



March 16, 2020

Mr. Andrew L. Maurey, Director  
Division of Accounting and Finance  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

*Re: 2020 Forecasted Earnings Surveillance Report*

Dear Mr. Maurey:

On February 13, 2020 you granted Florida Power & Light Company's ("FPL's") request for an extension of time to March 16, 2020 to file its 2020 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2020 FESR. Please note that the forecast results contained in the FESR reflect the Company's 2020 planning assumptions. In accordance with the Stipulation and Settlement Agreement that the Commission approved Order No. PSC-16-0560-AS-EI, the Company will vary the portion of Reserve Amount amortized in 2020 to maintain its actual return on equity within a range of 9.6% to 11.6%.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Bores', is written over a large, stylized, handwritten 'S'.

Scott Bores  
Senior Director-Financial Planning & Analysis

Enclosures

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

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

**SCHEDULE 1  
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2020**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$3,148,433 (A)	(\$172,277) (B)	\$2,976,156
AVERAGE RATE BASE	\$41,756,744	\$1,530,302	\$43,287,045
AVERAGE RATE OF RETURN	7.54%		6.88%

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

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

LOW	5.93%
MIDPOINT	6.38%
HIGH	6.88%

**IV. FINANCIAL INTEGRITY INDICATORS**

A. TIMES INTEREST EARNED WITH AFUDC	6.02	(SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.89	(SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	2.84%	(SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	69.42%	(SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.62%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	1.77%	(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, excluding Florida City Gas  
YEAR: 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN	ACCUMULATED	NET	PROPERTY	CONSTRUCTION	NUCLEAR	NET UTILITY	WORKING	TOTAL RATE
	SERVICE	DEPRECIATION &	PLANT IN	HELD FOR	WORK IN	FUEL	PLANT	CAPITAL	BASE
		AMORTIZATION	SERVICE	FUTURE USE	PROGRESS	(NET)			
1 SYSTEM PER BOOKS	\$56,344,580	\$16,665,348	\$39,679,232	\$505,041	\$3,694,048	\$637,765	\$44,516,086	(\$1,021,077)	\$43,495,009
2 JURISDICTIONAL PER BOOKS	54,081,218	13,632,407	40,448,811	480,415	3,494,176	604,457	45,027,860	(3,271,116)	41,756,744
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS		(4,973,405)	4,973,405				4,973,405		4,973,405
4 CAPITALIZED EXECUTIVE COMPENSATION	(36,195)		(36,195)				(36,195)		(36,195)
5 ENVIRONMENTAL	(1,497,181)	(363,932)	(1,133,249)				(1,133,249)		(1,133,249)
6 FUEL AND CAPACITY	(174,033)	(50,167)	(123,866)				(123,866)		(123,866)
7 LOAD CONTROL	(45,686)	(23,684)	(22,002)				(22,002)		(22,002)
8 ASSET RETIREMENT OBLIGATION	(364,991)	4,557,844	(4,922,835)				(4,922,835)		(4,922,835)
9 CAPITAL LEASES	(97,839)	(42,677)	(55,161)				(55,161)		(55,161)
10 CONSTRUCTION WORK IN PROGRESS					(1,450,685)		(1,450,685)		(1,450,685)
11 CWIP - CLAUSE PROJECTS					(25,953)		(25,953)		(25,953)
12 ACCOUNTS RECEIVABLE - ASSOC COS								(31,342)	(31,342)
13 JOBBING ACCOUNTS								(922)	(922)
14 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECR									
15 NUCLEAR COST RECOVERY								241,631	241,631
16 OTH REG ASSETS - CLAUSES								(13,545)	(13,545)
17 MISC. DEFFERED DEBIT - CLAUSES								(8,581)	(8,581)
18 CEDAR BAY TRANSACTION								(388,018)	(388,018)
19 ICL TRANSACTION								(264,163)	(264,163)
20 POLE ATTACHMENTS RENTS RECEIVABLE								(2,234)	(2,234)
21 MARGIN CALL CASH COLLATERAL								2,902	2,902
22 PREPAYMENTS - ECCR								(41,672)	(41,672)
23 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(5,404)	(5,404)
24 STORM DEFICIENCY RECOVERY								0	0
25 TEMPORARY CASH INVESTMENTS								(34)	(34)
26 ACCUM DEFERRED RETIREMENT BENEFITS								185	185
27 ACCUM. PROV. - PROPERTY & STORM INSURANCE								113,124	113,124
28 ASSET RETIREMENT OBLIGATION								4,921,979	4,921,979
29 SJRPP ACCELERATED RECOVERY								3,298	3,298
30 SJRPP CAPACITY								(30,104)	(30,104)
31 UNRECOVERED REG ASSETS - ECR								(169,769)	(169,769)
32 INTEREST & DIV RECEIVABLE								(489)	(489)
33 TOTAL FPSC ADJUSTMENTS	(2,215,924)	(896,020)	(1,319,903)	0	(1,476,638)	0	(2,796,542)	4,326,843	1,530,302
34 FPSC ADJUSTED	\$51,865,294	\$12,736,386	\$39,128,908	\$480,415	\$2,017,538	\$604,457	\$42,231,318	\$1,055,727	\$43,287,045

