



April 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 February 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', written over a horizontal line.

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
FEBRUARY, 2019

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,708,714,097 (A)	(230,953,844) (B)	2,477,760,253	50,875,944	\$ 2,528,636,197
RATE BASE	\$ 36,650,633,310	(199,664,628)	36,450,968,682	0	\$ 36,450,968,682
AVERAGE RATE OF RETURN	7.39%		6.80%		6.94%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,708,714,097 (A)	(226,772,101) (B)	2,481,941,996	50,875,944	\$ 2,532,817,940
RATE BASE	\$ 37,740,653,128	(179,984,708)	37,561,668,420	0	\$ 37,561,668,420
YEAR END RATE OF RETURN	7.18%		6.61%		6.74%

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

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

LOW	5.86%
MIDPOINT	6.31%
HIGH	6.80%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.89 (SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.69 (SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.96% (SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	85.46% (SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.54% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.87% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60% (FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.90% (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.

(VICE PRESIDENT ACCOUNTING AND CONTROLLER)

(SIGNATURE)

For Keith Ferguson

4/15/2019
(DATE)

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

SCHEDULE 2: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>	<u>NET PLANT IN SERVICE</u>	<u>PROPERTY HELD FOR FUTURE USE</u>	<u>CONSTRUCTION WORK IN PROGRESS</u>	<u>NUCLEAR FUEL</u>	<u>NET UTILITY PLANT</u>	<u>WORKING CAPITAL</u>	<u>TOTAL RATE BASE</u>
SYSTEM PER BOOKS	\$ 48,894,039,645	15,493,527,145	33,400,512,500	382,690,307	3,792,816,852	596,790,716	38,172,810,375	(43,359,202)	\$ 38,129,451,173
JURISDICTIONAL PER BOOKS	\$ 46,899,543,639	12,370,427,573	34,529,116,066	362,725,842	3,601,742,564	567,387,160	39,060,971,632	(2,410,338,322)	\$ 36,650,633,310
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,187,447,135)	(656,938,993)	(1,530,508,142)	0	(2,177,608,107)	0	(3,708,116,249)	3,508,451,621	\$ (199,664,628)
FPSC ADJUSTED:	\$ 44,712,096,504	11,713,488,580	32,998,607,924	362,725,842	1,424,134,456	567,387,160	35,352,855,383	1,098,113,299	\$ 36,450,968,682
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 44,712,096,504	11,713,488,580	32,998,607,924	362,725,842	1,424,134,456	567,387,160	35,352,855,383	1,098,113,299	\$ 36,450,968,682

