



October 15, 2016

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
2016 OCT 17 AM 10:50
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 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, appearing to read 'Elizabeth Fuentes', written over a white background.

Elizabeth Fuentes
Sr. Director of Regulatory Accounting

Enclosures

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

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

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	\$ 2,150,866,817 (A)	(233,506,728) (B)	1,917,360,089	(94,658,477)	\$ 1,822,701,612
RATE BASE	\$ 29,072,392,561	(550,851,546)	28,521,541,015	0	\$ 28,521,541,015
AVERAGE RATE OF RETURN	7.40%		6.72%		6.39%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,150,866,817 (A)	(229,723,568) (B)	1,921,143,249	(94,658,477)	\$ 1,826,484,772
RATE BASE	\$ 30,336,886,189	(364,829,436)	29,972,056,754	0	\$ 29,972,056,754
YEAR END RATE OF RETURN	7.09%		6.41%		6.09%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.79%
MIDPOINT	6.26%
HIGH	6.72%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.84	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.62	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.44%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	66.84%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.96%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.54%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.79%	(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

10/15/16
(DATE)

RECEIVED
 FLORIDA PUBLIC SERVICE
 COMMISSION
 DIVISION OF
 ACCOUNTING & FINANCE
 2016 OCT 17 AM 10:50

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
AUGUST, 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	\$ 41,837,514,241	14,022,534,442	27,814,979,799	240,817,978	2,960,754,423	716,478,822	31,733,031,021	(1,424,469,729)	\$ 30,308,561,293
JURISDICTIONAL PER BOOKS	\$ 39,967,723,612	12,546,381,489	27,421,342,122	228,397,289	2,807,298,841	676,575,962	31,133,614,215	(2,061,221,654)	\$ 29,072,392,561
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,135,765,858)	(431,095,101)	(1,704,670,757)	(897,543)	(1,838,647,667)	0	(3,544,215,967)	2,993,364,421	\$ (550,851,546)
FPSC ADJUSTED:	\$ 37,831,957,754	12,115,286,389	25,716,671,366	227,499,746	968,651,174	676,575,962	27,589,398,248	932,142,767	\$ 28,521,541,015
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 37,831,957,754	12,115,286,389	25,716,671,366	227,499,746	968,651,174	676,575,962	27,589,398,248	932,142,767	\$ 28,521,541,015

