



March 15, 2022

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

RE: 2022 Forecasted Earnings Surveillance Report

Dear Mr. Maurey:

On February 16, 2022 you granted Florida Power & Light Company's ("FPL's") request for an extension of time to March 15, 2022 to file its 2022 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2022 FESR. Please note that the forecast results contained in the FESR reflect the Company's 2022 planning assumptions. In accordance with the Stipulation and Settlement Agreement that the Commission approved Order No. PSC-2021-0446-S-EI, the Company will vary the portion of Reserve Amount amortized in 2022 to maintain its actual return on equity within a range of 9.7% to 11.7%.

Sincerely,

A handwritten signature in cursive script that reads "Ina Laney". The signature is written in black ink and is positioned above the printed name.

Ina Laney

Manager Cost & Performance, Financial Forecasting

Enclosures:

CC: Richard Gentry, 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: 2022**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$4,213,479 (A)	(\$393,831) (B)	\$3,819,648
AVERAGE RATE BASE	\$56,961,396	(\$1,192,950)	\$55,768,447
AVERAGE RATE OF RETURN	7.40%		6.85%

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

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

LOW	5.93%
MIDPOINT	6.37%
HIGH	6.91%

II. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.10 (SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.91 (SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.63% (SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	67.81% (SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.51% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.89% (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: 2022

	(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	\$72,051,166	\$19,966,683	\$52,084,483	\$729,157	\$5,168,023	\$652,060	\$58,633,724	\$383,767	\$59,017,491
2 JURISDICTIONAL PER BOOKS	69,447,570	16,037,443	53,410,127	698,784	4,905,914	615,947	59,630,773	(2,669,377)	56,961,396
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS		(6,371,643)	6,371,643				6,371,643		6,371,643
4 CAPITALIZED EXECUTIVE COMPENSATION	(54,370)		(54,370)				(54,370)		(54,370)
5 ENVIRONMENTAL	(2,036,940)	(676,970)	(1,359,969)				(1,359,969)		(1,359,969)
6 FUEL AND CAPACITY	(145,141)	(16,585)	(128,556)				(128,556)		(128,556)
7 LOAD CONTROL	(35,946)	(16,428)	(19,517)				(19,517)		(19,517)
8 ASSET RETIREMENT OBLIGATION	(132,443)	5,931,697	(6,064,141)				(6,064,141)		(6,064,141)
9 CAPITAL LEASES	(327,719)	(214,539)	(113,180)				(113,180)		(113,180)
10 NORTH ESCAMBIA FUTURE PLANT USE				(10,529)			(10,529)		(10,529)
11 STORM PROTECTION CLAUSE	(1,234,530)	(19,905)	(1,214,625)		(286,466)		(1,501,091)		(1,501,091)
12 CONSTRUCTION WORK IN PROGRESS					(2,431,785)		(2,431,785)		(2,431,785)
13 CWIP - CAPACITY ECCR & ECRC PROJECTS					(108,286)		(108,286)		(108,286)
14 ACCOUNTS RECEIVABLE - ASSOC COS								(232,552)	(232,552)
15 JOBBING ACCOUNTS								(168)	(168)
16 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(253,466)	(253,466)
17 NUCLEAR COST RECOVERY								241,631	241,631
18 DEFERRED DEBITS & CREDITS – CLAUSES								(72,195)	(72,195)
19 CEDAR BAY TRANSACTION								(215,720)	(215,720)
20 ICL TRANSACTION								(168,219)	(168,219)
21 POLE ATTACHMENTS RENTS RECEIVABLE								(41,833)	(41,833)
22 PREPAYMENTS - ECCR								(1,776)	(1,776)
23 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(10,680)	(10,680)
24 STORM DEFICIENCY RECOVERY								5,377	5,377
25 TEMPORARY CASH INVESTMENTS								(57)	(57)
26 ACCUM DEFERRED RETIREMENT BENEFITS								13,266	13,266
27 ACCUM. PROV. - PROPERTY & STORM INSURANCE								(81,443)	(81,443)
28 ASSET RETIREMENT OBLIGATION								6,064,141	6,064,141
29 GAIN ON SALE OF EMISSION ALLOWANCE								0	0
30 SJRPP CAPACITY/ECRC								(41,491)	(41,491)
31 EARLY RETIRED ASSETS								(961,402)	(961,402)
32 INTEREST & DIV RECEIVABLE								(1)	(1)
33 OPERATING LEASES								(25,352)	(25,352)
34 EMPLOYEE LOANS RECEIVABLE								(2)	(2)
35 CARE TO SHARE LIABILITY								141	141
36 DEFERRED TRANSMISSION CREDIT								8,634	8,634
37 TOTAL FPSC ADJUSTMENTS	(3,967,088)	(1,384,372)	(2,582,716)	(10,529)	(2,826,536)		(5,419,782)	4,226,832	(1,192,950)
38 FPSC ADJUSTED	65,480,482	14,653,071	50,827,411	688,255	2,079,378	615,947	54,210,991	1,557,455	55,768,447

