



March 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 January 2019. 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.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephanie Castaneda", with a long horizontal flourish extending to the right.

Stephanie Castaneda
Sr. Director of Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
JANUARY, 2019

SCHEDULE 1: PAGE 1 OF 1

	<u>ACTUAL PER BOOKS</u>	<u>FPSC ADJUSTMENTS</u>	<u>FPSC ADJUSTED</u>	<u>PRO FORMA ADJUSTMENTS</u>	<u>PRO FORMA ADJUSTED</u>
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,673,389,923 (A)	(227,127,109) (B)	2,446,262,814	21,098,111	\$ 2,467,360,924
RATE BASE	\$ 36,428,708,868	(190,206,239)	36,238,502,628	0	\$ 36,238,502,628
AVERAGE RATE OF RETURN	7.34%		6.75%		6.81%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,673,389,923 (A)	(223,777,797) (B)	2,449,612,126	21,098,111	\$ 2,470,710,237
RATE BASE	\$ 37,417,605,253	(99,981,727)	37,317,623,526	0	\$ 37,317,623,526
YEAR END RATE OF RETURN	7.14%		6.56%		6.62%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.82%
MIDPOINT	6.27%
HIGH	6.76%

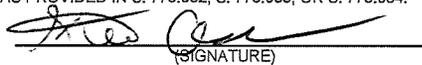
IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.83	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.63	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.02%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	75.68%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.60%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.32%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.73%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-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)

3/15/19
(DATE)

For Keith Ferguson

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
JANUARY, 2019

SCHEDULE 2: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 48,717,321,176	15,469,552,946	33,247,768,230	377,831,151	3,766,842,418	601,050,508	37,993,492,307	(92,214,532)	\$ 37,901,277,776
JURISDICTIONAL PER BOOKS	\$ 46,723,345,453	12,363,190,090	34,360,155,364	358,113,826	3,577,820,441	571,437,075	38,867,526,706	(2,438,817,838)	\$ 36,428,708,868
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,192,066,929)	(651,590,832)	(1,540,476,098)	0	(2,161,214,951)	0	(3,701,691,049)	3,511,484,810	\$ (190,206,239)
FPSC ADJUSTED:	\$ 44,531,278,524	11,711,599,258	32,819,679,266	358,113,826	1,416,605,490	571,437,075	35,165,835,657	1,072,666,972	\$ 36,238,502,628
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 44,531,278,524	11,711,599,258	32,819,679,266	358,113,826	1,416,605,490	571,437,075	35,165,835,657	1,072,666,972	\$ 36,238,502,628