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, 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	\$ 11,140,161,091	3,594,535,976	1,651,743,633	1,480,562,537	1,221,701,814	55,660,042	1,000,014,788	4,505,556	(5,835,415)	9,002,888,932	\$ 2,137,272,159
JURISDICTIONAL PER BOOKS	\$ 10,692,886,127	3,402,478,694	1,591,251,709	1,431,905,781	1,203,028,713	53,422,123	959,806,807	4,335,945	(5,830,872)	8,640,398,899	\$ 2,052,487,227
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,751,965)	0	0	0	(12,004,861)	(175,418,696)	0	0	0	(187,423,556)	\$ (279,328,409)
FRANCHISE EXPENSE	0	0	0	0	(454,747,126)	175,418,704	0	0	0	(279,328,422)	279,328,422
GROSS RECEIPTS TAX	(247,381,767)	0	0	0	(247,176,938)	(79,013)	0	0	0	(247,255,951)	(125,816)
FINANCIAL PLANNING SERVICES	0	0	(436,423)	0	0	168,350	0	0	0	(268,073)	268,073
INDUSTRY ASSOCIATION DUES	0	0	(2,091,255)	0	0	806,701	0	0	0	(1,284,553)	1,284,553
ECONOMIC DEVELOPMENT 5%	0	0	(116,140)	0	0	44,801	0	0	0	(71,339)	71,339
AVIATION - EXPENSES	0	0	(98,881)	0	0	38,143	0	0	0	(60,737)	60,737
EXECUTIVE COMPENSATION	0	0	(32,727,033)	0	0	12,624,453	0	0	0	(20,102,580)	20,102,580
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,154,427,594)	(3,084,133,074)	(5,243,729)	(16,077,758)	(2,677,444)	(59,803,022)	42,035,717	0	0	(3,125,899,309)	(28,528,285)
CONSERVATION COST RECOVERY	(78,482,926)	0	(64,751,337)	(10,022,236)	(1,284,697)	(6,564,741)	5,629,430	0	0	(76,993,581)	(1,489,344)
CAPACITY COST RECOVERY	(401,803,610)	(280,850,040)	(51,165,161)	(29,721,457)	(460,719)	(16,220,360)	1,019,406	0	0	(377,398,331)	(24,205,279)
ENVIRONMENTAL COST RECOVERY	(243,362,446)	0	(63,632,063)	(51,723,676)	(357,168)	(59,846,318)	10,572,717	0	85,006	(164,901,502)	(78,460,944)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	945,790	0	(364,839)	0	0	0	580,952	(580,952)
STORM DEFICIENCY RECOVERY	(115,063,930)	0	(581,280)	(101,062,889)	0	(5,176,673)	0	0	0	(106,820,841)	(8,243,088)
INTEREST TAX DEFICIENCIES	0	0	665,689	0	0	(256,790)	0	0	0	408,899	(408,899)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,850,004	(8,978,178)	0	0	14,871,826	(14,871,826)
TOTAL FPSC ADJUSTMENTS	\$ (4,707,074,237)	(3,364,983,113)	(220,177,611)	(207,662,226)	(718,708,952)	(110,779,293)	50,279,091	0	85,006	(4,571,947,099)	\$ (135,127,139)
FPSC ADJUSTED	\$ 5,985,811,889	37,495,581	1,371,074,098	1,224,243,555	484,319,761	(57,357,170)	1,010,085,898	4,335,945	(5,745,867)	4,068,451,801	\$ 1,917,360,089
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,831,596,700	37,495,581	1,371,074,098	1,224,243,555	484,208,726	(116,802,848)	1,010,085,898	4,335,945	(5,745,867)	4,008,895,088	\$ 1,822,701,612
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 102,491,120										
	\$ 98,379,590										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,406,342										
ON A JURISDICTIONAL BASIS	\$ 2,322,796										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 1,096,257,762	351,602,545	137,942,098	128,544,419	115,754,088	65,223,471	59,588,020	(61,051)	(477,419)	858,116,171	\$ 238,141,591
JURISDICTIONAL PER BOOKS	\$ 1,050,856,176	332,671,476	132,801,778	124,288,644	114,147,469	62,407,527	57,013,770	(58,753)	(477,362)	822,794,549	\$ 228,061,627

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
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
AUGUST, 2016

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)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
TOTAL PROFORMA ADJUSTMENTS	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)