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: 2022

	(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	\$15,818,398	\$4,956,223	\$1,635,769	\$2,316,433	\$1,743,880	\$935,954	(\$936)	\$11,587,324	\$4,231,074
2 JURISDICTIONAL PER BOOKS	15,255,884	4,735,169	1,587,894	2,234,332	1,719,083	901,319	(936)	11,176,861	4,079,023
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(305,261)	(226,663)	(34,448)	(8,780)	(175)	(8,920)		(278,986)	(26,275)
4 CONSERVATION COST RECOVERY	(64,304)		(49,767)	(10,163)	(1,107)	(828)		(61,865)	(2,440)
5 ENVIRONMENTAL COST RECOVERY	(377,521)		(44,264)	(123,260)	(266)	(53,156)	0	(220,946)	(156,575)
6 FUEL COST REC RETAIL	(4,514,346)	(4,495,982)	(8)		(29)	(4,645)		(4,500,663)	(13,682)
7 STORM PROTECTION COST RECOVERY	(237,567)		(84,173)	(32,175)	(166)	(30,681)		(147,195)	(90,372)
8 STORM DEFICIENCY RECOVERY	(92,885)		(5,459)	(87,426)		(0)		(92,885)	
9 FRANCHISE REVENUE & EXPENSE	(642,343)				(641,880)	(117)		(641,997)	(345)
10 GROSS RECEIPTS TAX AND RAF	(368,831)		(10,941)		(358,262)	94		(369,109)	277
11 MISCELLANEOUS O&M EXPENSES			(688)			174		(514)	514
12 AVIATION - EXPENSES			(193)			49		(144)	144
13 EXECUTIVE COMPENSATION			(52,133)			13,213		(38,920)	38,920
14 INTEREST TAX DEFICIENCIES			22			(6)		17	(17)
15 INTEREST SYNCHRONIZATION						9,524		9,524	(9,524)
16 TOTAL FPSC ADJUSTMENTS	(6,603,058)	(4,722,645)	(282,052)	(261,803)	(1,001,885)	(75,299)	0	(6,343,684)	(259,375)
17 FPSC ADJUSTED	\$8,652,825	\$12,524	\$1,305,841	\$1,972,529	\$717,198	\$826,020	(\$936)	\$4,833,177	\$3,819,648

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: 2022

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	\$17,927,774	\$17,299,342	(\$276,853)	(\$149,213)	\$16,873,276	30.26%	3.59%	1.08%	3.59%	1.08%	3.59%	1.08%
SHORT TERM DEBT	\$1,368,685	\$1,320,681	(\$21,320)	(\$0)	\$1,299,361	2.33%	1.14%	0.03%	1.14%	0.03%	1.14%	0.03%
PREFERRED STOCK	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	\$28,234,575	\$27,244,884	(\$439,952)	\$8,634	\$26,813,567	48.08%	9.70%	4.66%	10.60%	5.10%	11.70%	5.63%
CUSTOMER DEPOSITS	\$467,052	\$466,817	(\$7,536)	\$0	\$459,281	0.82%	2.14%	0.02%	2.14%	0.02%	2.14%	0.02%
DEFERRED INCOME TAX	\$6,497,467	\$6,267,078	(\$100,691)	(\$29,625)	\$6,136,762	11.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	\$3,345,233	\$3,227,906	(\$52,108)	(\$0)	\$3,175,798	5.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	\$1,176,705	\$1,134,687	(\$16,578)	(\$107,708)	\$1,010,401	1.81%	7.34%	0.13%	7.89%	0.14%	8.57%	0.16%
TOTAL	\$59,017,491	\$56,961,396	(\$915,037)	(\$277,912)	\$55,768,447	100.00%		5.93%		6.37%		6.91%

