SOURCE/USES OF FUNDS	(90,894,949)
INTERNALLY GENERATED FUNDS	<u>\$ 1,857,715,756</u>
CONSTRUCTION EXPENDITURES	<u>\$ 2,686,354,645</u>
PERCENT INTERNALLY GENERATED FUNDS	<u>69.15%</u>

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	\$ 7,481,194,739
JURIS ADJUSTED SHORT TERM DEBT	196,586,539
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	11,749,300,521
TOTAL	<u>\$ 19,427,081,799</u>
LTD TO TOTAL INVESTOR FUNDS	<u>38.51%</u>
STD TO TOTAL INVESTOR FUNDS	<u>1.01%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.84%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.42%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.48%</u>
TOTAL	<u>5.36%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.69%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.48%</u>

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.80%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.42%

SHORT TERM DEBT 0.03%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.03%

TAX CREDITS - WTD COST 0.00%

SUBTOTAL 1.48%

PRO FORMA ROR LESS NON EQUITY COST 5.32%

PRO FORMA COMMON EQUITY RATIO 46.69%

PRO FORMA RETURN ON COMMON EQUITY 11.39%