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, 2016

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,767,691	\$ 1,545,197,846
FUEL AND CAPACITY	81,089,202	76,684,453
FUEL CLAUSE - GAS RESERVES (1)	113,725,607	107,397,759
CAPITALIZED EXECUTIVE COMPENSATION	13,005,853	12,554,303
LOAD CONTROL	50,305,534	50,305,534
ASSET RETIREMENT OBLIGATION	297,690,556	287,355,040
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	<u>\$ 2,242,809,131</u>	<u>\$ 2,136,663,401</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (215,531,221)	\$ (204,598,224)
ACCUM PROV DECOMMISSIONING COSTS	(3,837,836,464)	(3,629,203,626)
ASSET RETIREMENT OBLIGATION	40,201,518	38,805,761
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,559,443,904	3,435,863,604
FUEL AND CAPACITY	(34,367,691)	(32,457,219)
FUEL CLAUSE - GAS RESERVES (1)	(8,839,756)	(8,347,900)
OTHER RATE CASE ADJUSTMENTS (2)	75,794	72,753
LOAD CONTROL	(25,082,587)	(25,082,587)
CAPITAL LEASES	(6,368,782)	(6,147,664)
TOTAL	<u>\$ (528,305,285)</u>	<u>\$ (431,095,101)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,911,655,892	\$ 1,801,247,683
CWIP - CLAUSE PROJECTS (1)	39,530,752	37,399,984
TOTAL	<u>\$ 1,951,186,645</u>	<u>\$ 1,838,647,667</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,092,180,988)	\$ (2,993,364,421)
TOTAL ADJUSTMENTS	<u>\$ 573,509,503</u>	<u>\$ 650,851,546</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
AUGUST, 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	\$ 11,140,161,091	3,594,535,976	1,651,743,633	1,480,562,537	1,221,701,814	55,660,042	1,000,014,788	4,505,556	(5,835,415)	9,002,888,932	\$ 2,137,272,159
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,751,965)	0	0	0	(12,004,861)	(175,418,696)	0	0	0	(187,423,556)	\$ (279,328,409)
FRANCHISE EXPENSE	0	0	0	0	(454,747,126)	175,418,704	0	0	0	(279,328,422)	279,328,422
GROSS RECEIPTS TAX	(247,381,767)	0	0	0	(247,176,938)	(79,013)	0	0	0	(247,255,951)	(125,816)
FINANCIAL PLANNING SERVICES	0	0	(452,120)	0	0	174,405	0	0	0	(277,715)	277,715
INDUSTRY ASSOCIATION DUES	0	0	(2,166,472)	0	0	835,717	0	0	0	(1,330,756)	1,330,756
ECONOMIC DEVELOPMENT 5%	0	0	(120,317)	0	0	46,412	0	0	0	(73,905)	73,905
AVIATION - EXPENSES	0	0	(102,437)	0	0	39,515	0	0	0	(62,922)	62,922
EXECUTIVE COMPENSATION	0	0	(33,904,151)	0	0	13,078,526	0	0	0	(20,825,625)	20,825,625
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY, INCL GAS RESERVES (1)	(3,324,455,830)	(3,258,160,784)	(5,552,688)	(17,025,055)	(2,703,929)	(56,991,744)	41,260,980	0	0	(3,299,173,220)	(25,282,609)
CONSERVATION COST RECOVERY	(78,482,926)	0	(64,751,337)	(10,022,236)	(1,284,697)	(6,564,741)	5,629,430	0	0	(76,993,581)	(1,469,344)
CAPACITY COST RECOVERY	(401,938,668)	(296,689,106)	(54,050,716)	(29,792,948)	(470,636)	(9,095,183)	1,019,406	0	0	(389,079,184)	(12,859,484)
ENVIRONMENTAL COST RECOVERY	(243,362,446)	0	(66,044,953)	(54,487,605)	(366,890)	(57,847,362)	10,572,717	0	89,548	(168,084,545)	(75,277,901)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	985,317	0	(380,086)	0	0	0	605,231	(605,231)
STORM DEFICIENCY RECOVERY	(115,063,930)	0	(599,352)	(101,062,889)	0	(5,169,701)	0	0	0	(106,831,942)	(8,231,987)
INTEREST TAX DEFICIENCIES	0	0	689,632	0	0	(266,026)	0	0	0	423,607	(423,607)
INTEREST SYNCHRONIZATION	0	0	0	0	0	24,332,572	(9,301,103)	0	0	15,031,469	(15,031,469)
TOTAL FPSC ADJUSTMENTS	\$ (4,877,437,531)	(3,554,849,891)	(227,054,912)	(211,405,416)	(718,755,076)	(97,886,699)	49,181,430	0	89,548	(4,780,681,016)	\$ (116,756,515)
FPSC ADJUSTED	\$ 6,262,723,561	39,686,085	1,424,688,721	1,269,157,121	502,946,738	(42,226,657)	1,049,196,218	4,505,556	(5,745,867)	4,242,207,916	\$ 2,020,515,644
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,108,508,372	39,686,085	1,424,688,721	1,269,157,121	502,835,703	(101,672,334)	1,049,196,218	4,505,556	(5,745,867)	4,182,651,204	\$ 1,925,857,168

