



February 15, 2019

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 December 2018. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-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 11.60%.

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

Pursuant to the above referenced order, FPL has provided the monthly and year-end total amounts of amortization credit or debit to the Reserve Amount during 2018 herein as Attachment 1. The balance of the Reserve Amount as of December 31, 2018 is \$540,949,289.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Chin', is written over a horizontal line.

Jason Chin  
Sr. Manager of Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
EARNINGS SURVEILLANCE REPORT SUMMARY  
DECEMBER, 2018

SCHEDULE 1: PAGE 1 OF 1

|  | ACTUAL<br>PER BOOKS  | FPSC<br>ADJUSTMENTS | FPSC<br>ADJUSTED | PRO FORMA<br>ADJUSTMENTS | PRO FORMA<br>ADJUSTED |
|--|----------------------|---------------------|------------------|--------------------------|-----------------------|
| <b>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</b>                                    |                      |                     |                  |                          |                       |
| NET OPERATING INCOME   | \$ 2,638,261,784 (A) | (223,821,448) (B)   | 2,408,440,336    | 16,157,078               | \$ 2,424,597,414      |
| RATE BASE  | \$ 36,177,280,412    | (205,534,992)       | 35,971,745,420   | 0                        | \$ 35,971,745,420     |
| AVERAGE RATE OF RETURN   | 7.29%                |                     | 6.70%            |                          | 6.74%                 |
| <b>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</b>                                  |                      |                     |                  |                          |                       |
| NET OPERATING INCOME   | \$ 2,638,261,784 (A) | (223,931,147) (B)   | 2,414,330,636    | 16,157,078               | \$ 2,430,487,714      |
| RATE BASE  | \$ 37,232,696,572    | (416,601,008)       | 36,816,094,564   | 0                        | \$ 36,816,094,564     |
| YEAR END RATE OF RETURN  | 7.09%                |                     | 6.56%            |                          | 6.60%                 |
| <b>(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS</b>           |                      |                     |                  |                          |                       |
| <b>III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)</b> |                      |                     |                  |                          |                       |
| LOW  |                      |                     | 5.78%            |                          |                       |
| MIDPOINT   |                      |                     | 6.22%            |                          |                       |
| HIGH   |                      |                     | 6.70%            |                          |                       |
| <b>IV. FINANCIAL INTEGRITY INDICATORS</b>  |                      |                     |                  |                          |                       |
| A. TIMES INTEREST EARNED WITH AFUDC  |                      |                     | 5.79             | (SYSTEM PER BOOKS BASIS) |                       |
| B. TIMES INTEREST EARNED WITHOUT AFUDC   |                      |                     | 5.59             | (SYSTEM PER BOOKS BASIS) |                       |
| C. AFUDC AS PERCENT OF NET INCOME  |                      |                     | 5.00%            | (SYSTEM PER BOOKS BASIS) |                       |
| D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY                                      |                      |                     | 82.29%           | (SYSTEM PER BOOKS BASIS) |                       |
| E. LTD TO TOTAL INVESTOR FUNDS   |                      |                     | 36.81%           | (FPSC ADJUSTED BASIS)    |                       |
| F. STD TO TOTAL INVESTOR FUNDS   |                      |                     | 3.59%            | (FPSC ADJUSTED BASIS)    |                       |
| G. RETURN ON COMMON EQUITY (AVERAGE)   |                      |                     | 11.60%           | (FPSC ADJUSTED)          |                       |
| H. RETURN ON COMMON EQUITY   |                      |                     | 11.70%           | (PRO-FORMA ADJUSTED)     |                       |

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160027-EI, ORDER NO. PSC-16-0560-AS-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.

KEITH FERGUSON  
(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

 (SIGNATURE)

2/15/2019  
(DATE)

FOR KEITH FERGUSON

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
RATE BASE  
DECEMBER, 2018

SCHEDULE 2: PAGE 1 OF 3

|   | PLANT IN<br>SERVICE | ACCUMULATED<br>DEPRECIATION &<br>AMORTIZATION | NET<br>PLANT IN<br>SERVICE | PROPERTY HELD<br>FOR FUTURE USE | CONSTRUCTION<br>WORK IN<br>PROGRESS | NUCLEAR FUEL | NET<br>UTILITY PLANT | WORKING<br>CAPITAL | TOTAL<br>RATE BASE |
|---|---------------------|---|----------------------------|---------------------------------|-------------------------------------|--------------|----------------------|--------------------|--------------------|
| SYSTEM PER BOOKS  | \$ 48,548,529,954   | 15,480,145,587                                | 33,068,384,366             | 372,183,848                     | 3,776,294,635                       | 603,421,837  | 37,820,284,687       | (165,967,676)      | \$ 37,654,317,011  |
| JURISDICTIONAL PER BOOKS  | \$ 46,496,972,000   | 12,373,525,644                                | 34,123,446,355             | 351,257,682                     | 3,600,371,969                       | 578,776,744  | 38,653,852,751       | (2,476,572,340)    | \$ 36,177,280,412  |
| FPSC ADJUSTMENTS<br>(SEE SCHEDULE 2, PAGE 3 OF 3<br>AND SCHEDULE 2, PAGE 3B OF 3) | \$ (2,207,055,579)  | (650,315,793)                                 | (1,556,739,786)            | 0                               | (2,167,708,695)                     | 0            | (3,724,448,481)      | 3,518,913,489      | \$ (205,534,992)   |
| FPSC ADJUSTED:  | \$ 44,289,916,421   | 11,723,209,851                                | 32,566,706,569             | 351,257,682                     | 1,432,663,274                       | 578,776,744  | 34,929,404,270       | 1,042,341,149      | \$ 35,971,745,420  |
| <br><u>PRO FORMA ADJUSTMENTS</u>  |                     |   |                            |                                 |                                     |              |                      |                    |                    |
| TOTAL PRO FORMA ADJUSTMENTS:  | \$ 0                | 0   | 0                          | 0                               | 0                                   | 0            | 0                    | 0                  | \$ 0               |
| PRO FORMA ADJUSTED  | \$ 44,289,916,421   | 11,723,209,851                                | 32,566,706,569             | 351,257,682                     | 1,432,663,274                       | 578,776,744  | 34,929,404,270       | 1,042,341,149      | \$ 35,971,745,420  |

