

ANDY GARDINER
President of the Senate



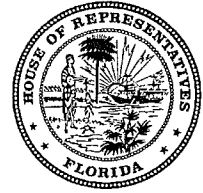
J.R. Kelly
Public Counsel

STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
1-800-342-0222

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV

STEVE CRISAFULLI
*Speaker of the House of
Representatives*



July 8, 2016

2Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 160021, et al (consolidated) – Ralph C. Smith Late Filed Exhibits

Dear Ms. Stauffer:

Enclosed for filing are Exhibits RCS-1 thru RCS-4, appended to the Direct Testimony of Ralph C. Smith. These exhibits were inadvertently omitted from the July 7th filing.

Copies were provided by email to all parties before 8pm on July 7th. The Office of Public Counsel will be submitting a separate Motion to Accept these exhibits out-of-time.

Please advise if we need to take any further actions or if you have any questions. Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Renwinkel".

Charles J. Renwinkel
Deputy Public Counsel

QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933*	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA	
&76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA	
& 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001	
& ER-85647001	New England Power Company (FERC)
850782-EI &	
850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU	
& 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673-	Georgia Power Company (Georgia PSC)
29484	Long Island Lighting Co. (New York Dept. of Public Service)
U-8924	Consumers Power Company – Gas (Michigan PSC)
Docket No. 1	Austin Electric Utility (City of Austin, Texas)
Docket E-2, Sub 527	Carolina Power & Light Company (North Carolina PUC)
870853	Pennsylvania Gas and Water Company (Pennsylvania PUC)
880069**	Southern Bell Telephone Company (Florida PSC)
U-1954-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities
T E-1032-88-102	Company, Kingman Telephone Division (Arizona CC)
89-0033	Illinois Bell Telephone Company (Illinois CC)
U-89-2688-T	Puget Sound Power & Light Company (Washington UTC))
R-891364	Philadelphia Electric Company (Pennsylvania PUC)
F.C. 889	Potomac Electric Power Company (District of Columbia PSC)
Case No. 88/546*	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
87-11628*	Duquesne Light Company, et al, plaintiffs, against Gulf+Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102 & U-1551-89-103	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
Docket No. 6998	Hawaiian Electric Company (Hawaii PUC)
TC-91-040A and TC-91-040B	Intrastate Access Charge Methodology, Pool and Rates Local Exchange Carriers Association and South Dakota Independent Telephone Coalition
9911030-WS & 911-67-WS	General Development Utilities - Port Malabar and West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314	
& M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 & U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC))
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 & U-1032-93-193	Citizens Utilities Company - Gas Division (Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/ E-1032-93-169	Sale of Assets CC&N from Contel of the West, Inc. to Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR*	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed Staff Investigation E-1032-95-473 E-1032-95-433	Citizens Utility Company - Arizona Telephone Operations (Arizona Corporation Commission) Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC) Citizens Utility Co. - Arizona Electric Division (Arizona CC) Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285 94-10-45 A.96-08-001 et al.	Missouri Gas Energy (Missouri PSC) Southern New England Telephone Company (Connecticut PUC) California Utilities' Applications to Identify Sunk Costs of Non- Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324 96-08-070, et al.	Bell Atlantic - Delaware, Inc. (Delaware PSC) Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12 R-00973953	Connecticut Light & Power (Connecticut PUC) Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power & Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705 E-1072-97-067	Entergy Gulf States, Inc. (Cities Steering Committee) Southwestern Telephone Co. (Arizona Corporation Commission)
Non-Docketed Staff Investigation PU-314-97-12 97-0351 97-8001	Delaware - Estimate Impact of Universal Services Issues (Delaware PSC) US West Communications, Inc. Cost Studies (North Dakota PSC) Consumer Illinois Water Company (Illinois CC) Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I 9355-U 97-12-020 - Phase I U-98-56, U-98-60, U-98-65, U-98-67 (U-99-66, U-99-65, U-99-56, U-99-52)	San Diego Gas & Electric Co., Section 386 costs (California PUC) Georgia Power Company Rate Case (Georgia PUC) Pacific Gas & Electric Company (California PUC) Investigation of 1998 Intrastate Access charge filings (Alaska PUC) Investigation of 1999 Intrastate Access Charge filing (Alaska PUC)
Phase II of 97-SCCC-149-GIT PU-314-97-465	Southwestern Bell Telephone Company Cost Studies (Kansas CC) US West Universal Service Cost Model (North Dakota PSC)
Non-docketed Assistance Contract Dispute	Bell Atlantic - Delaware, Inc., Review of New Telecomm. and Tariff Filings (Delaware PSC) City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL) Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC)
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No.	
98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No.	Post-Transition Ratemaking Mechanisms for the Electric Industry
99-01-016,	Restructuring (US Department of Navy)
Phase I	
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020	Pacific Gas & Electric Company Rate Case (California PUC)
Phase II	United Illuminating Company (Connecticut OCC)
01-10-10	Georgia Power FCR (Georgia PSC)
13711-U	Verizon Delaware § 271(Delaware DPA)
02-001	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-BLVT-377-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT- 1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT- 607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT- 060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)

Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA, 06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No. UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)
09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036	Kentucky-American Water Company (Kentucky PSC)
E-04100A-09-0496	Southwest Transmission Cooperative, Inc. (Arizona CC)
E-01773A-09-0472	Arizona Electric Power Cooperative, Inc. (Arizona CC)
R-2010-2166208, R-2010-2166210, R-2010-2166212, & R-2010-2166214	Pennsylvania-American Water Company (Pennsylvania PUC)
PSC Docket No. 09-0602	Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC)
10-0713-E-PC	Allegheny Power and FirstEnergy Corp. (West Virginia PSC)
Docket No. 31958	Georgia Power Company (Georgia PSC)
Docket No. 10-0467	Commonwealth Edison Company (Illinois CC)
PSC Docket No. 10-237	Delmarva Power & Light Company (Delaware PSC)
U-10-51	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T	West Virginia-American Water Company (West Virginia PSC)
A.10-07-007	California-American Water Company (California PUC)
A-2010-2210326	TWP Acquisition (Pennsylvania PUC)
09-1012-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080	Hawaiian Electric Company, Inc. (Hawaii PUC)
G-01551A-10-0458	Southwest Gas Corporation (Arizona CC)
10-KCPE-415-RTS	Kansas City Power & Light Company – Remand (Kansas CC)
PUE-2011-00037	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
R-2011-2232243	Pennsylvania-American Water (Pennsylvania PUC)
U-11-100	Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005	San Diego Gas & Electric Company (California PUC)
PSC Docket No. 11-207	Artesian Water Company, Inc. (Delaware PSC)
Cause No. 44022	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158	UNS Gas, Inc. (Arizona Corporation Commission)
E-01345A-11-0224	Arizona Public Service Company (Arizona CC)
UE-111048 & UE-111049	Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721	Commonwealth Edison Company (Illinois CC)
11AL-947E	Public Service Company of Colorado (Colorado PSC)
U-11-77 & U-11-78	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767	Illinois-American Water Company (Illinois CC)
PSC Docket No. 11-397	Tidewater Utilities, Inc. (Delaware PSC)
Cause No. 44075	Indiana Michigan Power Company (Indiana Utility Regulatory Commission)
Docket No. 12-0001	Ameren Illinois Company (Illinois CC)
11-5730-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528	Delmarva Power & Light Company (Delaware PSC)
11-281-EL-FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45 ^A	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)

PUE-2015-00027 Docket No. 2015-0022	Virginia Electric and Power Company (Commonwealth of Virginia SCC) Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T 15-07-38^^	West Virginia-American Water Company (West Virginia PSC) Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26^^	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
2015-UN-0080 Docket No. 15-00042 WR-2015-0301/SR-2015 -0302	Mississippi Power Company (Mississippi PSC) B&W Pipeline, LLC (Tennessee Regulatory Authority)
U-15-089, U-15-091, & U-15-092	Missouri American Water Company (Missouri PSC) Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)

* Testimony filed, examination not completed

** Issues stipulated

*** Company withdrew case

^ Testimony filed, case withdrawn after proposed decision issued

^^ Issues stipulated before testimony was filed

Florida Power & Light Company
Docket No. 160021-EI
Exhibit RCS-2
Accompanying the Direct Testimony of Ralph Smith
Revenue Requirement Schedules - January 2017 Rate Change
CONTENTS

Schedule Number	Description	No. of Pages	Confidential	Page No.
A-1	Calculation of Revenue Deficiency (Sufficiency)	1	No	2
B-1	Adjusted Rate Base	2	No	3-4
B-2	Plant Held for Future Use	2	No	5-6
C-1	Adjusted Net Operating Income	2	No	7-8
C-2	Rate Case Expense	1	No	9
C-3	Generation Overhaul Expense Normalization	1	No	10
C-4	Income Tax Expense - Impact of Other Adjustments	1	No	11
C-5	Interest Synchronization Adjustment	1	No	12
C-6	Revenue at Current Rates - Adjustment for Sales Forecast	1	No	13
C-7	Depreciation Expense - New Depreciation Rates	1	No	14
D	Capital Structure and Cost Rates	1	No	15
E	Summary of FPL's May 3, 2016 Notice of Filing Adjustments	3	No	16-18
F	Summary of FPL's June 16, 2016 Second Notice of Filing Adjustments	3	No	19-21
	Total Pages (including Contents page)	21		