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
JANUARY, 2019

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,542,365,273	3,292,321,419	1,393,971,074	2,320,954,634	1,306,358,118	355,816,471	(8,702,661)	206,006,671	(6,092,081)	8,860,633,646	\$ 2,681,731,627
JURISDICTIONAL PER BOOKS	\$ 11,095,800,389	3,127,169,876	1,348,327,197	2,252,767,575	1,286,100,680	338,956,228	(11,629,315)	198,506,723	(6,092,064)	8,534,106,900	\$ 2,561,693,489
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (480,608,075)	0	0	0	(12,361,240)	(118,677,160)	0	0	0	(131,038,400)	\$ (349,569,675)
FRANCHISE EXPENSE	0	0	0	0	(468,618,889)	118,771,457	0	0	0	(349,847,431)	349,847,431
GROSS RECEIPTS TAX	(254,432,984)	0	0	0	(254,123,075)	(78,546)	0	0	0	(254,201,621)	(231,363)
FINANCIAL PLANNING SERVICES	0	0	(435,591)	0	0	110,401	0	0	0	(325,191)	325,191
INDUSTRY ASSOCIATION DUES	0	0	(2,266,625)	0	0	574,476	0	0	0	(1,692,149)	1,692,149
ECONOMIC DEVELOPMENT 5%	0	0	(147,565)	0	0	37,400	0	0	0	(110,165)	110,165
AVIATION - EXPENSES	0	0	(178,236)	0	0	45,174	0	0	0	(133,062)	133,062
EXECUTIVE COMPENSATION	0	0	(35,479,291)	0	0	8,992,226	0	0	0	(26,487,065)	26,487,065
FUEL COST REC RETAIL	(2,967,008,452)	(2,954,655,401)	(181,713)	52,290	(2,093,301)	49,173,755	(51,741,286)	0	0	(2,959,445,657)	(7,562,796)
CONSERVATION COST RECOVERY	(56,912,885)	0	(43,984,467)	(10,038,319)	(1,089,241)	(455,979)	(449)	0	0	(55,568,454)	(1,344,431)
CAPACITY COST RECOVERY	(246,454,258)	(152,800,203)	(28,530,793)	1,505,422	(316,270)	(18,506,962)	1,700,081	0	0	(196,948,726)	(49,505,532)
ENVIRONMENTAL COST RECOVERY	(176,452,828)	0	(31,716,780)	(42,378,571)	(273,988)	(15,169,598)	(10,703,548)	0	336	(100,242,148)	(76,210,680)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(2,775,070)	0	703,341	0	0	0	(2,071,729)	2,071,729
STORM DEFICIENCY RECOVERY	(118,899,247)	0	6,307,051	(120,291,678)	0	(1,245,611)	0	0	0	(115,230,237)	(3,669,010)
INTEREST TAX DEFICIENCIES	0	0	342,525	0	0	(86,813)	0	0	0	255,712	(255,712)
INTEREST SYNCHRONIZATION	0	0	0	0	0	13,626,191	(5,877,924)	0	0	7,748,267	(7,748,267)
TOTAL FPSC ADJUSTMENTS	\$ (4,300,768,729)	(3,107,455,605)	(136,271,485)	(173,925,925)	(738,876,003)	37,813,753	(66,623,126)	0	336	(4,185,338,055)	\$ (115,430,675)
FPSC ADJUSTED	\$ 6,795,031,659	19,714,272	1,212,055,712	2,078,841,649	547,224,676	376,769,981	(78,252,441)	198,506,723	(6,091,728)	4,348,768,846	\$ 2,446,262,814
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,811,875,819	19,714,272	1,212,055,712	2,078,841,649	547,236,804	372,503,903	(78,252,441)	198,506,723	(6,091,728)	4,344,514,895	\$ 2,467,360,924
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 116,039,141										
	\$ 111,696,434										
(B) ECONOMIC DEVELOPMENT COSTS ON A ROLLING 12 MONTH BASIS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 3,045,187										
ON A JURISDICTIONAL BASIS	\$ 2,951,300										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 855,165,350	256,696,516	104,730,231	72,331,774	107,218,545	(72,831,882)	32,128,454	99,832,185	(492,555)	599,613,269	\$ 255,552,081
JURISDICTIONAL PER BOOKS	\$ 821,471,004	245,494,855	101,284,055	66,556,773	105,352,128	(70,194,627)	31,097,543	96,197,661	(492,554)	575,295,832	\$ 246,175,172

(14,115,413)

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
JANUARY, 2019

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
TOTAL PROFORMA ADJUSTMENTS	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111