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
FEBRUARY, 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	\$ 11,531,626,450	3,297,656,055	1,360,653,637	2,296,400,158	1,306,711,575	356,123,543	4,480,934	202,518,293	(6,088,495)	8,818,455,700	\$ 2,713,170,750
JURISDICTIONAL PER BOOKS	\$ 11,088,445,846	3,131,261,685	1,314,683,162	2,228,152,036	1,286,323,135	340,175,169	1,837,980	195,145,344	(6,088,478)	8,491,490,034	\$ 2,596,955,812
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (478,170,005)	0	0	0	(12,298,533)	(118,075,125)	0	0	0	(130,373,657)	\$ (347,796,348)
FRANCHISE EXPENSE	0	0	0	0	(466,384,603)	118,205,178	0	0	0	(348,179,425)	348,179,425
GROSS RECEIPTS TAX	(253,475,984)	0	0	0	(253,202,350)	(69,352)	0	0	0	(253,271,703)	(204,281)
FINANCIAL PLANNING SERVICES	0	0	(465,841)	0	0	118,067	0	0	0	(347,773)	347,773
INDUSTRY ASSOCIATION DUES	0	0	(2,224,155)	0	0	563,712	0	0	0	(1,660,443)	1,660,443
ECONOMIC DEVELOPMENT 5%	0	0	(144,851)	0	0	36,712	0	0	0	(108,138)	108,138
AVIATION - EXPENSES	0	0	(168,569)	0	0	42,724	0	0	0	(125,846)	125,846
EXECUTIVE COMPENSATION	0	0	(36,273,446)	0	0	9,193,505	0	0	0	(27,079,941)	27,079,941
FUEL COST REC RETAIL	(2,963,416,132)	(2,950,740,194)	(181,873)	52,291	(2,090,630)	42,830,261	(45,480,265)	0	0	(2,955,610,410)	(7,805,722)
CONSERVATION COST RECOVERY	(57,327,818)	0	(44,468,071)	(10,006,538)	(1,079,195)	(448,882)	(742)	0	0	(56,003,428)	(1,324,391)
CAPACITY COST RECOVERY	(255,712,310)	(161,234,977)	(27,963,012)	390,176	(321,304)	(14,917,086)	(1,958,425)	0	0	(206,004,627)	(49,707,683)
ENVIRONMENTAL COST RECOVERY	(176,057,103)	0	(31,739,484)	(41,981,064)	(274,358)	(15,602,059)	(10,265,689)	0	331	(99,862,322)	(76,194,781)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,868,228	0	(726,952)	0	0	0	2,141,276	(2,141,276)
STORM DEFICIENCY RECOVERY	(95,961,383)	0	28,748,669	(120,193,081)	0	(1,144,827)	0	0	0	(92,589,238)	(3,372,145)
INTEREST TAX DEFICIENCIES	0	0	343,119	0	0	(86,963)	0	0	0	256,155	(256,155)
INTEREST SYNCHRONIZATION	0	0	0	0	0	13,746,679	(5,852,336)	0	0	7,894,343	(7,894,343)
TOTAL FPSC ADJUSTMENTS	\$ (4,280,120,736)	(3,111,975,171)	(114,537,513)	(168,869,987)	(735,650,973)	33,665,592	(63,557,456)	0	331	(4,160,925,177)	\$ (119,195,559)
FPSC ADJUSTED	\$ 6,808,325,110	19,286,514	1,200,145,649	2,059,282,048	550,672,162	373,840,761	(61,719,476)	195,145,344	(6,088,147)	4,330,564,856	\$ 2,477,760,253
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,848,943,084	19,286,514	1,200,145,649	2,059,282,048	550,701,407	363,553,547	(61,719,476)	195,145,344	(6,088,147)	4,320,306,887	\$ 2,528,636,197
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 116,103,396 \$ 111,758,285										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 2,989,180										
ON A JURISDICTIONAL BASIS	\$ 2,897,019										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 806,320,946	232,133,600	101,024,699	123,370,654	103,162,259	23,304,867	19,366,516	(1,310,668)	(492,555)	600,559,372	\$ 205,761,575
JURISDICTIONAL PER BOOKS	\$ 778,581,600	219,720,211	97,118,373	117,689,160	101,294,747	23,054,832	19,373,869	(1,262,951)	(492,554)	576,495,688	\$ 202,085,912

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
FEBRUARY, 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)	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
TOTAL PROFORMA ADJUSTMENTS	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944