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 102,491,120

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
AUGUST, 2016

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	12,642,336	12,177,561
INTEREST & DIVIDENDS RECEIVABLE	1,348	1,298
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	15,301,269	16,303,421
FUEL CLAUSE – GAS RESERVES (1)	11,539,010	10,896,964
CASH CAPITAL SUB ACCOUNT	2,407,763	2,273,792
POLE ATTACHMENTS RENTS RECEIVABLE	15,823,946	15,823,946
PREPAYMENTS - ECCR	54,647,680	54,647,680
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	6,263,473	6,012,208
TEMPORARY CASH INVESTMENTS	3,545,545	3,415,199
STORM DEFICIENCY RECOVERY	372,885,441	372,885,441
NUCLEAR COST RECOVERY	61,178	61,178
JOBGING ACCOUNTS	11,519,084	11,095,603
OTH REG ASSETS - CLAUSES	5,988,978	5,655,744
MISC. DEFERRED DEBIT - CLAUSES	11,512,105	10,871,556
CEDAR BAY TRANSACTION	662,889,122	627,454,773
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	<u>\$ 1,187,028,277</u>	<u>\$ 1,149,576,363</u>
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(123,599)	(119,308)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(117,156,917)	(117,156,917)
ACCUM. PROV. - RATE REFUNDS	(192,869)	(191,584)
GAIN ON SALE OF EMISSION ALLOWANCE	(30,833)	(29,269)
JOBGING ACCOUNTS	(13,536,070)	(13,038,439)
FUEL CLAUSE – GAS RESERVES (1)	23,470,040	22,164,135
POLE ATTACHMENT RENTS PAYABLE	(7,569,380)	(7,569,380)
SJRPP ACCELERATED RECOVERY	(26,558,265)	(25,140,424)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,897,661,201)	(3,762,338,339)
MARGIN CALL CASH COLLATERAL	(11,538)	(11,114)
NUCLEAR COST RECOVERY	(233,685,608)	(233,685,608)
CEDAR BAY TRANSACTION	(6,153,024)	(5,824,538)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	<u>\$ (4,279,209,265)</u>	<u>\$ (4,142,940,784)</u>
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	<u>\$ (3,092,180,988)</u>	<u>\$ (2,993,364,421)</u>

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
AUGUST, 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)	\$ (154,215,189)	0	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
TOTAL PROFORMA ADJUSTMENTS	\$ (154,215,189)	0	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)

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, 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	\$ 43,452,944,342	14,324,587,541	29,128,356,801	245,963,571	2,887,588,198	702,851,375	32,964,759,946	(1,424,469,729)	\$ 31,540,290,217
JURISDICTIONAL PER BOOKS	\$ 41,525,945,464	12,765,977,100	28,759,968,364	233,238,364	2,741,193,646	663,707,469	32,398,107,843	(2,061,221,654)	\$ 30,336,886,189
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,173,213,441)	(465,758,461)	(1,707,454,980)	0	(1,650,738,876)	0	(3,358,193,857)	2,993,364,421	\$ (364,829,436)
FPSC ADJUSTED:	\$ 39,352,732,023	12,300,218,639	27,052,513,383	233,238,364	1,090,454,770	663,707,469	29,039,913,987	932,142,767	\$ 29,972,056,754
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 39,352,732,023	12,300,218,639	27,052,513,383	233,238,364	1,090,454,770	663,707,469	29,039,913,987	932,142,767	\$ 29,972,056,754