Schedule A-1

Docket No: 160021-EI

January 2017 Rate Change

Florida Power & Light Company

Exhibit No. RCS-2

Projected Test Year Ended December 31, 2017

Revenue Requirement
(Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 32,536,116	\$ 32,725,587	Exh. RCS-2, Sch. B-1
2	Required Rate of Return	6.61%	5.05%	Exh. RCS-2, Sch. D
3	Jurisdictional Income Required	\$ 2,149,618	\$ 1,652,216	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ 1,618,192	\$ 2,147,370	Exh. RCS-2, Sch. C-1
5	Income Deficiency (Sufficiency)	\$ 531,427	\$ (495,154)	Line 3 - Line 4
6	Earned Rate of Return	4.97%	6.56%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.63024	1.63025	See below
8	Revenue Deficiency (Sufficiency)	\$ 866,354	\$ (807,225)	Line 5 x Line 7

Source/Notes:

Col. (A): MFR Schedule A-1

Line 7: MFR Sch. A-1 and C-44

Florida Power & Light Company
Projected Test Year Ended December 31, 2017Adjusted Rate Base
(Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
1	Plant in Service	\$ 43,122,297			\$ 43,122,297	\$ (31,546)	\$ 43,090,751
2	Accumulated Depreciation & Amortization	\$ (13,074,538)	\$ 690	\$ 10,669	\$ (13,063,179)	\$ 233,827	\$ (12,829,352)
3	Net Plant in Service	\$ 30,047,759	\$ 690	\$ 10,669	\$ 30,059,118	\$ 202,281	\$ 30,261,399
4	Construction Work in Progress	\$ 747,987			\$ 747,987		\$ 747,987
5	Plant Held For Future Use	\$ 233,315			\$ 233,315	\$ (14,228)	\$ 219,087
6	Nuclear Fuel	\$ 630,075			\$ 630,075		\$ 630,075
7	Total Net Plant	\$ 31,659,136	\$ 690	\$ 10,669	\$ 31,670,495	\$ 188,053	\$ 31,858,549
8	Working Capital Allowance	\$ 876,981	\$ (6,411)	\$ 776	\$ 871,346	\$ (4,309)	\$ 867,037
9	Other Rate Base Items	\$ -					\$ -
10	Total Rate Base	\$ 32,536,116	\$ (5,721)	\$ 11,445	\$ 32,541,842	\$ 183,744	\$ 32,725,587

Source/Notes:

Col. (A): Company MFR Schedule B-1

Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 1

Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F

Col. (D): Sum of columns A, B and C

Col. (E): See Exhibit RCS-2, Schedule B-1, page 2

Col. (F): Sum of columns D and E

Florida Power & Light Company
Projected Test Year Ended December 31, 2017Adjusted Rate Base-Summary of Adjustments
(Thousands of Dollars)

Line No.	Adjustment Title	Reference (a)	OPC Adjustments	Jurisdictional Separation Factor	Jurisdictional Amount
	<u>Plant in Service Adjustments:</u>				
1	Storm Hardening	Exhibit HWS-9	\$ (31,546)	1.000000	\$ (31,546)
2	<i>Total Plant in Service</i>		<u>\$ (31,546)</u>		<u>\$ (31,546)</u>
3					
4					
5	<u>Accumulated Depreciation Adjustments:</u>				
6	OPC's Adjustment to New Depreciation Rates for 2017	Exh. RCS-2, Sch. C-7			\$ -
7	Depreciation Expense	[1/2 Depr'n Exp. Adj.]	\$ (146,314)	0.891838	\$ (130,489)
8	Depreciation Reserve Excess	[1/2 of first year amort]	\$ (115,391)	0.891838	\$ (102,910)
9	Storm Hardening	Exhibit HWS-9	\$ (428)	1.000000	\$ (428)
10	<i>Total Accumulated Depreciation</i>		<u>\$ (262,133)</u>		<u>\$ (233,827)</u>
11					
12					
13	<u>Plant Held for Future Use:</u>				
14	Reduction to Transmission PHFFU	Exh. RCS-2, Sch. B-2	\$ (4,637)	0.902240	\$ (4,184)
15	Reduction to Distributon PHFFU	Exh. RCS-2, Sch. B-2	\$ (10,044)	1.000000	\$ (10,044)
16	<i>Total Plant Held for Future Use</i>		<u>\$ (14,681)</u>		<u>\$ (14,228)</u>
17					
18	<u>Working Capital Adjustments</u>				
19	Adjustment to Working Capital	Exhibit HWS-11		Various	
20	Remove Unamortized Rate Case Expense	Smith Testimony	\$ (4,309)	1.000000	\$ (4,309)
21	<i>Total Working Capital</i>		<u>\$ (4,309)</u>		<u>\$ (4,309)</u>

Notes:

Jurisdictional Separation Factors from FPL's MFR Schedule B-6.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of Helmuth W. Schultz, III.

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Reduction to Plant Held For Future Use (PHFFU)
 Plant Held for Future Use Adjustment 2017 Test Year

Line No.	Description	Test Year 2017 13 Month Average (A)	Test Year Jurisdictional Factor (B)	Test Year Jurisdictional Amount (C)
1	Transmission	\$ (4,637,315)	0.902240	\$ (4,183,971)
2	Distribution	\$ (10,043,802)	1.000000	\$ (10,043,802)
3	Total Adjustment	<u>\$ (14,681,117)</u>		<u>\$ (14,227,773)</u>

Notes and Source:

See Schedule B-2, Exhibit RCS-2, page 2 for detail
 Col. B: FPL MFR Schedule B-15

Florida Power & Light Company
Projected Test Year Ended December 31, 2017 and Subsequent Year Ended December 31, 2018
Plant Held for Future Use with Estimated In-Service Dates Beyond 2026

Line No.	Property Name	Test Year 2017			Sub Year 2018			Description	Purchase Date	Expected In Service Date	Date Recorded in account 105
		Cost	13 mo avg.	13 mo avg.	13 mo avg.	13 mo avg.	13 mo avg.				
TRANSMISSION FUTURE USE											
1	GALLOWAY-SOUTH MIAMI LOOP TO S WEST SUB	\$ 1,834,050	\$ 1,834,050	\$ 1,834,050			GALLOWAY-SOUTH MIAMI LOOP TO SOUTHWEST SUBSTATION, SECTION 14 & 23 TOWNSHIP	Oct-05	Jun-27	2005/10	
2	HARBOR PUNTA GORDA #2 - ACQ EASEMENTS	\$ 738,483	\$ 738,483	\$ 738,483			ACQUIRED APPROX. 2 MILES OF TRANSMISSION RIGHT OF WAY FOR THE HARBOR-PUNTA GORDA #2 LINE, SECTION 6, TOWNSHIP 41, RANGE 23 AND SECTION 36, TOWNSHIP 40, RANGE 22	Sep-08	Dec-27	2008/9	
3	RIMA SUB & RIMA-VOLUSIA 230KV R/W LINE	\$ 619,861	\$ 619,861	\$ 619,861			RIMA SUB & RIMA-VOLUSIA 230 KV LINE ACQ RE-OPEN	Oct-88	Dec-28	1988/10	
4	TURKEY POINT-LEVEE (LEVEE-SOUTH DADE)	\$ 1,444,922	\$ 1,444,922	\$ 1,444,922			TURKEY POINT-ANDYTOWN-ACQUIRE RIGHT-OF-WAY FOR EHV	Jul-77	Dec-27	1977/7	
5	Total Transmission Future Use	\$ 4,637,315	\$ 4,637,315	\$ 4,637,315							
6											
7											
8	DISTRIBUTION FUTURE USE										
9	ARIEL SUBSTATION - ACQ SITE	\$ 774,060	\$ 774,060	\$ 774,060			VOLUSIA COUNTY - SECTION 24, TOWNSHIP 18 S, RANGE 34 E. ACQUIRE APPROXIMATELY 3.65 +/- ACRES OF LAND IN VOLUSIA COUNTY FOR ARIEL SUBSTATION	Apr-08	Dec-28	2008/5	
10	CHESTER SUBSTATION	\$ 374,695	\$ 374,695	\$ 374,695			NASSAU COUNTY 25-N2-28	Jul-94	Dec-28	2004/2	
11	DEERWOOD SUBSTATION - ACQUIRE SITE	\$ 787,349	\$ 787,349	\$ 787,349			SECTIONS 28, 29, TOWNSHIP 7, RANGE 29, ST. JOHNS COUNTY. ACQUIRE APPROXIMATELY 22.6 ACRES	Jan-06	Dec-28	2006/1	
12	ELY SUBSTATION EXPANSION	\$ 507,656	\$ 507,656	\$ 507,656			SECTION 35, TOWNSHIP 48S, RANGE 42E, BROWARD COUNTY. ACQUIRE APPROXIMATELY 2.18 ACRES OF PROPERTY	Jul-67	Dec-28	2002/2	
13	HARGROVE SUBSTATION - ACQUIRE SITE	\$ 866,415	\$ 866,415	\$ 866,415			ACQUIRE APPROXIMATELY 5.78 ACRES OF LAND FOR THE HARGROVE SUBSTATION IN FLAGLER COUNTY. SECTION 16, TOWNSHIP 11S, RANGE 30E, FLAGLER COUNTY	Mar-05	Dec-28	2005/6	
14	MINTON SUBSTATION - ACQ SITE (FKA HENRY)	\$ 1,000,545	\$ 1,000,545	\$ 1,000,545			MINTON SUBSTATION - ACQ SITE (FKA HENRY); SECTION 12, TOWNSHIP 28 S, RANGE 36E	Jul-03	Dec-28	2004/2	
15	PACETTI	\$ 204,487	\$ 204,487	\$ 204,487			4.76 ACRES IN SECTION 38, T6S, R28E, ST. JOHNS COUNTY, NEAR THE INTERSECTION OF NINE MILE ROAD AND 1-95 IN NORTHWESTERN ST. AUGUSTINE.	Mar-94	Dec-28	1994/3	
16	SARTORI	\$ 117,958	\$ 117,958	\$ 117,958			6.63 ACRES IN SECTION 7, T30S, R37E, BREVARD COUNTY.	Sep-94	Dec-28	1994/10	
17	SPEEDWAY SUBSTATION (FORMERLY PELICAN)	\$ 520,185	\$ 520,185	\$ 520,185			SECTION 2, TOWNSHIP 16, RANGE 32, VOLUSIA COUNTY. ACQUIRE APPROXIMATELY 5 ACRES OF LAND IN VOLUSIA COUNTY FOR THE PELICAN SUBSTATION. PER MEIER WISE ON 11-08-04 SUBSTATION NAME CHANGE FROM PELICAN TO SPEEDWAY.	Oct-01	Dec-28	2002/2	
18	TIMUCAN SUBSTATION - ACQUIRE SITE	\$ 1,714,138	\$ 1,714,138	\$ 1,714,138			TIMUCAN SUBSTATION - ACQUIRE SITE, SECTION 10, TOWNSHIP 35	Jul-05	Dec-28	2005/8	
19	TOWNSHIP	\$ 14,520	\$ 14,520	\$ 14,520			APPROXIMATELY FOUR ACRES IN THE SE 1/4 OF SECTION 36, T28S, R37E, BREVARD COUNTY.	Apr-73	Dec-28	1973/10	
20	PENNSUCCO EXPANSION OF TRANS SUB	\$ 1,580,143	\$ 1,580,143	\$ 1,580,143			ACQUIRE APPROXIMATELY 2.27 ACRES OF LAND IN DADE COUNTY FOR PENNSUCCO SUBSTATION EXPANSION. SECTION 31; TOWNSHIP 52S, RANGE 40E.	Jan-10	Jun-27	2010/12	
21	VERMONT SUBSTATION-ACQUIRE SITE	\$ 702,668	\$ 702,668	\$ 702,668			S9, T8S, R29E, ST JOHNS COUNTY. ACQUIRE APPROXIMATELY 4.2 ACRES OF LAND FOR THE VERMONT SUBSTATION IN ST. JOHNS COUNTY.	Jun-05	Dec-28	2005/7	
22	CHALLENGER (formerly Harrison St Sub)	\$ 251,661	\$ 251,661	\$ 251,661			2.2 ACRES IN SECTION 9, T22S, R35E, BREVARD COUNTY. 36000 - LAND & LAND RIGHTS 36100 - STRUCTURES & IMPROVEMENTS 36200 - STATION EQUIPMENT	Feb-70	Dec-28	1994/11	
23	SOUTHWEST SUB-ACQUIRE ADTNL PROPERTY	\$ 627,322	\$ 627,322	\$ 627,322			S14, T54S, R40E, MIAMI DADE COUNTY. ACQUIRE APPROXIMATELY 0.49 ACRES OF ADDITIONAL PROPERTY. 36000 - LAND & LAND RIGHTS 36100 - STRUCTURES & IMPROVEMENTS 36200 - STATION EQUIPMENT	Aug-04	Dec-28	2004/9	
24	Total Distribution Future Use	\$ 10,043,802	\$ 10,043,802	\$ 10,043,802							
25											
26	TOTAL PROPERTY HELD FOR FUTURE USE BEYOND 2026	\$ 14,681,117	\$ 14,681,117	\$ 14,681,117							