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
FEBRUARY, 2019

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,560,873,412	\$ 1,487,240,567
FUEL AND CAPACITY	155,276,181	148,373,346
CAPITALIZED EXECUTIVE COMPENSATION	28,577,889	27,696,792
LOAD CONTROL	50,146,435	50,146,435
ASSET RETIREMENT OBLIGATION	431,253,027	417,956,874
CAPITAL LEASES	57,815,662	56,033,121
TOTAL	<u>\$ 2,283,942,606</u>	<u>\$ 2,187,447,135</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (317,584,949)	\$ (302,603,155)
ACCUM PROV DECOMMISSIONING COSTS	(4,538,054,448)	(4,344,295,155)
ASSET RETIREMENT OBLIGATION	(11,918,318)	(11,550,859)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,209,394,606	4,079,612,894
FUEL AND CAPACITY	(43,937,888)	(41,859,348)
OTHER RATE CASE ADJUSTMENTS (1)	220,633	220,633
LOAD CONTROL	(26,541,095)	(26,541,095)
CAPITAL LEASES	(10,238,577)	(9,922,907)
TOTAL	<u>\$ (738,660,037)</u>	<u>\$ (656,938,993)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,238,992,212	\$ 2,104,347,749
CWIP - CLAUSE PROJECTS	76,651,802	73,260,358
TOTAL	<u>\$ 2,315,644,015</u>	<u>\$ 2,177,608,107</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)	\$ (3,602,419,207)	\$ (3,508,451,621)
TOTAL ADJUSTMENTS	<u>\$ 258,507,377</u>	<u>\$ 199,664,628</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
FEBRUARY, 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	\$ 11,531,626,450	3,297,656,055	1,360,653,637	2,296,400,158	1,306,711,575	356,123,543	4,480,934	202,518,293	(6,088,495)	8,818,455,700	\$ 2,713,170,750
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (478,170,005)	0	0	0	(12,298,533)	(137,403,546)	0	0	0	(149,702,079)	\$ (328,467,926)
FRANCHISE EXPENSE	0	0	0	0	(466,384,603)	137,562,776	0	0	0	(328,821,827)	328,821,827
GROSS RECEIPTS TAX	(253,475,984)	0	0	0	(253,202,350)	(82,137)	0	0	0	(253,284,487)	(191,497)
FINANCIAL PLANNING SERVICES	0	0	(480,660)	0	0	140,983	0	0	0	(339,677)	339,677
INDUSTRY ASSOCIATION DUES	0	0	(2,294,910)	0	0	668,112	0	0	0	(1,626,799)	1,626,799
ECONOMIC DEVELOPMENT 5%	0	0	(149,459)	0	0	43,201	0	0	0	(106,258)	106,258
AVIATION - EXPENSES	0	0	(173,932)	0	0	51,081	0	0	0	(122,851)	122,851
EXECUTIVE COMPENSATION	0	0	(37,427,386)	0	0	10,957,591	0	0	0	(26,469,795)	26,469,795
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,117,375,812)	(3,108,802,258)	(191,161)	54,962	(2,091,915)	43,873,142	(45,635,834)	0	0	(3,112,793,064)	(4,582,747)
CONSERVATION COST RECOVERY	(57,327,818)	0	(44,468,071)	(10,006,538)	(1,079,195)	(524,069)	(742)	0	0	(56,078,615)	(1,249,204)
CAPACITY COST RECOVERY	(256,102,719)	(168,537,764)	(29,229,536)	92,605	(327,799)	(15,271,841)	(1,958,425)	0	0	(215,232,759)	(40,869,960)
ENVIRONMENTAL COST RECOVERY	(176,057,103)	0	(33,310,896)	(44,059,534)	(281,666)	(18,754,433)	(10,265,689)	0	348	(106,671,870)	(69,385,233)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,868,228	0	(726,952)	0	0	0	2,141,276	(2,141,276)
STORM DEFICIENCY RECOVERY	(95,961,383)	0	28,748,669	(120,193,081)	0	(1,391,573)	0	0	0	(92,835,985)	(3,125,399)
INTEREST TAX DEFICIENCIES	0	0	354,034	0	0	(104,126)	0	0	0	249,908	(249,908)
INTEREST SYNCHRONIZATION	0	0	0	0	0	14,159,085	(6,038,512)	0	0	8,120,573	(8,120,573)
TOTAL FPSC ADJUSTMENTS	\$ (4,434,470,825)	(3,277,340,022)	(118,623,308)	(171,243,358)	(735,666,061)	33,197,293	(63,899,201)	0	348	(4,333,574,309)	\$ (100,896,516)
FPSC ADJUSTED	\$ 7,097,155,626	20,316,033	1,242,030,330	2,125,156,800	571,045,514	389,320,836	(59,418,267)	202,518,293	(6,088,147)	4,484,881,391	\$ 2,612,274,235
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,137,773,601	20,316,033	1,242,030,330	2,125,156,800	571,074,759	379,033,622	(59,418,267)	202,518,293	(6,088,147)	4,474,623,423	\$ 2,663,150,178

