



March 16, 2015

- VIA HAND DELIVERY -

Mr. Andrew L. Maurey, Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
15 MAR 16 AM 8:19
DIVISION OF
ACCOUNTING & FINANCE

Re: ***2015 Forecasted Earnings Surveillance Report***

Dear Mr. Maurey:

On February 27, 2015, Florida Power & Light Company ("FPL") filed a request for an extension of time to March 16, 2015 to file its 2015 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2015 FESR. Please note that the forecast results contained in this FESR reflect FPL's 2015 planning assumptions. In accordance with the stipulation and Settlement Agreement that the Commission approved in Order No. PSC-13-0023-S-EI, FPL will vary the portion of the Reserve Amount amortized in 2015 to maintain its actual return on equity within the range of 9.5% to 11.5%.

Sincerely,

A handwritten signature in cursive script that reads "Robert E. Barrett".

Robert E. Barrett
Vice President, Finance

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

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 (\$000'S)

SCHEDULE 1
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2015

	(1)	(2)	(3)
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>	<u>PER BOOKS</u>	<u>FPSC ADJUSTMENTS</u>	<u>FPSC ADJUSTED</u>
NET OPERATING INCOME	\$1,996,005	(\$133,740)	\$1,862,266
AVERAGE RATE BASE	\$26,883,409	\$593,264	\$27,476,673
AVERAGE RATE OF RETURN	7.42%		6.78%

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	5.85%
MIDPOINT	6.31%
HIGH	6.78%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIE WITH AFUDC	6.55	(SYSTEM PER BOOK BASIS)
B. TIE WITHOUT AFUDC	6.43	(SYSTEM PER BOOK BASIS)
C. AFUDC TO NET INCOME	3.08%	(SYSTEM PER BOOK BASIS)
D. INTERNALLY GENERATED FUNDS	115.42%	(SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.25%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.75%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY	11.50%	(FPSC ADJUSTED BASIS)

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
RATE BASE (\$000's)

SCHEDULE 2
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$40,440,958	(\$13,807,549)	\$26,633,409	\$237,448	\$1,848,197	\$717,975	\$29,437,029	(\$1,487,448)	\$27,949,580
JURISDICTIONAL PER BOOKS	38,695,271	(12,348,712)	26,346,559	225,507	1,754,685	687,358	29,014,109	(2,130,700)	26,883,409
FPSC ADJUSTMENTS:									
ACCUM PROVISION FOR DECOMMISSIONING		3,661,485	3,661,485				3,661,485		3,661,485
CAPITALIZED EXECUTIVE COMPENSATION	(6,478)		(6,478)				(6,478)		(6,478)
ENVIRONMENTAL PLANT	(1,527,208)	168,900	(1,358,309)		(30,979)		(1,389,288)		(1,389,288)
FUEL AND CAPACITY PLANT	(31,483)	31,831	347				347	(7,358)	(7,011)
GAS RESERVES	(123,945)	6,945	(117,001)				(117,001)		(117,001)
CONSERVATION PLANT	(47,758)	23,267	(24,491)				(24,491)		(24,491)
ASSET RETIREMENT OBLIGATIONS - PLANT	(20,373)	(3,512,073)	(3,532,447)				(3,532,447)		(3,532,447)
CAPITAL LEASE	(56,561)	5,319	(51,242)				(51,242)		(51,242)
CONSTRUCTION WORK IN PROGRESS					(1,118,394)		(1,118,394)		(1,118,394)
ACCOUNTS RECEIVABLE/PAYABLE ASSOC. COS.								(33,142)	(33,142)
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(49,866)	(49,866)
NUCLEAR COST RECOVERY								228,445	228,445
CEDAR BAY TRANSACTION								(148,196)	(148,196)
STORM DEFICIENCY RECOVERY								(443,064)	(443,064)
ACCUM PROV FOR PROPERTY INSURANCE								122,832	122,832
ASSET RETIREMENT OBLIGATIONS - WORKING CAPITAL								3,532,447	3,532,447
SJRPP ACCELERATED RECOVERY								40,672	40,672
OTHER MISCELLANEOUS WORKING CAPITAL								(71,997)	(71,997)
TOTAL FPSC ADJUSTMENTS	(1,813,807)	385,673	(1,428,134)	0	(1,149,374)	0	(2,577,508)	3,170,772	593,264
FPSC ADJUSTED	\$36,881,464	(\$11,963,039)	\$24,918,425	\$225,507	\$605,312	\$687,358	\$26,436,601	\$1,040,072	\$27,476,673

