



December 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 October 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
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DIVISION OF
ACCOUNTING & FINANCE

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
OCTOBER, 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	\$ 2,157,110,382 (A)	(229,423,615) (B)	1,927,686,768	(108,300,475)	\$ 1,819,386,292
RATE BASE	\$ 29,443,619,214	(522,672,188)	28,920,947,026	0	\$ 28,920,947,026
AVERAGE RATE OF RETURN	7.33%		6.67%		6.29%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,157,110,382 (A)	(228,212,514) (B)	1,928,897,868	(108,300,475)	\$ 1,820,597,393
RATE BASE	\$ 30,433,326,471	(412,129,469)	30,021,197,003	0	\$ 30,021,197,003
YEAR END RATE OF RETURN	7.09%		6.43%		6.06%

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

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

LOW	5.74%
MIDPOINT	6.21%
HIGH	6.67%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.83	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.63	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.26%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	63.94%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.00%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.95%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.69%	(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
for K. Ousdahl
(SIGNATURE)

12/15/16
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
OCTOBER, 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>
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YEAR END RATE OF RETURN	7.09%		6.43%		6.06%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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KIMBERLY OUSDAHL
(VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER)

(SIGNATURE)

(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
OCTOBER, 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	\$ 42,345,552,610	14,117,111,186	28,228,441,424	244,791,394	2,997,690,091	710,314,140	32,181,237,049	(1,484,320,894)	\$ 30,696,916,155
JURISDICTIONAL PER BOOKS	\$ 40,455,557,438	12,633,575,982	27,821,981,456	232,143,007	2,842,613,636	670,754,610	31,567,492,709	(2,123,873,495)	\$ 29,443,619,214
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,191,807,415)	(444,998,180)	(1,746,809,236)	(493,639)	(1,821,618,698)	0	(3,568,921,572)	3,046,249,384	\$ (522,672,188)
FPSC ADJUSTED:	\$ 38,263,750,023	12,188,577,803	26,075,172,220	231,649,368	1,020,994,939	670,754,610	27,998,571,137	922,375,889	\$ 28,920,947,026
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 38,263,750,023	12,188,577,803	26,075,172,220	231,649,368	1,020,994,939	670,754,610	27,998,571,137	922,375,889	\$ 28,920,947,026