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
JANUARY, 2019

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,567,498,424	\$ 1,493,357,206
FUEL AND CAPACITY	154,169,646	147,303,453
CAPITALIZED EXECUTIVE COMPENSATION	28,021,063	27,157,133
LOAD CONTROL	50,287,781	50,287,781
ASSET RETIREMENT OBLIGATION	433,891,240	420,513,747
CAPITAL LEASES	55,147,899	53,447,610
TOTAL	<u>\$ 2,289,016,053</u>	<u>\$ 2,192,066,929</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (312,742,128)	\$ (297,949,716)
ACCUM PROV DECOMMISSIONING COSTS	(4,544,556,713)	(4,350,519,796)
ASSET RETIREMENT OBLIGATION	(12,356,493)	(11,975,524)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,215,502,496	4,085,532,469
FUEL AND CAPACITY	(43,644,599)	(41,577,199)
OTHER RATE CASE ADJUSTMENTS (1)	(213,467)	(213,467)
LOAD CONTROL	(26,218,201)	(26,218,201)
CAPITAL LEASES	(8,945,192)	(8,669,399)
TOTAL	<u>\$ (733,174,296)</u>	<u>\$ (651,590,832)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,220,778,844	\$ 2,087,942,970
CWIP - CLAUSE PROJECTS	76,685,877	73,271,981
TOTAL	<u>\$ 2,297,464,720</u>	<u>\$ 2,161,214,951</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,605,752,138)	\$ (3,511,484,810)
TOTAL ADJUSTMENTS	<u>\$ 247,554,339</u>	<u>\$ 190,206,239</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
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JANUARY, 2019

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	\$ 11,542,365,273	3,292,321,419	1,393,971,074	2,320,954,634	1,306,358,118	355,816,471	(8,702,661)	206,006,671	(6,092,081)	8,860,633,646	\$ 2,681,731,627
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (480,608,075)	0	0	0	(12,361,240)	(141,802,245)	0	0	0	(154,163,485)	\$ (326,444,590)
FRANCHISE EXPENSE	0	0	0	0	(468,618,889)	141,925,719	0	0	0	(326,693,170)	326,693,170
GROSS RECEIPTS TAX	(254,432,984)	0	0	0	(254,123,075)	(97,036)	0	0	0	(254,220,111)	(212,873)
FINANCIAL PLANNING SERVICES	0	0	(449,448)	0	0	133,520	0	0	0	(315,928)	315,928
INDUSTRY ASSOCIATION DUES	0	0	(2,338,731)	0	0	697,626	0	0	0	(1,641,105)	1,641,105
ECONOMIC DEVELOPMENT 5%	0	0	(152,259)	0	0	45,281	0	0	0	(106,978)	106,978
AVIATION - EXPENSES	0	0	(183,906)	0	0	55,513	0	0	0	(128,393)	128,393
EXECUTIVE COMPENSATION	0	0	(36,607,968)	0	0	10,972,580	0	0	0	(25,635,388)	25,635,388
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,118,814,860)	(3,111,823,827)	(190,998)	54,962	(2,094,579)	51,352,468	(52,507,689)	0	0	(3,115,209,663)	(3,605,197)
CONSERVATION COST RECOVERY	(56,912,885)	0	(43,984,467)	(10,038,319)	(1,089,241)	(549,061)	(449)	0	0	(55,661,535)	(1,251,350)
CAPACITY COST RECOVERY	(246,846,787)	(159,735,664)	(29,825,780)	1,227,439	(322,854)	(19,461,126)	1,700,081	0	0	(206,417,903)	(40,428,884)
ENVIRONMENTAL COST RECOVERY	(176,452,828)	0	(33,291,434)	(44,482,554)	(281,283)	(19,229,915)	(10,703,548)	0	353	(107,988,381)	(68,464,447)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(2,775,070)	0	703,341	0	0	0	(2,071,729)	2,071,729
STORM DEFICIENCY RECOVERY	(118,899,247)	0	6,307,051	(120,291,678)	0	(1,542,902)	0	0	0	(115,527,528)	(3,371,719)
INTEREST TAX DEFICIENCIES	0	0	353,421	0	0	(106,660)	0	0	0	246,761	(248,761)
INTEREST SYNCHRONIZATION	0	0	0	0	0	14,018,170	(6,064,914)	0	0	7,953,256	(7,953,256)
TOTAL FPSC ADJUSTMENTS	\$ (4,452,967,666)	(3,271,559,491)	(140,364,517)	(176,305,220)	(738,891,160)	37,115,275	(67,576,519)	0	353	(4,357,581,280)	\$ (95,386,386)
FPSC ADJUSTED	\$ 7,089,397,607	20,761,929	1,253,606,556	2,144,649,414	567,466,957	392,931,746	(76,279,180)	206,006,671	(6,091,728)	4,503,052,366	\$ 2,586,345,241
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,106,241,767	20,761,929	1,253,606,556	2,144,649,414	567,479,085	388,665,667	(76,279,180)	206,006,671	(6,091,728)	4,498,798,416	\$ 2,607,443,351