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  
DECEMBER, 2018

SCHEDULE 2: PAGE 2 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         |                             |                         |                      |                             |                             |                            |                          |                          |
| SYSTEM PER BOOKS  | \$ 11,601,226,196  | 3,300,010,615           | 1,416,432,282 | 2,396,653,024               | 1,306,766,263           | 351,673,810          | (22,818,074)                | 206,771,636                 | (6,095,666)                | 8,949,393,890            | \$ 2,651,832,306         |
| JURISDICTIONAL PER BOOKS  | \$ 11,148,186,144  | 3,134,284,090           | 1,370,421,930 | 2,327,248,987               | 1,285,863,774           | 334,316,566          | (25,342,035)                | 198,954,213                 | (6,095,649)                | 8,619,651,875            | \$ 2,528,534,269         |
| <b>FPSC ADJUSTMENTS</b>   |                    |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| FRANCHISE REVENUE   | \$ (483,060,693)   | 0                       | 0             | 0                           | (12,424,321)            | (119,282,789)        | 0                           | 0                           | 0                          | (131,707,110)            | \$ (351,353,584)         |
| FRANCHISE EXPENSE   | 0                  | 0                       | 0             | 0                           | (471,013,287)           | 119,378,318          | 0                           | 0                           | 0                          | (351,634,969)            | 351,634,969              |
| GROSS RECEIPTS TAX  | (255,379,505)      | 0                       | 0             | 0                           | (255,048,270)           | (83,952)             | 0                           | 0                           | 0                          | (255,132,222)            | (247,284)                |
| FINANCIAL PLANNING SERVICES   | 0                  | 0                       | (412,737)     | 0                           | 0                       | 104,608              | 0                           | 0                           | 0                          | (308,129)                | 308,129                  |
| INDUSTRY ASSOCIATION DUES   | 0                  | 0                       | (2,303,964)   | 0                           | 0                       | 583,940              | 0                           | 0                           | 0                          | (1,720,024)              | 1,720,024                |
| ECONOMIC DEVELOPMENT 5%   | 0                  | 0                       | (141,274)     | 0                           | 0                       | 35,806               | 0                           | 0                           | 0                          | (105,468)                | 105,468                  |
| AVIATION - EXPENSES   | 0                  | 0                       | (172,360)     | 0                           | 0                       | 43,685               | 0                           | 0                           | 0                          | (128,676)                | 128,676                  |
| EXECUTIVE COMPENSATION  | 0                  | 0                       | (34,859,280)  | 0                           | 0                       | 8,835,085            | 0                           | 0                           | 0                          | (26,024,196)             | 26,024,196               |
| FUEL COST REC RETAIL  | (2,972,833,854)    | (2,960,992,886)         | (178,961)     | 52,309                      | (2,091,882)             | 48,162,459           | (50,601,265)                | 0                           | 0                          | (2,965,650,226)          | (7,183,628)              |
| CONSERVATION COST RECOVERY  | (57,906,615)       | 0                       | (44,914,783)  | (10,058,200)                | (1,103,370)             | (463,263)            | (617)                       | 0                           | 0                          | (56,540,233)             | (1,366,382)              |
| CAPACITY COST RECOVERY  | (248,154,854)      | (153,164,711)           | (28,764,215)  | 2,890,746                   | (321,530)               | (19,050,966)         | 1,614,836                   | 0                           | 0                          | (196,795,840)            | (51,359,014)             |
| ENVIRONMENTAL COST RECOVERY   | (176,785,289)      | 0                       | (31,479,020)  | (42,773,087)                | (273,343)               | (15,136,805)         | (10,781,037)                | 0                           | 341                        | (100,442,952)            | (76,342,337)             |
| OTHER RATE CASE ADJUSTMENTS (1)   | 0                  | 0                       | 0             | 173,589                     | 0                       | (43,996)             | 0                           | 0                           | 0                          | 129,593                  | (129,593)                |
| STORM DEFICIENCY RECOVERY   | (143,678,195)      | 0                       | (18,025,023)  | (120,369,922)               | 0                       | (1,339,040)          | 0                           | 0                           | 0                          | (139,733,985)            | (3,944,211)              |
| INTEREST TAX DEFICIENCIES   | 0                  | 0                       | 341,684       | 0                           | 0                       | (86,600)             | 0                           | 0                           | 0                          | 255,084                  | (255,084)                |
| INTEREST SYNCHRONIZATION  | 0                  | 0                       | 0             | 0                           | 0                       | 13,638,446           | (5,804,168)                 | 0                           | 0                          | 7,834,277                | (7,834,277)              |
| TOTAL FPSC ADJUSTMENTS  | \$ (4,337,799,007) | (3,114,157,597)         | (160,909,935) | (170,084,565)               | (742,276,003)           | 35,294,936           | (65,572,251)                | 0                           | 341                        | (4,217,705,075)          | \$ (120,093,933)         |
| FPSC ADJUSTED   | \$ 6,810,387,136   | 20,126,492              | 1,209,511,996 | 2,157,164,422               | 543,587,771             | 369,611,501          | (90,914,286)                | 198,954,213                 | (6,095,308)                | 4,401,946,800            | \$ 2,408,440,336         |
| <b>PRO FORMA ADJUSTMENTS</b>  |                    |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| PRO FORMA ADJUSTMENTS<br>(SEE SCHEDULE 2, PAGE 2A OF 3)   | \$ 12,899,373      | 0                       | 0             | 0                           | 9,288                   | (3,266,992)          | 0                           | 0                           | 0                          | (3,257,705)              | \$ 16,157,078            |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED   | \$ 6,823,286,510   | 20,126,492              | 1,209,511,996 | 2,157,164,422               | 543,597,058             | 366,344,509          | (90,914,286)                | 198,954,213                 | (6,095,308)                | 4,398,689,096            | \$ 2,424,597,414         |
| <b>(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY</b> |                    |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
|   | \$ 114,144,685     |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
|   | \$ 109,727,515     |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| <b>(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:</b>  |                    |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| ON A TOTAL COMPANY BASIS  | \$ 2,917,464       |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| ON A JURISDICTIONAL BASIS   | \$ 2,825,475       |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| <b>CURRENT MONTH AMOUNT</b>   |                    |                         |               |                             |                         |                      |                             |                             |                            |                          |                          |
| SYSTEM PER BOOKS  | \$ 859,278,630     | 248,076,269             | 128,031,695   | 255,395,800                 | 100,474,560             | 7,387,796            | 6,551,938                   | (353,888)                   | (505,631)                  | 745,058,539              | \$ 114,220,091           |
| JURISDICTIONAL PER BOOKS  | \$ 826,141,061     | 233,246,433             | 123,815,295   | 249,500,027                 | 98,725,310              | 6,964,815            | 6,043,642                   | (340,509)                   | (505,630)                  | 717,449,383              | \$ 108,691,678           |

NOTES:  
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-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  
DECEMBER, 2018

SCHEDULE 2: PAGE 2A OF 3

|                                      | OPERATING<br>REVENUES | OPERATION & MAINTENANCE<br>FUEL &<br>NET INTERCHANGE | OTHER | DEPRECIATION &<br>AMORTIZATION | TAXES OTHER<br>THAN<br>INCOME | INCOME TAXES<br>CURRENT | DEFERRED<br>INCOME TAXES<br>(NET) | INVESTMENT<br>TAX CREDIT<br>(NET) | (GAIN)/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME (A) |
|--------------------------------------|-----------------------|--|-------|--------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ 12,899,373         | 0  | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |
| TOTAL PROFORMA ADJUSTMENTS           | \$ 12,899,373         | 0  | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |

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  
DECEMBER, 2018

SCHEDULE 2: PAGE 3 OF 3

| RATE BASE ADJUSTMENTS                          | SYSTEM                | JURISDICTIONAL        |
|--|-----------------------|-----------------------|
| <b>PLANT IN SERVICE:</b>                       |                       |                       |
| ENVIRONMENTAL                                  | \$ 1,578,598,955      | \$ 1,503,325,374      |
| FUEL AND CAPACITY                              | 152,987,416           | 146,175,336           |
| CAPITALIZED EXECUTIVE COMPENSATION             | 27,469,598            | 26,603,471            |
| LOAD CONTROL                                   | 50,422,215            | 50,422,215            |
| ASSET RETIREMENT OBLIGATION                    | 436,609,647           | 422,843,188           |
| CAPITAL LEASES                                 | 59,564,070            | 57,685,994            |
| TOTAL  | \$ 2,305,651,901      | \$ 2,207,055,579      |
| <b>ACCUMULATED PROVISION FOR DEPRECIATION:</b> |                       |                       |
| ENVIRONMENTAL                                  | \$ (312,047,755)      | \$ (297,168,136)      |
| ACCUM PROV DECOMMISSIONING COSTS               | (4,551,160,940)       | (4,352,768,762)       |
| ASSET RETIREMENT OBLIGATION                    | (12,771,171)          | (12,368,492)          |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING    | 4,221,677,549         | 4,088,566,546         |
| FUEL AND CAPACITY                              | (43,359,939)          | (41,315,652)          |
| OTHER RATE CASE ADJUSTMENTS (1)                | 13,353                | 13,353                |
| LOAD CONTROL                                   | (25,948,288)          | (25,948,288)          |
| CAPITAL LEASES                                 | (9,630,000)           | (9,326,363)           |
| TOTAL  | \$ (733,227,192)      | \$ (650,315,793)      |
| <b>CONSTRUCTION WORK IN PROGRESS:</b>          |                       |                       |
| CONSTRUCTION WORK IN PROGRESS                  | \$ 2,230,502,695      | \$ 2,094,396,113      |
| CWIP - CLAUSE PROJECTS                         | 76,765,547            | 73,312,582            |
| TOTAL  | \$ 2,307,268,242      | \$ 2,167,708,695      |
| <b>NUCLEAR FUEL:</b>                           |                       |                       |
| NUCLEAR FUEL IN PROCESS                        | \$ 0                  | \$ 0                  |
| NUCLEAR FUEL CAPITAL LEASES                    | 0                     | 0                     |
| TOTAL  | \$ 0                  | \$ 0                  |
| <b>WORKING CAPITAL:</b>                        | \$ (3,616,670,787)    | \$ (3,518,913,489)    |
| (SEE SCHEDULE 2, PAGE 3B OF 3)                 |                       |                       |
| <b>TOTAL ADJUSTMENTS</b>                       | <b>\$ 263,022,164</b> | <b>\$ 205,534,992</b> |