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, 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	\$ 11,025,264,904	3,459,733,154	1,604,590,129	1,540,195,006	1,208,008,521	(80,903,312)	1,146,688,699	4,459,546	(6,060,742)	8,876,711,001	\$ 2,148,553,903
JURISDICTIONAL PER BOOKS	\$ 10,578,762,925	3,271,647,828	1,545,848,685	1,488,901,601	1,189,843,131	(77,594,537)	1,099,789,962	4,291,667	(6,044,011)	8,516,684,326	\$ 2,062,078,599
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,228,176)	0	0	0	(12,042,829)	(175,973,498)	0	0	0	(188,016,326)	\$ (280,211,850)
FRANCHISE EXPENSE	0	0	0	0	(456,185,279)	175,973,471	0	0	0	(280,211,808)	280,211,808
GROSS RECEIPTS TAX	(246,038,791)	0	0	0	(245,838,639)	(77,209)	0	0	0	(245,915,847)	(122,943)
FINANCIAL PLANNING SERVICES	0	0	(422,878)	0	0	163,125	0	0	0	(259,753)	259,753
INDUSTRY ASSOCIATION DUES	0	0	(2,105,775)	0	0	812,303	0	0	0	(1,293,472)	1,293,472
ECONOMIC DEVELOPMENT 5%	0	0	(112,127)	0	0	43,253	0	0	0	(68,874)	68,874
AVIATION - EXPENSES	0	0	(86,269)	0	0	33,278	0	0	0	(52,991)	52,991
EXECUTIVE COMPENSATION	0	0	(31,065,165)	0	0	11,983,387	0	0	0	(19,081,778)	19,081,778
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,046,280,588)	(2,983,720,931)	(2,557,004)	(13,879,405)	(2,510,387)	(44,488,841)	27,742,178	0	0	(3,019,414,390)	(26,866,198)
CONSERVATION COST RECOVERY	(70,538,591)	0	(57,051,206)	(9,949,650)	(1,079,700)	(5,651,536)	4,703,349	0	0	(69,028,743)	(1,509,848)
CAPACITY COST RECOVERY	(375,027,978)	(251,158,971)	(49,892,186)	(32,808,508)	(441,092)	(18,477,183)	2,766,657	0	0	(350,011,283)	(25,016,695)
ENVIRONMENTAL COST RECOVERY	(239,370,624)	0	(60,641,732)	(51,553,403)	(348,593)	(66,426,571)	17,382,995	0	311,342	(161,275,961)	(78,094,663)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	1,452,192	0	(560,183)	0	0	0	892,009	(892,009)
STORM DEFICIENCY RECOVERY	(118,211,640)	0	(582,211)	(104,765,412)	0	(4,962,295)	0	0	0	(110,309,917)	(7,901,723)
INTEREST TAX DEFICIENCIES	0	0	729,656	0	0	(281,465)	0	0	0	448,191	(448,191)
INTEREST SYNCHRONIZATION	0	0	0	0	0	22,986,454	(8,690,066)	0	0	14,296,388	(14,296,388)
TOTAL FPSC ADJUSTMENTS	\$ (4,563,696,388)	(3,234,879,902)	(203,786,897)	(211,504,186)	(718,446,520)	(104,903,507)	43,905,114	0	311,342	(4,429,304,556)	\$ (134,391,832)
FPSC ADJUSTED	\$ 6,015,066,537	36,767,926	1,342,061,788	1,277,397,415	471,396,612	(182,498,044)	1,143,695,076	4,291,667	(5,732,669)	4,087,379,770	\$ 1,927,686,768
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,838,626,150	36,767,926	1,342,061,788	1,277,397,415	471,269,574	(250,510,919)	1,143,695,076	4,291,667	(5,732,669)	4,019,239,858	\$ 1,819,386,292
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 99,003,400 \$ 95,031,783										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,323,198										
ON A JURISDICTIONAL BASIS	\$ 2,242,539										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 912,242,390	278,767,492	115,794,141	181,717,043	101,285,606	(93,502,069)	169,436,629	(72,425)	(753,630)	752,672,788	\$ 159,569,602
JURISDICTIONAL PER BOOKS	\$ 872,541,012	262,049,944	111,576,397	175,790,934	99,792,180	(88,811,104)	160,932,643	(69,698)	(739,470)	720,521,826	\$ 152,019,186

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
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
OCTOBER, 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)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
TOTAL PROFORMA ADJUSTMENTS	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)

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, 2016

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,626,101,602	\$ 1,543,178,277
FUEL AND CAPACITY	93,196,529	88,144,296
FUEL CLAUSE - GAS RESERVES (1)	99,637,331	94,079,268
CAPITALIZED EXECUTIVE COMPENSATION	13,908,569	13,425,677
LOAD CONTROL	50,115,150	50,115,150
ASSET RETIREMENT OBLIGATION	358,641,592	346,189,918
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	\$ 2,300,825,461	\$ 2,192,301,054
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (225,251,204)	\$ (213,764,480)
ACCUM PROV DECOMMISSIONING COSTS	(3,873,147,162)	(3,662,594,761)
ASSET RETIREMENT OBLIGATION	36,234,285	34,976,267
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,592,347,761	3,467,625,073
FUEL AND CAPACITY	(34,686,789)	(32,754,597)
FUEL CLAUSE - GAS RESERVES (1)	(8,341,123)	(7,875,831)
OTHER RATE CASE ADJUSTMENTS (2)	116,376	111,707
LOAD CONTROL	(24,358,438)	(24,358,438)
CAPITAL LEASES	(6,591,987)	(6,363,120)
TOTAL	\$ (543,678,281)	\$ (444,998,180)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,899,859,541	\$ 1,791,043,236
CWIP - CLAUSE PROJECTS (1)	32,312,169	30,575,462
TOTAL	\$ 1,932,171,709	\$ 1,821,618,698
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)	\$ (3,145,950,880)	\$ (3,046,249,384)
TOTAL ADJUSTMENTS	\$ 543,368,009	\$ 522,672,188