Source:
OPC's Second Interrogatory No. 105, Attachment No. 1

Florida Power & Light Company
Projected Test Year Ended December 31, 2017Adjusted Net Operating Income
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
<u>Operating Revenues:</u>							
1	Revenue From Sales	\$ 5,728,329	\$ 4,904	\$ 715	\$ 5,733,948	\$ 201,596	\$ 5,935,544
2	Other Operating Revenues	\$ 193,876	\$ (979)		\$ 192,897		\$ 192,897
3	Total Operating Revenues	\$ 5,922,205	\$ 3,925	\$ 715	\$ 5,926,845	\$ 201,596	\$ 6,128,441
<u>Operating Expenses:</u>							
4	Other Operation & Maintenance	\$ 1,330,140	\$ (3,632)	\$ (19)	\$ 1,326,489	\$ (58,534)	\$ 1,267,955
5	Fuel & Interchange	\$ 24,466			\$ 24,466		\$ 24,466
6	Purchased Power	\$ -			\$ -		\$ -
7	Deferred Costs	\$ -			\$ -		\$ -
8	Depreciation & Amortization	\$ 1,665,925	\$ (1,380)	\$ (21,824)	\$ 1,642,721	\$ (502,157)	\$ 1,140,564
9	Taxes Other Than Income Taxes	\$ 578,191			\$ 578,191	\$ (2,887)	\$ 575,304
10	Income Taxes	\$ 711,051	\$ 3,479	\$ 8,639	\$ 723,169	\$ 255,373	\$ 978,542
11	(Gain)/Loss on Disposal of Plant	\$ (5,759)			\$ (5,759)		\$ (5,759)
12	Total Operating Expenses	\$ 4,304,013	\$ (1,534)	\$ (13,204)	\$ 4,289,276	\$ (308,205)	\$ 3,981,071
13	Net Operating Income	\$ 1,618,192	\$ 5,459	\$ 13,919	\$ 1,637,569	\$ 509,801	\$ 2,147,370

Source/Notes

Col.(A): Per Company amounts are from FPL MFR Schedule C-1

Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 2

Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F

Col. (D): Sum of columns A, B and C

Col. (E): See Exhibit RCS-2, Schedule C-1, page 2

Col. (F): Sum of columns D and E

Schedule C-1, page 2 of 2

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Line No.	Adjustment Title	Reference (a)	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
<u>Revenue at Current Rates</u>					
1	Revenue at Current Rates - Sales Forecast Adjustment	Dismukes Testimony	\$ 206,500	1.000000	\$ 206,500
2	less amount in FPL Corrections	Exh. RCS-2, Sch. C-6	\$ (4,904)	1.000000	\$ (4,904)
3	subtotal		<u>\$ 201,596</u>		<u>\$ 201,596</u>
4					
<u>Other Operating and Maintenance Expense</u>					
6	Rate Case Expense	Exh. RCS-2, Sch. C-2	\$ (326)	1.000000	\$ (326)
7	2017 Employee Count Adjustment	Exh. HWS-2	\$ (17,743)	0.967454	\$ (17,166)
8	2017 Employee Incentive Compensation Adjustment	Exh. HWS-3	\$ (28,216)	0.967467	\$ (27,298)
9	Benefit Expense Adjustment	Exh. HWS-4	\$ (2,681)	0.968169	\$ (2,595)
10	Distribution Vegetative Mgt. - Tree Trimming	Exh. HWS-6	\$ (4,647)	1.000000	\$ (4,647)
11	Pole Inspection Expense	Exh. HWS-7	\$ (1,664)	0.999358	\$ (1,663)
12	Directors & Officers Liability Insurance	Exh. HWS-8	\$ (1,391)	0.984797	\$ (1,369)
13					
14	Uncollectible Expense - on Revenue Adjustment	Exh. RCS-2, Sch. C-6	\$ 133	1.000000	\$ 133
15	Generation Overhaul Expense Normalization	Exh. RCS-2, Sch. C-3	\$ (3,803)	0.947328	\$ (3,603)
16	subtotal		<u>\$ (60,338)</u>		<u>\$ (58,534)</u>
17					
<u>Depreciation & Amortization Expense</u>					
19	Depreciation Expense - New Depreciation Rates	Pous Testimony			\$ -
20	Production	Exh RCS-2, Sch C-7	\$(211,362)	0.950595	\$ (200,920)
21	Transmission	Exh RCS-2, Sch C-7	\$ (16,064)	0.896741	\$ (14,406)
22	Distribution	Exh RCS-2, Sch C-7	\$ (62,689)	1.000000	\$ (62,689)
23	General	Exh RCS-2, Sch C-7	\$ (2,513)	0.967454	\$ (2,432)
24	Depreciation Expense - New Depreciation Rates Excess Reserve	Pous Testimony			
25	Transmission	Exh RCS-2, Sch C-7	\$ (93,970)	0.896741	\$ (84,266)
26	Distribution	Exh RCS-2, Sch C-7	\$(129,924)	1.000000	\$ (129,924)
27	General	Exh RCS-2, Sch C-7	\$ (6,889)	0.967454	\$ (6,664)
28					
29	Storm Hardening	Exh. HWS-9	\$ (856)	1.000000	\$ (856)
30					
31	subtotal		<u>\$(524,266)</u>		<u>\$ (502,157)</u>
32					
<u>Taxes Other Than Income Expense</u>					
34	Payroll Tax Expense - Base Payroll	Exh. HWS-5	\$ (1,152)	0.986375	\$ (1,136)
35	Payroll Tax Expense - Incentive Compensation	Exh. HWS-5	\$ (1,775)	0.986375	\$ (1,751)
36	subtotal				<u>\$ (2,887)</u>
37					
<u>Income Tax Expense</u>					
39	Impact of other adjustments	Exh. RCS-2, Sch. C-4		Various	\$ 297,058
40	Interest Synchronization Adjustment	Exh. RCS-2, Sch. C-5		Various	\$ (41,685)
41	subtotal				<u>\$ 255,373</u>

Source/Notes:

Jurisdictional Separation Factors from FPL MFR Schedule C-4.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of OPC witness Helmuth W. Schultz, III.