**NOTES:**

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
DECEMBER, 2018

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  | \$ 11,601,226,196  | 3,300,010,615                                  | 1,416,432,282 | 2,396,653,024               | 1,306,766,263           | 351,673,810          | (22,818,074)                | 206,771,636                 | (6,095,666)                | 8,949,393,890            | \$ 2,651,832,306         |
| <b>FPSC ADJUSTMENTS</b>                                 |                    |  |               |                             |                         |                      |                             |                             |                            |                          |                          |
| FRANCHISE REVENUE                                       | \$ (483,060,693)   | 0  | 0             | 0                           | (12,424,321)            | (142,407,873)        | 0                           | 0                           | 0                          | (154,832,194)            | \$ (328,228,499)         |
| FRANCHISE EXPENSE                                       | 0                  | 0  | 0             | 0                           | (471,013,287)           | 142,532,579          | 0                           | 0                           | 0                          | (328,480,708)            | 328,480,708              |
| GROSS RECEIPTS TAX                                      | (255,379,505)      | 0  | 0             | 0                           | (255,048,270)           | (102,441)            | 0                           | 0                           | 0                          | (255,150,711)            | (228,794)                |
| FINANCIAL PLANNING SERVICES                             | 0                  | 0  | (426,175)     | 0                           | 0                       | 127,622              | 0                           | 0                           | 0                          | (298,553)                | 298,553                  |
| INDUSTRY ASSOCIATION DUES                               | 0                  | 0  | (2,378,974)   | 0                           | 0                       | 707,826              | 0                           | 0                           | 0                          | (1,671,148)              | 1,671,148                |
| ECONOMIC DEVELOPMENT 5%                                 | 0                  | 0  | (145,873)     | 0                           | 0                       | 43,662               | 0                           | 0                           | 0                          | (102,211)                | 102,211                  |
| AVIATION - EXPENSES                                     | 0                  | 0  | (177,972)     | 0                           | 0                       | 54,009               | 0                           | 0                           | 0                          | (123,963)                | 123,963                  |
| EXECUTIVE COMPENSATION                                  | 0                  | 0  | (35,994,190)  | 0                           | 0                       | 10,817,018           | 0                           | 0                           | 0                          | (25,177,172)             | 25,177,172               |
| ADVERTISING EXPENSES                                    | 0                  | 0  | 0             | 0                           | 0                       | 0                    | 0                           | 0                           | 0                          | 0                        | 0                        |
| FUEL COST RECOVERY                                      | (3,129,070,863)    | (3,118,811,808)                                | (188,036)     | 54,962                      | (2,093,145)             | 48,930,956           | (50,915,572)                | 0                           | 0                          | (3,123,022,643)          | (6,048,221)              |
| CONSERVATION COST RECOVERY                              | (57,906,615)       | 0  | (44,914,783)  | (10,058,200)                | (1,103,370)             | (556,344)            | (617)                       | 0                           | 0                          | (56,633,315)             | (1,273,301)              |
| CAPACITY COST RECOVERY                                  | (248,527,098)      | (160,128,885)                                  | (30,072,082)  | 2,645,013                   | (328,294)               | (19,997,574)         | 1,614,836                   | 0                           | 0                          | (206,266,985)            | (42,260,113)             |
| ENVIRONMENTAL COST RECOVERY                             | (176,785,289)      | 0  | (33,055,218)  | (44,914,795)                | (280,656)               | (19,187,165)         | (10,781,037)                | 0                           | 358                        | (108,218,514)            | (68,566,775)             |
| OTHER RATE CASE ADJUSTMENTS (1)                         | 0                  | 0  | 0             | 173,589                     | 0                       | (43,996)             | 0                           | 0                           | 0                          | 129,593                  | (129,593)                |
| STORM DEFICIENCY RECOVERY                               | (143,678,195)      | 0  | (18,025,023)  | (120,369,922)               | 0                       | (1,636,331)          | 0                           | 0                           | 0                          | (140,031,276)            | (3,646,919)              |
| INTEREST TAX DEFICIENCIES                               | 0                  | 0  | 352,808       | 0                           | 0                       | (106,504)            | 0                           | 0                           | 0                          | 246,304                  | (246,304)                |
| INTEREST SYNCHRONIZATION                                | 0                  | 0  | 0             | 0                           | 0                       | 14,161,256           | (5,993,134)                 | 0                           | 0                          | 8,168,122                | (8,168,122)              |
| TOTAL FPSC ADJUSTMENTS                                  | \$ (4,494,408,260) | (3,278,940,693)                                | (165,025,518) | (172,469,353)               | (742,291,342)           | 33,336,698           | (66,075,524)                | 0                           | 358                        | (4,391,465,374)          | \$ (102,942,886)         |
| FPSC ADJUSTED   | \$ 7,106,817,936   | 21,069,922                                     | 1,251,406,764 | 2,224,183,672               | 564,474,921             | 385,010,508          | (88,893,598)                | 206,771,636                 | (6,095,308)                | 4,557,928,516            | \$ 2,548,889,420         |
| PRO FORMA ADJUSTMENTS<br>(SEE SCHEDULE 2, PAGE 3C OF 3) | \$ 12,899,373      | 0  | 0             | 0                           | 9,288                   | (3,266,992)          | 0                           | 0                           | 0                          | (3,257,705)              | \$ 16,157,078            |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED                     | \$ 7,119,717,309   | 21,069,922                                     | 1,251,406,764 | 2,224,183,672               | 564,484,208             | 381,743,515          | (88,893,598)                | 206,771,636                 | (6,095,308)                | 4,554,670,811            | \$ 2,565,046,498         |

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

\$ 114,144,685

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-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  
DECEMBER, 2018

SCHEDULE 2: PAGE 3B OF 3

| WORKING CAPITAL ADJUSTMENTS                         | SYSTEM                    | JURISDICTIONAL            |
|---|---------------------------|---------------------------|
| <b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>             |                           |                           |
| ACCOUNTS RECEIVABLE - ASSOC COS                     | 26,421,923                | 25,548,829                |
| INTEREST & DIVIDENDS RECEIVABLE                     | 113,650                   | 109,894                   |
| NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC        | 66,979,300                | 66,856,483                |
| CASH CAPITAL SUB ACCOUNT                            | 0                         | 0                         |
| POLE ATTACHMENTS RENTS RECEIVABLE                   | 15,519,628                | 15,519,628                |
| PREPAYMENTS - ECCR                                  | 47,660,762                | 47,660,762                |
| PREPAYMENTS - INTEREST ON COMMERCIAL PAPER          | 8,643,858                 | 8,309,358                 |
| TEMPORARY CASH INVESTMENTS                          | 1,155,158                 | 1,116,987                 |
| STORM DEFICIENCY RECOVERY                           | 117,557,626               | 117,557,626               |
| NUCLEAR COST RECOVERY                               | 0                         | 0                         |
| JOBGING ACCOUNTS                                    | 59,510,745                | 57,544,254                |
| OTH REG ASSETS - CLAUSES                            | 5,228,981                 | 4,976,622                 |
| MISC. DEFERRED DEBIT - CLAUSES                      | 5,278,629                 | 5,023,874                 |
| CEDAR BAY TRANSACTION                               | 590,136,066               | 564,470,429               |
| ICL TRANSACTION                                     | 376,250,000               | 359,886,492               |
| SJRPP TRANSACTION                                   | 115,549,438               | 110,340,033               |
| <b>TOTAL ADJUSTMENTS TO ASSETS PER BOOKS</b>        | <b>\$ 1,436,005,762</b>   | <b>\$ 1,384,921,271</b>   |
| <b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>        |                           |                           |
| ACCOUNTS PAYABLE - ASSOC COS                        | 0                         | 0                         |
| ACCUM DEFERRED RETIREMENT BENEFITS                  | (92,259)                  | (89,350)                  |
| ACCUM. PROV. - PROPERTY & STORM INSURANCE           | (110,282,748)             | (110,282,748)             |
| ACCUM. PROV. - RATE REFUNDS                         | 0                         | 0                         |
| GAIN ON SALE OF EMISSION ALLOWANCE                  | (721)                     | (687)                     |
| JOBGING ACCOUNTS                                    | (53,378,459)              | (51,614,605)              |
| POLE ATTACHMENT RENTS PAYABLE                       | (7,395,913)               | (7,395,913)               |
| SJRPP ACCELERATED RECOVERY                          | (8,612,690)               | (8,238,115)               |
| STORM DEFICIENCY RECOVERY                           | 23,792,943                | 23,792,943                |
| ASSET RETIREMENT OBLIGATION                         | (4,645,544,963)           | (4,499,069,268)           |
| MARGIN CALL CASH COLLATERAL                         | (551,923)                 | (533,685)                 |
| NUCLEAR COST RECOVERY                               | (245,862,070)             | (245,862,070)             |
| CEDAR BAY TRANSACTION                               | (4,747,741)               | (4,541,257)               |
| <b>TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS</b>   | <b>\$ (5,052,676,544)</b> | <b>\$ (4,903,834,755)</b> |
| <b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b> | <b>\$ (3,616,670,781)</b> | <b>\$ (3,518,913,489)</b> |

**NOTES:**

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
DECEMBER, 2018

SCHEDULE 2: PAGE 3C OF 3

|                                      | OPERATING<br>REVENUES | OPERATION & MAINTENANCE |       | DEPRECIATION &<br>AMORTIZATION | TAXES OTHER<br>THAN<br>INCOME | INCOME TAXES<br>CURRENT | DEFERRED<br>INCOME TAXES<br>(NET) | INVESTMENT<br>TAX CREDIT<br>(NET) | (GAIN)/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME (A) |
|--------------------------------------|-----------------------|-------------------------|-------|--------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------|--------------------------------|
|                                      |                       | NET INTERCHANGE         | OTHER |                                |                               |                         |                                   |                                   |                                  |                                |                                |
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ 12,899,373         | 0                       | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |
| TOTAL PROFORMA ADJUSTMENTS           | \$ 12,899,373         | 0                       | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |

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  
DECEMBER, 2018

SCHEDULE 3: PAGE 1 OF 3

|   | PLANT IN<br>SERVICE | ACCUMULATED<br>DEPRECIATION &<br>AMORTIZATION | NET<br>PLANT IN<br>SERVICE | PROPERTY HELD<br>FOR FUTURE USE | CONSTRUCTION<br>WORK IN<br>PROGRESS | NUCLEAR FUEL | NET<br>UTILITY PLANT | WORKING<br>CAPITAL | TOTAL<br>RATE BASE |
|---|---------------------|---|----------------------------|---------------------------------|-------------------------------------|--------------|----------------------|--------------------|--------------------|
| SYSTEM PER BOOKS  | \$ 48,974,935,440   | 15,231,329,022                                | 33,743,606,418             | 408,394,200                     | 4,093,867,812                       | 593,879,501  | 38,839,747,931       | (165,967,676)      | \$ 38,673,780,255  |
| JURISDICTIONAL PER BOOKS  | \$ 46,882,368,532   | 12,026,225,498                                | 34,856,143,034             | 385,362,058                     | 3,898,138,681                       | 569,624,138  | 39,709,267,912       | (2,476,572,340)    | \$ 37,232,695,572  |
| FPSC ADJUSTMENTS<br>(SEE SCHEDULE 3, PAGE 3 OF 3<br>AND SCHEDULE 2, PAGE 3B OF 3) | \$ (2,059,593,889)  | (638,091,755)                                 | (1,421,502,134)            | 0                               | (2,514,012,363)                     | 0            | (3,935,514,497)      | 3,518,913,489      | \$ (416,601,008)   |
| FPSC ADJUSTED:  | \$ 44,822,774,643   | 11,388,133,743                                | 33,434,640,900             | 385,362,058                     | 1,384,126,318                       | 569,624,138  | 35,773,753,415       | 1,042,341,149      | \$ 36,816,094,564  |
| <br><u>PRO FORMA ADJUSTMENTS</u>  |                     |   |                            |                                 |                                     |              |                      |                    |                    |
| TOTAL PRO FORMA ADJUSTMENTS:  | \$ 0                | 0   | 0                          | 0                               | 0                                   | 0            | 0                    | 0                  | \$ 0               |
| PRO FORMA ADJUSTED  | \$ 44,822,774,643   | 11,388,133,743                                | 33,434,640,900             | 385,362,058                     | 1,384,126,318                       | 569,624,138  | 35,773,753,415       | 1,042,341,149      | \$ 36,816,094,564  |

