



September 15, 2016

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 July 2016. 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 11.50%.

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

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Fuentes".

Elizabeth Fuentes  
Sr. Director of Regulatory Accounting

Enclosures

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

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
2016 SEP 15 AM 10:34  
DIVISION OF  
ACCOUNTING & FINANCE

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
EARNINGS SURVEILLANCE REPORT SUMMARY  
JULY, 2016

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	\$ 2,139,035,961 (A)	(232,419,113) (B)	1,906,616,848	(89,902,244)	\$ 1,816,714,604
RATE BASE	\$ 28,849,284,098	(543,042,093)	28,306,242,004	0	\$ 28,306,242,004
AVERAGE RATE OF RETURN	7.41%		6.74%		6.42%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,139,035,961 (A)	(229,354,242) (B)	1,909,681,719	(89,902,244)	\$ 1,819,779,475
RATE BASE	\$ 30,170,767,907	(345,505,896)	29,825,262,011	0	\$ 29,825,262,011
YEAR END RATE OF RETURN	7.09%		6.40%		6.10%

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

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

LOW	5.80%
MIDPOINT	6.27%
HIGH	6.73%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.80	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.58	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.54%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	65.41%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.09%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.40%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.82%	(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)

*Kimberly Ousdahl*  
(SIGNATURE)  
for K. Ousdahl

9/15/16  
(DATE)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
RATE BASE  
JULY, 2016

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	\$ 41,588,521,699	13,980,760,752	27,607,760,948	240,283,082	2,942,972,754	716,751,710	31,507,768,493	(1,433,347,309)	\$ 30,074,421,184
JURISDICTIONAL PER BOOKS	\$ 39,728,339,907	12,514,950,580	27,213,389,327	227,894,358	2,790,235,961	676,833,653	30,908,353,299	(2,059,089,201)	\$ 28,849,284,098
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,106,748,947)	(424,898,653)	(1,681,850,293)	(1,097,189)	(1,845,101,506)	0	(3,528,048,968)	2,985,006,875	\$ (543,042,093)
FPSC ADJUSTED:	\$ 37,621,590,961	12,090,051,927	25,531,539,034	226,797,189	945,134,455	676,833,653	27,380,304,331	925,937,674	\$ 28,306,242,004
 <b>PRO FORMA ADJUSTMENTS</b>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 37,621,590,961	12,090,051,927	25,531,539,034	226,797,189	945,134,455	676,833,653	27,380,304,331	925,937,674	\$ 28,306,242,004