NOTES:

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(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-13-0023-S-

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
OCTOBER, 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	\$ 11,025,264,904	3,459,733,154	1,604,590,129	1,540,195,006	1,208,008,521	(80,903,312)	1,146,688,699	4,459,546	(6,060,742)	8,876,711,001	\$ 2,148,553,903
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,228,176)	0	0	0	(12,042,829)	(175,973,498)	0	0	0	(188,016,326)	\$ (280,211,850)
FRANCHISE EXPENSE	0	0	0	0	(456,185,279)	175,973,471	0	0	0	(280,211,808)	280,211,808
GROSS RECEIPTS TAX	(246,038,791)	0	0	0	(245,838,639)	(77,209)	0	0	0	(245,915,847)	(122,943)
FINANCIAL PLANNING SERVICES	0	0	(438,088)	0	0	168,993	0	0	0	(269,096)	269,096
INDUSTRY ASSOCIATION DUES	0	0	(2,181,515)	0	0	841,519	0	0	0	(1,339,996)	1,339,996
ECONOMIC DEVELOPMENT 5%	0	0	(116,160)	0	0	44,809	0	0	0	(71,351)	71,351
AVIATION - EXPENSES	0	0	(89,372)	0	0	34,475	0	0	0	(54,897)	54,897
EXECUTIVE COMPENSATION	0	0	(32,182,509)	0	0	12,414,403	0	0	0	(19,768,106)	19,768,106
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY, INCL GAS RESERVES (1)	(3,215,682,699)	(3,155,511,159)	(2,708,068)	(14,699,380)	(2,531,696)	(43,233,856)	27,795,756	0	0	(3,190,888,403)	(24,794,296)
CONSERVATION COST RECOVERY	(70,538,591)	0	(57,051,206)	(9,949,650)	(1,079,700)	(5,651,536)	4,703,349	0	0	(69,028,743)	(1,509,848)
CAPACITY COST RECOVERY	(375,408,717)	(265,306,478)	(52,702,517)	(32,898,715)	(451,003)	(12,043,946)	2,766,657	0	0	(360,636,002)	(14,772,715)
ENVIRONMENTAL COST RECOVERY	(239,370,624)	0	(62,860,756)	(54,323,646)	(358,063)	(64,504,761)	17,382,995	0	328,072	(164,336,159)	(75,034,465)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	1,512,883	0	(583,595)	0	0	0	929,288	(929,288)
STORM DEFICIENCY RECOVERY	(118,211,640)	0	(600,275)	(104,765,412)	0	(4,955,327)	0	0	0	(110,321,013)	(7,890,627)
INTEREST TAX DEFICIENCIES	0	0	755,900	0	0	(291,588)	0	0	0	464,312	(464,312)
INTEREST SYNCHRONIZATION	0	0	0	0	0	23,446,044	(9,002,628)	0	0	14,443,416	(14,443,416)
TOTAL FPSC ADJUSTMENTS	\$ (4,733,479,238)	(3,420,817,638)	(210,174,566)	(215,123,920)	(718,487,209)	(94,391,601)	43,646,130	0	328,072	(4,615,020,732)	\$ (118,458,505)
FPSC ADJUSTED	\$ 6,291,785,667	38,915,516	1,394,415,564	1,325,071,085	489,521,312	(175,294,913)	1,190,334,829	4,459,546	(5,732,669)	4,261,690,269	\$ 2,030,095,398
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,115,345,280	38,915,516	1,394,415,564	1,325,071,085	489,394,275	(243,307,788)	1,190,334,829	4,459,546	(5,732,669)	4,193,550,357	\$ 1,921,794,922