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
DECEMBER, 2018

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   | \$ 11,601,226,196                | 3,300,010,615                                  | 1,416,432,282 | 2,396,653,024               | 1,306,766,263           | 351,673,810          | (22,818,074)                | 206,771,636                 | (6,095,666)                | 8,949,393,890            | \$ 2,651,832,306         |
| JURISDICTIONAL PER BOOKS   | \$ 11,148,186,144                | 3,134,284,090                                  | 1,370,421,930 | 2,327,248,987               | 1,285,863,774           | 334,316,566          | (25,342,035)                | 198,954,213                 | (6,095,649)                | 8,619,651,875            | \$ 2,528,534,269         |
| <b>FPSC ADJUSTMENTS</b>  |                                  |  |               |                             |                         |                      |                             |                             |                            |                          |                          |
| FRANCHISE REVENUE  | \$ (483,060,693)                 | 0  | 0             | 0                           | (12,424,321)            | (119,282,789)        | 0                           | 0                           | 0                          | (131,707,110)            | \$ (351,353,584)         |
| FRANCHISE EXPENSE  | 0                                | 0  | 0             | 0                           | (471,013,287)           | 119,378,318          | 0                           | 0                           | 0                          | (351,634,969)            | 351,634,969              |
| GROSS RECEIPTS TAX   | (255,379,505)                    | 0  | 0             | 0                           | (255,048,270)           | (83,952)             | 0                           | 0                           | 0                          | (255,132,222)            | (247,284)                |
| FINANCIAL PLANNING SERVICES  | 0                                | 0  | (412,737)     | 0                           | 0                       | 104,608              | 0                           | 0                           | 0                          | (308,129)                | 308,129                  |
| INDUSTRY ASSOCIATION DUES  | 0                                | 0  | (2,303,964)   | 0                           | 0                       | 583,940              | 0                           | 0                           | 0                          | (1,720,024)              | 1,720,024                |
| ECONOMIC DEVELOPMENT 5%  | 0                                | 0  | (141,274)     | 0                           | 0                       | 35,806               | 0                           | 0                           | 0                          | (105,468)                | 105,468                  |
| AVIATION - EXPENSES  | 0                                | 0  | (172,360)     | 0                           | 0                       | 43,685               | 0                           | 0                           | 0                          | (128,676)                | 128,676                  |
| EXECUTIVE COMPENSATION   | 0                                | 0  | (34,859,280)  | 0                           | 0                       | 8,835,085            | 0                           | 0                           | 0                          | (26,024,196)             | 26,024,196               |
| FUEL COST REC RETAIL   | (2,972,833,854)                  | (2,960,992,886)                                | (178,961)     | 52,309                      | (2,091,882)             | 48,162,459           | (50,601,265)                | 0                           | 0                          | (2,965,650,226)          | (7,183,628)              |
| CONSERVATION COST RECOVERY   | (57,906,615)                     | 0  | (44,914,783)  | (10,058,200)                | (1,103,370)             | (463,263)            | (617)                       | 0                           | 0                          | (56,540,233)             | (1,366,382)              |
| CAPACITY COST RECOVERY   | (248,154,854)                    | (153,164,711)                                  | (28,764,215)  | 2,890,746                   | (321,530)               | (19,050,966)         | 1,614,836                   | 0                           | 0                          | (196,795,840)            | (51,359,014)             |
| ENVIRONMENTAL COST RECOVERY  | (176,785,289)                    | 0  | (31,479,020)  | (42,773,087)                | (273,343)               | (15,136,805)         | (10,781,037)                | 0                           | 341                        | (100,442,952)            | (76,342,337)             |
| OTHER RATE CASE ADJUSTMENTS (1)  | 0                                | 0  | 0             | 173,589                     | 0                       | (43,996)             | 0                           | 0                           | 0                          | 129,593                  | (129,593)                |
| STORM DEFICIENCY RECOVERY  | (143,678,195)                    | 0  | (18,025,023)  | (120,369,922)               | 0                       | (1,339,040)          | 0                           | 0                           | 0                          | (139,733,985)            | (3,944,211)              |
| INTEREST TAX DEFICIENCIES  | 0                                | 0  | 341,684       | 0                           | 0                       | (86,600)             | 0                           | 0                           | 0                          | 255,084                  | (255,084)                |
| INTEREST SYNCHRONIZATION   | 0                                | 0  | 0             | 0                           | 0                       | 7,748,145            | (5,804,168)                 | 0                           | 0                          | 1,943,977                | (1,943,977)              |
| TOTAL FPSC ADJUSTMENTS   | \$ (4,337,799,007)               | (3,114,157,597)                                | (160,909,935) | (170,084,565)               | (742,276,003)           | 29,404,635           | (65,572,251)                | 0                           | 341                        | (4,223,595,375)          | \$ (114,203,632)         |
| FPSC ADJUSTED  | \$ 6,810,387,136                 | 20,126,492                                     | 1,209,511,996 | 2,157,164,422               | 543,587,771             | 363,721,201          | (90,914,286)                | 198,954,213                 | (6,095,308)                | 4,396,056,500            | \$ 2,414,330,636         |
| PRO FORMA ADJUSTMENTS<br>(SEE SCHEDULE 2, PAGE 2A OF 3)  | \$ 12,899,373                    | 0  | 0             | 0                           | 9,288                   | (3,266,992)          | 0                           | 0                           | 0                          | (3,257,705)              | \$ 16,157,078            |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED  | \$ 6,823,286,510                 | 20,126,492                                     | 1,209,511,996 | 2,157,164,422               | 543,597,058             | 360,454,209          | (90,914,286)                | 198,954,213                 | (6,095,308)                | 4,392,798,795            | \$ 2,430,487,714         |
| (A) THE ADDITION OF EARNINGS FROM AFUDC<br>WOULD INCREASE THE SYSTEM NOI BY<br>AND THE JURISDICTIONAL NOI BY | \$ 114,144,685<br>\$ 109,727,515 |  |               |                             |                         |                      |                             |                             |                            |                          |                          |

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-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  
DECEMBER, 2018

SCHEDULE 3: PAGE 2A OF 3

|                                      | OPERATING<br>REVENUES | OPERATION & MAINTENANCE<br>FUEL &<br>NET INTERCHANGE | OTHER | DEPRECIATION &<br>AMORTIZATION | TAXES OTHER<br>THAN<br>INCOME | INCOME TAXES<br>CURRENT | DEFERRED<br>INCOME TAXES<br>(NET) | INVESTMENT<br>TAX CREDIT<br>(NET) | (GAIN)/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME (A) |
|--------------------------------------|-----------------------|--|-------|--------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------|--------------------------------|
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ 12,899,373         | 0  | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |
| TOTAL PROFORMA ADJUSTMENTS           | \$ 12,899,373         | 0  | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |

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  
DECEMBER, 2018

SCHEDULE 3: PAGE 3 OF 3

| RATE BASE ADJUSTMENTS                                     | SYSTEM                       | JURISDICTIONAL               |
|---|------------------------------|------------------------------|
| <b>PLANT IN SERVICE:</b>                                  |                              |                              |
| ENVIRONMENTAL   | \$ 1,432,540,499             | \$ 1,364,231,539             |
| FUEL AND CAPACITY   | 158,237,007                  | 151,196,731                  |
| CAPITALIZED EXECUTIVE COMPENSATION                        | 31,037,569                   | 30,058,943                   |
| LOAD CONTROL  | 49,752,419                   | 49,752,419                   |
| ASSET RETIREMENT OBLIGATION                               | 418,061,963                  | 404,880,319                  |
| CAPITAL LEASES  | 61,410,224                   | 59,473,938                   |
| TOTAL   | <u>\$ 2,151,039,681</u>      | <u>\$ 2,059,593,889</u>      |
| <b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>            |                              |                              |
| ENVIRONMENTAL   | \$ (312,139,421)             | \$ (297,255,431)             |
| ACCUM PROV DECOMMISSIONING COSTS                          | (4,405,787,996)              | (4,213,732,850)              |
| ASSET RETIREMENT OBLIGATION                               | (6,490,510)                  | (6,285,862)                  |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING               | 4,086,476,727                | 3,957,628,654                |
| FUEL AND CAPACITY   | (43,065,864)                 | (41,034,502)                 |
| OTHER RATE CASE ADJUSTMENTS (1)                           | 173,589                      | 173,589                      |
| LOAD CONTROL  | (27,543,534)                 | (27,543,534)                 |
| CAPITAL LEASES  | (10,368,750)                 | (10,041,819)                 |
| TOTAL   | <u>\$ (718,745,759)</u>      | <u>\$ (638,091,755)</u>      |
| <b>CONSTRUCTION WORK IN PROGRESS:</b>                     |                              |                              |
| CONSTRUCTION WORK IN PROGRESS                             | \$ 2,615,074,673             | \$ 2,449,036,302             |
| CWIP - CLAUSE PROJECTS                                    | 67,898,002                   | 64,976,062                   |
| TOTAL   | <u>\$ 2,682,972,676</u>      | <u>\$ 2,514,012,363</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><br>(SEE SCHEDULE 2, PAGE 3B OF 3) | \$ (3,616,670,787)           | \$ (3,518,913,489)           |
| <b>TOTAL ADJUSTMENTS</b>                                  | <u><b>\$ 498,595,810</b></u> | <u><b>\$ 416,601,008</b></u> |