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, 2016

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	\$ 11,142,047,829	3,639,414,309	1,647,588,606	1,476,673,228	1,216,238,701	87,885,823	953,777,306	4,517,003	(5,860,705)	9,020,234,272	\$ 2,121,813,558
JURISDICTIONAL PER BOOKS	\$ 10,695,948,675	3,443,854,207	1,587,306,351	1,428,041,270	1,197,684,856	84,453,088	916,532,373	4,346,961	(5,855,217)	8,656,363,889	\$ 2,039,564,786
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (464,523,908)	0	0	0	(11,947,555)	(174,581,328)	0	0	0	(186,528,883)	\$ (277,995,025)
FRANCHISE EXPENSE	0	0	0	0	(452,576,370)	174,581,335	0	0	0	(277,995,035)	277,995,035
GROSS RECEIPTS TAX	(247,454,616)	0	0	0	(247,241,693)	(82,135)	0	0	0	(247,323,828)	(130,788)
FINANCIAL PLANNING SERVICES	0	0	(505,760)	0	0	195,097	0	0	0	(310,663)	310,663
INDUSTRY ASSOCIATION DUES	0	0	(2,062,048)	0	0	795,435	0	0	0	(1,266,613)	1,266,613
ECONOMIC DEVELOPMENT 5%	0	0	(112,540)	0	0	43,412	0	0	0	(69,127)	69,127
AVIATION - EXPENSES	0	0	(97,838)	0	0	37,741	0	0	0	(60,097)	60,097
EXECUTIVE COMPENSATION	0	0	(32,815,592)	0	0	12,658,615	0	0	0	(20,156,977)	20,156,977
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,181,060,055)	(3,109,106,049)	(4,832,894)	(17,118,443)	(2,716,171)	(75,416,732)	57,277,026	0	0	(3,151,913,263)	(29,146,792)
CONSERVATION COST RECOVERY	(83,034,643)	0	(69,234,315)	(10,081,259)	(1,307,500)	(6,232,154)	5,301,892	0	0	(81,553,337)	(1,481,306)
CAPACITY COST RECOVERY	(414,960,550)	(298,225,509)	(51,466,431)	(28,442,395)	(469,064)	(14,134,278)	109,507	0	0	(392,628,170)	(22,332,380)
ENVIRONMENTAL COST RECOVERY	(243,433,198)	0	(63,227,943)	(51,811,599)	(351,347)	(57,375,268)	7,943,187	0	103,073	(164,719,897)	(78,713,301)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	(873,703)	0	337,031	0	0	0	(536,672)	536,672
STORM DEFICIENCY RECOVERY	(114,878,903)	0	(583,356)	(100,593,793)	0	(5,285,452)	0	0	0	(106,462,601)	(8,416,302)
INTEREST TAX DEFICIENCIES	0	0	354,037	0	0	(136,570)	0	0	0	217,467	(217,467)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,997,772	(9,068,012)	0	0	14,929,760	(14,929,760)
TOTAL FPSC ADJUSTMENTS	\$ (4,749,345,673)	(3,407,331,558)	(224,584,679)	(208,921,192)	(716,609,700)	(120,597,480)	61,563,600	0	103,073	(4,816,377,935)	\$ (132,967,938)
FPSC ADJUSTED	\$ 5,946,602,802	36,522,650	1,362,721,672	1,219,120,078	481,075,156	(36,144,392)	978,095,973	4,346,961	(5,752,144)	4,039,985,954	\$ 1,906,616,848
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,800,136,346	36,522,650	1,362,721,672	1,219,120,078	480,969,700	(92,603,148)	978,095,973	4,346,961	(5,752,144)	3,983,421,742	\$ 1,816,714,604
<b>(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY</b>											
	\$ 103,607,490										
	\$ 99,451,175										
<b>(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:</b>											
ON A TOTAL COMPANY BASIS	\$ 2,331,749										
ON A JURISDICTIONAL BASIS	\$ 2,250,793										
<b>CURRENT MONTH AMOUNT</b>											
SYSTEM PER BOOKS	\$ 1,153,658,686	384,353,173	130,539,521	172,389,728	117,050,497	63,664,539	56,438,914	39,324	(477,419)	923,998,277	\$ 229,660,408
JURISDICTIONAL PER BOOKS	\$ 1,112,726,719	362,957,724	125,934,547	165,732,333	115,426,922	62,600,392	55,498,324	37,844	(477,362)	887,710,724	\$ 225,015,994

NOTES:

- (1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.  
(2) 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, 2016

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,628,081,705	\$ 1,545,787,017
FUEL AND CAPACITY	75,043,096	70,951,334
FUEL CLAUSE - GAS RESERVES (1)	120,155,120	113,438,161
CAPITALIZED EXECUTIVE COMPENSATION	12,554,642	12,118,757
LOAD CONTROL	50,595,367	50,595,367
ASSET RETIREMENT OBLIGATION	267,059,034	257,787,014
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	<u>\$ 2,212,713,651</u>	<u>\$ 2,107,846,115</u>
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (210,551,125)	\$ (199,908,392)
ACCUM PROV DECOMMISSIONING COSTS	(3,830,156,725)	(3,621,941,374)
ASSET RETIREMENT OBLIGATION	41,905,461	40,450,546
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,552,270,661	3,428,939,409
FUEL AND CAPACITY	(34,228,476)	(32,316,656)
FUEL CLAUSE - GAS RESERVES (1)	(8,965,587)	(8,464,389)
OTHER RATE CASE ADJUSTMENTS (2)	(70,017)	(67,208)
LOAD CONTROL	(25,549,848)	(25,549,848)
CAPITAL LEASES	(6,258,013)	(6,040,741)
TOTAL	<u>\$ (521,603,668)</u>	<u>\$ (424,898,653)</u>
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 1,916,495,559	\$ 1,805,538,196
CWIP - CLAUSE PROJECTS (1)	41,821,540	39,563,310
TOTAL	<u>\$ 1,958,317,099</u>	<u>\$ 1,845,101,506</u>
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
<b>WORKING CAPITAL:</b>	\$ (3,085,326,128)	\$ (2,985,006,875)
(SEE SCHEDULE 2, PAGE 3B OF 3)		
<b>TOTAL ADJUSTMENTS</b>	<u><b>\$ 564,100,964</b></u>	<u><b>\$ 543,042,093</b></u>