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 116,039,141

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
JANUARY, 2019

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	26,099,775	25,588,649
INTEREST & DIVIDENDS RECEIVABLE	162,119	158,944
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	81,374,220	81,025,084
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,734,321	15,734,321
PREPAYMENTS - ECCR	47,411,229	47,411,229
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,350,353	8,037,845
TEMPORARY CASH INVESTMENTS	1,009,006	989,247
STORM DEFICIENCY RECOVERY	107,639,717	107,639,717
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	60,354,181	59,172,232
OTH REG ASSETS - CLAUSES	4,615,329	4,390,984
MISC. DEFERRED DEBIT - CLAUSES	4,948,917	4,708,357
CEDAR BAY TRANSACTION	582,570,219	557,275,976
ICL TRANSACTION	372,069,444	355,914,799
SJRPP TRANSACTION	134,230,138	128,178,608
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,446,568,967	\$ 1,396,225,991
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(112,285)	(108,823)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(112,680,666)	(112,680,666)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(694)	(661)
JOBGING ACCOUNTS	(53,942,841)	(52,886,448)
POLE ATTACHMENT RENTS PAYABLE	(7,543,901)	(7,543,901)
SJRPP ACCELERATED RECOVERY	(8,397,373)	(8,032,773)
STORM DEFICIENCY RECOVERY	18,079,486	18,079,486
ASSET RETIREMENT OBLIGATION	(4,637,051,565)	(4,494,084,578)
MARGIN CALL CASH COLLATERAL	(782,692)	(767,364)
NUCLEAR COST RECOVERY	(245,201,696)	(245,201,696)
CEDAR BAY TRANSACTION	(4,686,873)	(4,483,377)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,052,321,100)	\$ (4,907,710,801)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,605,752,133)	\$ (3,511,484,810)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
JANUARY, 2019

SCHEDULE 2: PAGE 3C 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)
		NET INTERCHANGE	OTHER								
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
TOTAL PROFORMA ADJUSTMENTS	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111

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
JANUARY, 2019

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 49,387,908,411	15,226,448,974	34,161,459,437	408,395,658	3,716,670,076	579,491,463	38,866,016,634	(92,214,532)	\$ 38,773,802,102
JURISDICTIONAL PER BOOKS	\$ 47,346,129,296	11,954,442,281	35,391,687,016	387,029,783	3,526,766,060	550,940,233	39,856,423,091	(2,438,817,838)	\$ 37,417,605,253
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,056,282,871)	(639,873,751)	(1,416,409,121)	0	(2,195,057,416)	0	(3,611,466,537)	3,511,484,810	\$ (99,981,727)
FPSC ADJUSTED:	\$ 45,289,846,425	11,314,568,530	33,975,277,895	387,029,783	1,331,708,644	550,940,233	36,244,956,554	1,072,666,972	\$ 37,317,623,526
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 45,289,846,425	11,314,568,530	33,975,277,895	387,029,783	1,331,708,644	550,940,233	36,244,956,554	1,072,666,972	\$ 37,317,623,526

