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A MESSAGE FROM ERIC SILAGY

To all FPL employees:

Jan. 26, 2018

Colleagues,

Last year was very demanding as we responded to Hurricane Irma and then shifted gears to support Hurricane Maria restoration efforts, and I am proud to report that we closed out 2017 with a solid earnings report for Florida Power & Light Company. This morning, we reported fourth-quarter adjusted net income of \$394 million, compared with \$371 million for the prior-year quarter. For the full year 2017, adjusted net income was \$1.930 billion compared with \$1.727 billion in 2016. Read the [full earnings report](#), including a reconciliation to GAAP amounts.

Every one of you should take great pride in the important contributions you made to delivering exceptional service to our customers and the company's overall success. Over the past year, we've invested approximately \$5.3 billion to continue to improve upon the value that we provide customers – high reliability, award-winning customer service, a clean emissions profile and a typical residential customer bill that is among the lowest in Florida and the nation.

- We achieved our best-ever service reliability performance in 2017, and were named the winner of the 2017 ReliabilityOne™ Award for Outstanding Reliability Performance in the Southeast U.S. by PA Consulting Group, Inc. for the fourth consecutive year.
- We're continuing to advance one of the largest solar expansions ever in the eastern U.S. Construction on four solar energy centers totaling nearly 300 MW was completed on schedule and under budget, and another four are on track to begin providing cost-effective solar energy to FPL customers by March. An additional 1,600 MW of solar projects are under development for beyond 2018.
- Construction on the state-of-the-art, natural-gas fueled FPL Okeechobee Clean Energy Center remains on schedule and on budget to allow the plant to begin operation in mid-2019.
- Progress continues on the FPL Dania Beach Clean Energy Center with the state's need determination process expected to wrap up later this quarter. The facility is still expected to begin operation by mid-2022 and produce more than \$335 million in projected net savings for FPL customers over its operational life.
- Earlier this month, we closed down the St. Johns River Power Park in Jacksonville, an approximately 1,300-MW coal-fired power plant co-owned with JEA. Closure of the plant is projected to prevent more than 5.6 million tons of carbon dioxide emissions annually and bring millions of dollars in savings for FPL customers beginning in March.

Of course, our greatest challenge last year was Hurricane Irma – one of the largest, most powerful storms to ever impact Florida. Thanks to all of you, our response was

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unprecedented both in scale and the speed of power restoration. That said, we recently announced that instead of beginning to recover the \$1.3 billion restoration cost by implementing a surcharge on customer bills through 2020 as expected, we have an unusual and unprecedented opportunity to apply our company's federal tax savings toward the cost of restoration – avoiding the need to raise rates and saving each of FPL's 5 million customers an average of approximately \$250.

We may also be able to use future federal tax savings to continue operating under the current base rate agreement beyond the initial term, which covers through 2020, for up to two additional years, potentially avoiding base rate increases to customer bills in 2021 and 2022. We believe the plan we've outlined is the fastest way to begin passing tax savings along to our customers and the most appropriate approach to keeping rates low and stable for years to come.

Finally, I want to recognize and thank so many of you who continue to help restore electric service to our fellow Americans in Puerto Rico, supporting efforts both on the island and here at home. Providing mutual assistance is a staple of the energy industry, as we saw ourselves after Irma, and I can confidently say that we have the most experienced, well-equipped team in the industry, and we're prepared to help Puerto Rico for as long as we are needed.

It's because of you that we are the best in the business, so thank you for all that you do for our company, our customers and each other every day. Please stay safe and I wish you all a wonderful 2018.



Eric Silagy
President and CEO
Florida Power & Light Company