**NOTES:**

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

(2) 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, 2016

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	\$ 11,142,047,829	3,639,414,309	1,647,588,606	1,476,673,228	1,216,238,701	87,885,823	953,777,306	4,517,003	(5,860,705)	9,020,234,272	\$ 2,121,813,558
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (464,523,908)	0	0	0	(11,947,555)	(174,581,328)	0	0	0	(186,528,883)	\$ (277,995,025)
FRANCHISE EXPENSE	0	0	0	0	(452,576,370)	174,581,335	0	0	0	(277,995,035)	277,995,035
GROSS RECEIPTS TAX	(247,454,616)	0	0	0	(247,241,693)	(82,135)	0	0	0	(247,323,828)	(130,788)
FINANCIAL PLANNING SERVICES	0	0	(523,951)	0	0	202,114	0	0	0	(321,837)	321,837
INDUSTRY ASSOCIATION DUES	0	0	(2,136,215)	0	0	824,045	0	0	0	(1,312,170)	1,312,170
ECONOMIC DEVELOPMENT 5%	0	0	(116,587)	0	0	44,974	0	0	0	(71,614)	71,614
AVIATION - EXPENSES	0	0	(101,357)	0	0	39,098	0	0	0	(62,258)	62,258
EXECUTIVE COMPENSATION	0	0	(33,995,895)	0	0	13,113,916	0	0	0	(20,881,978)	20,881,978
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY, INCL GAS RESERVES (1)	(3,351,729,345)	(3,285,704,059)	(5,119,062)	(18,132,069)	(2,744,056)	(73,570,938)	58,219,472	0	0	(3,327,050,712)	(24,678,633)
CONSERVATION COST RECOVERY	(83,034,643)	0	(69,234,315)	(10,081,259)	(1,307,500)	(6,232,154)	5,301,892	0	0	(81,553,337)	(1,481,306)
CAPACITY COST RECOVERY	(415,285,977)	(315,052,735)	(54,370,399)	(28,504,516)	(478,907)	(6,620,743)	109,507	0	0	(404,917,793)	(10,368,184)
ENVIRONMENTAL COST RECOVERY	(243,433,198)	0	(65,565,451)	(54,569,948)	(360,721)	(55,408,042)	7,943,187	0	108,561	(187,852,414)	(75,580,784)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	(910,217)	0	351,116	0	0	0	(559,101)	559,101
STORM DEFICIENCY RECOVERY	(114,878,903)	0	(601,456)	(100,593,793)	0	(5,278,470)	0	0	0	(106,473,718)	(8,405,185)
INTEREST TAX DEFICIENCIES	0	0	366,771	0	0	(141,482)	0	0	0	225,289	(225,289)
INTEREST SYNCHRONIZATION	0	0	0	0	0	24,480,771	(9,394,168)	0	0	15,086,603	(15,086,603)
TOTAL FPSC ADJUSTMENTS	\$ (4,920,340,590)	(3,600,756,795)	(231,397,916)	(212,791,802)	(716,656,802)	(108,277,923)	62,179,890	0	108,561	(4,807,592,787)	\$ (112,747,803)
FPSC ADJUSTED	\$ 6,221,707,240	38,657,515	1,416,190,890	1,263,881,426	499,581,899	(20,392,100)	1,015,957,196	4,517,003	(5,752,144)	4,212,841,485	\$ 2,009,065,755
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,075,240,784	38,657,515	1,416,190,890	1,263,881,426	499,476,443	(76,850,856)	1,015,957,196	4,517,003	(5,752,144)	4,156,077,273	\$ 1,919,163,511