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 116,103,396

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
FEBRUARY, 2019

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	26,972,382	26,444,167
FUEL CLAUSE – GAS RESERVES	(6)	(6)
INTEREST & DIVIDENDS RECEIVABLE	211,579	207,436
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	95,172,687	94,698,114
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,281,200	14,281,200
PREPAYMENTS - ECCR	47,161,696	47,161,696
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,687,191	7,399,502
TEMPORARY CASH INVESTMENTS	983,497	964,236
STORM DEFICIENCY RECOVERY	97,769,870	97,769,870
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	60,213,967	59,034,764
OTH REG ASSETS - CLAUSES	4,051,576	3,854,712
MISC. DEFFERED DEBIT - CLAUSES	4,643,551	4,417,923
CEDAR BAY TRANSACTION	575,004,372	550,089,277
ICL TRANSACTION	367,888,889	351,948,164
SJRPP TRANSACTION	114,948,285	109,751,768
EARLY RETIRED ASSETS	31,008,706	29,606,882
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,447,999,443	\$ 1,397,629,705
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(132,346)	(128,265)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(113,239,620)	(113,239,620)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(666)	(635)
JOBGING ACCOUNTS	(53,840,359)	(52,785,974)
POLE ATTACHMENT RENTS PAYABLE	(6,896,100)	(6,896,100)
SJRPP ACCELERATED RECOVERY	(8,182,056)	(7,827,525)
STORM DEFICIENCY RECOVERY	10,503,124	10,503,124
ASSET RETIREMENT OBLIGATION	(4,628,729,315)	(4,486,018,909)
MARGIN CALL CASH COLLATERAL	(686,538)	(673,094)
NUCLEAR COST RECOVERY	(244,588,769)	(244,588,769)
CEDAR BAY TRANSACTION	(4,626,005)	(4,425,559)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,050,418,650)	\$ (4,906,081,325)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,602,419,207)	\$ (3,508,451,621)

NOTES:

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
FEBRUARY, 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)	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
TOTAL PROFORMA ADJUSTMENTS	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944

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
FEBRUARY, 2019

SCHEDULE 3: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION & AMORTIZATION</u>	<u>NET PLANT IN SERVICE</u>	<u>PROPERTY HELD FOR FUTURE USE</u>	<u>CONSTRUCTION WORK IN PROGRESS</u>	<u>NUCLEAR FUEL</u>	<u>NET UTILITY PLANT</u>	<u>WORKING CAPITAL</u>	<u>TOTAL RATE BASE</u>
SYSTEM PER BOOKS	\$ 49,688,973,211	15,322,083,379	34,366,889,832	395,637,160	3,777,864,231	570,101,203	39,110,492,426	(43,359,202)	\$ 39,067,133,223
JURISDICTIONAL PER BOOKS	\$ 47,667,363,249	12,020,209,838	35,647,153,411	375,078,093	3,586,747,320	542,012,625	40,150,991,450	(2,410,338,322)	\$ 37,740,653,128
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,148,328,473)	(664,550,390)	(1,483,778,083)	0	(2,203,658,246)	0	(3,687,436,329)	3,508,451,621	\$ (178,984,708)
FPSC ADJUSTED:	\$ 45,519,034,775	11,355,659,447	34,163,375,328	375,078,093	1,383,089,074	542,012,625	36,463,555,121	1,098,113,299	\$ 37,561,668,420
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 45,519,034,775	11,355,659,447	34,163,375,328	375,078,093	1,383,089,074	542,012,625	36,463,555,121	1,098,113,299	\$ 37,561,668,420