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 99,003,400

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
OCTOBER, 2016

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	13,574,083	13,075,054
INTEREST & DIVIDENDS RECEIVABLE	(311,426)	(299,977)
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECR	3,693,421	4,563,137
FUEL CLAUSE - GAS RESERVES (1)	8,738,893	8,251,411
CASH CAPITAL SUB ACCOUNT	2,115,414	1,997,410
POLE ATTACHMENTS RENTS RECEIVABLE	16,222,635	16,222,635
PREPAYMENTS - ECCR	54,148,614	54,148,614
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,808,693	7,495,440
TEMPORARY CASH INVESTMENTS	2,045,169	1,969,981
STORM DEFICIENCY RECOVERY	355,747,538	355,747,538
NUCLEAR COST RECOVERY	74,203	74,203
JOBGING ACCOUNTS	8,916,109	8,588,323
OTH REG ASSETS - CLAUSES	6,404,880	6,047,597
MISC. DEFERRED DEBIT - CLAUSES	11,729,225	11,074,934
CEDAR BAY TRANSACTION	707,919,506	670,118,195
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,198,826,957	\$ 1,159,074,497
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(105,543)	(101,878)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(88,838,191)	(88,838,191)
ACCUM. PROV. - RATE REFUNDS	(202,060)	(200,775)
GAIN ON SALE OF EMISSION ALLOWANCE	(18,372)	(17,435)
JOBGING ACCOUNTS	(14,103,057)	(13,584,581)
FUEL CLAUSE - GAS RESERVES (1)	21,486,267	20,287,700
POLE ATTACHMENT RENTS PAYABLE	(7,631,943)	(7,631,943)
SJRPP ACCELERATED RECOVERY	(25,044,291)	(23,708,801)
STORM DEFICIENCY RECOVERY	0	0
ASSET RETIREMENT OBLIGATION	(3,987,527,181)	(3,849,084,262)
MARGIN CALL CASH COLLATERAL	(7,692)	(7,410)
NUCLEAR COST RECOVERY	(236,232,220)	(236,232,220)
CEDAR BAY TRANSACTION	(6,553,555)	(6,204,085)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,344,777,837)	\$ (4,205,323,881)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,145,950,880)	\$ (3,046,249,384)

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
OCTOBER, 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)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
TOTAL PROFORMA ADJUSTMENTS	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)

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, 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	\$ 43,598,360,316	14,398,498,032	29,199,862,284	264,895,988	3,145,334,046	701,749,197	33,311,841,515	(1,484,320,894)	\$ 31,827,520,621
JURISDICTIONAL PER BOOKS	\$ 41,662,159,740	13,003,734,056	28,658,425,684	251,107,472	2,985,000,135	662,666,675	32,557,199,966	(2,123,873,495)	\$ 30,433,326,471
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,174,647,070)	(482,565,374)	(1,692,081,696)	0	(1,766,297,157)	0	(3,458,378,853)	3,046,249,384	\$ (412,129,469)
FPSC ADJUSTED:	\$ 39,487,512,670	12,521,168,682	26,966,343,988	251,107,472	1,218,702,978	662,666,675	29,098,821,114	922,375,889	\$ 30,021,197,003
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 39,487,512,670	12,521,168,682	26,966,343,988	251,107,472	1,218,702,978	662,666,675	29,098,821,114	922,375,889	\$ 30,021,197,003