(A) THE ADDITION OF EARNINGS FROM AFUDC  
WOULD INCREASE THE SYSTEM NOI BY \$ 103,607,490

NOTES:

- (1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.  
(2) 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, 2016

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>		
ACCOUNTS RECEIVABLE - ASSOC COS	12,568,381	12,106,325
INTEREST & DIVIDENDS RECEIVABLE	803	773
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	27,212,518	28,315,242
FUEL CLAUSE – GAS RESERVES (1)	13,147,932	12,412,931
CASH CAPITAL SUB ACCOUNT	2,499,393	2,359,671
POLE ATTACHMENTS RENTS RECEIVABLE	15,585,697	15,585,697
PREPAYMENTS - ECCR	54,897,213	54,897,213
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	5,463,566	5,244,390
TEMPORARY CASH INVESTMENTS	2,653,234	2,555,692
STORM DEFICIENCY RECOVERY	381,613,940	381,613,940
NUCLEAR COST RECOVERY	54,400	54,400
JOBGING ACCOUNTS	13,160,271	12,676,455
OTH REG ASSETS - CLAUSES	5,656,257	5,340,059
MISC. DEFERRED DEBIT - CLAUSES	11,293,000	10,661,694
CEDAR BAY TRANSACTION	610,528,212	577,878,731
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,156,334,816	\$ 1,121,703,214
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(132,635)	(128,030)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(117,969,986)	(117,969,986)
ACCUM. PROV. - RATE REFUNDS	(189,805)	(188,520)
GAIN ON SALE OF EMISSION ALLOWANCE	(39,258)	(37,273)
JOBGING ACCOUNTS	(13,255,925)	(12,768,593)
FUEL CLAUSE – GAS RESERVES (1)	24,594,182	23,219,308
POLE ATTACHMENT RENTS PAYABLE	(7,545,707)	(7,545,707)
SJRPP ACCELERATED RECOVERY	(27,315,255)	(25,856,325)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,861,560,380)	(3,727,490,902)
MARGIN CALL CASH COLLATERAL	15,385	14,819
NUCLEAR COST RECOVERY	(232,594,557)	(232,594,557)
CEDAR BAY TRANSACTION	(5,667,003)	(5,364,324)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,241,660,944)	\$ (4,106,710,089)
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ (3,085,326,128)</b>	<b>\$ (2,985,006,875)</b>

**NOTES:**

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
JULY, 2016

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)	\$ (146,466,456)	0	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
TOTAL PROFORMA ADJUSTMENTS	\$ (146,466,456)	0	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)

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, 2016

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	\$ 43,278,001,210	14,273,755,871	29,004,245,339	245,961,652	2,854,310,278	690,747,182	32,795,264,451	(1,433,347,309)	\$ 31,361,917,142
JURISDICTIONAL PER BOOKS	\$ 41,356,232,451	12,720,745,418	28,635,487,032	233,236,549	2,708,836,132	652,277,395	32,229,837,108	(2,059,069,201)	\$ 30,170,767,907
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,170,273,625)	(458,826,352)	(1,711,447,272)	0	(1,619,065,499)	0	(3,330,512,771)	2,985,006,875	\$ (345,505,896)
FPSC ADJUSTED:	\$ 39,185,958,826	12,261,919,066	26,924,039,760	233,236,549	1,089,770,633	652,277,395	28,899,324,337	925,937,674	\$ 29,825,262,011
<b>PRO FORMA ADJUSTMENTS</b>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 39,185,958,826	12,261,919,066	26,924,039,760	233,236,549	1,089,770,633	652,277,395	28,899,324,337	925,937,674	\$ 29,825,262,011