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
JANUARY, 2019

SCHEDULE 3: 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	\$ 11,542,365,273	3,292,321,419	1,393,971,074	2,320,954,634	1,306,358,118	355,816,471	(8,702,661)	206,006,671	(6,092,081)	8,860,633,646	\$ 2,681,731,627
JURISDICTIONAL PER BOOKS	\$ 11,095,800,389	3,127,169,876	1,348,327,197	2,252,767,575	1,286,100,680	338,956,228	(11,629,315)	198,506,723	(6,092,064)	8,534,106,900	\$ 2,561,693,489
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (480,608,075)	0	0	0	(12,361,240)	(118,677,160)	0	0	0	(131,038,400)	\$ (349,569,675)
FRANCHISE EXPENSE	0	0	0	0	(468,618,889)	118,771,457	0	0	0	(349,847,431)	349,847,431
GROSS RECEIPTS TAX	(254,432,984)	0	0	0	(254,123,075)	(78,546)	0	0	0	(254,201,621)	(231,363)
FINANCIAL PLANNING SERVICES	0	0	(435,591)	0	0	110,401	0	0	0	(325,191)	325,191
INDUSTRY ASSOCIATION DUES	0	0	(2,266,625)	0	0	574,476	0	0	0	(1,692,149)	1,692,149
ECONOMIC DEVELOPMENT 5%	0	0	(147,565)	0	0	37,400	0	0	0	(110,165)	110,165
AVIATION - EXPENSES	0	0	(178,236)	0	0	45,174	0	0	0	(133,062)	133,062
EXECUTIVE COMPENSATION	0	0	(35,479,291)	0	0	8,992,226	0	0	0	(26,487,065)	26,487,065
FUEL COST REC RETAIL	(2,967,008,452)	(2,954,655,401)	(181,713)	52,290	(2,093,301)	49,173,755	(51,741,286)	0	0	(2,959,445,657)	(7,562,796)
CONSERVATION COST RECOVERY	(56,912,885)	0	(43,984,467)	(10,038,319)	(1,089,241)	(455,979)	(449)	0	0	(55,568,454)	(1,344,431)
CAPACITY COST RECOVERY	(246,454,258)	(152,800,203)	(28,530,793)	1,505,422	(316,270)	(18,506,962)	1,700,081	0	0	(196,948,726)	(49,505,532)
ENVIRONMENTAL COST RECOVERY	(176,452,828)	0	(31,716,780)	(42,378,571)	(273,988)	(15,169,598)	(10,703,548)	0	336	(100,242,148)	(76,210,680)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(2,775,070)	0	703,341	0	0	0	(2,071,729)	2,071,729
STORM DEFICIENCY RECOVERY	(118,899,247)	0	6,307,051	(120,291,678)	0	(1,245,611)	0	0	0	(115,230,237)	(3,669,010)
INTEREST TAX DEFICIENCIES	0	0	342,525	0	0	(86,813)	0	0	0	255,712	(255,712)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,276,879	(5,877,924)	0	0	4,398,955	(4,398,955)
TOTAL FPSC ADJUSTMENTS	\$ (4,300,768,729)	(3,107,455,605)	(136,271,485)	(173,925,925)	(738,876,003)	34,464,441	(66,623,126)	0	336	(4,188,687,367)	\$ (112,081,362)
FPSC ADJUSTED	\$ 6,795,031,659	19,714,272	1,212,055,712	2,078,841,649	547,224,676	373,420,669	(78,252,441)	198,506,723	(6,091,728)	4,345,419,533	\$ 2,449,612,126
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,811,875,819	19,714,272	1,212,055,712	2,078,841,649	547,236,804	369,154,590	(78,252,441)	198,506,723	(6,091,728)	4,341,165,582	\$ 2,470,710,237
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 116,039,141 \$ 111,696,434										

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
JANUARY, 2019

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE		OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 16,844,160	0	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
TOTAL PROFORMA ADJUSTMENTS	\$ 16,844,160	0	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111