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
OCTOBER, 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	\$ 11,025,264,904	3,459,733,154	1,604,590,129	1,540,195,006	1,208,008,521	(80,903,312)	1,146,688,699	4,459,546	(6,060,742)	8,876,711,001	\$ 2,148,553,903
JURISDICTIONAL PER BOOKS	\$ 10,578,762,925	3,271,647,828	1,545,848,685	1,468,901,601	1,189,843,131	(77,594,537)	1,099,789,962	4,291,667	(6,044,011)	8,516,684,326	\$ 2,062,078,599
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,228,176)	0	0	0	(12,042,829)	(175,973,498)	0	0	0	(188,016,326)	\$ (280,211,850)
FRANCHISE EXPENSE	0	0	0	0	(456,185,279)	175,973,471	0	0	0	(280,211,808)	280,211,808
GROSS RECEIPTS TAX	(246,038,791)	0	0	0	(245,838,639)	(77,209)	0	0	0	(245,915,847)	(122,943)
FINANCIAL PLANNING SERVICES	0	0	(422,878)	0	0	163,125	0	0	0	(259,753)	259,753
INDUSTRY ASSOCIATION DUES	0	0	(2,105,775)	0	0	812,303	0	0	0	(1,293,472)	1,293,472
ECONOMIC DEVELOPMENT 5%	0	0	(112,127)	0	0	43,253	0	0	0	(68,874)	68,874
AVIATION - EXPENSES	0	0	(86,269)	0	0	33,278	0	0	0	(52,991)	52,991
EXECUTIVE COMPENSATION	0	0	(31,065,165)	0	0	11,983,387	0	0	0	(19,081,778)	19,081,778
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,046,280,588)	(2,983,720,931)	(2,557,004)	(13,879,405)	(2,510,387)	(44,488,841)	27,742,178	0	0	(3,019,414,390)	(26,866,198)
CONSERVATION COST RECOVERY	(70,538,591)	0	(57,051,206)	(9,949,650)	(1,079,700)	(5,651,536)	4,703,349	0	0	(69,028,743)	(1,509,848)
CAPACITY COST RECOVERY	(375,027,978)	(251,158,971)	(49,892,186)	(32,808,508)	(441,092)	(18,477,183)	2,766,657	0	0	(350,011,283)	(25,016,695)
ENVIRONMENTAL COST RECOVERY	(239,370,624)	0	(60,641,732)	(51,553,403)	(348,593)	(66,426,571)	17,382,995	0	311,342	(161,275,961)	(78,094,663)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	1,452,192	0	(560,183)	0	0	0	892,009	(892,009)
STORM DEFICIENCY RECOVERY	(118,211,640)	0	(582,211)	(104,765,412)	0	(4,962,295)	0	0	0	(110,309,917)	(7,901,723)
INTEREST TAX DEFICIENCIES	0	0	729,656	0	0	(281,465)	0	0	0	448,191	(448,191)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,775,353	(8,690,066)	0	0	13,085,288	(13,085,288)
TOTAL FPSC ADJUSTMENTS	\$ (4,563,696,388)	(3,234,879,902)	(203,786,897)	(211,504,186)	(718,446,520)	(106,114,608)	43,905,114	0	311,342	(4,430,515,657)	\$ (133,180,731)
FPSC ADJUSTED	\$ 6,015,066,537	36,767,926	1,342,061,788	1,277,397,415	471,396,612	(183,709,145)	1,143,695,076	4,291,667	(5,732,669)	4,086,168,669	\$ 1,928,897,868
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 5,838,626,150	36,767,926	1,342,061,788	1,277,397,415	471,269,574	(251,722,019)	1,143,695,076	4,291,667	(5,732,669)	4,018,028,757	\$ 1,820,597,393
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 99,003,400										
AND THE JURISDICTIONAL NOI BY	\$ 95,031,783										

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
OCTOBER, 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)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
TOTAL PROFORMA ADJUSTMENTS	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)