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

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	\$ 11,531,626,450	3,297,656,055	1,360,653,637	2,296,400,158	1,306,711,575	356,123,543	4,480,934	202,518,293	(6,088,495)	8,818,455,700	\$ 2,713,170,750
JURISDICTIONAL PER BOOKS	\$ 11,088,445,846	3,131,261,685	1,314,683,162	2,228,152,036	1,286,323,135	340,175,169	1,837,980	195,145,344	(6,088,478)	8,491,490,034	\$ 2,596,955,812
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (478,170,005)	0	0	0	(12,298,533)	(118,075,125)	0	0	0	(130,373,657)	\$ (347,796,348)
FRANCHISE EXPENSE	0	0	0	0	(466,384,603)	118,205,178	0	0	0	(348,179,425)	348,179,425
GROSS RECEIPTS TAX	(253,475,984)	0	0	0	(253,202,350)	(69,352)	0	0	0	(253,271,703)	(204,281)
FINANCIAL PLANNING SERVICES	0	0	(465,841)	0	0	118,067	0	0	0	(347,773)	347,773
INDUSTRY ASSOCIATION DUES	0	0	(2,224,155)	0	0	563,712	0	0	0	(1,660,443)	1,660,443
ECONOMIC DEVELOPMENT 5%	0	0	(144,851)	0	0	36,712	0	0	0	(108,138)	108,138
AVIATION - EXPENSES	0	0	(168,569)	0	0	42,724	0	0	0	(125,846)	125,846
EXECUTIVE COMPENSATION	0	0	(36,273,446)	0	0	9,193,505	0	0	0	(27,079,941)	27,079,941
FUEL COST REC RETAIL	(2,963,416,132)	(2,950,740,194)	(181,873)	52,291	(2,090,630)	42,830,261	(45,480,265)	0	0	(2,955,610,410)	(7,805,722)
CONSERVATION COST RECOVERY	(57,327,818)	0	(44,468,071)	(10,006,538)	(1,079,195)	(448,882)	(742)	0	0	(56,003,428)	(1,324,391)
CAPACITY COST RECOVERY	(255,712,310)	(161,234,977)	(27,963,012)	390,176	(321,304)	(14,917,086)	(1,958,425)	0	0	(206,004,627)	(49,707,683)
ENVIRONMENTAL COST RECOVERY	(176,057,103)	0	(31,739,484)	(41,981,064)	(274,358)	(15,602,059)	(10,265,689)	0	331	(99,862,322)	(76,194,781)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,868,228	0	(726,952)	0	0	0	2,141,276	(2,141,276)
STORM DEFICIENCY RECOVERY	(95,961,383)	0	28,748,669	(120,193,081)	0	(1,144,827)	0	0	0	(92,589,238)	(3,372,145)
INTEREST TAX DEFICIENCIES	0	0	343,119	0	0	(86,963)	0	0	0	256,155	(256,155)
INTEREST SYNCHRONIZATION	0	0	0	0	0	9,564,936	(5,852,336)	0	0	3,712,600	(3,712,600)
TOTAL FPSC ADJUSTMENTS	\$ (4,280,120,736)	(3,111,975,171)	(114,537,513)	(168,869,987)	(735,650,973)	29,483,849	(63,557,456)	0	331	(4,165,106,920)	\$ (115,013,816)
FPSC ADJUSTED	\$ 6,808,325,110	19,286,514	1,200,145,649	2,059,282,048	550,672,162	369,659,018	(61,719,476)	195,145,344	(6,088,147)	4,326,383,114	\$ 2,481,941,996
PRO FORMA ADJUSTMENTS	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
(SEE SCHEDULE 2, PAGE 2A OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,848,943,084	19,286,514	1,200,145,649	2,059,282,048	550,701,407	359,371,804	(61,719,476)	195,145,344	(6,088,147)	4,316,125,145	\$ 2,532,817,940
 (A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 116,103,396 AND THE JURISDICTIONAL NOI BY \$ 111,758,285											

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
FEBRUARY, 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)	\$ 40,617,975	0	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
TOTAL PROFORMA ADJUSTMENTS	\$ 40,617,975	0	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944