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
JULY, 2016

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	\$ 11,142,047,829	3,639,414,309	1,647,588,806	1,476,673,226	1,218,238,701	87,885,823	953,777,306	4,517,003	(5,860,705)	9,020,234,272	\$ 2,121,813,558
JURISDICTIONAL PER BOOKS	\$ 10,695,948,675	3,443,854,207	1,587,306,351	1,428,041,270	1,197,684,856	84,453,088	916,532,373	4,346,961	(5,855,217)	8,658,363,889	\$ 2,039,584,786
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (484,523,908)	0	0	0	(11,947,555)	(174,581,328)	0	0	0	(186,528,883)	\$ (277,995,025)
FRANCHISE EXPENSE	0	0	0	0	(452,576,370)	174,581,335	0	0	0	(277,995,035)	277,995,035
GROSS RECEIPTS TAX	(247,454,616)	0	0	0	(247,241,693)	(82,135)	0	0	0	(247,323,828)	(130,788)
FINANCIAL PLANNING SERVICES	0	0	(505,760)	0	0	195,097	0	0	0	(310,663)	310,663
INDUSTRY ASSOCIATION DUES	0	0	(2,062,048)	0	0	795,435	0	0	0	(1,266,613)	1,266,613
ECONOMIC DEVELOPMENT 5%	0	0	(112,540)	0	0	43,412	0	0	0	(69,127)	69,127
AVIATION - EXPENSES	0	0	(97,838)	0	0	37,741	0	0	0	(60,097)	60,097
EXECUTIVE COMPENSATION	0	0	(32,815,592)	0	0	12,658,815	0	0	0	(20,156,977)	20,156,977
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,181,060,055)	(3,109,106,049)	(4,832,894)	(17,118,443)	(2,716,171)	(75,416,732)	57,277,026	0	0	(3,151,913,263)	(29,146,792)
CONSERVATION COST RECOVERY	(83,034,643)	0	(69,234,315)	(10,081,259)	(1,307,500)	(6,232,154)	5,301,892	0	0	(81,553,337)	(1,481,306)
CAPACITY COST RECOVERY	(414,960,550)	(298,225,509)	(51,466,431)	(28,442,395)	(469,064)	(14,134,278)	109,507	0	0	(392,628,170)	(22,332,380)
ENVIRONMENTAL COST RECOVERY	(243,433,198)	0	(63,227,943)	(51,611,599)	(351,347)	(57,375,268)	7,943,187	0	103,073	(164,719,897)	(78,713,301)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	(873,703)	0	337,031	0	0	0	(536,672)	536,672
STORM DEFICIENCY RECOVERY	(114,878,903)	0	(583,356)	(100,593,793)	0	(5,285,452)	0	0	0	(106,462,601)	(8,416,302)
INTEREST TAX DEFICIENCIES	0	0	354,037	0	0	(136,570)	0	0	0	217,467	(217,467)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,932,901	(9,068,012)	0	0	11,864,889	(11,864,889)
TOTAL FPSC ADJUSTMENTS	\$ (4,749,345,873)	(3,407,331,558)	(224,584,679)	(208,921,192)	(716,609,700)	(123,662,351)	61,563,800	0	103,073	(4,819,442,806)	\$ (129,903,067)
FPSC ADJUSTED	\$ 5,946,602,802	36,522,650	1,362,721,672	1,219,120,078	481,075,156	(39,209,263)	978,095,973	4,346,961	(5,752,144)	4,036,921,083	\$ 1,909,681,719
PRO FORMA ADJUSTMENTS	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
(SEE SCHEDULE 2, PAGE 2A OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,800,136,346	36,522,650	1,362,721,672	1,219,120,078	480,969,700	(95,668,019)	978,095,973	4,346,961	(5,752,144)	3,980,356,871	\$ 1,819,779,475
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 103,607,490										
AND THE JURISDICTIONAL NOI BY	\$ 99,451,175										

NOTES:

- (1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.  
(2) 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  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
JULY, 2016

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)	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
TOTAL PROFORMA ADJUSTMENTS	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)

