



November 13, 2020

Mr. Bart Fletcher
Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: September 2020 Forecasted Earnings Surveillance Report

Dear Mr. Fletcher:

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL is providing its September 2020 Forecast Earnings Surveillance Report ("FESR") for the proceeding rolling 12 months. The forecast results contained in the FESR reflect the Company's September 2020 forecast assumptions and actual results are subject to change. In accordance with the Stipulation and Settlement Agreement that the Commission approved in Order No. PSC-16-0560-AS-EI, the Company will vary the portion of Reserve Amount amortized over the next 12 months to maintain its actual return on equity within the range of 9.6% to 11.6%.

Sincerely,

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

Scott Bores
Senior Director-Financial Planning & Analysis

Enclosures

cc: J. R. Kelly, Office of Public Counsel
Andrew Maurey, Florida Public Service Commission

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
(\$000'S)**

**SCHEDULE 1
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: SEPTEMBER 2021**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$3,350,686 (A)	(\$207,864) (B)	\$3,142,822
AVERAGE RATE BASE	\$45,383,508	\$726,607	\$46,110,115
AVERAGE RATE OF RETURN	7.38%		6.82%

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

**AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)**

LOW	5.86%
MIDPOINT	6.32%
HIGH	6.82%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.70 (SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.54 (SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.49% (SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	67.68% (SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	39.21% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.30% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60% (FPSC ADJUSTED BASIS)

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
RATE BASE (\$000's)

SCHEDULE 2
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries
YEAR: SEPTEMBER 2021

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1 SYSTEM PER BOOKS	\$59,811,307	\$17,576,313	\$42,234,994	\$421,590	\$4,425,488	\$672,507	\$47,754,578	(\$742,175)	\$47,012,403
2 JURISDICTIONAL PER BOOKS	57,537,602	14,492,038	43,045,564	402,994	4,193,678	640,261	48,282,497	(2,898,989)	45,383,508
FPSC ADJUSTMENTS:									
3 ACCUM PROV DECOMMISSIONING COSTS		(5,126,169)	5,126,169				5,126,169		5,126,169
4 CAPITALIZED EXECUTIVE COMPENSATION	(42,171)		(42,171)				(42,171)		(42,171)
5 ENVIRONMENTAL	(1,509,380)	(398,840)	(1,110,540)				(1,110,540)		(1,110,540)
6 FUEL AND CAPACITY	(182,193)	(49,656)	(132,537)				(132,537)		(132,537)
7 LOAD CONTROL	(39,103)	(19,838)	(19,266)				(19,266)		(19,266)
8 ASSET RETIREMENT OBLIGATION	(348,656)	4,731,882	(5,080,538)				(5,080,538)		(5,080,538)
9 CAPITAL LEASES	(98,909)	(40,969)	(57,941)				(57,941)		(57,941)
10 STORM PROTECTION CLAUSE	(155,661)	(911)	(154,750)		(97,000)		(251,750)		(251,750)
11 CONSTRUCTION WORK IN PROGRESS					(1,940,006)		(1,940,006)		(1,940,006)
12 CWIP - CAPACITY ECCR & ECRC PROJECTS					(29,329)		(29,329)		(29,329)
13 ACCOUNTS RECEIVABLE - ASSOC COS								(206,783)	(206,783)
14 JOBBING ACCOUNTS								(3,232)	(3,232)
15 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(123,446)	(123,446)
16 NUCLEAR COST RECOVERY								241,631	241,631
17 OTH REG ASSETS & LIAB - CLAUSES								(4,700)	(4,700)
18 MISC. DEFERRED DEBIT - CLAUSES								(2,614)	(2,614)
19 CEDAR BAY TRANSACTION								(323,477)	(323,477)
20 ICL TRANSACTION								(228,230)	(228,230)
21 POLE ATTACHMENTS RENTS RECEIVABLE								(12,824)	(12,824)
22 MARGIN CALL CASH COLLATERAL								3	3
23 PREPAYMENTS - ECCR								(1,955)	(1,955)
24 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(5,052)	(5,052)
25 TEMPORARY CASH INVESTMENTS								(10,112)	(10,112)
26 ACCUM DEFERRED RETIREMENT BENEFITS								209	209
27 ACCUM. PROV. - PROPERTY & STORM INSURANCE								39,262	39,262
28 ACCUM. PROV. - RATE REFUNDS									
29 ASSET RETIREMENT OBLIGATION								5,080,538	5,080,538
30 GAIN ON SALE OF EMISSION ALLOWANCE								0	0
31 SJRPP ACCELERATED RECOVERY								1,444	1,444
32 SJRPP CAPACITY/ECRC								(13,176)	(13,176)
33 EARLY RETIRED ASSETS								(162,928)	(162,928)
34 INTEREST & DIV RECEIVABLE								(40)	(40)
36 TOTAL FPSC ADJUSTMENTS	(2,376,073)	(904,500)	(1,471,573)	0	(2,066,335)	0	(3,537,908)	4,264,515	726,607
37 FPSC ADJUSTED	\$55,161,528	\$13,587,538	\$41,573,990	\$402,994	\$2,127,343	\$640,261	\$44,744,589	\$1,365,526	\$46,110,114

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
INCOME STATEMENT (\$000's)**