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
FEBRUARY, 2019

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,486,697,665	\$ 1,416,563,996
FUEL AND CAPACITY	162,504,479	155,288,503
CAPITALIZED EXECUTIVE COMPENSATION	31,859,151	30,876,888
LOAD CONTROL	49,236,406	49,236,406
ASSET RETIREMENT OBLIGATION	418,061,963	405,172,509
CAPITAL LEASES (2)	94,091,136	91,190,171
TOTAL	<u>\$ 2,242,450,801</u>	<u>\$ 2,148,328,473</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (317,641,997)	\$ (302,657,512)
ACCUM PROV DECOMMISSIONING COSTS	(4,423,988,700)	(4,235,099,621)
ASSET RETIREMENT OBLIGATION	(9,853,688)	(9,549,885)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,103,427,483	3,976,912,891
FUEL AND CAPACITY	(45,561,560)	(43,412,752)
OTHER RATE CASE ADJUSTMENTS (1)	2,868,228	2,868,228
LOAD CONTROL	(28,571,011)	(28,571,011)
CAPITAL LEASES (2)	(25,837,331)	(25,040,729)
TOTAL	<u>\$ (745,158,575)</u>	<u>\$ (664,550,390)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,284,453,829	\$ 2,143,859,367
CWIP - CLAUSE PROJECTS	62,430,114	59,798,879
TOTAL	<u>\$ 2,346,883,942</u>	<u>\$ 2,203,658,246</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)	\$ (3,602,419,207)	\$ (3,508,451,621)
TOTAL ADJUSTMENTS	<u>\$ 241,756,962</u>	<u>\$ 178,984,708</u>

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
FEBRUARY, 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	\$ 11,531,626,450	3,297,656,055	1,360,653,637	2,296,400,158	1,306,711,575	356,123,543	4,480,934	202,518,293	(6,088,495)	8,818,455,700	\$ 2,713,170,750
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (478,170,005)	0	0	0	(12,298,533)	(137,403,546)	0	0	0	(149,702,079)	\$ (328,467,926)
FRANCHISE EXPENSE	0	0	0	0	(466,384,603)	137,562,776	0	0	0	(328,821,827)	328,821,827
GROSS RECEIPTS TAX	(253,475,984)	0	0	0	(253,202,350)	(82,137)	0	0	0	(253,284,487)	(191,497)
FINANCIAL PLANNING SERVICES	0	0	(480,660)	0	0	140,983	0	0	0	(339,677)	339,677
INDUSTRY ASSOCIATION DUES	0	0	(2,294,910)	0	0	668,112	0	0	0	(1,626,799)	1,626,799
ECONOMIC DEVELOPMENT 5%	0	0	(149,459)	0	0	43,201	0	0	0	(106,258)	106,258
AVIATION - EXPENSES	0	0	(173,932)	0	0	51,081	0	0	0	(122,851)	122,851
EXECUTIVE COMPENSATION	0	0	(37,427,386)	0	0	10,957,591	0	0	0	(26,469,795)	26,469,795
FUEL COST REC RETAIL	(3,117,375,812)	(3,108,802,258)	(191,161)	54,962	(2,091,915)	43,873,142	(45,635,834)	0	0	(3,112,793,064)	(4,582,747)
CONSERVATION COST RECOVERY	(57,327,818)	0	(44,468,071)	(10,006,538)	(1,079,195)	(524,069)	(742)	0	0	(56,078,615)	(1,249,204)
CAPACITY COST RECOVERY	(256,102,719)	(168,537,764)	(29,229,536)	92,605	(327,799)	(15,271,841)	(1,958,425)	0	0	(215,232,759)	(40,869,960)
ENVIRONMENTAL COST RECOVERY	(176,057,103)	0	(33,310,896)	(44,059,534)	(281,666)	(18,754,433)	(10,265,689)	0	348	(106,671,870)	(69,385,233)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	2,868,228	0	(726,952)	0	0	0	2,141,276	(2,141,276)
STORM DEFICIENCY RECOVERY	(95,961,383)	0	28,748,669	(120,193,081)	0	(1,391,573)	0	0	0	(92,835,985)	(3,125,399)
INTEREST TAX DEFICIENCIES	0	0	354,034	0	0	(104,126)	0	0	0	249,908	(249,908)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,498,916	(6,038,512)	0	0	4,460,404	(4,460,404)
TOTAL FPSC ADJUSTMENTS	\$ (4,434,470,825)	(3,277,340,022)	(118,623,308)	(171,243,358)	(735,666,061)	29,537,124	(63,899,201)	0	348	(4,337,234,478)	\$ (97,236,347)
FPSC ADJUSTED	\$ 7,097,155,626	20,316,033	1,242,030,330	2,125,156,800	571,045,514	385,660,667	(59,418,267)	202,518,293	(6,088,147)	4,481,221,222	\$ 2,615,934,404
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ 40,617,975	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,137,773,601	20,316,033	1,242,030,330	2,125,156,800	571,074,759	375,373,453	(59,418,267)	202,518,293	(6,088,147)	4,470,963,253	\$ 2,666,810,347