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, 2016

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,625,503,916	\$ 1,543,339,527
FUEL AND CAPACITY	112,065,459	105,996,302
FUEL CLAUSE – GAS RESERVES (1)	0	0
CAPITALIZED EXECUTIVE COMPENSATION	15,329,325	14,797,106
LOAD CONTROL	44,280,660	44,280,660
ASSET RETIREMENT OBLIGATION	419,247,411	404,691,564
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	\$ 2,275,651,458	\$ 2,170,273,625
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (240,049,100)	\$ (227,915,332)
ACCUM PROV DECOMMISSIONING COSTS	(3,939,490,310)	(3,725,331,356)
ASSET RETIREMENT OBLIGATION	29,196,809	28,183,125
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,651,895,605	3,525,105,476
FUEL AND CAPACITY	(35,206,225)	(33,242,183)
FUEL CLAUSE – GAS RESERVES (1)	0	0
OTHER RATE CASE ADJUSTMENTS (2)	(910,217)	(873,703)
LOAD CONTROL	(18,066,200)	(18,066,200)
CAPITAL LEASES	(6,926,667)	(6,686,180)
TOTAL	\$ (559,556,305)	\$ (458,826,352)
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 1,698,547,499	\$ 1,600,414,175
CWIP - CLAUSE PROJECTS (1)	19,688,692	18,651,324
TOTAL	\$ 1,718,236,191	\$ 1,619,065,499
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,085,326,128)	\$ (2,985,006,875)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 349,005,216</b>	<b>\$ 345,505,896</b>

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

(2) 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, 2016

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	\$ 11,142,047,829	3,639,414,309	1,647,588,606	1,476,673,228	1,216,238,701	87,885,823	953,777,306	4,517,003	(5,880,705)	9,020,234,272	\$ 2,121,813,558
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (464,523,908)	0	0	0	(11,947,555)	(174,581,328)	0	0	0	(186,528,883)	\$ (277,995,025)
FRANCHISE EXPENSE	0	0	0	0	(452,576,370)	174,581,335	0	0	0	(277,995,035)	277,995,035
GROSS RECEIPTS TAX	(247,454,616)	0	0	0	(247,241,693)	(82,135)	0	0	0	(247,323,828)	(130,788)
FINANCIAL PLANNING SERVICES	0	0	(523,951)	0	0	202,114	0	0	0	(321,837)	321,837
INDUSTRY ASSOCIATION DUES	0	0	(2,136,215)	0	0	824,045	0	0	0	(1,312,170)	1,312,170
ECONOMIC DEVELOPMENT 5%	0	0	(116,587)	0	0	44,974	0	0	0	(71,614)	71,614
AVIATION - EXPENSES	0	0	(101,357)	0	0	39,098	0	0	0	(82,258)	62,258
EXECUTIVE COMPENSATION	0	0	(33,995,695)	0	0	13,113,916	0	0	0	(20,881,978)	20,881,978
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,351,729,345)	(3,285,704,059)	(5,119,062)	(18,132,069)	(2,744,056)	(73,570,938)	58,219,472	0	0	(3,327,050,712)	(24,678,633)
CONSERVATION COST RECOVERY	(83,034,843)	0	(69,234,315)	(10,081,259)	(1,307,500)	(6,232,154)	5,301,892	0	0	(81,553,337)	(1,481,306)
CAPACITY COST RECOVERY	(415,285,977)	(315,052,735)	(54,370,399)	(28,504,518)	(478,907)	(6,820,743)	109,507	0	0	(404,917,793)	(10,368,184)
ENVIRONMENTAL COST RECOVERY	(243,433,198)	0	(65,565,451)	(54,569,948)	(360,721)	(55,408,042)	7,943,187	0	108,561	(167,852,414)	(75,580,784)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	(910,217)	0	351,116	0	0	0	(559,101)	559,101
STORM DEFICIENCY RECOVERY	(114,878,903)	0	(601,456)	(100,593,793)	0	(5,278,470)	0	0	0	(106,473,718)	(8,405,185)
INTEREST TAX DEFICIENCIES	0	0	366,771	0	0	(141,482)	0	0	0	225,289	(225,289)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,709,145	(9,394,168)	0	0	12,314,977	(12,314,977)
<b>TOTAL FPSC ADJUSTMENTS</b>	\$ (4,920,340,590)	(3,600,756,795)	(231,397,916)	(212,791,802)	(716,656,802)	(111,049,549)	62,179,890	0	108,561	(4,810,364,413)	\$ (109,976,177)
<b>FPSC ADJUSTED</b>	\$ 6,221,707,240	38,657,515	1,416,190,690	1,263,881,426	499,581,899	(23,163,728)	1,015,957,196	4,517,003	(5,752,144)	4,209,869,859	\$ 2,011,837,381
<b>PRO FORMA ADJUSTMENTS</b>	\$ (146,466,456)	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
(SEE SCHEDULE 3, PAGE 3B OF 3)											
<b>PRO FORMA SYSTEM PER BOOKS ADJUSTED</b>	\$ 6,075,240,784	38,657,515	1,416,190,690	1,263,881,426	499,476,443	(79,622,482)	1,015,957,196	4,517,003	(5,752,144)	4,153,305,647	\$ 1,921,935,137
<b>(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY</b>	\$ 103,607,490										

