



March 15, 2023

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

RE: 2023 Forecasted Earnings Surveillance Report

Dear Mr. Maurey:

On February 7, 2023 you granted Florida Power & Light Company's ("FPL's") request for an extension of time to March 15, 2023 to file its 2023 forecasted earnings surveillance report ("FESR"). Consistent with that extension, I am enclosing FPL's 2023 FESR. Please note that the forecast results contained in the FESR reflect FPL's 2023 planning assumptions. In accordance with the Stipulation and Settlement Agreement that the Commission approved in Order No. PSC-2021-0446-S-EI, the Company will vary the portion of Reserve Amount amortized in 2023 to maintain its actual return on equity within a range of 9.8% to 11.8%. The return on equity range of 9.8% to 11.8% was authorized in Docket No. 20210015-EI, Order No. PSC-2022-0358-FOF-EI.

Sincerely,

A handwritten signature in black ink that reads "Ina Laney". The signature is written in a cursive, flowing style.

Ina Laney

Director of Financial Forecasting

Enclosures:

CC: Office of Public Counsel (rewhinkel.charles@leg.state.fl.us)

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

**Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas
YEAR: 2023**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$5,148,354 (A)	(\$610,524) (B)	\$4,537,830
AVERAGE RATE BASE	\$66,955,680	(\$5,283,769)	\$61,671,911
AVERAGE RATE OF RETURN	7.69%		7.36%

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

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	6.37%
MIDPOINT	6.87%
HIGH	7.37%

II. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.64 (SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.50 (SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.67% (SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	68.34% (SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.95% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.45% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.80% (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: 2023

	(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	\$77,709,581	\$20,316,308	\$57,393,273	\$963,764	\$6,369,167	\$653,711	\$65,379,916	\$3,914,539	\$69,294,454
2 JURISDICTIONAL PER BOOKS	74,878,232	16,139,533	58,738,699	924,062	6,077,387	616,651	66,356,799	598,881	66,955,680
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS		(5,514,893)	5,514,893				5,514,893		5,514,893
4 CAPITALIZED EXECUTIVE COMPENSATION	(57,930)		(57,930)				(57,930)		(57,930)
5 ENVIRONMENTAL	(1,680,566)	(623,947)	(1,056,618)				(1,056,618)		(1,056,618)
6 FUEL AND CAPACITY	(144,422)	(15,234)	(129,188)				(129,188)		(129,188)
7 LOAD CONTROL	(39,691)	(16,206)	(23,485)				(23,485)		(23,485)
8 ASSET RETIREMENT OBLIGATION	(122,577)	5,167,608	(5,290,185)				(5,290,185)		(5,290,185)
9 CAPITAL LEASES	(110,047)	(57,405)	(52,642)				(52,642)		(52,642)
10 NORTH ESCAMBIA FUTURE PLANT USE				(10,789)			(10,789)		(10,789)
11 STORM PROTECTION CLAUSE	(2,263,983)	(62,601)	(2,201,382)		(514,608)		(2,715,990)		(2,715,990)
12 CONSTRUCTION WORK IN PROGRESS					(2,804,015)		(2,804,015)		(2,804,015)
13 CWIP - CAPACITY ECCR & ECRC PROJECTS					(211,010)		(211,010)		(211,010)
14 ACCOUNTS RECEIVABLE - ASSOC COS								(228,461)	(228,461)
15 JOBBING ACCOUNTS								7,504	7,504
16 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(1,693,067)	(1,693,067)
17 NUCLEAR COST RECOVERY								241,631	241,631
18 DEFERRED DEBITS & CREDITS – CLAUSES								(118,459)	(118,459)
19 CEDAR BAY TRANSACTION								(129,738)	(129,738)
20 ICL TRANSACTION								(120,449)	(120,449)
21 POLE ATTACHMENTS RENTS RECEIVABLE								(34,195)	(34,195)
22 MARGIN CALL CASH COLLATERAL								519	519
23 PREPAYMENTS - ECCR								(1,632)	(1,632)
24 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(8,661)	(8,661)
25 STORM DEFICIENCY RECOVERY								(467,159)	(467,159)
26 TEMPORARY CASH INVESTMENTS								(34)	(34)
27 ACCUM DEFERRED RETIREMENT BENEFITS								13,695	13,695
28 ACCUM. PROV. - PROPERTY & STORM INSURANCE								(2,738)	(2,738)
29 ASSET RETIREMENT OBLIGATION								5,290,185	5,290,185
30 SJRPP CAPACITY/ECRC								(37,114)	(37,114)
31 EARLY RETIRED ASSETS								(1,166,540)	(1,166,540)
32 INTEREST & DIV RECEIVABLE								(576)	(576)
33 CARE TO SHARE LIABILITY								120	120
34 DEFERRED TRANSMISSION CREDIT								8,361	8,361
35 TOTAL FPSC ADJUSTMENTS	(4,419,216)	(1,122,678)	(3,296,537)	(10,789)	(3,529,632)		(6,836,959)	1,553,190	(5,283,769)
36 FPSC ADJUSTED	70,459,016	15,016,854	55,442,162	913,273	2,547,754	616,651	59,519,840	2,152,071	61,671,911