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

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE      OTHER O&M		DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1 SYSTEM PER BOOKS	\$11,323,442	\$2,823,976	\$1,382,437	\$1,944,696	\$1,360,715	\$616,393	(\$896)	\$8,127,322	\$3,196,120
2 JURISDICTIONAL PER BOOKS	10,908,367	2,703,616	1,335,253	1,866,959	1,338,554	592,022	(896)	7,835,509	3,072,858
FPSC ADJUSTMENTS:									
3 CAPACITY COST RECOVERY	(256,796)	(162,010)	(34,789)	(6,575)	(320)	(13,141)		(216,836)	(39,960)
4 CONSERVATION COST RECOVERY	(53,843)		(42,277)	(9,090)	(991)	(443)		(52,802)	(1,041)
5 ENVIRONMENTAL COST RECOVERY	(187,334)		(39,974)	(42,397)	(290)	(25,877)		(108,537)	(78,796)
6 FUEL COST REC RETAIL	(2,536,775)	(2,522,312)	(23)		(1,785)	(2,855)		(2,526,974)	(9,801)
7 STORM DEFICIENCY RECOVERY									
8 FRANCHISE REVENUE & EXPENSE	(463,421)				(463,421)	(0)		(463,421)	
9 GROSS RECEIPTS TAX	(251,210)				(251,210)	(0)		(251,210)	
10 MISCELLANEOUS O&M EXPENSES			(2,768)			679		(2,089)	2,089
11 AVIATION - EXPENSES			(134)			33		(101)	101
12 EXECUTIVE COMPENSATION			(46,226)			11,336		(34,891)	34,891
13 INTEREST TAX DEFICIENCIES			433			(106)		327	(327)
14 INTEREST SYNCHRONIZATION						3,859		3,859	(3,859)
15 TOTAL FPSC ADJUSTMENTS	(3,749,379)	(2,684,322)	(165,758)	(58,063)	(718,017)	(26,516)	-	(3,652,677)	(96,702)
16 FPSC ADJUSTED	\$7,158,988	\$19,294	\$1,169,495	\$1,808,896	\$620,537	\$565,505	(\$896)	\$4,182,832	\$2,976,156

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

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2020

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	\$13,224,677	\$12,692,479	\$558,287	(\$60,565)	\$13,190,201	30.47%	4.16%	1.27%	4.16%	1.27%	4.16%	1.27%
SHORT TERM DEBT	602,261	578,000	25,546	\$0	\$603,546	1.39%	2.31%	0.03%	2.31%	0.03%	2.31%	0.03%
PREFERRED STOCK	0	0	0	\$0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	409,146	408,237	18,043	\$0	\$426,279	0.98%	2.04%	0.02%	2.04%	0.02%	2.04%	0.02%
COMMON EQUITY	20,313,687	19,495,391	861,629	\$0	\$20,357,019	47.03%	9.60%	4.51%	10.55%	4.96%	11.60%	5.46%
DEFERRED INCOME TAXES	8,274,550	7,939,708	345,504	(\$122,257)	\$8,162,954	18.86%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	670,688	642,929	23,154	(\$119,038)	\$547,045	1.26%	7.43%	0.09%	8.04%	0.10%	8.64%	0.11%
<b>TOTAL</b>	<b>\$43,495,009</b>	<b>\$41,756,744</b>	<b>\$1,832,162</b>	<b>(\$301,861)</b>	<b>\$43,287,045</b>	<b>100.00%</b>		<b>5.93%</b>		<b>6.38%</b>		<b>6.88%</b>