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, 2016

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,626,089,247	\$ 1,543,166,552
FUEL AND CAPACITY	112,343,525	106,270,275
FUEL CLAUSE – GAS RESERVES (1)	0	0
CAPITALIZED EXECUTIVE COMPENSATION	16,476,115	15,904,081
LOAD CONTROL	47,307,216	47,307,216
ASSET RETIREMENT OBLIGATION	419,391,323	404,830,479
CAPITAL LEASES	59,224,688	57,168,466
TOTAL	<u>\$ 2,280,832,112</u>	<u>\$ 2,174,647,070</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (252,442,916)	\$ (239,569,547)
ACCUM PROV DECOMMISSIONING COSTS	(4,038,522,870)	(3,818,980,298)
ASSET RETIREMENT OBLIGATION	21,877,299	21,117,742
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,744,193,060	3,614,198,456
FUEL AND CAPACITY	(35,734,798)	(33,746,720)
FUEL CLAUSE – GAS RESERVES (1)	0	0
OTHER RATE CASE ADJUSTMENTS (2)	1,512,883	1,452,192
LOAD CONTROL	(20,023,628)	(20,023,628)
CAPITAL LEASES	(7,265,833)	(7,013,571)
TOTAL	<u>\$ (586,406,802)</u>	<u>\$ (482,565,374)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,855,986,973	\$ 1,749,139,999
CWIP - CLAUSE PROJECTS (1)	18,118,573	17,157,157
TOTAL	<u>\$ 1,874,105,547</u>	<u>\$ 1,766,297,157</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)	\$ (3,145,950,880)	\$ (3,046,249,384)
TOTAL ADJUSTMENTS	<u>\$ 422,579,977</u>	<u>\$ 412,129,469</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
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
OCTOBER, 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	\$ 11,025,264,904	3,459,733,154	1,604,590,129	1,540,195,006	1,208,008,521	(80,903,312)	1,146,688,699	4,459,546	(6,060,742)	8,976,711,001	\$ 2,148,553,903
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (468,228,176)	0	0	0	(12,042,829)	(175,973,498)	0	0	0	(188,016,326)	\$ (280,211,850)
FRANCHISE EXPENSE	0	0	0	0	(456,185,279)	175,973,471	0	0	0	(280,211,808)	280,211,808
GROSS RECEIPTS TAX	(246,038,791)	0	0	0	(245,838,639)	(77,209)	0	0	0	(245,915,847)	(122,943)
FINANCIAL PLANNING SERVICES	0	0	(438,088)	0	0	168,993	0	0	0	(269,096)	269,096
INDUSTRY ASSOCIATION DUES	0	0	(2,181,515)	0	0	841,519	0	0	0	(1,339,996)	1,339,996
ECONOMIC DEVELOPMENT 5%	0	0	(116,160)	0	0	44,809	0	0	0	(71,351)	71,351
AVIATION - EXPENSES	0	0	(89,372)	0	0	34,475	0	0	0	(54,897)	54,897
EXECUTIVE COMPENSATION	0	0	(32,182,509)	0	0	12,414,403	0	0	0	(19,768,106)	19,768,106
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(3,215,682,699)	(3,155,511,159)	(2,708,068)	(14,699,380)	(2,531,696)	(43,233,856)	27,795,756	0	0	(3,190,888,403)	(24,794,296)
CONSERVATION COST RECOVERY	(70,538,591)	0	(57,051,206)	(9,949,650)	(1,079,700)	(5,651,536)	4,703,349	0	0	(69,028,743)	(1,509,848)
CAPACITY COST RECOVERY	(375,408,717)	(265,306,478)	(52,702,517)	(32,898,715)	(451,003)	(12,043,946)	2,766,657	0	0	(360,636,002)	(14,772,715)
ENVIRONMENTAL COST RECOVERY	(239,370,624)	0	(62,860,756)	(54,323,646)	(358,063)	(64,504,761)	17,382,995	0	328,072	(164,336,159)	(75,034,465)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	1,512,883	0	(583,595)	0	0	0	929,288	(929,288)
STORM DEFICIENCY RECOVERY	(118,211,640)	0	(600,275)	(104,765,412)	0	(4,955,327)	0	0	0	(110,321,013)	(7,890,627)
INTEREST TAX DEFICIENCIES	0	0	755,900	0	0	(291,588)	0	0	0	464,312	(464,312)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,661,707	(9,002,628)	0	0	12,659,079	(12,659,079)
TOTAL FPSC ADJUSTMENTS	\$ (4,733,479,238)	(3,420,817,638)	(210,174,566)	(215,123,920)	(718,467,209)	(96,175,938)	43,646,130	0	328,072	(4,616,805,069)	\$ (116,674,169)
FPSC ADJUSTED	\$ 6,291,785,667	38,915,516	1,394,415,564	1,325,071,085	489,521,312	(177,079,250)	1,190,334,829	4,459,546	(5,732,669)	4,259,905,932	\$ 2,031,879,734
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,115,345,280	38,915,516	1,394,415,564	1,325,071,085	489,394,275	(245,092,125)	1,190,334,829	4,459,546	(5,732,669)	4,191,766,020	\$ 1,923,579,259