(A) THE ADDITION OF EARNINGS FROM AFUDC
WOULD INCREASE THE SYSTEM NOI BY \$ 116,103,396

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
FEBRUARY, 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)	\$ 40,617,975	0	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944
TOTAL PROFORMA ADJUSTMENTS	\$ 40,617,975	0	0	0	0	29,245	(10,287,214)	0	0	0	(10,257,969)	\$ 50,875,944

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
FEBRUARY, 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	\$ 10,676,708,516	\$ 10,260,925,034	\$ 74,258,424	\$ (115,331,972)	\$ 10,219,851,487	28.04%	4.45%	1.25%	4.45%	1.25%	4.45%	1.25%
SHORT TERM DEBT	828,943,835	796,442,035	5,829,381	(0)	802,271,416	2.20%	3.16%	0.07%	3.16%	0.07%	3.16%	0.07%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,509,348,565	16,822,829,982	123,130,983	(0)	16,945,960,965	46.49%	9.60%	4.46%	10.55%	4.90%	11.60%	5.39%
CUSTOMER DEPOSITS	398,131,380	397,588,119	2,910,058	(0)	400,498,177	1.10%	2.09%	0.02%	2.09%	0.02%	2.09%	0.02%
DEFERRED INCOME TAX	8,279,555,937	7,954,294,854	56,613,625	(219,431,023)	7,791,477,456	21.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	436,762,940	418,553,287	2,113,774	(129,757,880)	290,909,181	0.80%	7.63%	0.06%	8.25%	0.07%	8.88%	0.07%
TOTAL	\$ 38,129,451,173	\$ 36,650,633,310	\$ 264,856,247	\$ (464,520,875)	\$ 36,450,968,682	100.00%		5.86%		6.31%		6.80%

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	\$ 10,984,080,077	\$ 10,610,123,800	\$ 85,076,342	\$ (135,371,199)	\$ 10,559,828,943	28.11%	4.55%	1.28%	4.55%	1.28%	4.55%	1.28%
SHORT TERM DEBT	286,381,562	276,570,634	2,246,317	0	278,816,951	0.74%	5.00%	0.04%	5.00%	0.04%	5.00%	0.04%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,663,699,769	18,024,314,269	146,394,172	(0)	18,170,708,441	48.38%	9.60%	4.64%	10.55%	5.10%	11.60%	5.61%
CUSTOMER DEPOSITS	396,022,334	395,460,495	3,211,945	-	398,672,440	1.06%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%
DEFERRED INCOME TAX	8,226,473,879	7,942,904,061	62,730,344	(219,431,023)	7,786,203,383	20.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	510,475,603	491,279,870	2,960,304	(126,801,911)	367,438,262	0.98%	7.71%	0.08%	8.35%	0.08%	8.98%	0.09%
TOTAL	\$ 39,067,133,223	\$ 37,740,653,128	\$ 302,619,425	\$ (481,604,134)	\$ 37,561,668,420	100.00%		6.06%		6.53%		7.04%

NOTE:

(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3,153 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
FEBRUARY, 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	\$ 10,219,851,487	\$ -	\$ 10,219,851,487	28.04%	4.45%	1.25%	4.45%	1.25%	4.45%	1.25%
SHORT TERM DEBT	802,271,416	-	802,271,416	2.20%	3.16%	0.07%	3.16%	0.07%	3.16%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,945,960,965	-	16,945,960,965	46.49%	9.60%	4.46%	10.55%	4.90%	11.60%	5.39%
CUSTOMER DEPOSITS	400,498,177	-	400,498,177	1.10%	2.09%	0.02%	2.09%	0.02%	2.09%	0.02%
DEFERRED INCOME TAX	7,791,477,456	-	7,791,477,456	21.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS(1)	290,909,181	-	290,909,181	0.80%	7.63%	0.06%	8.25%	0.07%	8.88%	0.07%
TOTAL	\$ 36,450,968,682	\$ -	\$ 36,450,968,682	100.00%		5.86%		6.31%		6.80%