**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: 2022**

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$4,324,567
AFUDC - DEBT	31,726
INCOME TAXES	915,032
TOTAL	\$5,271,326
INTEREST CHARGES (BEFORE DEBT AFUDC)	742,913
TIE WITH AFUDC	7.10

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$4,324,567
AFUDC - EQUITY	(107,453)
INCOME TAXES	915,032
TOTAL	\$5,132,146
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$742,913
TIE WITHOUT AFUDC	6.91

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$31,726
X (1-INCOME TAX RATE)	0.7466
SUBTOTAL	\$23,685
AFUDC - EQUITY	107,453
TOTAL	\$131,138
NET INCOME AVAILABLE TO COMMON	\$3,613,380
PERCENT AFUDC TO AVAILABLE NET INCOME	3.63%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$3,613,380
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(2,000,000)
AFUDC (DEBT & OTHER)	(139,179)
DEPRECIATION & AMORTIZATION	2,316,433
DEFERRED INC TAXES & INVESTMENT CREDITS	542,015
CLAUSE OVER/UNDER RECOVERY	969,625
OTHER SOURCES/USES OF FUNDS	(936)
TOTAL	\$5,301,339
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$7,818,302
PERCENT INTERNALLY GENERATED FUNDS	67.81%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$16,873,276
SHORT TERM DEBT	1,299,361
PREFERRED STOCK	0
COMMON EQUITY	26,813,567
TOTAL	\$44,986,204
% LONG TERM DEBT TO TOTAL	37.51%
% SHORT TERM DEBT TO TOTAL	2.89%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	<u>FPSC ADJUSTED</u>
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.85%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.08%
SHORT TERM DEBT	0.03%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.14%
SUBTOTAL	1.27%
TOTAL	5.58%
DIVIDED BY COMMON EQUITY RATIO	48.08%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas
 YEAR: 2022

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	5,106,987	5,036,950
COMMERCIAL	642,492	636,044
INDUSTRIAL	13,325	12,790
OTHER	6,492	6,133
TOTAL	<u>5,769,296</u>	<u>5,691,917</u>

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	66,737,350	67,162,001
COMMERCIAL	50,974,199	50,506,082
INDUSTRIAL	4,661,395	4,720,623
OTHER	475,847	519,234
TOTAL	<u>122,848,790</u>	<u>122,907,939</u>

(1) Includes forecasted billed sales
 (2) 2021 actual billed sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):	
1. CONSUMER PRICE INDEX (CPI)	2.8%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR	3.3%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	2.3%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIALS	2.4%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOODS	2.3%
B. CAPITAL OVERHEAD RATES	
1. PENSION & WELFARE	2.0%
2. PAYROLL TAXES & INSURANCE	7.2%
C. OTHER CORPORATE ASSUMPTIONS	
INTEREST RATES -	
1) 30 DAY COMMERCIAL PAPER	0.8%
2) LONG TERM DEBT	3.9%
DEPRECIATION RESERVE SURPLUS AMORTIZATION	(\$121,038)

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

Mark Campbell
 NAME

Senior Director, Financial Forecasting
 TITLE

Mark Campbell
 SIGNATURE
on behalf of Mark Campbell

3/15/2022
 DATE

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 INDIVIDUAL PROJECTS COMMENCING DURING 2022
 (AMOUNTS IN 000'S)

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas
 YEAR: 2022

Schedule of individual projects that commence during 2022 and exceed a gross cost of 0.4% of the sum of the total balance in FERC accounts 101 & 106:

Project	Estimated Total Cost	Estimated Construction Commencement Date	Estimated In-Service Date
2024 SoBRA - 12 Sites	1,069,713,238	Dec-2022	Jan-2024
Solar Together Extension - 3 Sites	290,200,345	Jan-2022	Dec-2022
Solar Together Extension - 3 Sites	299,679,229	Jan-2022	May-2023
Solar Together Extension - 4 Sites	351,139,076	Sep-2022	Jan-2024
Solar Together Extension - 6 Sites	523,827,241	Sep-2022	Mar-2024