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: 2023

	(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	\$18,181,140	\$5,326,212	\$1,578,278	\$3,193,703	\$1,886,393	\$1,012,075	(\$685)	\$12,995,975	\$5,185,165
2 JURISDICTIONAL PER BOOKS	17,590,288	5,133,169	1,531,706	3,103,944	1,858,361	972,150	(685)	12,598,646	4,991,642
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(252,957)	(185,716)	(30,237)	(7,831)	(195)	(7,344)		(231,324)	(21,633)
4 CONSERVATION COST RECOVERY	(62,966)		(47,052)	(12,456)	(1,007)	(621)		(61,136)	(1,830)
5 ENVIRONMENTAL COST RECOVERY	(374,590)		(28,907)	(125,059)	(172)	(55,874)	0	(210,011)	(164,579)
6 FUEL COST REC RETAIL	(5,074,122)	(4,934,270)	(14)		(29)	(35,435)		(4,969,748)	(104,374)
7 STORM PROTECTION COST RECOVERY	(368,152)		(74,153)	(58,309)	(166)	(59,693)		(192,322)	(175,830)
8 STORM DEFICIENCY RECOVERY	(1,113,833)		(40,800)	(1,073,033)				(1,113,833)	
9 FRANCHISE REVENUE & EXPENSE	(676,882)				(676,394)	(124)		(676,518)	(364)
10 GROSS RECEIPTS TAX AND RAF	(394,523)		(12,623)		(383,228)	337		(395,515)	992
11 MISCELLANEOUS O&M EXPENSES			(780)			198		(582)	582
12 AVIATION - EXPENSES			(194)			49		(145)	145
13 EXECUTIVE COMPENSATION			(52,015)			13,183		(38,831)	38,831
14 INTEREST TAX DEFICIENCIES			(67)			17		(50)	50
15 INTEREST SYNCHRONIZATION						25,803		25,803	(25,803)
16 TOTAL FPSC ADJUSTMENTS	(8,318,024)	(5,119,986)	(286,843)	(1,276,687)	(1,061,192)	(119,504)	0	(7,864,212)	(453,812)
17 FPSC ADJUSTED	\$9,272,264	\$13,183	\$1,244,863	\$1,827,257	\$797,169	\$852,647	(\$685)	\$4,734,434	\$4,537,830

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: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO	LOWPOINT COST RATE	WEIGHTED COST	MIDPOINT COST RATE	WEIGHTED COST	HIGHPOINT COST RATE	WEIGHTED COST
LONG TERM DEBT	\$21,562,569	\$20,829,397	(\$1,579,343)	(\$61,303)	\$19,188,750	31.11%	4.35%	1.35%	4.35%	1.35%	4.35%	1.35%
SHORT TERM DEBT	\$1,389,568	\$1,342,298	(\$102,077)	\$0	\$1,240,221	2.01%	5.35%	0.11%	5.35%	0.11%	5.35%	0.11%
PREFERRED STOCK	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	\$33,761,109	\$32,613,231	(\$2,480,762)	\$8,361	\$30,140,830	48.87%	9.80%	4.79%	10.80%	5.28%	11.80%	5.77%
CUSTOMER DEPOSITS	\$531,285	\$531,811	(\$40,442)	\$0	\$491,369	0.80%	2.15%	0.02%	2.15%	0.02%	2.15%	0.02%
DEFERRED INCOME TAX	\$7,815,540	\$7,549,403	(\$570,217)	(\$51,147)	\$6,928,039	11.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	\$3,184,752	\$3,076,414	(\$233,951)	\$0	\$2,842,463	4.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	\$1,049,632	\$1,013,127	(\$69,157)	(\$103,730)	\$840,240	1.36%	7.68%	0.10%	8.29%	0.11%	8.90%	0.12%
TOTAL	<u>\$69,294,454</u>	<u>\$66,955,680</u>	<u>(\$5,075,950)</u>	<u>(\$207,819)</u>	<u>\$61,671,911</u>	<u>100.00%</u>		<u>6.37%</u>		<u>6.87%</u>		<u>7.37%</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, excluding Florida City Gas
YEAR: 2023