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 99,003,400

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
OCTOBER, 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)	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)
TOTAL PROFORMA ADJUSTMENTS	\$ (176,440,387)	0	0	0	(127,037)	(68,012,875)	0	0	0	(68,139,912)	\$ (108,300,475)

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, 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	\$ 8,754,142,786	\$ 8,398,771,290	\$ 81,600,432	\$ (276,737,104)	\$ 8,203,634,618	28.37%	4.59%	1.30%	4.59%	1.30%	4.59%	1.30%
SHORT TERM DEBT	676,426,874	648,234,851	6,512,684	(0)	654,747,535	2.26%	1.71%	0.04%	1.71%	0.04%	1.71%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,753,830,836	13,160,800,637	132,422,825	0	13,313,023,461	46.03%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
CUSTOMER DEPOSITS	417,055,978	416,959,666	4,189,109	(0)	421,148,775	1.46%	2.08%	0.03%	2.08%	0.03%	2.08%	0.03%
DEFERRED INCOME TAX	6,940,653,622	6,652,102,439	62,907,734	(390,631,065)	6,324,379,108	21.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	154,806,059	146,950,331	39,922	(142,976,725)	4,013,528	0.01%	7.63%	0.00%	8.25%	0.00%	8.86%	0.00%
TOTAL	\$ 30,696,916,155	\$ 29,443,619,214	\$ 287,672,707	\$ (810,344,895)	\$ 28,920,947,026	100.00%		5.74%		6.21%		6.67%

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	\$ 8,893,215,978	\$ 8,505,535,330	\$ 109,614,830	\$ (276,086,653)	\$ 8,339,063,508	27.78%	4.53%	1.26%	4.53%	1.26%	4.53%	1.26%
SHORT TERM DEBT	729,131,518	696,504,416	9,277,318	0	705,781,734	2.35%	1.75%	0.04%	1.75%	0.04%	1.75%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,191,076,149	13,556,055,327	180,564,308	(0)	13,736,619,635	45.78%	9.50%	4.35%	10.50%	4.80%	11.50%	5.26%
CUSTOMER DEPOSITS	421,356,586	421,321,603	5,611,931	(0)	426,933,533	1.42%	2.16%	0.03%	2.16%	0.03%	2.16%	0.03%
DEFERRED INCOME TAX	7,436,539,607	7,105,652,193	89,442,918	(390,631,065)	6,604,464,045	22.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	156,200,783	148,257,602	109,555	(140,032,611)	8,334,547	0.03%	7.62%	0.00%	8.25%	0.00%	8.87%	0.00%
TOTAL	\$ 31,827,520,621	\$ 30,433,326,471	\$ 394,620,860	\$ (806,750,329)	\$ 30,021,197,003	100.00%		5.68%		6.14%		6.59%