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
AUGUST, 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	\$ 11,140,161,091	3,594,535,976	1,651,743,633	1,480,562,537	1,221,701,814	55,660,042	1,000,014,788	4,505,556	(5,835,415)	9,002,888,932	\$ 2,137,272,159
JURISDICTIONAL PER BOOKS	\$ 10,692,886,127	3,402,478,694	1,591,251,709	1,431,905,781	1,203,028,713	53,422,123	959,806,807	4,335,945	(5,830,872)	8,640,398,899	\$ 2,052,487,227
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,751,965)	0	0	0	(12,004,861)	(175,418,696)	0	0	0	(187,423,556)	\$ (279,328,409)
FRANCHISE EXPENSE	0	0	0	0	(454,747,126)	175,418,704	0	0	0	(279,328,422)	279,328,422
GROSS RECEIPTS TAX	(247,381,767)	0	0	0	(247,176,938)	(79,013)	0	0	0	(247,255,951)	(125,816)
FINANCIAL PLANNING SERVICES	0	0	(436,423)	0	0	168,350	0	0	0	(268,073)	268,073
INDUSTRY ASSOCIATION DUES	0	0	(2,091,255)	0	0	806,701	0	0	0	(1,284,553)	1,284,553
ECONOMIC DEVELOPMENT 5%	0	0	(116,140)	0	0	44,801	0	0	0	(71,339)	71,339
AVIATION - EXPENSES	0	0	(98,881)	0	0	38,143	0	0	0	(60,737)	60,737
EXECUTIVE COMPENSATION	0	0	(32,727,033)	0	0	12,624,453	0	0	0	(20,102,580)	20,102,580
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,154,427,594)	(3,084,133,074)	(5,243,729)	(16,077,758)	(2,677,444)	(59,803,022)	42,035,717	0	0	(3,125,899,309)	(28,528,285)
CONSERVATION COST RECOVERY	(78,482,926)	0	(64,751,337)	(10,022,236)	(1,284,697)	(6,564,741)	5,629,430	0	0	(76,993,581)	(1,489,344)
CAPACITY COST RECOVERY	(401,603,610)	(280,850,040)	(51,165,161)	(29,721,457)	(460,719)	(16,220,360)	1,019,406	0	0	(377,398,331)	(24,205,279)
ENVIRONMENTAL COST RECOVERY	(243,362,446)	0	(63,632,063)	(51,723,676)	(357,168)	(59,846,318)	10,572,717	0	85,006	(164,901,502)	(78,460,944)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	945,790	0	(364,839)	0	0	0	580,952	(580,952)
STORM DEFICIENCY RECOVERY	(115,063,930)	0	(581,280)	(101,062,889)	0	(5,176,673)	0	0	0	(106,820,841)	(8,243,088)
INTEREST TAX DEFICIENCIES	0	0	665,689	0	0	(256,790)	0	0	0	408,899	(408,899)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,066,844	(8,978,178)	0	0	11,088,666	(11,088,666)
TOTAL FPSC ADJUSTMENTS	\$ (4,707,074,237)	(3,364,983,113)	(220,177,611)	(207,662,226)	(718,708,952)	(114,562,453)	50,279,091	0	85,006	(4,575,730,259)	\$ (131,343,979)
FPSC ADJUSTED	\$ 5,985,811,889	37,495,581	1,371,074,098	1,224,243,555	484,319,761	(61,140,330)	1,010,085,898	4,335,945	(5,745,867)	4,064,668,641	\$ 1,921,143,249
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,831,596,700	37,495,581	1,371,074,098	1,224,243,555	484,208,726	(120,586,008)	1,010,085,898	4,335,945	(5,745,867)	4,005,111,928	\$ 1,826,484,772

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 102,491,120
AND THE JURISDICTIONAL NOI BY \$ 98,379,590

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
AUGUST, 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)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
TOTAL PROFORMA ADJUSTMENTS	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)