**NOTES:**

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
DECEMBER, 2018

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  | \$ 11,601,226,196  | 3,300,010,615                                  | 1,416,432,282 | 2,396,653,024               | 1,306,766,263           | 351,673,810          | (22,818,074)                | 206,771,636                 | (6,095,666)                | 8,949,393,890            | \$ 2,651,832,306         |
| <b>FPSC ADJUSTMENTS</b>   |                    |  |               |                             |                         |                      |                             |                             |                            |                          |                          |
| FRANCHISE REVENUE   | \$ (483,060,693)   | 0  | 0             | 0                           | (12,424,321)            | (142,407,873)        | 0                           | 0                           | 0                          | (154,832,194)            | \$ (328,228,499)         |
| FRANCHISE EXPENSE   | 0                  | 0  | 0             | 0                           | (471,013,287)           | 142,532,579          | 0                           | 0                           | 0                          | (328,480,708)            | 328,480,708              |
| GROSS RECEIPTS TAX  | (255,379,505)      | 0  | 0             | 0                           | (255,048,270)           | (102,441)            | 0                           | 0                           | 0                          | (255,150,711)            | (228,794)                |
| FINANCIAL PLANNING SERVICES   | 0                  | 0  | (426,175)     | 0                           | 0                       | 127,622              | 0                           | 0                           | 0                          | (298,553)                | 298,553                  |
| INDUSTRY ASSOCIATION DUES   | 0                  | 0  | (2,378,974)   | 0                           | 0                       | 707,826              | 0                           | 0                           | 0                          | (1,671,148)              | 1,671,148                |
| ECONOMIC DEVELOPMENT 5%   | 0                  | 0  | (145,873)     | 0                           | 0                       | 43,662               | 0                           | 0                           | 0                          | (102,211)                | 102,211                  |
| AVIATION - EXPENSES   | 0                  | 0  | (177,972)     | 0                           | 0                       | 54,009               | 0                           | 0                           | 0                          | (123,963)                | 123,963                  |
| EXECUTIVE COMPENSATION  | 0                  | 0  | (35,994,190)  | 0                           | 0                       | 10,817,018           | 0                           | 0                           | 0                          | (25,177,172)             | 25,177,172               |
| FUEL COST REC RETAIL  | (3,129,070,863)    | (3,118,811,808)                                | (188,036)     | 54,962                      | (2,093,145)             | 48,930,956           | (50,915,572)                | 0                           | 0                          | (3,123,022,643)          | (6,048,221)              |
| CONSERVATION COST RECOVERY  | (57,906,615)       | 0  | (44,914,783)  | (10,058,200)                | (1,103,370)             | (556,344)            | (617)                       | 0                           | 0                          | (56,633,315)             | (1,273,301)              |
| CAPACITY COST RECOVERY  | (248,527,098)      | (160,128,885)                                  | (30,072,082)  | 2,645,013                   | (328,294)               | (19,997,574)         | 1,614,836                   | 0                           | 0                          | (206,266,985)            | (42,260,113)             |
| ENVIRONMENTAL COST RECOVERY   | (176,785,289)      | 0  | (33,055,218)  | (44,914,795)                | (280,656)               | (19,187,165)         | (10,781,037)                | 0                           | 358                        | (108,218,514)            | (68,566,775)             |
| OTHER RATE CASE ADJUSTMENTS (1)   | 0                  | 0  | 0             | 173,589                     | 0                       | (43,996)             | 0                           | 0                           | 0                          | 129,593                  | (129,593)                |
| STORM DEFICIENCY RECOVERY   | (143,678,195)      | 0  | (18,025,023)  | (120,369,922)               | 0                       | (1,636,331)          | 0                           | 0                           | 0                          | (140,031,276)            | (3,646,919)              |
| INTEREST TAX DEFICIENCIES   | 0                  | 0  | 352,808       | 0                           | 0                       | (106,504)            | 0                           | 0                           | 0                          | 246,304                  | (246,304)                |
| INTEREST SYNCHRONIZATION  | 0                  | 0  | 0             | 0                           | 0                       | 8,367,779            | (5,993,134)                 | 0                           | 0                          | 2,374,645                | (2,374,645)              |
| TOTAL FPSC ADJUSTMENTS  | \$ (4,494,408,260) | (3,278,940,693)                                | (165,025,518) | (172,469,353)               | (742,291,342)           | 27,543,221           | (66,075,524)                | 0                           | 358                        | (4,397,258,850)          | \$ (97,149,410)          |
| FPSC ADJUSTED   | \$ 7,106,817,936   | 21,069,922                                     | 1,251,406,764 | 2,224,183,672               | 564,474,921             | 379,217,031          | (88,893,598)                | 206,771,636                 | (6,095,308)                | 4,552,135,040            | \$ 2,554,682,896         |
| PRO FORMA ADJUSTMENTS<br>(SEE SCHEDULE 3, PAGE 3B OF 3)                     | \$ 12,899,373      | 0  | 0             | 0                           | 9,288                   | (3,266,992)          | 0                           | 0                           | 0                          | (3,257,705)              | \$ 16,157,078            |
| PRO FORMA SYSTEM PER BOOKS ADJUSTED   | \$ 7,119,717,309   | 21,069,922                                     | 1,251,406,764 | 2,224,183,672               | 564,484,208             | 375,950,039          | (88,893,598)                | 206,771,636                 | (6,095,308)                | 4,548,877,335            | \$ 2,570,839,974         |
| (A) THE ADDITION OF EARNINGS FROM AFUDC<br>WOULD INCREASE THE SYSTEM NOI BY | \$ 114,144,685     |  |               |                             |                         |                      |                             |                             |                            |                          |                          |

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-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  
DECEMBER, 2018

SCHEDULE 3: PAGE 3B OF 3

|                                      | OPERATING<br>REVENUES | OPERATION & MAINTENANCE |       | DEPRECIATION &<br>AMORTIZATION | TAXES OTHER<br>THAN<br>INCOME | INCOME TAXES<br>CURRENT | DEFERRED<br>INCOME TAXES<br>(NET) | INVESTMENT<br>TAX CREDIT<br>(NET) | (GAIN)/LOSS<br>ON<br>DISPOSITION | TOTAL<br>OPERATING<br>EXPENSES | NET<br>OPERATING<br>INCOME (A) |
|--------------------------------------|-----------------------|-------------------------|-------|--------------------------------|-------------------------------|-------------------------|-----------------------------------|-----------------------------------|----------------------------------|--------------------------------|--------------------------------|
|                                      |                       | NET INTERCHANGE         | OTHER |                                |                               |                         |                                   |                                   |                                  |                                |                                |
| WEATHER NORMALIZATION ADJUSTMENT (1) | \$ 12,899,373         | 0                       | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |
| TOTAL PROFORMA ADJUSTMENTS           | \$ 12,899,373         | 0                       | 0     | 0                              | 9,288                         | (3,266,992)             | 0                                 | 0                                 | 0                                | (3,257,705)                    | \$ 16,157,078                  |

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY  
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CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
DECEMBER, 2018