**SCHEDULE 2
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**Company: Florida Power & Light Company and Subsidiaries
YEAR: SEPTEMBER 2021**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE		DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
		FUEL & NET INTERCHANGE	OTHER O&M						
1 SYSTEM PER BOOKS	\$11,596,055	\$3,004,484	\$1,480,783	\$1,578,574	\$1,409,866	\$743,640	(\$736)	\$8,216,611	\$3,379,444
2 JURISDICTIONAL PER BOOKS	11,151,533	2,866,647	1,432,893	1,501,874	1,388,029	713,851	(736)	7,902,558	3,248,975
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(258,397)	(167,032)	(36,787)	(8,505)	(167)	(11,489)		(223,981)	(34,416)
4 CONSERVATION COST RECOVERY	(54,671)		(45,349)	(7,065)	(982)	(389)		(53,785)	(886)
5 ENVIRONMENTAL COST RECOVERY	(185,202)		(38,933)	(42,669)	(184)	(25,611)	0	(107,397)	(77,805)
6 FUEL COST REC RETAIL	(2,696,110)	(2,679,862)	(1,901)		(29)	(4,713)		(2,686,505)	(9,604)
7 STORM PROTECTION COST RECOVERY	(23,244)			(3,791)		(4,770)		(8,561)	(14,683)
8 STORM DEFICIENCY RECOVERY									
9 FUEL CLAUSE - GAS RESERVES									
10 FRANCHISE REVENUE & EXPENSE	(476,199)		(343)		(475,856)	0		(476,199)	
11 GROSS RECEIPTS TAX	(259,260)				(259,260)			(259,260)	
12 MISCELLANEOUS O&M EXPENSES			(2,863)			702		(2,161)	2,161
13 AVIATION - EXPENSES			(107)			26		(81)	81
14 EXECUTIVE COMPENSATION			(43,528)			10,674		(32,854)	32,854
15 INTEREST TAX DEFICIENCIES			319			(78)		241	(241)
16 INTEREST SYNCHRONIZATION						3,613		3,613	(3,613)
17 TOTAL FPSC ADJUSTMENTS	(3,953,082)	(2,846,895)	(169,493)	(62,029)	(736,478)	(32,035)	0	(3,846,930)	(106,153)
18 FPSC ADJUSTED	\$7,198,451	\$19,752	\$1,263,400	\$1,439,845	\$651,551	\$681,816	(\$736)	\$4,055,629	\$3,142,822

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
CAPITAL STRUCTURE (\$000'S)
FPSC ADJUSTED BASIS

Company: Florida Power & Light Company and Subsidiaries
YEAR: SEPTEMBER 2021

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT		MIDPOINT		HIGHPOINT	
			PRORATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$14,677,504	\$14,165,662	\$319,058	(\$62,993)	\$14,421,727	31.28%	3.75%	1.17%	3.75%	1.17%	3.75%	1.17%
SHORT TERM DEBT	482,684	465,840	10,542	\$0	476,382	1.03%	0.95%	0.01%	0.95%	0.01%	0.95%	0.01%
PREFERRED STOCK	0	0	0	\$0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	22,175,054	21,401,217	484,297	\$0	21,885,514	47.46%	9.60%	4.56%	10.55%	5.01%	11.60%	5.51%
CUSTOMER DEPOSITS	390,479	390,646	8,857	\$0	399,503	0.87%	2.04%	0.02%	2.04%	0.02%	2.04%	0.02%
DEFERRED INCOME TAXES	5,280,886	5,095,424	112,541	(\$115,874)	5,092,090	11.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,227,044	3,114,431	70,478	\$0	3,184,908	6.91%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	778,752	750,288	14,244	(\$114,543)	649,990	1.41%	7.28%	0.10%	7.85%	0.11%	8.48%	0.12%
TOTAL	<u>\$47,012,403</u>	<u>\$45,383,508</u>	<u>\$1,020,016</u>	<u>(\$293,410)</u>	<u>\$46,110,115</u>	<u>100.00%</u>		<u>5.86%</u>		<u>6.32%</u>		<u>6.82%</u>

**FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
FINANCIAL INTEGRITY INDICATORS
(\$000's)**

**SCHEDULE 4
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries
YEAR: SEPTEMBER 2021**

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$3,456,465
AFUDC - DEBT	24,024
INCOME TAXES	731,205
TOTAL	<u>\$4,211,694</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	628,315
TIE WITH AFUDC	<u>6.70</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$3,456,465
AFUDC - EQUITY	(81,366)
INCOME TAXES	731,205
TOTAL	<u>\$4,106,305</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	628,315
TIE WITHOUT AFUDC	<u>6.54</u>

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$24,024
X (1-INCOME TAX RATE)	0.7548
SUBTOTAL	<u>\$18,133</u>
AFUDC - EQUITY	81,366
TOTAL	<u>\$99,499</u>
NET INCOME AVAILABLE TO COMMON	<u>\$2,852,174</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.49%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$2,852,174
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(569,330)
AFUDC (DEBT & OTHER)	(105,390)
DEPRECIATION & AMORTIZATION	1,578,574
DEFERRED INC TAXES & INVESTMENT CREDITS	607,876
CLAUSE OVER/UNDER RECOVERY	(38,156)
OTHER SOURCES/USES OF FUNDS	2,233
TOTAL	<u>\$4,327,981</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$6,394,489
PERCENT INTERNALLY GENERATED FUNDS	67.68%

E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL

RECONCILED AVERAGE RETAIL AMOUNTS:

LONG TERM DEBT	\$14,421,727
SHORT TERM DEBT	476,382
PREFERRED STOCK	0
COMMON EQUITY	21,885,514
TOTAL	<u>\$36,783,609</u>
% LONG TERM DEBT TO TOTAL	39.21%
% SHORT TERM DEBT TO TOTAL	1.30%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	<u>FPSC ADJUSTED</u>
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.82%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.17%
SHORT TERM DEBT	0.01%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.11%
SUBTOTAL	<u>1.31%</u>
TOTAL	5.51%
DIVIDED BY COMMON EQUITY RATIO	<u>47.46%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.60%</u>