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	\$ 10,559,828,943	\$ -	\$ 10,559,828,943	28.11%	4.55%	1.28%	4.55%	1.28%	4.55%	1.28%
SHORT TERM DEBT	278,816,951	-	278,816,951	0.74%	5.00%	0.04%	5.00%	0.04%	5.00%	0.04%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,170,708,441	-	18,170,708,441	48.38%	9.60%	4.64%	10.55%	5.10%	11.60%	5.61%
CUSTOMER DEPOSITS	398,672,440	-	398,672,440	1.06%	2.18%	0.02%	2.18%	0.02%	2.18%	0.02%
DEFERRED INCOME TAX	7,786,203,383	-	7,786,203,383	20.73%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS(1)	367,438,262	-	367,438,262	0.98%	7.71%	0.08%	8.35%	0.08%	8.98%	0.09%
TOTAL	\$ 37,561,668,420	\$ -	\$ 37,561,668,420	100.00%		6.06%		6.53%		7.04%

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	\$ 2,765,263,373
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,825,262
INCOME TAXES	556,032,228
TOTAL	<u>\$ 3,345,120,862</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 567,855,275</u>
TIMES INTEREST EARNED WITH AFUDC	<u>5.89</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,765,263,373
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(92,278,135)
INCOME TAXES	556,032,228
TOTAL	<u>\$ 3,229,017,466</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	<u>\$ 567,855,275</u>
TIMES INTEREST EARNED WITHOUT AFUDC	<u>5.69</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,825,262
X (1 - INCOME_TAX_RATE)	0.7466
SUBTOTAL	<u>\$ 17,786,749</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	92,278,135
TOTAL	<u>\$ 110,064,884</u>
NET INCOME AVAILABLE FOR COMMON	<u>\$ 2,221,233,359</u>
AFUDC AS PERCENT OF NET INCOME	<u>4.96%</u>

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (33,105,885)
GAINS ON DISPOSITION OF PROPERTY	(6,088,495)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	<u>\$ (39,194,380)</u>

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,221,233,359
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(500,000,000)
AFUDC (DEBT & OTHER)	(116,103,396)
DEPRECIATION AND AMORTIZATION EXPENSE	2,296,400,158
DEFERRED INCOME TAXES	(3,416,793)
INVESTMENT TAX CREDITS	202,518,293
OTHER SOURCE/USES OF FUNDS	(39,194,380)
INTERNALLY GENERATED FUNDS	<u>\$ 4,061,437,241</u>
CONSTRUCTION EXPENDITURES	<u>\$ 4,752,656,378</u>
PERCENT INTERNALLY GENERATED FUNDS	<u>85.46%</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	\$ 10,219,851,487
JURIS ADJUSTED SHORT TERM DEBT	802,271,416
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	16,945,960,965
TOTAL	<u>\$ 27,968,083,868</u>
LTD TO TOTAL INVESTOR FUNDS	<u>36.54%</u>
STD TO TOTAL INVESTOR FUNDS	<u>2.87%</u>

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.80%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.25%
SHORT TERM DEBT	0.07%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.07%
SUBTOTAL	<u>1.40%</u>
TOTAL	<u>5.39%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>46.49%</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 6.94%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT 1.25%

SHORT TERM DEBT 0.07%

PREFERRED STOCK 0.00%

CUSTOMER DEPOSITS 0.02%

TAX CREDITS - WTD COST 0.07%

SUBTOTAL 1.40%

PRO FORMA ROR LESS NON EQUITY COST 5.53%

PRO FORMA COMMON EQUITY RATIO 46.49%

PRO FORMA RETURN ON COMMON EQUITY 11.90%