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$5,249,242
AFUDC - DEBT	36,488
INCOME TAXES	969,438
TOTAL	<u>\$6,255,168</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	1,108,349
TIE WITH AFUDC	<u>5.64</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$5,249,242
AFUDC - EQUITY	(125,873)
INCOME TAXES	969,438
TOTAL	<u>\$6,092,807</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$1,108,349
TIE WITHOUT AFUDC	<u>5.50</u>

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$36,488
X (1-INCOME TAX RATE)	0.7466
SUBTOTAL	<u>\$27,240</u>
AFUDC - EQUITY	125,873
TOTAL	<u>\$153,113</u>
NET INCOME AVAILABLE TO COMMON	<u>\$4,177,381</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.67%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$4,177,381
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(2,500,000)
AFUDC (DEBT & OTHER)	(162,360)
DEPRECIATION & AMORTIZATION	3,193,703
DEFERRED INC TAXES & INVESTMENT CREDITS	23,384
CLAUSE OVER/UNDER RECOVERY	968,988
OTHER SOURCES/USES OF FUNDS	(685)
TOTAL	<u>\$5,700,410</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$8,341,705
PERCENT INTERNALLY GENERATED FUNDS	68.34%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$19,188,750
SHORT TERM DEBT	1,240,221
PREFERRED STOCK	0
COMMON EQUITY	30,140,830
TOTAL	<u>\$50,569,801</u>
% LONG TERM DEBT TO TOTAL	37.95%
% SHORT TERM DEBT TO TOTAL	2.45%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	FPSC ADJUSTED
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	7.36%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.35%
SHORT TERM DEBT	0.11%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.11%
SUBTOTAL	<u>1.59%</u>
TOTAL	<u>5.77%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.87%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.80%</u>

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas
 YEAR: 2023

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	5,184,891	5,113,455
COMMERCIAL	650,714	641,613
INDUSTRIAL	14,859	14,094
OTHER	7,071	6,662
TOTAL	5,857,535	5,775,824

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	67,828,757	69,347,790
COMMERCIAL	50,819,003	51,850,920
INDUSTRIAL	4,756,787	4,713,988
OTHER	552,236	537,194
TOTAL	123,956,783	126,449,892

(1) 2023 forecasted retail billed sales
 (2) 2022 actual retail billed sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

- A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):
- 1. CONSUMER PRICE INDEX (CPI) 2.9%
 - 2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR 3.6%
 - 3. PRODUCER PRICE INDEX (PPI) - ALL GOODS 2.4%
 - 4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIAL 2.5%
 - 5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOO 2.4%
- B. CAPITAL OVERHEAD RATES
- 1. PENSION & WELFARE 3.6%
 - 2. PAYROLL TAXES & INSURANCE 7.3%
- C. OTHER CORPORATE ASSUMPTIONS
- INTEREST RATES -
- 1) 30 DAY COMMERCIAL PAPER 5.1%
 - 2) LONG TERM DEBT 5.2%
- DEPRECIATION RESERVE SURPLUS AMORTIZATION (\$508,251)
- D. ICL BASE REVENUE REQUIREMENTS COLLECTED THROUGH THE CAPACITY CLAUSE ARE REFLECTED AS BASE REVENUES HEREIN.

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

 Ina Laney
 NAME


 SIGNATURE

Director of Financial Forecasting
 TITLE

 3/15/2023
 DATE

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
INDIVIDUAL PROJECTS COMMENCING DURING 2023
(AMOUNTS IN 000'S)

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas
YEAR: 2023

Schedule of individual projects that commence during 2023 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
2025 SoBRA - 12 Sites	1,307,217	Jul-2023	Jan-2025
Solar Together Extension - 8 Sites	935,366	Sep-2023	Mar-2025