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, 2016

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,450,683	\$ 1,544,896,919
FUEL AND CAPACITY	112,171,873	106,107,742
FUEL CLAUSE – GAS RESERVES (1)	0	0
CAPITALIZED EXECUTIVE COMPENSATION	15,704,721	15,159,469
LOAD CONTROL	45,189,281	45,189,281
ASSET RETIREMENT OBLIGATION	419,247,411	404,691,564
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	\$ 2,278,988,658	\$ 2,173,213,441
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (245,197,325)	\$ (232,759,491)
ACCUM PROV DECOMMISSIONING COSTS	(3,954,849,140)	(3,739,855,248)
ASSET RETIREMENT OBLIGATION	26,791,575	25,861,399
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,666,221,516	3,538,934,006
FUEL AND CAPACITY	(35,382,279)	(33,417,643)
FUEL CLAUSE – GAS RESERVES (1)	0	0
OTHER RATE CASE ADJUSTMENTS (2)	985,317	945,790
LOAD CONTROL	(18,673,304)	(18,673,304)
CAPITAL LEASES	(7,038,333)	(6,793,969)
TOTAL	\$ (567,141,974)	\$ (465,758,461)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,735,151,792	\$ 1,635,043,945
CWIP - CLAUSE PROJECTS (1)	16,575,298	15,694,931
TOTAL	\$ 1,751,727,090	\$ 1,650,738,876
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)	\$ (3,092,180,988)	\$ (2,993,364,421)
TOTAL ADJUSTMENTS	\$ 371,392,786	\$ 364,829,436

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
AUGUST, 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	\$ 11,140,161,091	3,594,535,976	1,651,743,633	1,480,562,537	1,221,701,814	55,660,042	1,000,014,788	4,505,556	(5,835,415)	9,002,888,932	\$ 2,137,272,159
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (466,751,965)	0	0	0	(12,004,861)	(175,418,696)	0	0	0	(187,423,556)	\$ (279,328,409)
FRANCHISE EXPENSE	0	0	0	0	(454,747,126)	175,418,704	0	0	0	(279,328,422)	279,328,422
GROSS RECEIPTS TAX	(247,381,767)	0	0	0	(247,176,938)	(79,013)	0	0	0	(247,255,951)	(125,816)
FINANCIAL PLANNING SERVICES	0	0	(452,120)	0	0	174,405	0	0	0	(277,715)	277,715
INDUSTRY ASSOCIATION DUES	0	0	(2,166,472)	0	0	835,717	0	0	0	(1,330,756)	1,330,756
ECONOMIC DEVELOPMENT 5%	0	0	(120,317)	0	0	46,412	0	0	0	(73,905)	73,905
AVIATION - EXPENSES	0	0	(102,437)	0	0	39,515	0	0	0	(62,922)	62,922
EXECUTIVE COMPENSATION	0	0	(33,904,151)	0	0	13,078,526	0	0	0	(20,825,625)	20,825,625
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,324,455,830)	(3,258,160,784)	(5,552,688)	(17,025,055)	(2,703,929)	(56,991,744)	41,260,980	0	0	(3,299,173,220)	(25,282,609)
CONSERVATION COST RECOVERY	(78,482,926)	0	(64,751,337)	(10,022,236)	(1,284,697)	(6,564,741)	5,629,430	0	0	(76,993,581)	(1,489,344)
CAPACITY COST RECOVERY	(401,938,668)	(296,689,106)	(54,050,716)	(29,792,948)	(470,636)	(9,095,183)	1,019,406	0	0	(389,079,184)	(12,859,484)
ENVIRONMENTAL COST RECOVERY	(243,362,446)	0	(66,044,953)	(54,487,605)	(366,890)	(57,847,362)	10,572,717	0	89,548	(168,084,545)	(75,277,901)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	985,317	0	(380,086)	0	0	0	605,231	(605,231)
STORM DEFICIENCY RECOVERY	(115,063,930)	0	(599,352)	(101,062,889)	0	(5,169,701)	0	0	0	(106,831,942)	(8,231,987)
INTEREST TAX DEFICIENCIES	0	0	689,632	0	0	(266,026)	0	0	0	423,607	(423,607)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,798,667	(9,301,103)	0	0	11,497,564	(11,497,564)
TOTAL FPSC ADJUSTMENTS	\$ (4,877,437,531)	(3,554,849,891)	(227,054,912)	(211,405,416)	(718,755,076)	(101,420,604)	49,181,430	0	89,548	(4,764,214,922)	\$ (113,222,609)
FPSC ADJUSTED	\$ 6,262,723,561	39,686,085	1,424,688,721	1,269,157,121	502,946,738	(45,760,562)	1,049,196,218	4,505,556	(5,745,867)	4,238,674,010	\$ 2,024,049,550
PRO FORMA ADJUSTMENTS	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
(SEE SCHEDULE 3, PAGE 3B OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,108,508,372	39,686,085	1,424,688,721	1,269,157,121	502,835,703	(105,206,240)	1,049,196,218	4,505,556	(5,745,867)	4,179,117,298	\$ 1,929,391,073