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
INCOME STATEMENT (\$000's)

SCHEDULE 2
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries
YEAR: 2015

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE		DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
		FUEL & NET INTERCHANGE	OTHER O&M						
SYSTEM PER BOOKS	\$11,397,709	\$4,097,002	\$1,599,896	\$1,399,330	\$1,230,810	\$988,685	(\$5,710)	\$9,310,013	\$2,087,696
JURISDICTIONAL PER BOOKS	10,949,542	3,890,420	1,550,147	1,352,158	1,223,933	942,576	(5,697)	8,953,537	1,996,005
<u>FPSC ADJUSTMENTS:</u>									
CAPACITY COST RECOVERY	(494,992)	(366,869)	(60,579)	(34,304)	(504)	(12,628)		(474,884)	(20,108)
CONSERVATION COST RECOVERY	(101,061)		(87,275)	(9,502)	(1,804)	(957)		(99,538)	(1,523)
ENVIRONMENTAL COST RECOVERY	(203,408)		(22,928)	(51,465)	(302)	(49,739)	229	(124,206)	(79,202)
FUEL COST RECOVERY, INCLUDING GAS RESERVES	(3,559,183)	(3,499,901)	(4,576)	(19,588)	(2,514)	(12,577)		(3,539,156)	(20,028)
STORM RECOVERY	(111,111)		(750)	(95,500)		(5,733)		(101,983)	(9,129)
FRANCHISE REVENUE & EXPENSE	(490,949)				(490,949)	(0)		(490,949)	0
GROSS RECEIPTS TAX	(260,551)				(260,551)	0		(260,551)	0
MISCELLANEOUS O&M EXPENSES			(2,375)			916		(1,459)	1,459
AVIATION EXPENSE			(189)			73		(116)	116
EXECUTIVE COMPENSATION			(24,163)			9,321		(14,842)	14,842
INTEREST TAX DEFICIENCIES			(138)			53		(84)	84
INTEREST SYNCHRONIZATION						20,251		20,251	(20,251)
TOTAL FPSC ADJUSTMENTS	(5,221,256)	(3,866,769)	(202,972)	(210,359)	(756,624)	(51,020)	229	(5,087,516)	(133,740)
FPSC ADJUSTED	\$5,728,286	\$23,650	\$1,347,175	\$1,141,799	\$467,309	\$891,556	(\$5,468)	\$3,866,020	\$1,862,266

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 CAPITAL STRUCTURE (\$000'S)
 FPSC ADJUSTED BASIS

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2015

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT		MIDPOINT		HIGHPOINT	
			PRORATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$8,379,852	\$8,062,398	\$349,695	(\$324,181)	\$8,087,911	29.44%	4.80%	1.41%	4.80%	1.41%	4.80%	1.41%
SHORT TERM DEBT	369,261	354,783	16,033	\$0	370,816	1.35%	1.50%	0.02%	1.50%	0.02%	1.50%	0.02%
PREFERRED STOCK	0	0	0	\$0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	409,234	409,150	18,490	\$0	427,640	1.56%	2.04%	0.03%	2.04%	0.03%	2.04%	0.03%
COMMON EQUITY	12,634,687	12,139,313	548,583	(\$1)	12,687,895	46.18%	9.50%	4.39%	10.50%	4.85%	11.50%	5.31%
DEFERRED INCOME TAXES	5,998,450	5,768,090	255,103	(\$123,054)	5,900,138	21.47%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	158,093	149,675	98	(\$147,500)	2,273	0.01%	7.67%	0.00%	8.28%	0.00%	0.00%	0.00%
TOTAL	\$27,949,578	\$26,883,409	\$1,188,002	(\$594,737)	\$27,476,673	100.00%		5.85%		6.31%		6.78%

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS
(\$000's)**

**SCHEDULE 4
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: 2015**

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$2,099,691
AFUDC - DEBT	12,976
INCOME TAXES	<u>977,359</u>
TOTAL	<u>\$3,090,026</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	471,795
TIE WITH AFUDC	<u>6.55</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$2,099,691
AFUDC - EQUITY	(42,585)
INCOME TAXES	<u>977,359</u>
TOTAL	<u>\$3,034,465</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	471,795
TIE WITHOUT AFUDC	<u>6.43</u>