**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, excluding Florida City Gas  
YEAR: 2020**

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$3,234,807
AFUDC - DEBT	17,886
INCOME TAXES	605,433
TOTAL	<u>\$3,858,125</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	641,371
TIE WITH AFUDC	<u>6.02</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$3,234,807
AFUDC - EQUITY	(60,577)
INCOME TAXES	605,433
TOTAL	<u>\$3,779,663</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$641,371
TIE WITHOUT AFUDC	<u>5.89</u>

**C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON**

AFUDC - DEBT	\$17,886
X (1-INCOME TAX RATE)	0.7548
SUBTOTAL	<u>\$13,500</u>
AFUDC - EQUITY	60,577
TOTAL	<u>\$74,076</u>
NET INCOME AVAILABLE TO COMMON	\$2,611,322
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>2.84%</u>

**D. PERCENT INTERNALLY GENERATED FUNDS**

NET INCOME	\$2,611,322
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(1,177,621)
AFUDC (DEBT & OTHER)	(78,462)
DEPRECIATION & AMORTIZATION	1,944,696
DEFERRED INC TAXES & INVESTMENT CREDITS	445,345
OTHER SOURCES/USES OF FUNDS	134,518
TOTAL	<u>\$3,879,798</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$5,588,908
PERCENT INTERNALLY GENERATED FUNDS	69.42%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$13,190,201
SHORT TERM DEBT	603,546
PREFERRED STOCK	0
COMMON EQUITY	<u>20,357,019</u>
TOTAL	<u>\$34,150,766</u>
% LONG TERM DEBT TO TOTAL	38.62%
% SHORT TERM DEBT TO TOTAL	1.77%

**G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**

	<u>FPSC ADJUSTED</u>
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.88%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.27%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.10%
SUBTOTAL	<u>1.42%</u>
TOTAL	5.46%
DIVIDED BY COMMON EQUITY RATIO	<u>47.03%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.60%</u>

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
 YEAR: 2020

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	4,546,857	4,479,355
COMMERCIAL	575,580	565,622
INDUSTRIAL	12,531	11,799
OTHER	5,251	4,732
<b>TOTAL</b>	<b>5,140,219</b>	<b>5,061,508</b>

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	59,352,266	60,324,800
COMMERCIAL	48,001,564	48,077,699
INDUSTRIAL	3,071,371	2,994,058
OTHER	502,103	532,870
<b>TOTAL</b>	<b>110,927,304</b>	<b>111,929,427</b>

(1) Includes forecasted weather normal sales  
 (2) 2019 actual sales

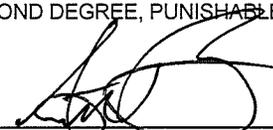
OTHER MAJOR FORECASTED ASSUMPTIONS:

<b>A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):</b>	
1. CONSUMER PRICE INDEX (CPI)	2.2%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR	2.1%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	2.0%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	2.0%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	2.1%
<b>B. CAPITAL OVERHEAD RATES</b>	
1. PENSION & WELFARE	6.3%
2. PAYROLL TAXES & INSURANCE	7.2%
<b>C. OTHER CORPORATE ASSUMPTIONS</b>	
INTEREST RATES -	
1) 30 DAY COMMERCIAL PAPER	1.8%
2) LONG TERM DEBT	4.1%
DEPRECIATION RESERVE SURPLUS AMORTIZATION	(\$76,714)

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND 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 OR S. 775.083

Scott Bores  
 NAME

  
 SIGNATURE

Senior Director - Financial Planning & Analysis  
 TITLE

3/16/2020  
 DATE

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
INDIVIDUAL PROJECTS COMMENCING DURING 2020  
(AMOUNTS IN 000'S)

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2020

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Schedule of Individual projects that commence during 2020 and exceed a gross cost of 0.5% of the total balance  
in FERC accounts 101 & 106:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
SOLAR TOGETHER PROJECT 3	648,287	Feb-2020	Mar-2021
SOLAR TOGETHER PROJECT 4 & 5	527,471	Dec-2020	Dec-2021
MANATEE BATTERIES	455,037	Jun-2020	Nov-2021