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
JANUARY, 2019

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,483,419,416	\$ 1,413,255,058
FUEL AND CAPACITY	163,427,409	156,159,341
CAPITALIZED EXECUTIVE COMPENSATION	31,390,970	30,423,141
LOAD CONTROL	49,334,485	49,334,485
ASSET RETIREMENT OBLIGATION	418,061,963	405,172,509
CAPITAL LEASES	2,000,000	1,938,337
TOTAL	\$ 2,147,634,243	\$ 2,056,282,871
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (315,645,319)	\$ (300,715,589)
ACCUM PROV DECOMMISSIONING COSTS	(4,415,227,679)	(4,226,712,665)
ASSET RETIREMENT OBLIGATION	(8,172,099)	(7,920,141)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,095,270,715	3,969,007,607
FUEL AND CAPACITY	(45,055,317)	(42,926,772)
OTHER RATE CASE ADJUSTMENTS (1)	(2,775,070)	(2,775,070)
LOAD CONTROL	(27,831,120)	(27,831,120)
CAPITAL LEASES (2)	0	0
TOTAL	\$ (719,435,890)	\$ (639,873,751)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,274,796,904	\$ 2,134,261,856
CWIP - CLAUSE PROJECTS	63,501,715	60,795,560
TOTAL	\$ 2,338,298,619	\$ 2,195,057,416
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,605,752,138)	\$ (3,511,484,810)
TOTAL ADJUSTMENTS	\$ 160,744,835	\$ 99,981,727

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) FPL HAS ADOPTED A NEW ACCOUNTING STANDARD WHICH RESULTED IN RECLASSIFICATION OF CAPITAL LEASES, PER ASC 842.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JANUARY, 2019

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	\$ 11,542,365,273	3,292,321,419	1,393,971,074	2,320,954,634	1,306,358,118	355,816,471	(8,702,661)	206,006,671	(6,092,081)	8,860,633,646	\$ 2,681,731,627
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (480,608,075)	0	0	0	(12,361,240)	(141,802,245)	0	0	0	(154,163,485)	\$ (326,444,590)
FRANCHISE EXPENSE	0	0	0	0	(468,618,889)	141,925,719	0	0	0	(326,693,170)	326,693,170
GROSS RECEIPTS TAX	(254,432,984)	0	0	0	(254,123,075)	(97,036)	0	0	0	(254,220,111)	(212,873)
FINANCIAL PLANNING SERVICES	0	0	(449,448)	0	0	133,520	0	0	0	(315,928)	315,928
INDUSTRY ASSOCIATION DUES	0	0	(2,338,731)	0	0	697,626	0	0	0	(1,641,105)	1,641,105
ECONOMIC DEVELOPMENT 5%	0	0	(152,259)	0	0	45,281	0	0	0	(106,978)	106,978
AVIATION - EXPENSES	0	0	(183,906)	0	0	55,513	0	0	0	(128,393)	128,393
EXECUTIVE COMPENSATION	0	0	(36,607,968)	0	0	10,972,580	0	0	0	(25,635,388)	25,635,388
FUEL COST REC RETAIL	(3,118,814,860)	(3,111,823,827)	(190,998)	54,962	(2,094,579)	51,352,468	(52,507,689)	0	0	(3,115,209,663)	(3,605,197)
CONSERVATION COST RECOVERY	(56,912,885)	0	(43,984,467)	(10,038,319)	(1,089,241)	(549,061)	(449)	0	0	(55,661,535)	(1,251,350)
CAPACITY COST RECOVERY	(246,846,787)	(159,735,664)	(29,825,780)	1,227,439	(322,854)	(19,461,126)	1,700,081	0	0	(206,417,903)	(40,428,884)
ENVIRONMENTAL COST RECOVERY	(176,452,828)	0	(33,291,434)	(44,482,554)	(281,283)	(19,229,915)	(10,703,548)	0	353	(107,988,381)	(68,464,447)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(2,775,070)	0	703,341	0	0	0	(2,071,729)	2,071,729
STORM DEFICIENCY RECOVERY	(118,899,247)	0	6,307,051	(120,291,678)	0	(1,542,902)	0	0	0	(115,527,528)	(3,371,719)
INTEREST TAX DEFICIENCIES	0	0	353,421	0	0	(106,660)	0	0	0	246,761	(246,761)
INTEREST SYNCHRONIZATION	0	0	0	0	0	11,093,343	(6,064,914)	0	0	5,028,429	(5,028,429)
TOTAL FPSC ADJUSTMENTS	\$ (4,452,967,666)	(3,271,559,491)	(140,364,517)	(176,305,220)	(738,891,160)	34,190,448	(67,576,519)	0	353	(4,360,506,106)	\$ (92,461,560)
FPSC ADJUSTED	\$ 7,089,397,607	20,761,929	1,253,606,556	2,144,649,414	567,466,957	390,006,919	(76,279,180)	206,006,671	(6,091,728)	4,500,127,540	\$ 2,589,270,067
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ 16,844,160	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,106,241,767	20,761,929	1,253,606,556	2,144,649,414	567,479,085	385,740,841	(76,279,180)	206,006,671	(6,091,728)	4,495,873,589	\$ 2,610,368,178