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$12,976
X (1-INCOME TAX RATE)	<u>61.43%</u>
SUBTOTAL	\$7,970
AFUDC - EQUITY	<u>42,585</u>
TOTAL	<u>\$50,555</u>
NET INCOME AVAILABLE TO COMMON	<u>\$1,640,872</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.08%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$1,640,872
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(342,294)
AFUDC (DEBT & OTHER)	(55,560)
DEPRECIATION & AMORTIZATION	1,399,330
DEFERRED INC TAXES & INVESTMENT CREDITS	517,588
OTHER SOURCES/USES OF FUNDS	<u>404,312</u>
TOTAL	<u>\$3,564,248</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$3,088,128
PERCENT INTERNALLY GENERATED FUNDS	115.42%

E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$8,087,911
SHORT TERM DEBT	370,816
PREFERRED STOCK	0
COMMON EQUITY	<u>12,687,893</u>
TOTAL	<u>\$21,146,620</u>
% LONG TERM DEBT TO TOTAL	38.25%
% SHORT TERM DEBT TO TOTAL	1.75%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	<u>FPSC ADJUSTED</u>
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.78%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.41%
SHORT TERM DEBT	0.02%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	<u>0.00%</u>
SUBTOTAL	<u>1.47%</u>
TOTAL	5.31%
DIVIDED BY COMMON EQUITY RATIO	<u>46.18%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.50%</u>

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FORECAST ASSUMPTIONS**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: 2015**

FORECASTED ASSUMPTIONS:

	FORECASTED YEAR	PRIOR YEAR
CUSTOMERS		
RESIDENTIAL	4,230,063	4,169,028
COMMERCIAL	532,023	525,591
INDUSTRIAL	11,265	10,415
OTHER	3,851	3,784
TOTAL	4,777,203	4,708,819
MWH SALES		
RESIDENTIAL	57,556,033	55,202,423
COMMERCIAL	45,896,176	45,684,023
INDUSTRIAL	2,929,190	2,941,201
OTHER	574,195	561,405
TOTAL	106,955,593	104,389,052

(1) Includes forecasted weather normal sales
(2) 2014 actual sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

- A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):**
- | | |
|--|------|
| 1. CONSUMER PRICE INDEX (CPI) | 1.4% |
| 2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR | 1.9% |
| 3. PRODUCER PRICE INDEX (PPI) - ALL GOODS | 1.2% |
| 4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS | 1.4% |
| 5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS | 1.2% |
- B. CAPITAL OVERHEAD RATES**
- | | |
|------------------------------|-------|
| 1. PENSION & WELFARE | 12.6% |
| 2. PAYROLL TAXES & INSURANCE | 7.3% |
- C. OTHER CORPORATE ASSUMPTIONS**
- INTEREST RATES -**
- | | |
|---|------------|
| 1) 30 DAY COMMERCIAL PAPER | 0.4% |
| 2) LONG TERM DEBT | 3.3% |
| DEPRECIATION RESERVE SURPLUS AMORTIZATION | (\$61,464) |
- D. WEST COUNTY 3 CAPACITY CLAUSE REVENUE REQUIREMENTS
ARE REFLECTED AS BASE IN FPSC ADJUSTED RESULTS**
- E. THE APPROVAL OF BONUS DEPRECIATION FOR 2015 IS ASSUMED IN THE FORECAST**

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND 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 OR S. 775.083

Robert E. Barrett, Jr.
NAME

Vice President - Finance
TITLE


SIGNATURE

3/12/2015
DATE

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 INDIVIDUAL PROJECTS COMMENCING DURING 2015 WHICH EXCEED \$10 MILLION
 (AMOUNTS IN \$000'S)

Company: Florida Power & Light Company and Subsidiaries
 YEAR: 2015

Schedule of Individual projects that commence during 2015 and exceed a gross cost of \$10 million:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
GAS RESERVES	150,000	Mar-15	Various
RADIO REPLACEMENT	53,239	Jan-15	Dec-17
BUCKINGHAM INJECTION	36,942	Jan-15	Dec-17
DIGITALIZATION OF SUBSTATION RELAYS	33,696	Mar-15	Dec-16
DIGITAL CUSTOMER EXPERIENCE	15,881	Jan-15	Dec-16
PSL 2B2 RCP RUN OUT VIBRATION REDUCTION	14,432	Aug-15	Apr-17