SCHEDULE 4: PAGE 1 OF 2

| AVERAGE                    | SYSTEM<br>PER BOOKS<br>1 | RETAIL<br>PER BOOKS<br>2 | ADJUSTMENTS    |                  | ADJUSTED<br>RETAIL<br>5 | RATIO<br>(%)<br>6 | LOW POINT                |                              | MIDPOINT                 |                               | HIGH POINT                |                               |
|----------------------------|--------------------------|--------------------------|----------------|------------------|-------------------------|-------------------|--------------------------|------------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------|
|                            |                          |                          | PRO RATA       | SPECIFIC         |                         |                   | COST<br>RATE<br>(%)<br>7 | WEIGHTED<br>COST<br>(%)<br>8 | COST<br>RATE<br>(%)<br>9 | WEIGHTED<br>COST<br>(%)<br>10 | COST<br>RATE<br>(%)<br>11 | WEIGHTED<br>COST<br>(%)<br>12 |
|                            |                          |                          | 3              | 4                |                         |                   |                          |                              |                          |                               |                           |                               |
| LONG TERM DEBT             | \$ 10,607,209,967        | \$ 10,189,623,606        | \$ 81,510,456  | \$ (130,688,258) | \$ 10,140,445,803       | 28.19%            | 4.41%                    | 1.24%                        | 4.41%                    | 1.24%                         | 4.41%                     | 1.24%                         |
| SHORT TERM DEBT            | 1,020,625,524            | 980,122,740              | 7,942,217      | 0                | 988,064,957             | 2.75%             | 2.74%                    | 0.08%                        | 2.74%                    | 0.08%                         | 2.74%                     | 0.08%                         |
| PREFERRED STOCK            | -                        | -                        | -              | -                | -                       | 0.00%             | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         | 0.00%                     | 0.00%                         |
| COMMON EQUITY              | 16,958,149,021           | 16,285,177,159           | 131,963,490    | 0                | 16,417,140,649          | 45.64%            | 9.60%                    | 4.38%                        | 10.55%                   | 4.81%                         | 11.60%                    | 5.29%                         |
| CUSTOMER DEPOSITS          | 397,688,599              | 397,147,387              | 3,218,200      | (0)              | 400,365,587             | 1.11%             | 2.08%                    | 0.02%                        | 2.08%                    | 0.02%                         | 2.08%                     | 0.02%                         |
| DEFERRED INCOME TAX        | 8,268,612,494            | 7,940,230,102            | 62,451,318     | (233,319,860)    | 7,769,361,560           | 21.60%            | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         | 0.00%                     | 0.00%                         |
| INVESTMENT TAX CREDITS (1) | 402,031,406              | 384,979,418              | 2,060,716      | (130,673,270)    | 256,366,864             | 0.71%             | 7.59%                    | 0.05%                        | 8.21%                    | 0.06%                         | 8.83%                     | 0.06%                         |
| TOTAL                      | \$ 37,654,317,011        | \$ 36,177,280,412        | \$ 289,146,396 | \$ (494,681,388) | \$ 35,971,745,420       | 100.00%           |                          | 5.78%                        |                          | 6.22%                         |                           | 6.70%                         |

| YEAR END                   | SYSTEM<br>PER BOOKS<br>1 | RETAIL<br>PER BOOKS<br>2 | ADJUSTMENTS   |                  | ADJUSTED<br>RETAIL<br>5 | RATIO<br>(%)<br>6 | LOW POINT                |                              | MIDPOINT                 |                               | HIGH POINT                |                               |
|----------------------------|--------------------------|--------------------------|---------------|------------------|-------------------------|-------------------|--------------------------|------------------------------|--------------------------|-------------------------------|---------------------------|-------------------------------|
|                            |                          |                          | PRO RATA      | SPECIFIC         |                         |                   | COST<br>RATE<br>(%)<br>7 | WEIGHTED<br>COST<br>(%)<br>8 | COST<br>RATE<br>(%)<br>9 | WEIGHTED<br>COST<br>(%)<br>10 | COST<br>RATE<br>(%)<br>11 | WEIGHTED<br>COST<br>(%)<br>12 |
|                            |                          |                          | 3             | 4                |                         |                   |                          |                              |                          |                               |                           |                               |
| LONG TERM DEBT             | \$ 10,463,948,606        | \$ 10,073,048,838        | \$ 20,618,214 | \$ (131,760,745) | \$ 9,961,906,307        | 27.06%            | 4.62%                    | 1.25%                        | 4.62%                    | 1.25%                         | 4.62%                     | 1.25%                         |
| SHORT TERM DEBT            | 1,121,823,032            | 1,079,583,927            | 2,239,055     | (0)              | 1,081,822,982           | 2.94%             | 3.46%                    | 0.10%                        | 3.46%                    | 0.10%                         | 3.46%                     | 0.10%                         |
| PREFERRED STOCK            | -                        | -                        | -             | -                | -                       | 0.00%             | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         | 0.00%                     | 0.00%                         |
| COMMON EQUITY              | 18,093,652,158           | 17,412,386,345           | 36,113,258    | (0)              | 17,448,499,603          | 47.39%            | 9.60%                    | 4.55%                        | 10.55%                   | 5.00%                         | 11.60%                    | 5.50%                         |
| CUSTOMER DEPOSITS          | 391,669,667              | 390,986,447              | 810,905       | (0)              | 391,797,352             | 1.06%             | 2.17%                    | 0.02%                        | 2.17%                    | 0.02%                         | 2.17%                     | 0.02%                         |
| DEFERRED INCOME TAX        | 8,179,211,900            | 7,870,504,756            | 15,839,508    | (233,319,860)    | 7,653,024,404           | 20.79%            | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         | 0.00%                     | 0.00%                         |
| INVESTMENT TAX CREDITS (1) | 423,474,892              | 406,185,259              | 577,539       | (127,718,882)    | 279,043,916             | 0.76%             | 7.76%                    | 0.06%                        | 8.39%                    | 0.06%                         | 9.03%                     | 0.07%                         |
| TOTAL                      | \$ 38,673,780,255        | \$ 37,232,695,572        | \$ 76,198,479 | \$ (492,799,487) | \$ 36,816,094,564       | 100.00%           |                          | 5.98%                        |                          | 6.44%                         |                           | 6.94%                         |

NOTE:  
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3,175 MILLION OF EXCESS DEFERRED TAXES  
(2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.  
(3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY  
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CAPITAL STRUCTURE  
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SCHEDULE 4: PAGE 2 OF 2

| AVERAGE                    | FPSC<br>ADJUSTED<br>1    | PRO-FORMA<br>ADJUSTMENTS<br>2 | TOTAL<br>PRO-FORMA<br>ADJUSTED<br>3 | TOTAL<br>RATIO<br>(%)<br>4 | LOW POINT                |                              | MIDPOINT                 |                              | HIGH POINT               |                               |
|----------------------------|--------------------------|-------------------------------|-------------------------------------|----------------------------|--------------------------|------------------------------|--------------------------|------------------------------|--------------------------|-------------------------------|
|                            |                          |                               |                                     |                            | COST<br>RATE<br>(%)<br>5 | WEIGHTED<br>COST<br>(%)<br>6 | COST<br>RATE<br>(%)<br>7 | WEIGHTED<br>COST<br>(%)<br>8 | COST<br>RATE<br>(%)<br>9 | WEIGHTED<br>COST<br>(%)<br>10 |
| LONG TERM DEBT             | \$ 10,140,445,803        | \$ -                          | \$ 10,140,445,803                   | 28.19%                     | 4.41%                    | 1.24%                        | 4.41%                    | 1.24%                        | 4.41%                    | 1.24%                         |
| SHORT TERM DEBT            | 988,064,957              | -                             | 988,064,957                         | 2.75%                      | 2.74%                    | 0.08%                        | 2.74%                    | 0.08%                        | 2.74%                    | 0.08%                         |
| PREFERRED STOCK            | -                        | -                             | -                                   | 0.00%                      | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         |
| COMMON EQUITY              | 16,417,140,649           | -                             | 16,417,140,649                      | 45.64%                     | 9.60%                    | 4.38%                        | 10.55%                   | 4.81%                        | 11.60%                   | 5.29%                         |
| CUSTOMER DEPOSITS          | 400,365,587              | -                             | 400,365,587                         | 1.11%                      | 2.08%                    | 0.02%                        | 2.08%                    | 0.02%                        | 2.08%                    | 0.02%                         |
| DEFERRED INCOME TAX        | 7,769,361,560            | -                             | 7,769,361,560                       | 21.60%                     | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         |
| INVESTMENT TAX CREDITS (1) | 256,366,864              | -                             | 256,366,864                         | 0.71%                      | 7.59%                    | 0.05%                        | 8.21%                    | 0.06%                        | 8.83%                    | 0.06%                         |
| <b>TOTAL</b>               | <b>\$ 35,971,745,420</b> | <b>\$ -</b>                   | <b>\$ 35,971,745,420</b>            | <b>100.00%</b>             |                          | <b>5.78%</b>                 |                          | <b>6.22%</b>                 |                          | <b>6.70%</b>                  |

| YEAR END                   | FPSC<br>ADJUSTED<br>1    | PRO-FORMA<br>ADJUSTMENTS<br>2 | TOTAL<br>PRO-FORMA<br>ADJUSTED<br>3 | TOTAL<br>RATIO<br>(%)<br>4 | LOW POINT                |                              | MIDPOINT                 |                              | HIGH POINT               |                               |
|----------------------------|--------------------------|-------------------------------|-------------------------------------|----------------------------|--------------------------|------------------------------|--------------------------|------------------------------|--------------------------|-------------------------------|
|                            |                          |                               |                                     |                            | COST<br>RATE<br>(%)<br>5 | WEIGHTED<br>COST<br>(%)<br>6 | COST<br>RATE<br>(%)<br>7 | WEIGHTED<br>COST<br>(%)<br>8 | COST<br>RATE<br>(%)<br>9 | WEIGHTED<br>COST<br>(%)<br>10 |
| LONG TERM DEBT             | \$ 9,961,906,307         | \$ -                          | \$ 9,961,906,307                    | 27.06%                     | 4.62%                    | 1.25%                        | 4.62%                    | 1.25%                        | 4.62%                    | 1.25%                         |
| SHORT TERM DEBT            | 1,081,822,982            | -                             | 1,081,822,982                       | 2.94%                      | 3.46%                    | 0.10%                        | 3.46%                    | 0.10%                        | 3.46%                    | 0.10%                         |
| PREFERRED STOCK            | -                        | -                             | -                                   | 0.00%                      | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         |
| COMMON EQUITY              | 17,448,499,603           | -                             | 17,448,499,603                      | 47.39%                     | 9.60%                    | 4.55%                        | 10.55%                   | 5.00%                        | 11.60%                   | 5.50%                         |
| CUSTOMER DEPOSITS          | 391,797,352              | -                             | 391,797,352                         | 1.06%                      | 2.17%                    | 0.02%                        | 2.17%                    | 0.02%                        | 2.17%                    | 0.02%                         |
| DEFERRED INCOME TAX        | 7,653,024,404            | -                             | 7,653,024,404                       | 20.79%                     | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                        | 0.00%                    | 0.00%                         |
| INVESTMENT TAX CREDITS (1) | 279,043,916              | -                             | 279,043,916                         | 0.76%                      | 7.76%                    | 0.06%                        | 8.39%                    | 0.06%                        | 9.03%                    | 0.07%                         |
| <b>TOTAL</b>               | <b>\$ 36,816,094,564</b> | <b>\$ -</b>                   | <b>\$ 36,816,094,564</b>            | <b>100.00%</b>             |                          | <b>5.98%</b>                 |                          | <b>6.44%</b>                 |                          | <b>6.94%</b>                  |