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 102,491,120

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
AUGUST, 2016

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)	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)
TOTAL PROFORMA ADJUSTMENTS	\$ (154,215,189)	0	0	0	(111,035)	(59,445,677)	0	0	0	(59,556,712)	\$ (94,658,477)

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, 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 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
			LONG TERM DEBT	\$ 8,666,788,141			\$ 8,315,626,413	\$ 70,187,973	\$ (285,870,006)	\$ 8,099,944,380	28.40%	4.61%
SHORT TERM DEBT	575,046,022	551,088,697	4,817,058	0	555,905,755	1.95%	1.78%	0.03%	1.78%	0.03%	1.78%	0.03%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,718,491,251	13,146,957,247	114,917,343	(0)	13,261,874,591	46.50%	9.50%	4.42%	10.50%	4.88%	11.50%	5.35%
CUSTOMER DEPOSITS	416,732,940	416,617,421	3,641,646	0	420,259,067	1.47%	2.08%	0.03%	2.08%	0.03%	2.08%	0.03%
DEFERRED INCOME TAX	6,776,271,216	6,494,713,249	53,552,378	(368,128,620)	6,180,137,008	21.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	155,231,721	147,389,534	29,637	(143,998,956)	3,420,215	0.01%	7.65%	0.00%	8.27%	0.00%	8.89%	0.00%
TOTAL	\$ 30,308,561,293	\$ 29,072,392,561	\$ 247,146,035	\$ (797,997,581)	\$ 28,521,541,015	100.00%		5.79%		6.26%		6.72%

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	\$ 8,759,093,773			\$ 8,427,472,411	\$ 118,396,353	\$ (285,223,700)	\$ 8,260,645,064	27.56%	4.59%
SHORT TERM DEBT	544,359,512	523,187,932	7,607,670	0	530,795,602	1.77%	2.52%	0.04%	2.52%	0.04%	2.52%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,336,462,037	13,778,879,126	200,358,537	-	13,979,237,663	46.64%	9.50%	4.43%	10.50%	4.90%	11.50%	5.36%
CUSTOMER DEPOSITS	421,996,286	422,014,166	6,136,504	(0)	428,150,669	1.43%	2.15%	0.03%	2.15%	0.03%	2.15%	0.03%
DEFERRED INCOME TAX	7,321,023,224	7,035,890,239	96,955,852	(368,128,620)	6,764,717,471	22.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	157,355,384	149,442,316	121,974	(141,054,006)	8,510,284	0.03%	7.68%	0.00%	8.30%	0.00%	8.93%	0.00%
TOTAL	\$ 31,540,290,217	\$ 30,336,886,189	\$ 429,576,890	\$ (794,406,326)	\$ 29,972,056,754	100.00%		5.77%		6.24%		6.71%