NOTES:

- (1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.  
(2) 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, 2016

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)	\$ (146,466,456)	0	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)
TOTAL PROFORMA ADJUSTMENTS	\$ (146,466,456)	0	0	0	0	(105,456)	(56,458,756)	0	0	0	(56,564,212)	\$ (89,902,244)

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, 2016

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	\$ 8,648,897,492	\$ 8,298,892,211	\$ 69,042,397	\$ (290,530,146)	\$ 8,077,404,461	28.54%	4.61%	1.32%	4.61%	1.32%	4.61%	1.32%
SHORT TERM DEBT	540,046,246	517,559,338	4,462,028	0	522,021,366	1.84%	1.79%	0.03%	1.79%	0.03%	1.79%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,631,584,851	13,063,981,253	112,628,346	(0)	13,176,609,599	46.55%	9.50%	4.42%	10.50%	4.89%	11.50%	5.35%
CUSTOMER DEPOSITS	416,269,340	416,161,567	3,587,849	(0)	419,749,416	1.48%	2.07%	0.03%	2.07%	0.03%	2.07%	0.03%
DEFERRED INCOME TAX	6,682,182,571	6,405,077,336	52,203,038	(349,945,297)	6,107,335,078	21.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	155,440,685	147,612,393	26,686	(144,516,995)	3,122,084	0.01%	7.64%	0.00%	8.26%	0.00%	8.88%	0.00%
TOTAL	\$ 30,074,421,184	\$ 28,849,284,098	\$ 241,950,344	\$ (784,992,437)	\$ 28,306,242,004	100.00%		5.80%		6.27%		6.73%

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	\$ 8,894,405,100	\$ 8,559,100,318	\$ 122,646,900	\$ (289,884,707)	\$ 8,391,862,511	28.14%	4.48%	1.26%	4.48%	1.26%	4.48%	1.26%
SHORT TERM DEBT	636,141,478	613,421,923	9,098,118	0	622,520,040	2.09%	2.14%	0.04%	2.14%	0.04%	2.14%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,044,150,953	13,500,125,560	200,230,424	(0)	13,700,355,984	45.94%	9.50%	4.36%	10.50%	4.82%	11.50%	5.28%
CUSTOMER DEPOSITS	417,830,940	417,869,824	6,197,739	-	424,067,563	1.42%	2.15%	0.03%	2.15%	0.03%	2.15%	0.03%
DEFERRED INCOME TAX	7,210,686,863	6,931,398,586	97,614,439	(349,945,297)	6,679,067,729	22.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	156,701,807	148,851,697	107,978	(141,571,490)	7,388,185	0.02%	7.59%	0.00%	8.21%	0.00%	8.83%	0.00%
TOTAL	\$ 31,361,917,142	\$ 30,170,767,907	\$ 435,895,597	\$ (781,401,493)	\$ 29,825,262,011	100.00%		5.70%		6.16%		6.62%