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  
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SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

|  |                         |
|--|-------------------------|
| EARNINGS BEFORE INTEREST CHARGES                 | \$ 2,702,916,781        |
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION | 23,646,218              |
| INCOME TAXES                                     | 528,727,297             |
| TOTAL  | <u>\$ 3,255,290,296</u> |
| <br>   |                         |
| INTEREST CHARGES EXCLUDING DEBT AFUDC            | <u>\$ 562,321,703</u>   |
| <br>   |                         |
| TIMES INTEREST EARNED WITH AFUDC                 | <u>5.79</u>             |

B. TIMES INTEREST EARNED WITHOUT AFUDC

|   |                         |
|---|-------------------------|
| EARNINGS BEFORE INTEREST CHARGES                    | \$ 2,702,916,781        |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION | (90,498,467)            |
| INCOME TAXES  | 528,727,297             |
| TOTAL   | <u>\$ 3,141,145,611</u> |
| <br>  |                         |
| INTEREST CHARGES EXCLUDING DEBT AFUDC               | <u>\$ 562,321,703</u>   |
| <br>  |                         |
| TIMES INTEREST EARNED WITHOUT AFUDC                 | <u>5.59</u>             |

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

|   |                                     |
|---|-------------------------------------|
| ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION<br>X (1 - INCOME_TAX_RATE) | \$ 23,646,218<br>0.7466             |
| SUBTOTAL  | <u>\$ 17,653,084</u>                |
| <br>  |                                     |
| ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION<br>TOTAL                | 90,498,467<br><u>\$ 108,151,551</u> |
| <br>  |                                     |
| NET INCOME AVAILABLE FOR COMMON   | <u>\$ 2,164,241,295</u>             |
| <br>  |                                     |
| AFUDC AS PERCENT OF NET INCOME  | <u>5.00%</u>                        |

FOOTNOTES

|  |                        |
|--|------------------------|
| CLAUSE OVER/UNDER RECOVERY                 | \$ (39,092,480)        |
| GAINS ON DISPOSITION OF PROPERTY           | (6,095,666)            |
| LONG TERM DEBT RETIREMENTS & REDEMPTIONS   | 0                      |
| INCREASE/DECREASE IN DECOMMISSIONING FUNDS | 0                      |
|  | <u>\$ (45,188,147)</u> |

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

D. PERCENT INTERNALLY GENERATED FUNDS

|                                       |                         |
|---------------------------------------|-------------------------|
| NET INCOME                            | \$ 2,164,241,295        |
| PREFERRED DIVIDENDS DECLARED          | 0                       |
| COMMON DIVIDENDS                      | (500,000,000)           |
| AFUDC (DEBT & OTHER)                  | (114,144,685)           |
| DEPRECIATION AND AMORTIZATION EXPENSE | 2,396,653,024           |
| DEFERRED INCOME TAXES                 | (30,623,279)            |
| INVESTMENT TAX CREDITS                | 206,771,636             |
| OTHER SOURCE/USES OF FUNDS            | (45,188,147)            |
| INTERNALLY GENERATED FUNDS            | <u>\$ 4,077,709,845</u> |
| <br>                                  |                         |
| CONSTRUCTION EXPENDITURES             | <u>\$ 4,955,432,098</u> |
| <br>                                  |                         |
| PERCENT INTERNALLY GENERATED FUNDS    | <u>82.29%</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  | \$ 10,140,445,803        |
| JURIS ADJUSTED SHORT TERM DEBT | 988,064,957              |
| JURIS ADJUSTED PREFERRED STOCK | 0                        |
| JURIS ADJUSTED COMMON STOCK    | 16,417,140,649           |
| TOTAL                          | <u>\$ 27,545,651,409</u> |
| <br>                           |                          |
| LTD TO TOTAL INVESTOR FUNDS    | <u>36.81%</u>            |
| <br>                           |                          |
| STD TO TOTAL INVESTOR FUNDS    | <u>3.59%</u>             |

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

|  |               |
|--|---------------|
| FPSC RATE OF RETURN                                    | 6.70%         |
| <br>   |               |
| LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR : |               |
| LONG TERM DEBT   | 1.24%         |
| SHORT TERM DEBT  | 0.08%         |
| PREFERRED STOCK  | 0.00%         |
| CUSTOMER DEPOSITS                                      | 0.02%         |
| TAX CREDITS - WTD COST                                 | 0.06%         |
| SUBTOTAL   | <u>1.40%</u>  |
| <br>   |               |
| TOTAL  | <u>5.29%</u>  |
| <br>   |               |
| DIVIDED BY COMMON EQUITY RATIO                         | <u>45.64%</u> |
| <br>   |               |
| JURISDICTIONAL RETURN ON COMMON EQUITY                 | <u>11.60%</u> |

FLORIDA POWER & LIGHT COMPANY  
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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

|   |              |
|---|--------------|
| PRO FORMA RATE OF RETURN                      | 6.74%        |
| LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR: |              |
| LONG TERM DEBT                                | 1.24%        |
| SHORT TERM DEBT                               | 0.08%        |
| PREFERRED STOCK                               | 0.00%        |
| CUSTOMER DEPOSITS                             | 0.02%        |
| TAX CREDITS - WTD COST                        | 0.06%        |
| SUBTOTAL                                      | <u>1.40%</u> |
| PRO FORMA ROR LESS NON EQUITY COST            | <u>5.34%</u> |
| PRO FORMA COMMON EQUITY RATIO                 | 45.64%       |
| PRO FORMA RETURN ON COMMON EQUITY             | 11.70%       |

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
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SCHEDULE A: PAGE 1 OF 1

| CAPITAL COMPONENTS     | JURISDICTIONAL<br>AVERAGE | CAPITAL<br>RATIO | COST OF<br>CAPITAL | AFUDC<br>WEIGHTED<br>COMPONENTS |
|------------------------|---------------------------|------------------|--------------------|---------------------------------|
| LONG TERM DEBT         | \$ 10,140,445,803         | 28.19%           | 4.62%              | 1.30%                           |
| SHORT TERM DEBT        | 988,064,957               | 2.75%            | 2.74% *            | 0.08%                           |
| PREFERRED STOCK        | -                         | 0.00%            | 0.00%              | 0.00%                           |
| CUSTOMER DEPOSITS      | 400,365,587               | 1.11%            | 2.08% *            | 0.02%                           |
| COMMON EQUITY          | 16,417,140,649            | 45.64%           | 10.55%             | 4.81%                           |
| DEFERRED INCOME TAX    | 7,769,361,560             | 21.60%           | 0.00%              | 0.00%                           |
| INVESTMENT TAX CREDITS | 256,366,864               | 0.71%            | 0.00%              | 0.00%                           |
| TOTAL                  | \$ 35,971,745,420         | 100.00%          |                    | 6.22%                           |

\* 13-MONTH AVERAGE

NOTE:  
EFFECTIVE JANUARY 1, 2018 THE COMMISSION APPROVED AFUDC RATE IS 5.97%

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
BASIS FOR THE REQUESTED AFUDC RATE  
FPSC ADJUSTED BASIS  
DECEMBER, 2018

SCHEDULE B: PAGE 1 OF 3

| AVERAGE                | SYSTEM<br>PER BOOKS | RETAIL<br>PER BOOKS | COMMISSION<br>ADJUSTMENTS * | ADJUSTED<br>RETAIL |
|------------------------|---------------------|---------------------|-----------------------------|--------------------|
| LONG TERM DEBT         | \$ 10,607,209,967   | 10,189,623,606      | (49,177,803)                | 10,140,445,803     |
| SHORT TERM DEBT        | 1,020,625,524       | 980,122,740         | 7,942,217                   | 988,064,957        |
| PREFERRED STOCK        | -                   | -                   | -                           | -                  |
| COMMON EQUITY          | 16,958,149,021      | 16,285,177,159      | 131,963,490                 | 16,417,140,649     |
| CUSTOMER DEPOSITS      | 397,688,599         | 397,147,387         | 3,218,200                   | 400,365,587        |
| DEFERRED INCOME TAX    | 8,268,612,494       | 7,940,230,102       | (170,868,542)               | 7,769,361,560      |
| INVESTMENT TAX CREDITS | 402,031,406         | 384,979,418         | (128,612,554)               | 256,366,864        |
| TOTAL                  | \$ 37,654,317,011   | 36,177,280,412      | (205,534,992)               | 35,971,745,420     |

\* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2018

SCHEDULE B: PAGE 2 OF 3

| RATE BASE ADJUSTMENTS                          | JURISDICTIONAL        |
|--|-----------------------|
| <b>PLANT IN SERVICE:</b>                       |                       |
| ENVIRONMENTAL                                  | \$ 1,503,325,374      |
| FUEL AND CAPACITY                              | 146,175,336           |
| CAPITALIZED EXECUTIVE COMPENSATION             | 26,603,471            |
| LOAD CONTROL                                   | 50,422,215            |
| ASSET RETIREMENT OBLIGATION                    | 422,843,188           |
| CAPITAL LEASES                                 | 57,685,994            |
| TOTAL  | \$ 2,207,055,579      |
| <b>ACCUMULATED PROVISION FOR DEPRECIATION:</b> |                       |
| ENVIRONMENTAL                                  | \$ (297,168,136)      |
| ACCUM PROV DECOMMISSIONING COSTS               | (4,352,768,762)       |
| ASSET RETIREMENT OBLIGATION                    | (12,368,492)          |
| ASSET RETIREMENT OBLIGATION DECOMMISSIONING    | 4,088,566,546         |
| FUEL AND CAPACITY                              | (41,315,652)          |
| OTHER RATE CASE ADJUSTMENTS (1)                | 13,353                |
| LOAD CONTROL                                   | (25,948,288)          |
| CAPITAL LEASES                                 | (9,326,363)           |
| TOTAL  | \$ (650,315,793)      |
| <b>CONSTRUCTION WORK IN PROGRESS:</b>          |                       |
| CONSTRUCTION WORK IN PROGRESS                  | \$ 2,094,396,113      |
| CWIP - CLAUSE PROJECTS                         | \$ 73,312,582         |
| TOTAL  | \$ 2,167,708,695      |
| <b>NUCLEAR FUEL:</b>                           |                       |
| NUCLEAR FUEL IN PROCESS                        | \$ 0                  |
| NUCLEAR FUEL CAPITAL LEASES                    | 0                     |
| TOTAL  | \$ 0                  |
| <b>WORKING CAPITAL:</b>                        |                       |
| (SEE SCHEDULE B, PAGE 3 OF 3)                  | \$ (3,518,913,489)    |
| <b>TOTAL ADJUSTMENTS</b>                       | <b>\$ 205,534,992</b> |

**NOTES:**

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-E

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
DECEMBER, 2018

SCHEDULE B: PAGE 3 OF 3

| WORKING CAPITAL ADJUSTMENTS                         | JURISDICTIONAL            |
|---|---------------------------|
| <b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>             |                           |
| ACCOUNTS RECEIVABLE - ASSOC COS                     | \$ 25,548,829             |
| INTEREST & DIVIDENDS RECEIVABLE                     | 109,894                   |
| NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC       | 66,856,483                |
| CASH CAPITAL SUB ACCOUNT                            | 0                         |
| POLE ATTACHMENTS RENTS RECEIVABLE                   | 15,519,628                |
| PREPAYMENTS - ECCR                                  | 47,660,762                |
| PREPAYMENTS - INTEREST ON COMMERCIAL PAPER          | 8,309,358                 |
| TEMPORARY CASH INVESTMENTS                          | 1,116,987                 |
| STORM DEFICIENCY RECOVERY                           | 117,557,626               |
| NUCLEAR COST RECOVERY                               | 0                         |
| JOBGING ACCOUNTS                                    | 57,544,254                |
| OTH REG ASSETS - CLAUSES                            | 4,976,622                 |
| MISC. DEFFERED DEBIT - CLAUSES                      | 5,023,874                 |
| CEDAR BAY TRANSACTION                               | 564,470,429               |
| ICL TRANSACTION                                     | 359,886,492               |
| SJRPP TRANSACTION                                   | 110,340,033               |
| TOTAL ADJUSTMENTS TO ASSETS PER BOOKS               | \$ 1,384,921,271          |
| <b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>        |                           |
| ACCOUNTS PAYABLE - ASSOC COS                        | \$ 0                      |
| ACCUM DEFERRED RETIREMENT BENEFITS                  | (89,350)                  |
| ACCUM. PROV. - PROPERTY & STORM INSURANCE           | (110,282,748)             |
| ACCUM. PROV. - RATE REFUNDS                         | 0                         |
| GAIN ON SALE OF EMISSION ALLOWANCE                  | (687)                     |
| JOBGING ACCOUNTS                                    | (51,614,605)              |
| POLE ATTACHMENT RENTS PAYABLE                       | (7,395,913)               |
| SJRPP ACCELERATED RECOVERY                          | (8,238,115)               |
| ASSET RETIREMENT OBLIGATION                         | (4,499,069,268)           |
| MARGIN CALL CASH COLLATERAL                         | (533,685)                 |
| STORM DEFICIENCY RECOVERY                           | 23,792,943                |
| NUCLEAR COST RECOVERY                               | (245,862,070)             |
| CEDAR BAY TRANSACTION                               | (4,541,257)               |
| TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS          | \$ (4,903,834,755)        |
| <b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b> | <b>\$ (3,518,913,489)</b> |

**NOTES:**

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
METHODOLOGY FOR MONTHLY COMPOUNDING  
OF THE AFUDC RATE  
DECEMBER, 2018

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

|                       |               |
|-----------------------|---------------|
| $((1+R/12)^{12})-1 =$ | APPROVED RATE |
| $((1+R/12)^{12})-1 =$ | 6.22%         |
| $((1+R/12)^{12}) =$   | 1.06220000    |
| $(1+R/12) =$          | 1.00504118    |
| $(R/12) =$            | 0.00504118    |

| MONTHS | AFUDC<br>BASE | MONTHLY<br>AFUDC | CUMULATIVE<br>AFUDC |
|--------|---------------|------------------|---------------------|
| JAN    | 1.00000000    | 0.00504118       | 0.00504118          |
| FEB    | 1.00504118    | 0.00506660       | 0.01010778          |
| MAR    | 1.01010778    | 0.00509214       | 0.01519992          |
| APR    | 1.01519992    | 0.00511781       | 0.02031773          |
| MAY    | 1.02031773    | 0.00514361       | 0.02546134          |
| JUN    | 1.02546134    | 0.00516954       | 0.03063087          |
| JUL    | 1.03063087    | 0.00519560       | 0.03582647          |
| AUG    | 1.03582647    | 0.00522179       | 0.04104827          |
| SEP    | 1.04104827    | 0.00524812       | 0.04629638          |
| OCT    | 1.04629638    | 0.00527457       | 0.05157095          |
| NOV    | 1.05157095    | 0.00530116       | 0.05687211          |
| DEC    | 1.05687211    | 0.00532789       | 0.06220000          |

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FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION  
COMMERCIAL/INDUSTRIAL SERVICE RIDER  
DECEMBER, 2018

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2018 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is [REDACTED].<sup>(1)A</sup>

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

|   | AMOUNT                      | RELATED<br>ORDER  |
|---|-----------------------------|-------------------|
| Rollover Reserve Amount - 12/31/2016 <sup>(1)</sup>               | \$ 252,100,355              |                   |
| Depreciation Reserve Surplus Approved by FPSC - 1/1/2017          | \$ 1,000,000,000            | PSC-16-0560-AS-EI |
| Total Reserve Amount Available Under Current Settlement Agreement | <u>\$ 1,252,100,355</u>     |                   |
| Actual Amortization from 1/1/2017 - 12/31/2017:                   |                             |                   |
| January, 2017   | \$ (125,223,511)            |                   |
| February, 2017  | \$ (35,682,879)             |                   |
| March, 2017   | \$ (52,328,640)             |                   |
| April, 2017   | \$ 26,451,730               |                   |
| May, 2017   | \$ (36,038,470)             |                   |
| June, 2017  | \$ (7,408,419)              |                   |
| July, 2017  | \$ 25,671,697               |                   |
| August, 2017  | \$ 22,847,456               |                   |
| September, 2017   | \$ 75,509,428               |                   |
| October, 2017   | \$ 54,523,942               |                   |
| November, 2017  | \$ (52,119,437)             |                   |
| December, 2017 <sup>(2)</sup>                                     | <u>\$ (1,148,303,252)</u>   |                   |
| Total Amortization from 1/1/2017 - 12/31/2017                     | <u>\$ (1,252,100,355)</u>   |                   |
| Remaining Reserve Amount - 12/31/2017                             | <u><u>\$0</u></u>           |                   |
| Actual Amortization from 1/1/2018 - 12/31/2018:                   |                             |                   |
| January, 2018   | \$ -                        |                   |
| February, 2018  | \$ -                        |                   |
| March, 2018   | \$ -                        |                   |
| April, 2018   | \$ -                        |                   |
| May, 2018   | \$ -                        |                   |
| June, 2018  | \$ -                        |                   |
| July, 2018  | \$ 51,958,256               |                   |
| August, 2018  | \$ 55,277,885               |                   |
| September, 2018   | \$ 193,713,805              |                   |
| October, 2018   | \$ 125,007,557              |                   |
| November, 2018  | \$ 14,253,285               |                   |
| December, 2018  | <u>\$ 100,738,501</u>       |                   |
| Total Amortization from 1/1/2018 - 12/31/2018                     | <u>\$ 540,949,289</u>       |                   |
| Remaining Reserve Amount - 12/31/2018                             | <u><u>\$540,949,289</u></u> |                   |

Notes:

(1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.

(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.