Schedule C-3

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Generation Overhaul Expense Normalization

Line No.	Description	2014 (A)	2015 (B)	2016 (C)	2017 (D)	Four-Year Escalated Average (E)
1	Steam Plant Overhaul Expense	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	
2	- Less Retired Units					
3	Subtotal	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	
4	O&M Compound Multiplier, 2014 - 2017	1.036332	1.035297	1.020600	1.000000	
5	Steam Plant Overhaul Expense - Existing Plants	\$ 17,454,904	\$ 9,762,885	\$ 16,525,352	\$ 4,660,307	\$ 12,100,862
6	Other Production Plant Overhaul Expense	\$ 28,667,337	\$ 25,439,543	\$ 25,697,300	\$ 42,803,842	
7	- Less					
8	- Plus Port Everglades Modernized Unit 5	\$ 497,854	\$ 497,854			
9	Subtotal	\$ 29,165,191	\$ 25,937,397	\$ 25,697,300	\$ 42,803,842	
10	O&M Compound Multiplier, 2014 - 2017	1.036332	1.035297	1.020600	1.000000	
11	Other Production Plant Overhaul Expense - Existing Plants	\$ 30,224,819	\$ 26,852,900	\$ 26,226,664	\$ 42,803,842	\$ 31,527,056
12	Central Maintenance Overhaul Support	\$ 1,183,932	\$ 1,096,447	\$ 1,074,365	\$ 1,074,365	\$ 1,107,277
13	Total	\$ 48,863,654	\$ 37,712,232	\$ 43,826,381	\$ 48,538,514	
14	OPC Recommended Normalized Generation Overhaul Expense					\$ 44,735,195
15	2017 Generation Overhaul Expense in 2017 Base Rate Change, per FPL (Lines 1, 6 and 12 for 2017)					\$ 48,538,514
16	Reduction to Generation Overhaul Expense					\$ (3,803,319)
17	Jurisdictional Factor					0.947328
18	Reduction to Jurisdictional Generation Overhaul Expense (stated in \$000)					\$ (3,603)

Notes and Source

Lines 1, 6, & 12: FPL Responses to Staff's 6th Set of Interrogatories, Interrogatory 153

Lines 4 and 10: MFR Sch. C-40, ad modified to reflect OPC witness Dismuke's recommendations for 2016 and 2017 general inflation

Year	Inflation Rate	Factor		
		2014	2015	2016
2014	1.60%			
2015	0.10%			
2016	1.44%			
2017	2.06%	1.036332	1.035297	1.020600

Calculation of Compound Multipliers	2014	2015	2016
	(1+0.001)*(1+0.0144)*(1+0.0206)	(1+0.0144)*(1+0.0206)	(1+0.0206)

Line 8:	2016	\$ 145,537
	2017	850,171
	Average	\$ 497,854

Jurisdictional Factor Calculation:

(Figures taken from MFR Schedule C-4, in \$000)	FPSC		Jurisdictional Factor
	Total Company	Jurisdictional	
Steam Power Generation	\$ 446,375	\$ 422,962	0.947549
Other Power Generation	2,504,438	2,372,426	0.947289
Total	\$ 2,950,813	\$ 2,795,389	0.947328

Schedule C-4

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Income Tax Expense - Impact of Other Adjustments
(Thousands of Dollars)

<u>Line No.</u>	<u>Description</u>	<u>Amount</u>
	OPC Jurisdictional Operating Income Adjustments (1):	
1	Revenue at Current Rates	<u>\$ 206,500</u>
	Pre-Tax Operating Expenses:	
2	Other Operating and Maintenance Expense	\$ (58,534)
3	Depreciation & Amortization Expense	\$ (502,157)
4	Taxes Other Than Income Expense	<u>\$ (2,887)</u>
5	Subtotal Pre-Tax Operating Expenses	<u>\$ (563,578)</u>
6	Net Increase in Taxable Income	\$ 770,078
7	Composite Income Tax Rate (2)	<u>38.575%</u>
8	Adjustment to Income Tax Expense	<u><u>\$ 297,058</u></u>

Notes and Source

- (1) Exhibit RCS-2, Schedule C-1, Page 2
- (2) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Schedule C-5

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Interest Synchronization Adjustment
(Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per OPC	\$ 32,725,587	Exh. RCS-2, Sch. B-1
2	Weighted Cost of Debt, per OPC	1.71%	Exh. RCS-2, Sch. D
3	Interest Deduction for Income Taxes	\$ 560,110	Line 1 x Line 2
4	Interest Deduction, per Company	\$ 452,048	(a)
5	Increase (Reduction) in Deductible Interest	\$ 108,062	
6	Composite Income Tax Rate	38.575%	(b)
7	Increase (Reduction) to Income Tax Expense	\$ (41,685)	

Notes and Source

(a) Per Company amount calculated as the per Company rate base times the per FPL weighted Cost of Debt (long term debt, short term debt and customer deposits):

8	Per Company Rate Base	\$ 32,536,116	Exh. RCS-2, Sch. B-1
9	Per Company weighted Cost of Debt	1.39%	Exh. RCS-2, Sch. D
10	Interest Deduction, per Company	\$ 452,048	
11	Per Company weighted Cost of Debt:	<u>Wtd. Cost Rate</u>	<u>Interest Deduction</u>
12	Long Term Debt	1.33%	\$ 432,359
13	Short Term Debt	0.03%	\$ 11,339
14	Customer Deposits	0.03%	\$ 8,350
15	Per Company weighted Cost of Debt	1.39%	\$ 452,048

(b) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Florida Power & Light Company
Projected Test Year Ended December 31, 2017Revenue at Current Rates - Adjustment for Sales Forecast
(Thousands of Dollars)

Line No.	Description	Amount	Reference
Revenue at Current Rates			
1	OPC Forecast Adjustment	\$ 206,500	(a)
2	Less: Amount in FPL May 3, 2016 Adjustments	\$ 4,904	(b)
3	Net Increase to Revenue at Current Rates	<u>\$ 201,596</u>	
Pre-Tax Operating Expenses:			
Uncollectibles Expense			
4	Bad Debt Rate	0.00066	(c)
5	Increase in Uncollectibles Expense	<u>\$ 133</u>	

Notes and Source

- (a) Testimony of OPC witness David Dismukes
- (b) FPL May 3, 2016 Notice of Identified Adjustments, item 4
See Exhibit RCS-2, Schedule E, page 2, Revenue from Sales
- (c) Bad Debt Rate from MFR Schedule C-44, line 5
As corrected per FPL's May 3, 2016 Notice of Identified Corrections, item 5, NOI Multiplier,
Bad Debt Rate

Florida Power & Light Company
Test Year Ended December 31, 2017
Annual Depreciation Accruals - New Depreciation Rates

Line No.	Function	FP&L Existing			FP&L Proposed			Per OPC			Excess Depreciation Reserve for Amortization (4)	Excess Depreciation Reserve Annual Amortization (5)	Total OPC Adjustments (6)
		Original Cost (Based on 12/31/2017 Electric Plant) (A)	Annual Depr. Rate (B)	Annual Depr. Accruals (C)	Annual Depr. Rate (D)	Annual Depr. Accruals (E)	Increase/Decrease (F)	Annual Depr. Rate (1)	Annual Depr. Accruals (2)	Difference (3)			
I. Calculated Depreciation Expense on 12/31/2017 Plant													
1	Steam	\$3,243,194,417	2.5	\$80,638,814	3.79	\$122,769,150	\$42,130,336	3.78	\$122,494,085	(\$275,065)	0	(\$275,065)	
2	Nuclear	\$7,822,373,927	2.0	\$160,192,998	4.16	\$325,071,491	\$164,878,493	4.01	\$313,315,024	(\$11,756,467)	0	(\$11,756,467)	
3	Combined Cycle	\$10,884,506,011	3.8	\$412,097,322	4.33	\$471,368,850	\$59,271,528	2.50	\$272,105,968	(\$199,262,882)	0	(\$199,262,882)	
4	Peaker Plants	\$527,598,853	3.3	\$17,181,142	3.31	\$17,472,743	\$291,601	3.08	\$16,274,967	(\$1,197,776)	0	(\$1,197,776)	
5	Solar	\$1,051,134,801	3.3	\$34,687,449	3.18	\$33,409,047	(\$1,278,402)	3.18	\$33,377,313	(\$31,734)	0	(\$31,734)	
6	Total Production	23,528,808,008	3.0	704,797,725	4.12	970,091,281	265,293,556	3.22	757,567,358	(212,523,923)	-	(212,523,923)	
7													
8	Transmission	\$5,577,625,822	2.8	\$153,539,713	2.50	\$139,417,357	(\$14,142,356)	2.21	\$123,360,653	(\$16,056,704)	\$375,878,092	(\$93,969,523)	(\$110,026,227)
9	Distribution	\$16,015,951,572	3.4	\$537,116,945	3.19	\$510,924,906	(\$26,192,039)	2.75	\$439,673,732	(\$71,251,174)	\$519,694,335	(\$129,923,589)	(\$201,174,763)
10	General	\$858,008,962	4.4	\$37,489,110	3.94	\$33,801,079	(\$3,688,031)	3.60	\$30,845,717	(\$2,955,362)	\$27,554,227	(\$6,888,537)	(\$9,843,919)
11	Total Trans., Dist. and General Plant	22,451,586,356	3.2	728,165,768	3.05	684,143,342	(44,022,426)	2.65	593,880,102	(90,263,240)	923,126,674	(230,781,669)	(321,044,909)
12													
13													
14	Grand Total	45,980,394,364	3.1	1,432,963,493	3.60	1,654,234,623	221,271,130	2.94	1,351,447,459	(302,787,164)	923,126,674	(230,781,669)	(533,568,832)