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, 2016

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	\$ 8,077,404,461	\$ -	\$ 8,077,404,461	28.54%	4.61%	1.32%	4.61%	1.32%	4.61%	1.32%
SHORT TERM DEBT	522,021,366	-	522,021,366	1.84%	1.79%	0.03%	1.79%	0.03%	1.79%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,176,609,599	-	13,176,609,599	46.55%	9.50%	4.42%	10.50%	4.89%	11.50%	5.35%
CUSTOMER DEPOSITS	419,749,416	-	419,749,416	1.48%	2.07%	0.03%	2.07%	0.03%	2.07%	0.03%
DEFERRED INCOME TAX	6,107,335,078	-	6,107,335,078	21.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	3,122,084	-	3,122,084	0.01%	7.64%	0.00%	8.26%	0.00%	8.88%	0.00%
TOTAL	\$ 28,306,242,004	\$ -	\$ 28,306,242,004	100.00%		5.80%		6.27%		6.73%

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	\$ 8,391,862,511	\$ -	\$ 8,391,862,511	28.14%	4.48%	1.26%	4.48%	1.26%	4.48%	1.26%
SHORT TERM DEBT	622,520,040	-	622,520,040	2.09%	2.14%	0.04%	2.14%	0.04%	2.14%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,700,355,984	-	13,700,355,984	45.94%	9.50%	4.36%	10.50%	4.82%	11.50%	5.28%
CUSTOMER DEPOSITS	424,067,563	-	424,067,563	1.42%	2.15%	0.03%	2.15%	0.03%	2.15%	0.03%
DEFERRED INCOME TAX	6,679,067,729	-	6,679,067,729	22.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	7,388,185	-	7,388,185	0.02%	7.59%	0.00%	8.21%	0.00%	8.83%	0.00%
TOTAL	\$ 29,825,262,011	\$ -	\$ 29,825,262,011	100.00%		5.70%		6.16%		6.62%

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  
JULY, 2016

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,147,206,173
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	24,352,992
INCOME TAXES	1,027,153,851
TOTAL	<u>\$ 3,198,713,016</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 470,677,980</u>
TIMES INTEREST EARNED WITH AFUDC	<u>6.80</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,147,206,173
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(79,254,498)
INCOME TAXES	1,027,153,851
TOTAL	<u>\$ 3,095,105,526</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 470,677,980</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.58</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 24,352,992
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	<u>\$ 14,958,825</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	79,254,498
TOTAL	<u>\$ 94,213,323</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 1,700,881,185</u>
AFUDC AS PERCENT OF NET INCOME	<u>5.54%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 258,089,744
GAINS ON DISPOSITION OF PROPERTY	(6,554,056)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ 251,535,688</u>

\*\* INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,700,881,185
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,600,000,000)
AFUDC (DEBT & OTHER)	(103,607,490)
DEPRECIATION AND AMORTIZATION EXPENSE	1,476,673,228
DEFERRED INCOME TAXES	941,991,125
INVESTMENT TAX CREDITS	4,517,003
OTHER SOURCE/USES OF FUNDS	251,535,688
INTERNALLY GENERATED FUNDS	<u>\$ 2,671,990,738</u>
CONSTRUCTION EXPENDITURES	<u>\$ 4,084,941,183</u>
PERCENT INTERNALLY GENERATED FUNDS	<u>65.41%</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	\$ 8,077,404,461
JURIS ADJUSTED SHORT TERM DEBT	522,021,366
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	13,176,609,599
TOTAL	<u>\$ 21,776,035,426</u>
LTD TO TOTAL INVESTOR FUNDS	<u>37.09%</u>
STD TO TOTAL INVESTOR FUNDS	<u>2.40%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.74%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.32%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.38%</u>
TOTAL	<u>5.35%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.55%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.50%</u>

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
FINANCIAL INTEGRITY INDICATORS  
JULY, 2016

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.42%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.32%

SHORT TERM DEBT 0.03%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.03%

TAX CREDITS - WTD COST 0.00%

SUBTOTAL 1.38%

PRO FORMA ROR LESS NON EQUITY COST 5.04%

PRO FORMA COMMON EQUITY RATIO 46.55%

PRO FORMA RETURN ON COMMON EQUITY 10.82%