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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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	\$ 8,203,634,618	\$ -	\$ 8,203,634,618	28.37%	4.59%	1.30%	4.59%	1.30%	4.59%	1.30%
SHORT TERM DEBT	654,747,535	-	654,747,535	2.26%	1.71%	0.04%	1.71%	0.04%	1.71%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,313,023,461	-	13,313,023,461	46.03%	9.50%	4.37%	10.50%	4.83%	11.50%	5.29%
CUSTOMER DEPOSITS	421,148,775	-	421,148,775	1.46%	2.08%	0.03%	2.08%	0.03%	2.08%	0.03%
DEFERRED INCOME TAX	6,324,379,108	-	6,324,379,108	21.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	4,013,528	-	4,013,528	0.01%	7.63%	0.00%	8.25%	0.00%	8.86%	0.00%
TOTAL	\$ 28,920,947,026	\$ -	\$ 28,920,947,026	100.00%		5.74%		6.21%		6.67%

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	\$ 8,339,063,508	\$ -	\$ 8,339,063,508	27.78%	4.53%	1.26%	4.53%	1.26%	4.53%	1.26%
SHORT TERM DEBT	705,781,734	-	705,781,734	2.35%	1.75%	0.04%	1.75%	0.04%	1.75%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	13,736,619,635	-	13,736,619,635	45.76%	9.50%	4.35%	10.50%	4.80%	11.50%	5.26%
CUSTOMER DEPOSITS	426,933,533	-	426,933,533	1.42%	2.16%	0.03%	2.16%	0.03%	2.16%	0.03%
DEFERRED INCOME TAX	6,804,464,045	-	6,804,464,045	22.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	8,334,547	-	8,334,547	0.03%	7.62%	0.00%	8.25%	0.00%	8.87%	0.00%
TOTAL	\$ 30,021,197,003	\$ -	\$ 30,021,197,003	100.00%		5.68%		6.14%		6.59%

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	\$ 2,161,070,413
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,337,966
INCOME TAXES	1,054,987,259
TOTAL	\$ 3,239,395,639
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 473,989,030
TIMES INTEREST EARNED WITH AFUDC	6.83

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,161,070,413
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(75,665,434)
INCOME TAXES	1,054,987,259
TOTAL	\$ 3,140,392,238
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 473,989,030
TIMES INTEREST EARNED WITHOUT AFUDC	6.63

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,337,966
X (1 - INCOME_TAX_RATE)	0.6143
SUBTOTAL	\$ 14,335,346
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	75,665,434
TOTAL	\$ 90,000,780
NET INCOME AVAILABLE FOR COMMON	\$ 1,710,419,350
AFUDC AS PERCENT OF NET INCOME	5.26%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 233,108,377
GAINS ON DISPOSITION OF PROPERTY	(6,754,093)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
TOTAL	\$ 226,354,284

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,710,419,350
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(2,000,000,000)
AFUDC (DEBT & OTHER)	(99,003,400)
DEPRECIATION AND AMORTIZATION EXPENSE	1,540,195,006
DEFERRED INCOME TAXES	1,135,793,186
INVESTMENT TAX CREDITS	4,459,546
OTHER SOURCE/USES OF FUNDS	226,354,284
INTERNALLY GENERATED FUNDS	\$ 2,518,217,971
CONSTRUCTION EXPENDITURES	\$ 3,938,689,271
PERCENT INTERNALLY GENERATED FUNDS	63.94%

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	\$ 8,203,634,618
JURIS ADJUSTED SHORT TERM DEBT	654,747,535
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	13,313,023,461
TOTAL	\$ 22,171,405,615
LTD TO TOTAL INVESTOR FUNDS	37.00%
STD TO TOTAL INVESTOR FUNDS	2.95%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.67%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.30%
SHORT TERM DEBT	0.04%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.00%
SUBTOTAL	1.37%
TOTAL	5.29%
DIVIDED BY COMMON EQUITY RATIO	46.03%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.50%

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.29%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.30%

SHORT TERM DEBT 0.04%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.03%

TAX CREDITS - WTD COST 0.00%

SUBTOTAL 1.37%

PRO FORMA ROR LESS NON EQUITY COST 4.92%

PRO FORMA COMMON EQUITY RATIO 46.03%

PRO FORMA RETURN ON COMMON EQUITY 10.69%