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, 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	\$ 8,099,944,380	\$ -	\$ 8,099,944,380	28.40%	4.61%	1.31%	4.61%	1.31%	4.61%	1.31%
SHORT TERM DEBT	555,905,755	-	555,905,755	1.95%	1.78%	0.03%	1.78%	0.03%	1.78%	0.03%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,261,874,591	-	13,261,874,591	46.50%	9.50%	4.42%	10.50%	4.88%	11.50%	5.35%
CUSTOMER DEPOSITS	420,259,067	-	420,259,067	1.47%	2.08%	0.03%	2.08%	0.03%	2.08%	0.03%
DEFERRED INCOME TAX	6,180,137,008	-	6,180,137,008	21.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	3,420,215	-	3,420,215	0.01%	7.65%	0.00%	8.27%	0.00%	8.89%	0.00%
TOTAL	\$ 28,521,541,015	\$ -	\$ 28,521,541,015	100.00%		5.79%		6.26%		6.72%

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	\$ 8,260,645,064	\$ -	\$ 8,260,645,064	27.56%	4.59%	1.26%	4.59%	1.26%	4.59%	1.26%
SHORT TERM DEBT	530,795,602	-	530,795,602	1.77%	2.52%	0.04%	2.52%	0.04%	2.52%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,979,237,663	-	13,979,237,663	46.64%	9.50%	4.43%	10.50%	4.90%	11.50%	5.36%
CUSTOMER DEPOSITS	428,150,669	-	428,150,669	1.43%	2.15%	0.03%	2.15%	0.03%	2.15%	0.03%
DEFERRED INCOME TAX	6,764,717,471	-	6,764,717,471	22.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	8,510,284	-	8,510,284	0.03%	7.68%	0.00%	8.30%	0.00%	8.93%	0.00%
TOTAL	\$ 29,972,056,754	\$ -	\$ 29,972,056,754	100.00%		5.77%		6.24%		6.71%

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
AUGUST, 2016

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,161,457,703
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	24,111,719
INCOME TAXES	<u>1,040,548,315</u>
TOTAL	\$ 3,226,117,738
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 471,660,122</u>
TIMES INTEREST EARNED WITH AFUDC	<u>6.84</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,161,457,703
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(78,379,401)
INCOME TAXES	<u>1,040,548,315</u>
TOTAL	\$ 3,123,626,617
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 471,660,122</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>6.62</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 24,111,719
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	<u>\$ 14,810,624</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	<u>78,379,401</u>
TOTAL	\$ 93,190,025
NET INCOME AVAILABLE FOR COMMON	<u>\$ 1,713,909,301</u>
AFUDC AS PERCENT OF NET INCOME	<u>5.44%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 236,590,613
GAINS ON DISPOSITION OF PROPERTY	(6,528,766)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	<u>0</u>
	\$ 230,061,847

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,713,909,301
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,600,000,000)
AFUDC (DEBT & OTHER)	(102,491,120)
DEPRECIATION AND AMORTIZATION EXPENSE	1,480,562,537
DEFERRED INCOME TAXES	985,979,214
INVESTMENT TAX CREDITS	4,505,556
OTHER SOURCE/USES OF FUNDS	<u>230,061,847</u>
INTERNALLY GENERATED FUNDS	\$ 2,712,527,335
CONSTRUCTION EXPENDITURES	<u>\$ 4,058,412,921</u>
PERCENT INTERNALLY GENERATED FUNDS	<u>66.84%</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	\$ 8,099,944,380
JURIS ADJUSTED SHORT TERM DEBT	555,905,755
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	<u>13,261,874,591</u>
TOTAL	\$ 21,917,724,725
LTD TO TOTAL INVESTOR FUNDS	<u>36.96%</u>
STD TO TOTAL INVESTOR FUNDS	<u>2.54%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.72%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.31%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	<u>0.00%</u>
SUBTOTAL	1.38%
TOTAL	<u>5.35%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.50%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.50%</u>

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

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.39%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.31%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	<u>1.38%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>5.02%</u>
PRO FORMA COMMON EQUITY RATIO	46.50%
PRO FORMA RETURN ON COMMON EQUITY	10.79%