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 116,039,141

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
JANUARY, 2019

SCHEDULE 3: PAGE 3B OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE		OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 16,844,160	0	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111
TOTAL PROFORMA ADJUSTMENTS	\$ 16,844,160	0	0	0	0	12,128	(4,266,079)	0	0	0	(4,253,951)	\$ 21,098,111

FOOTNOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JANUARY, 2019

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT			MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12	
LONG TERM DEBT	\$ 10,620,151,570	\$ 10,205,963,140	\$ 80,475,361	\$ (120,873,455)	\$ 10,165,565,046	28.05%	4.43%	1.24%	4.43%	1.24%	4.43%	1.24%	
SHORT TERM DEBT	951,916,719	914,515,636	7,297,503	0	921,813,140	2.54%	3.12%	0.08%	3.12%	0.08%	3.12%	0.08%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	17,234,467,562	16,557,320,347	132,121,416	0	16,689,441,763	46.05%	9.60%	4.42%	10.55%	4.86%	11.60%	5.34%	
CUSTOMER DEPOSITS	397,827,911	397,289,852	3,170,229	(0)	400,460,081	1.11%	2.09%	0.02%	2.09%	0.02%	2.09%	0.02%	
DEFERRED INCOME TAX	8,274,007,985	7,948,424,759	61,622,309	(225,980,235)	7,784,066,833	21.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (1)	422,906,028	405,195,134	2,194,094	(130,233,463)	277,155,766	0.76%	7.61%	0.06%	8.23%	0.06%	8.85%	0.07%	
TOTAL	\$ 37,901,277,776	\$ 36,428,708,868	\$ 286,880,913	\$ (477,087,153)	\$ 36,238,502,628	100.00%		5.82%		6.27%		6.76%	

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT			MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12	
LONG TERM DEBT	\$ 10,389,707,799	\$ 10,025,290,398	\$ 89,103,916	\$ (78,033,581)	\$ 10,036,360,733	26.89%	4.60%	1.24%	4.60%	1.24%	4.60%	1.24%	
SHORT TERM DEBT	829,890,038	800,589,874	7,171,393	0	807,761,267	2.16%	3.61%	0.08%	3.61%	0.08%	3.61%	0.08%	
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	18,463,136,645	17,811,275,664	159,546,942	0	17,970,822,606	48.16%	9.60%	4.62%	10.55%	5.08%	11.60%	5.59%	
CUSTOMER DEPOSITS	394,369,352	393,794,529	3,527,468	(0)	397,321,998	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%	
DEFERRED INCOME TAX	8,185,908,754	7,895,487,239	68,700,660	(225,980,235)	7,738,207,663	20.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (1)	510,789,514	491,167,549	3,259,592	(127,277,881)	367,149,259	0.98%	7.78%	0.08%	8.42%	0.08%	9.06%	0.09%	
TOTAL	\$ 38,773,802,102	\$ 37,417,605,253	\$ 331,309,971	\$ (431,291,698)	\$ 37,317,623,526	100.00%		6.04%		6.50%		7.01%	

NOTE:

(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3,164 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
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
JANUARY, 2019