II. Depreciation Expense Adjustment for Ratemaking

Function	FPL New Depreciation Rates Expense Adjustment (G)	Depreciation Expense - Clauses (H)	Depreciation Expense - Base Rates (I)	Jurisdictional Factors (J)	FPL New Depreciation Rates Juris. Expense Adjustment (K)	OPC New Depreciation Rates Expense Adjustment (7) = (3)	Ratio of FPL Base Rates Depreciation Expense Adj to Total Exp. Adj. (8)=I/G	OPC Depreciation Expense Adjustment - Base Rates (9)=(8)x(7)	Excess Depreciation Reserve Annual Amortization (10)=(5)	OPC Total Depreciation Expense Adjustment After Clauses (11)=(9)+(10)	Jurisdictional Factors (12)=(J)	OPC New Depreciation Rates Juris. Expense Adjustment (13)=(11)x(12)
15	Steam	\$42,675,783	\$15,102,236	\$27,573,546	0.9505952	\$26,211,280	64.6117%	(\$177,724)	0.9505952	(\$177,724)	0.9505952	(\$168,944)
16	Nuclear	\$162,509,138	\$3,416,928	\$159,092,210	0.9505952	\$151,232,288	97.8974%	(\$11,509,276)	0.9505952	(\$11,509,276)	0.9505952	(\$10,940,662)
17	Other	\$51,998,277	\$211,996	\$51,786,281	0.9505952	\$49,227,789	99.5923%	(\$199,674,984)	0.9505952	(\$199,674,984)	0.9505952	(\$189,810,078)
18	Total Production	257,183,197	18,731,160	238,452,037		226,671,358		(211,361,984)	-	(211,361,984)	0.9505952	(200,919,684)
19												
20	Transmission	(\$7,892,672)	\$3,750	(\$7,896,422)	0.8967409	(\$7,081,044)	100.0475%	(\$16,064,331)	(\$93,969,523)	(\$110,033,854)	0.8967409	(\$98,671,853)
21	Distribution	(\$24,863,168)	(\$2,987,853)	(\$21,875,315)	1.0000000	(\$21,875,315)	87.9828%	(\$62,688,778)	(\$129,923,589)	(\$192,612,367)	1.0000000	(\$192,612,367)
22	General	(\$3,124,406)	(\$467,257)	(\$2,657,150)	0.9674535	(\$2,570,669)	85.0449%	(\$2,513,385)	(\$6,888,537)	(\$9,401,942)	0.9674535	(\$9,095,942)
23	Total Trans., Dist. and General Plant	(35,880,246)	(3,451,360)	(32,428,886)		(31,527,028)		(81,266,494)	(230,781,669)	(312,048,163)		(300,380,162)
24												
25												
26	Grand Total	221,302,951	15,279,800	206,023,151		195,144,330		(292,628,478)	(230,781,669)	(523,410,147)		(501,299,845)
27												
28	Compare FPL Total Jurisdictional Adjustment (based on MFR Schedule C-2)					195,144,330 (a)						

Notes and Source

Columns A-F, Line Nos. 1-16: FPL Exhibit NWA-1, Page 7 of 762

Excess Depreciation Reserve is being amortized over 4 years per recommendation of OPC witness Pous.

(a): MFR Schedule C-2 for Projected Test Year Ended 12/31/17, Page 3 of 3, Line 15

Cols. G, H and I: FPL response to OPC Fifth Set of Interrogatories, No. 167, Attachment 2

Cols. J, J, and K: FPL response to OPC's Fifth Set of Interrogatories, No. 168, Attachment 2

OPC Depreciation Rate Recommendations from OPC witness Jack Pous are summarized in columns (1) through (6) above.

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Cost of Capital
 (Thousands of Dollars)

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Per OPC Weighted Cost Rate (H)
Per Company									
1	Long Term Debt	\$ 9,358,417		\$ 9,358,417		\$ 9,358,417	28.76%	4.62%	1.33%
2	Short Term Debt	\$ 612,939		\$ 612,939		\$ 612,939	1.88%	1.85%	0.03%
3	Preferred Stock	\$ -		\$ -		\$ -	0.00%	0.00%	0.00%
4	Common Equity	\$ 14,682,574		\$ 14,682,574		\$ 14,682,574	45.13%	11.50%	5.19%
5	Customer Deposits	\$ 407,328		\$ 407,328		\$ 407,328	1.25%	2.05%	0.03%
6	Deferred Taxes	\$ 7,368,582		\$ 7,368,582		\$ 7,368,582	22.65%	0.00%	0.00%
7	Investment Tax Credits	\$ 106,275		\$ 106,275		\$ 106,275	0.33%	8.82%	0.03%
8	Total	\$ 32,536,115	\$ -	\$ 32,536,115		\$ 32,536,115	100.00%		6.61%
Per OPC									
9	Long Term Debt	\$ 9,358,417	\$ 2,210,810	\$ 11,569,227	\$ 67,371	\$ 11,636,598	35.56%	4.62%	1.64%
10	Short Term Debt	\$ 612,939	\$ 144,799	\$ 757,738	\$ 4,413	\$ 762,151	2.33%	1.85%	0.04%
11	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
12	Common Equity	\$ 14,682,574	\$ (2,355,609)	\$ 12,326,965	\$ 71,784	\$ 12,398,749	37.89%	8.75%	3.32%
13	Customer Deposits	\$ 407,328	\$ -	\$ 407,328	\$ 2,372	\$ 409,700	1.25%	2.05%	0.03%
14	Deferred Taxes	\$ 7,368,582	\$ -	\$ 7,368,582	\$ 42,910	\$ 7,411,492	22.65%	0.00%	0.00%
15	Investment Tax Credits	\$ 106,275	\$ -	\$ 106,275	\$ 619	\$ 106,894	0.33%	6.75%	0.02%
16	Total	\$ 32,536,115	\$ (0)	\$ 32,536,115	\$ 189,469	\$ 32,725,584	100.00%		5.05%

Ratio of Debt & Equity Components	Per FPL Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio Per OPC^ (c)	Revised Allocations (d)	Adjs. To Reflect OPC Cap. Struct. (e) = (d - a)
17 Long Term Debt	\$ 9,358,417	37.96%	46.93%	\$ 11,569,227	\$ 2,210,810
18 Short Term Debt	\$ 612,939	2.49%	3.07%	\$ 757,738	\$ 144,799
19 Common Equity	\$ 14,682,574	59.55%	50.00%	\$ 12,326,965	\$ (2,355,609)
	\$ 24,653,930	100.00%	100.00%	\$ 24,653,930	\$ -

^ Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
20 Long Term Debt	\$ 9,358,417	93.85%	46.93%	46.93%
21 Short Term Debt	\$ 612,939	6.15%	3.07%	3.07%
22	\$ 9,971,356	100.00%	50.00%	50.00%

Notes and Source

The per Company amounts are from MFR Sch. D-1a.

Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell

Column (D): OPC rate base adjustments are from Schedule B-1, page 1, col. E. This includes the FPL update/filing correction rate base adjustments in columns B and C.

Rate Base Adjustments	FPL Updates	OPC Adjs	Rate Base Adjs
	\$ 5,725	\$ 183,744	\$ 189,469

Column (G), Lines 9&10, debt cost rates are sponsored by OPC Witness Kevin O'Donnell

Column (G): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 4 sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.

FPL Weighted Cost of Debt for Interest Synchronization	<u>1.39%</u>	Col. H, lines 1, 2 and 5
OPC Weighted Cost of Debt for Interest Synchronization	<u>1.71%</u>	Col. H, lines 9, 10 and 13

Schedule E, page 1 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Rate Base Adjustments from May 3, 2016 Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL May 3, 2016 Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 690
3	Net Plant in Service	\$ 690
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 690
8	Working Capital Allowance	\$ (6,411)
9	Other Rate Base Items	
10	Total Rate Base	\$ (5,721)

Source/Notes:

Schedule E, page 3 of 3

	Description	Page 3 Column Reference	Dollars	Thousands of \$
	Accumulated Depreciation & Amortization			
11	Depreciation Co Adj	(9)	\$ 1,328	\$ 1
12	Dismantlement Co Adj	(10)	\$ 688,781	\$ 689
13	Accumulated Depreciation & Amortization		\$ 690,109	\$ 690
	Working Capital Allowance			
14	Pension Debit	(2)	\$ (3,527,564)	\$ (3,528)
15	Uncollectible Accounts Expense	(6)	\$ 30,107	\$ 30
16	DSM Adj	(8)	\$ (2,913,278)	\$ (2,913)
17	Working Capital Allowance		\$ (6,410,735)	\$ (6,411)
18	Total Rate Base		\$ (5,720,626)	\$ (5,721)

Schedule E, page 2 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Description	Reference	FPL May 3, 2016 Notice of Filing Adjustments (A)
<u>Operating Revenues:</u>			
1	Revenue From Sales	Line 14	\$ 4,904
2	Other Operating Revenues	Line 18	(979)
3	Total Operating Revenues	Line 19	\$ 3,925
<u>Operating Expenses:</u>			
4	Other Operation & Maintenance	Line 22	(3,632)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	(1,380)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	3,479
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		\$ (1,534)
13	Net Operating Income		\$ 5,459

Source/Notes:

Schedule E, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14 Retail Base Revenues	(7)	\$ 4,903,899 (a)	\$ 4,904
Other Operating Revenues			
15 Aviation gains	(1)	\$ (1,229,710) (a)	(1,230)
16 Late Payment charges	(4)	\$ 244,983 (a)	245
17 Returned Checks	(5)	\$ 6,123 (a)	6
18 Other Operating Revenues		\$ (978,604)	\$ (979)
19 Total Operating Revenues		\$ 3,925,295	\$ 3,925
Other Operation & Maintenance			
20 WCEC Water Reclamation	(3)	\$ (4,031,221)	(4,031)
21 Uncollectible Accounts Expense	(6)	\$ 398,765	399
22 Other Operation & Maintenance		\$ (3,632,456)	\$ (3,632)
Depreciation & Amortization			
23 Depreciation Co Adj	(9)	\$ (2,710)	(3)
24 Dismantlement Co Adj	(10)	\$ (1,377,561)	(1,378)
25 Depreciation & Amortization		\$ (1,380,271)	\$ (1,380)
Income Taxes			
26 Revenue		Line 19	\$ 3,925
27 Pre-Tax Expenses		Lines 22 + 25	\$ (5,013)
28 Synchronized Interest (c)		Line 37	\$ (81)
29 Taxable Income			\$ 9,019
30 Combined State and Federal Income Tax Rate Used			0.38575
31 Income Tax Expense		Line 29 x Line 30	\$ 3,479
(a) Page 3, lines 22-28 state the income statement amounts as net operating income impacts			
32 Combined State and Federal Income Tax Rate Used		0.38575	
33 NOI factor: 1 minus Income Tax Rate		0.61425	
34 1 divided by NOI factor		1.62800	
(c) Synchronized Interest			
35 Rate Base	Page 1	\$ (5,721)	
36 FPL Interest	Page 3	1.4173%	
37 Synchronized Interest		\$ (81)	

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Rate Base and Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments

Line No.	Description	2017										Total
		(1) Aviation gains	(2) Pension Debit	(3) WCEC Water Reclamation	(4) Late Payment charges	(5) Returned Checks	(6) Uncollectible Accounts Expense	(7) Retail Base Revenues	(8) DSM Adj	(9) Depreciation Co Adj	(10) Dismantlement Co Adj	
RATE BASE												
1	PLANT IN SERVICE											
2	DEPRECIATION & AMORT RESERVE				\$ -					\$ 1,328	\$ 724,578	\$ 725,906
3	NET PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ 725,906
4												
5	FUTURE USE PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	CWIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	NUCLEAR FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	NET UTILITY PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ 725,906
9												
10	WORKING CAPITAL		\$ (3,646,236)	\$ -	\$ -	\$ -	\$ 30,107	\$ -	\$ -	\$ -	\$ -	\$ (3,616,129)
11	RATE BASE - INCREASE/(DECREASE)	\$ -	\$ (3,646,236)	\$ -	\$ -	\$ -	\$ 30,107	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ (2,890,223)
12												
13	JURISDICTIONAL FACTOR ⁽²⁾	-	0.96745	-	1.00000	1.00000	1.00000	1.00000	-	1.00000	0.95060	
14	JURISDICTIONAL RATE BASE	\$ -	\$ (3,527,564)	\$ -	\$ -	\$ -	\$ 30,107	\$ -	\$ (2,913,278)	\$ 1,328	\$ 688,781	\$ (5,720,626)
15												
16	PRE-TAX RATE OF RETURN (D-1a) ⁽¹⁾	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	
17												
18	RETURN ON RATE BASE	\$ -	\$ (348,028)	\$ -	\$ -	\$ -	\$ 2,970	\$ -	\$ (287,422)	\$ 131	\$ 67,955	\$ (564,394)
19												
20	COST OF DEBT (D-1a) ⁽¹⁾	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%
21	INTEREST SYNC ADJUSTMENT	-	19,286	-	-	-	(165)	-	15,927	(7)	(3,766)	31,275
NET OPERATING INCOME												
22	OPERATION AND MAINTENANCE EXPENSE	\$ -	\$ -	\$ (4,243,153)	\$ -	\$ -	\$ 398,765	\$ -	\$ -	\$ -	\$ -	\$ (3,844,388)
23	DEPRECIATION & AMORTIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,710)	\$ (1,449,157)	
24	REVENUES	\$ 1,229,710	\$ -	\$ -	\$ (244,983)	\$ (6,123)	\$ -	\$ (4,903,899)	\$ -	\$ -	\$ -	\$ (3,925,295)
25	TOTAL - INCREASE/(DECREASE)	\$ 1,229,710	\$ -	\$ (4,243,153)	\$ (244,983)	\$ (6,123)	\$ 398,765	\$ (4,903,899)	\$ -	\$ (2,710)	\$ (1,449,157)	\$ (7,769,683)
26												
27	JURISDICTIONAL FACTOR ⁽²⁾	1.00000	-	0.95005	1.00000	1.00000	1.00000	1.00000	-	1.00000	0.95060	
28	JURISDICTIONAL NET OPERATING INCOME	\$ 1,229,710	\$ -	\$ (4,031,221)	\$ (244,983)	\$ (6,123)	\$ 398,765	\$ (4,903,899)	\$ (450,736)	\$ (2,710)	\$ (1,377,561)	\$ (9,388,758)
SUBTOTAL (SUM OF LINES 18, 21, & 25)												
26	SUBTOTAL (SUM OF LINES 18, 21, & 25)	\$ 1,229,710	\$ (328,742)	\$ (4,031,221)	\$ (244,983)	\$ (6,123)	\$ 401,571	\$ (4,903,899)	\$ (722,232)	\$ (2,586)	\$ (1,313,372)	\$ (9,921,877)
27	RAF and Bad Debt Multiplier ⁽³⁾	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137
28	TOTAL REVENUE REQUIREMENT	\$ 1,231,395	\$ (329,193)	\$ (4,036,744)	\$ (245,319)	\$ (6,131)	\$ 402,121	\$ (4,910,617)	\$ (723,221)	\$ (2,590)	\$ (1,315,171)	\$ (9,935,470)

Notes:

- ⁽¹⁾ Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY
- ⁽²⁾ Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY
- ⁽³⁾ Refer to MFR C-44 for TY & SY
- ⁽⁴⁾ Fukushima adjustment only applies to 2018.

Schedule F, page 1 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Rate Base Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL June 16, 2016 Second Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 10,669
3	Net Plant in Service	10,669
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	10,669
8	Working Capital Allowance	776
9	Other Rate Base Items	
10	Total Rate Base	\$ 11,445

Source/Notes:

Schedule F, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(3)	\$ 10,669,329	\$ 10,669
12		\$ -	-
13		<u>\$ 10,669,329</u>	<u>\$ 10,669</u>
Working Capital Allowance			
14	(2)	\$ 775,850	\$ 776
15			
16			
17		<u>\$ 775,850</u>	<u>\$ 776</u>
18		<u>\$ 11,445,179</u>	<u>\$ 11,445</u>

Schedule F, page 2 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Description	Reference	FPL June 16, 2016 Notice of Filing Adjustments (A)
<u>Operating Revenues:</u>			
1	Revenue From Sales	Line 14	715
2	Other Operating Revenues	Line 18	
3	Total Operating Revenues	Line 19	<u>715</u>
<u>Operating Expenses:</u>			
4	Other Operation & Maintenance	Line 22	(19)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	(21,824)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	8,639
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		<u>(13,204)</u>
13	Net Operating Income		<u><u>13,919</u></u>

Source/Notes:

Schedule F, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14 EDR	(1)	<u>715,000 (a)</u>	<u>715</u>
Other Operating Revenues			
15			
16			
17			
18 Other Operating Revenues		<u>\$ -</u>	<u>\$ -</u>
19 Total Operating Revenues		<u>\$ 715,000</u>	<u>\$ 715</u>
Other Operation & Maintenance			
20 EDR	(1)	\$ (19,028)	(19)
21			
22 Other Operation & Maintenance		<u>\$ (19,028)</u>	<u>\$ (19)</u>
Depreciation & Amortization			
23 Depreciation Co Adj	(3)	\$ (21,824,174)	(21,824)
24			
25 Depreciation & Amortization		<u>\$ (21,824,174)</u>	<u>\$ (21,824)</u>
Income Taxes			
26 Revenue		Line 19	\$ 715
27 Pre-Tax Expenses		Lines 22 + 25	\$ (21,843)
28 Synchronized Interest (c)		Line 37	\$ 162
29 Taxable Income			\$ 22,396
30 Combined State and Federal Income Tax Rate Used			0.38575
31 Income Tax Expense		Line 29 x Line 30	<u>\$ 8,639</u>

(a) Page 3, lines 22-28 state the income statement amounts as net operating income impacts
 32 Combined State and Federal Income Tax Rate Used 0.38575
 33 NOI factor: 1 minus Income Tax Rate 0.61425
 34 1 divided by NOI factor 1.62800

(c) Synchronized Interest
 35 Rate Base Page 1 \$ 11,445
 36 FPL Interest Page 3 1.4173%
 37 Synchronized Interest \$ 162

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Company Rate Base and Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments

		2017			
Line No.	DESCRIPTION	(1) EDR	(2) SJRPP - Def Credit - Dismantlement	(3) Depreciation Co Adj (4)	Total
RATE BASE					
1	PLANT IN SERVICE			-	-
2	DEPRECIATION & AMORT RESERVE		-	11,153,114	11,153,114
3	NET PLANT IN SERVICE	-	-	11,153,114	11,153,114
4					
5	FUTURE USE PLANT	-	-	-	-
6	CWIP	-	-	-	-
7	NUCLEAR FUEL	-	-	-	-
8	NET UTILITY PLANT	-	-	11,153,114	11,153,114
9					
10	WORKING CAPITAL		816,173	-	816,173
11	RATE BASE - INCREASE/(DECREASE)	-	816,173	11,153,114	11,969,287
12					
13	JURISDICTIONAL FACTOR (2)	-	0.95060	0.95662	
14	JURISDICTIONAL RATE BASE	-	775,850	10,669,329	11,445,179
15					
16	PRE-TAX RATE OF RETURN (D-1a) (1)	9.8659%	9.8659%	9.8659%	9.8659%
17					
18	RETURN ON RATE BASE	-	76,545	1,052,631	1,129,176
19					
20	COST OF DEBT (D-1a) (1)	1.4173%	1.4173%	1.4173%	1.4173%
21	INTEREST SYNC ADJUSTMENT	-	(4,242)	(58,330)	(62,572)
NET OPERATING INCOME					
22	OPERATION AND MAINTENANCE EXPENSE	(19,028)	-	-	(19,028)
23	DEPRECIATION & AMORTIZATION	-	-	(22,794,378)	
24	REVENUES	715,000	-	-	715,000
25	TOTAL - INCREASE/(DECREASE)	695,972	-	(22,794,378)	695,972
26					
27	JURISDICTIONAL FACTOR (2)	1.00000	-	0.95744	
28	JURISDICTIONAL NET OPERATING INCOME	695,972	-	(21,824,174)	(21,128,202)
SUBTOTAL (SUM OF LINES 18, 21, & 25)					
29		695,972	72,303	(20,829,874)	(20,061,598)
30	RAF and Bad Debt Multiplier (3)	1.00137	1.00137	1.00137	1.00137
31	TOTAL REVENUE REQUIREMENT	696,926	72,402	(20,858,411)	(20,089,083)

Notes:

(1) Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY

(2) Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY

(3) Refer to MFR C-44 for TY & SY

(4) Jurisdictional factor reflected for this adjustment is a composite rate. Jurisdictional factors by function are reflected in the supporting tabs in this workbook.

Source: [Attachment No. 1 - Second Notice of Identified Adjustments Workpapers.xlsx]rev req

Florida Power & Light Company
Docket No. 160021-EI
Exhibit RCS-3
Accompanying the Direct Testimony of Ralph Smith
Revenue Requirement Schedules - 2018 Subsequent Year Adjustment
CONTENTS

Schedule Number	Description	No. of Pages	Confidential	Page No.
A-1	Calculation of Revenue Deficiency (Sufficiency)	1	No	2
B-1	Adjusted Rate Base	2	No	3-4
B-2	Plant Held for Future Use	1	No	5
C-1	Adjusted Net Operating Income	2	No	6-7
C-2	Rate Case Expense	1	No	8
C-3	Generation Overhaul Expense Normalization	1	No	9
C-4	Income Tax Expense - Impact of Other Adjustments	1	No	10
C-5	Interest Synchronization Adjustment	1	No	11
C-6	Revenue at Current Rates - Adjustment for Sales Forecast	1	No	12
C-7	Depreciation Expense - New Depreciation Rates	1	No	13
D	Capital Structure and Cost Rates	1	No	14
E	Summary of FPL's May 3, 2016 Notice of Filing Adjustments	3	No	15-17
F	Summary of FPL's June 16, 2016 Second Notice of Filing Adjustments	3	No	18-20
	Total Pages (including Contents page)	20		

Schedule A-1

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Florida Power & Light Company
 Projected Year Ended December 31, 2018

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase (Decrease)
 (Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 33,870,897	\$ 34,269,536	Exh. RCS-3, Sch. B-1
2	Required Rate of Return	6.71%	5.17%	Exh. RCS-3, Sch. D
3	Jurisdictional Income Required	2,271,063	1,772,069	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	1,575,711	2,142,473	Exh. RCS-3, Sch. C-1
5	Income Deficiency (Sufficiency)	695,352	(370,404)	Line 3 - Line 4
6	Earned Rate of Return	4.65%	6.25%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.63024	1.63025	See below
8	Revenue Deficiency (Sufficiency)	\$ 1,133,593	\$ (603,852)	Line 5 x Line 7
9	2017 Revenue Increase (Decrease) Requested	\$ 871,301	\$ (811,834)	
10	Rate Increase Requested (After 2017 Increase)	\$ 262,292	\$ -	None if line 8 is less than zero

Source/Notes:

Col. (A): MFR Schedule A-1

Line 7: MFR Sch. A-1 and C-44

Col. (B), Line 7: FPL's May 3, 2016 Notice of Identified Adjustments, Item No. 5, NOI Multiplier

Florida Power & Light Company
Projected Year Ended December 31, 2018Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
(Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
1	Plant in Service	\$ 45,511,408			\$ 45,511,408	\$ (45,335)	\$ 45,466,073
2	Accumulated Depreciation & Amortization	\$ (14,227,659)	\$ 1,994	\$ 33,803	\$ (14,191,862)	\$ 439,500	\$ (13,752,362)
3	Net Plant in Service	\$ 31,283,750	\$ 1,994	\$ 33,803	\$ 31,319,546	\$ 394,165	\$ 31,713,711
4	Construction Work in Progress	\$ 807,675			\$ 807,675		\$ 807,675
5	Plant Held For Future Use	\$ 242,917			\$ 242,917	\$ (14,235)	\$ 228,682
6	Nuclear Fuel	\$ 606,781			\$ 606,781		\$ 606,781
7	Total Net Plant	\$ 32,941,123	\$ 1,994	\$ 33,803	\$ 32,976,919	\$ 379,930	\$ 33,356,850
8	Working Capital Allowance	\$ 929,774	\$ (14,924)	\$ 914	\$ 915,764	\$ (3,078)	\$ 912,686
9	Other Rate Base Items						\$ -
10	Total Rate Base	\$ 33,870,897	\$ (12,930)	\$ 34,717	\$ 33,892,683	\$ 376,852	\$ 34,269,536

Source/Notes:

Col. (A): Company MFR Schedule B-1

Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-3, Schedule E, page 1

Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-3, Schedule F

Col. (D): Sum of columns A, B and C

Col. (E): See Exhibit RCS-2, Schedule B-1, page 2

Col. (F): Sum of columns D and E

Florida Power & Light Company
Projected Year Ended December 31, 2018Adjusted Rate Base-Summary of Adjustments
(Thousands of Dollars)

Line No.	Adjustment Title	Reference	OPC Adjustments	Jurisdictional Separation Factor	Jurisdictional Amount
<u>Plant in Service Adjustments:</u>					
1	Storm Hardening	Exhibit HWS-9	\$ (45,335)	1.000000	\$ (45,335)
2	<i>Total Plant in Service</i>		<u>\$ (45,335)</u>		<u>\$ (45,335)</u>
3					
4					
5	<u>Accumulated Depreciation Adjustments:</u>				
6	OPC's Adjustment to New Depreciation Rates for 2017	Exh. RCS-2, Sch. C-7			\$ -
7	Depreciation Expense	One-half Depr'n Exp.	\$ (143,093)	0.897028	\$ (128,358)
8	Depreciation Reserve Excess - 2017 impact (full year)	Annual Amort. full year	\$ (230,782)	0.897028	\$ (207,018)
9	Depreciation Reserve Excess - 2018 impact (1/2 year)	[1/2 of annual amort]	\$ (115,391)	0.897028	\$ (103,509)
10	Storm Hardening	Exhibit HWS-9	\$ (615)	1.000000	\$ (615)
11	<i>Total Accumulated Depreciation</i>		<u>\$ (489,881)</u>		<u>\$ (439,500)</u>
12					
13					
14					
15					
16					
17	<u>Plant Held for Future Use:</u>				
18	Reduction to Transmission PHFFU	Exh. RCS-2, Sch. B-2	\$ (4,637)	0.903661	\$ (4,191)
19	Reduction to Distributor PHFFU	Exh. RCS-2, Sch. B-2	\$ (10,044)	1.000000	\$ (10,044)
20	<i>Total Plant Held for Future Use</i>		<u>\$ (14,681)</u>		<u>\$ (14,235)</u>
21					
22	<u>Working Capital Adjustments</u>				
23	Adjustment to Working Capital	Exhibit HWS-11		Various	
24	Remove Unamortized Rate Case Expense	Smith Testimony	\$ (3,078)	1.000000	\$ (3,078)
25		FPL Sch B-1, p.3, L23			
26	<i>Total Working Capital</i>		<u>\$ (3,078)</u>		<u>\$ (3,078)</u>

Notes:

Jurisdictional Separation Factors from FPL's MFR Schedule B-6.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of Helmut W. Schultz, III.