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 10,165,565,046	\$ -	\$ 10,165,565,046	28.05%	4.43%	1.24%	4.43%	1.24%	4.43%	1.24%
SHORT TERM DEBT	921,813,140	-	921,813,140	2.54%	3.12%	0.08%	3.12%	0.08%	3.12%	0.08%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,689,441,763	-	16,689,441,763	46.05%	9.60%	4.42%	10.55%	4.86%	11.60%	5.34%
CUSTOMER DEPOSITS	400,460,081	-	400,460,081	1.11%	2.09%	0.02%	2.09%	0.02%	2.09%	0.02%
DEFERRED INCOME TAX	7,784,066,833	-	7,784,066,833	21.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS(1)	277,155,766	-	277,155,766	0.76%	7.61%	0.06%	8.23%	0.06%	8.85%	0.07%
TOTAL	\$ 36,238,502,628	\$ -	\$ 36,238,502,628	100.00%		5.82%		6.27%		6.76%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 10,036,360,733	\$ -	\$ 10,036,360,733	26.89%	4.60%	1.24%	4.60%	1.24%	4.60%	1.24%
SHORT TERM DEBT	807,761,267	-	807,761,267	2.16%	3.61%	0.08%	3.61%	0.08%	3.61%	0.08%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,970,822,606	-	17,970,822,606	48.16%	9.60%	4.62%	10.55%	5.08%	11.60%	5.59%
CUSTOMER DEPOSITS	397,321,998	-	397,321,998	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,738,207,663	-	7,738,207,663	20.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS(1)	367,149,259	-	367,149,259	0.98%	7.78%	0.08%	8.42%	0.08%	9.06%	0.09%
TOTAL	\$ 37,317,623,526	\$ -	\$ 37,317,623,526	100.00%		6.04%		6.50%		7.01%

NOTE:

(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.

(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

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A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,734,885,165
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,929,430
INCOME TAXES	546,047,974
TOTAL	<u>\$ 3,304,862,569</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 566,526,506</u>
TIMES INTEREST EARNED WITH AFUDC	<u>5.83</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,734,885,165
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(92,109,711)
INCOME TAXES	546,047,974
TOTAL	<u>\$ 3,188,823,428</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 566,526,506</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>5.63</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,929,430
X (1 - INCOME_TAX_RATE)	0.7466
SUBTOTAL	<u>\$ 17,864,516</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	92,109,711
TOTAL	<u>\$ 109,974,227</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 2,192,288,089</u>
AFUDC AS PERCENT OF NET INCOME	<u>5.02%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (40,039,080)
GAINS ON DISPOSITION OF PROPERTY	(6,092,081)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (46,131,160)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,192,288,089
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(500,000,000)
AFUDC (DEBT & OTHER)	(116,039,141)
DEPRECIATION AND AMORTIZATION EXPENSE	2,320,954,634
DEFERRED INCOME TAXES	(17,024,411)
INVESTMENT TAX CREDITS	206,006,671
OTHER SOURCE/USES OF FUNDS	(46,131,160)
INTERNALLY GENERATED FUNDS	<u>\$ 4,040,054,682</u>

CONSTRUCTION EXPENDITURES \$ 5,338,087,506

PERCENT INTERNALLY GENERATED FUNDS 75.68%

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	\$ 10,165,565,046
JURIS ADJUSTED SHORT TERM DEBT	921,813,140
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	16,689,441,763
TOTAL	<u>\$ 27,776,819,949</u>

LTD TO TOTAL INVESTOR FUNDS 36.60%

STD TO TOTAL INVESTOR FUNDS 3.32%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.75%
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>1.41%</u>
TOTAL	<u>5.34%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.05%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.60%</u>

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.81%

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 1.41%

PRO FORMA ROR LESS NON EQUITY COST 5.40%

PRO FORMA COMMON EQUITY RATIO 46.05%

PRO FORMA RETURN ON COMMON EQUITY 11.73%