Schedule B-2

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018
January 2018 Step Increase

Reduction to Plant Held For Future Use (PHFFU)
Plant Held for Future Use Adjustment 2018 Test Year

Line No.	Description	Test Year 2017 13 Month Average (A)	Test Year Jurisdictional Factor (B)	Test Year Jurisdictional Amount (C)
1	Transmission	\$ (4,637,315)	0.903661	\$ (4,190,561)
2	Distribution	\$ (10,043,802)	1.000000	\$ (10,043,802)
3	Total Adjustment	<u>\$ (14,681,117)</u>		<u>\$ (14,234,363)</u>

Notes and Source:

See Schedule B-2, Exhibit RCS-2, page 2 for detail
Col. B: FPL MFR Schedule B-15

Florida Power & Light Company
Projected Year Ended December 31, 2018Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
<u>Operating Revenues:</u>							
1	Sales From Electricity	\$ 5,766,631	\$ 5,492	\$ 850	\$ 5,772,973	\$ 254,008	\$ 6,026,981
2	Other Operating Revenues	\$ 200,898	\$ (6,761)		\$ 194,137		\$ 194,137
3	Total Operating Revenues	\$ 5,967,529	\$ (1,269)	\$ 850	\$ 5,967,110	\$ 254,008	\$ 6,221,118
<u>Operating Expenses:</u>							
4	Operation & Maintenance:	\$ 1,379,393	\$ (4,046)	\$ (26)	\$ 1,375,321	\$ (64,881)	\$ 1,310,440
5	Fuel	\$ 24,262			\$ 24,262		\$ 24,262
6	Purchased Power	\$ -			\$ -		\$ -
7	Deferred Costs				\$ -		\$ -
8	Depreciation & Amortization	\$ 1,738,419	\$ (1,382)	\$ (23,660)	\$ 1,713,377	\$ (496,463)	\$ 1,216,914
9	Taxes Other Than Income Taxes	\$ 615,473			\$ 615,473	\$ (2,809)	\$ 612,664
10	Income Taxes	\$ 645,029	\$ 1,680	\$ 9,262	\$ 655,971	\$ 269,153	\$ 925,124
11	(Gain)/Loss on Disposal of Plant	\$ (10,759)			\$ (10,759)		\$ (10,759)
12	Total Operating Expenses	\$ 4,391,818	\$ (3,748)	\$ (14,424)	\$ 4,373,645	\$ (295,000)	\$ 4,078,645
13	Net Operating Income	\$ 1,575,711	\$ 2,479	\$ 15,274	\$ 1,593,465	\$ 549,008	\$ 2,142,473

Source/Notes

Col.(A): Per Company amounts are from FPL MFR Schedule C-1

Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 2

Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F

Col. (D): Sum of columns A, B and C

Col. (E): See Exhibit RCS-2, Schedule C-1, page 2

Col. (F): Sum of columns D and E

Schedule C-1, page 2 of 2

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
(Thousands of Dollars)

Line No.	Adjustment Title	Reference	OPC Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
<u>Revenue at Current Rates</u>					
1	Revenue at Current Rates - Sales Forecast Adjustment	Dismukes Testimony	\$ 259,500	1.000000	\$ 259,500
2	less amount in FPL Corrections	Exh. RCS-3, Sch. C-6	\$ (5,492)	1.000000	\$ (5,492)
3	subtotal		\$ 254,008		\$ 254,008
4					
<u>Other Operating and Maintenance Expense</u>					
6	Rate Case Expense	Exh. RCS-3, Sch. C-2	\$ (326)	1.000000	\$ (326)
7	Employee Count Adjustment	Exh. HWS-10, p.1	\$ (16,530)	0.964177	\$ (15,938)
8	Employee Incentive Compensation Adjustment	Exh. HWS-10, p.2	\$ (28,216)	0.967467	\$ (27,298)
9	Benefit Expense Adjustment	Exh. HWS-10, p.4	\$ (2,513)	0.968861	\$ (2,435)
10	Distribution Vegetative Mgt. - Tree Trimming	Exh. HWS-10, p.5	\$ (7,428)	1.000000	\$ (7,428)
11	Pole Inspection Expense	Exh. HWS-10, p.6	\$ (1,693)	0.999422	\$ (1,692)
12	Directors & Officers Liability Insurance	Exh. HWS-8	\$ (1,391)	0.984797	\$ (1,370)
13			\$ -	-	\$ -
14	Uncollectible Expense - on Revenue Adjustment	Exh. RCS-3, Sch. C-6	\$ 168	1.000000	\$ 168
15	Generation Overhaul Expense Normalization	Exh. RCS-2, Sch. C-3	\$ (9,037)	0.947444	\$ (8,562)
16	subtotal		\$ (66,966)		\$ (64,881)
17					
<u>Depreciation & Amortization Expense</u>					
Depreciation Expense - New Depreciation Rates					
19	Production	Pous Testimony Exh RCS-2, Sch C-7	\$ (211,342)	0.951284	\$ (201,046)
20	Transmission	Exh RCS-2, Sch C-7	\$ (16,063)	0.898735	\$ (14,436)
21	Distribution	Exh RCS-2, Sch C-7	\$ (56,282)	1.000000	\$ (56,282)
22	General	Exh RCS-2, Sch C-7	\$ (2,500)	0.968204	\$ (2,420)
Depreciation Expense - New Depreciation Rates					
24	Excess Reserve	Pous Testimony			
25	Transmission	Exh RCS-2, Sch C-7	\$ (93,970)	0.898735	\$ (84,454)
26	Distribution	Exh RCS-2, Sch C-7	\$ (129,924)	1.000000	\$ (129,924)
27	General	Exh RCS-2, Sch C-7	\$ (6,889)	0.968204	\$ (6,670)
28					
29	Storm Hardening	Exh. HWS-9	\$ (1,231)	1.000000	\$ (1,231)
30	subtotal		\$ (518,199)		\$ (496,463)
31					
<u>Taxes Other Than Income Expense</u>					
33	Payroll Tax Expense - Base Payroll	Exh. HWS-10, p.3	\$ (1,073)	0.986375	\$ (1,058)
34	Payroll Tax Expense - Incentive Compensation	Exh. HWS-10, p.3	\$ (1,775)	0.986375	\$ (1,751)
35	subtotal		\$ (2,848)		\$ (2,809)
36					
<u>Income Tax Expense</u>					
38	Impact of other adjustments	Exh. RCS-3, Sch. C-4		Various	\$ 317,724
39	Interest Synchronization Adjustment	Exh. RCS-3, Sch. C-3		Various	\$ (48,571)
40	subtotal				\$ 269,153

Schedule C-2

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018
January 2018 Step Increase

Rate Case Expense

(Thousands of Dollars)

<u>Line</u> <u>No.</u>	<u>Description</u>	<u>Amortization</u> <u>Expense</u>
1	Rounded Adjustment to Test Year Amortization Expense (\$000)	<u>\$ (326)</u>

Notes and Source

Exhibit No. RCS-2, Schedule C-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Generation Overhaul Expense Normalization

Line No	Description	2014-2018					2014-2017	2014-2018
		(A)	(B)	(C)	(D)	(E)	Four-Year Escalated Average (F)	Five-Year Escalated Average (F)
1	Steam Plant Overhaul Expense	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	\$ 21,288,659		
2	- Less Retired Units							
3	Subtotal	16,842,966	9,430,036	16,191,801	4,660,307	21,288,659		
4	O&M Compound Multiplier, 2014 - 2018	1.057680	1.056624	1.041624	1.020600	1.000000		
5	Steam Plant Overhaul Expense - Existing Plants	<u>\$ 17,814,475</u>	<u>\$ 9,964,000</u>	<u>\$ 16,865,774</u>	<u>\$ 4,756,309</u>	<u>\$ 21,288,659</u>	\$ 12,350,140	\$ 11,781,536
6	Other Production Plant Overhaul Expense	\$ 28,667,337	\$ 25,439,543	\$ 25,697,300	\$ 42,803,842	\$ 32,249,855		
7	- Less							
8	- Plus Port Everglades Modernized Unit 5	<u>\$ 597,210</u>	<u>\$ 597,210</u>					
9	Subtotal	\$ 29,264,547	\$ 26,036,753	\$ 25,697,300	\$ 42,803,842	\$ 32,249,855		
10	O&M Compound Multiplier, 2014 - 2018	1.057680	1.056624	1.041624	1.020600	1.000000		
11	Other Production Plant Overhaul Expense - Existing Plants	<u>\$ 30,952,537</u>	<u>\$ 27,511,052</u>	<u>\$ 26,766,934</u>	<u>\$ 43,685,601</u>	<u>\$ 32,249,855</u>	\$ 32,229,031	\$ 32,233,196
12	Central Maintenance Overhaul Support	\$ 1,183,932	\$ 1,096,447	\$ 1,074,365	\$ 1,074,365	\$ 1,184,487	\$ 1,107,277	\$ 1,122,719
13	Total	<u>\$ 49,950,944</u>	<u>\$ 38,571,499</u>	<u>\$ 44,707,073</u>	<u>\$ 49,516,275</u>	<u>\$ 54,723,001</u>		
14	OPC Recommended Normalized Generation Overhaul Expense						\$ 45,686,448	\$ 45,137,451
15	2018 Generation Overhaul Expense in 2018 Base Rate Change, per FPL (Lines 1, 6 and 12 for 2018)						<u>\$ 54,723,001</u>	<u>\$ 54,723,001</u>
16	Reduction to Generation Overhaul Expense						<u>\$ (9,036,553)</u>	<u>\$ (9,585,550)</u>
17	Jurisdictional Factor						0.947444	0.947444
18	Reduction to Jurisdictional Generation Overhaul Expense (stated in \$000)						<u>\$ (8,562)</u>	<u>\$ (9,082)</u>

Notes and Source

Lines 1, 6,& 12: FPL Responses to Staff's 6th Set of Interrogatories, Interrogatory 153
 Lines 4 and 10: MFR Sch. C-40, ad modified to reflect OPC witness Dismukes' recommendations for 2016, 2017, and 2018 general inflation

Inflation Rates:	Year	Inflation		Factor	For Year
		Rate			
	2014	1.60%		1.057680	2014
	2015	0.10%		1.056624	2015
	2016	1.44%		1.041624	2016
	2017	2.06%		1.020600	2017
	2018	2.06%		1.000000	2018

Calculation of Compound Multipliers	Year	Formula
	2014	(1+0.001)*(1+0.0144)*(1+0.0206)*(1+0.0206)
	2015	(1+0.0144)*(1+0.0206)*(1+0.0206)
	2016	(1+0.0206)*(1+0.0206)
	2017	(1+0.0206)

Line 8:	Year	Amount
	2016	\$ 145,537
	2017	\$ 850,171
	2018	<u>\$ 795,922</u>
	Average	<u>\$ 597,210</u>

Jurisdictional Factor Calculation:

(Figures taken from MFR Schedule C-4, in \$000)	FPSC		Jurisdictional Factor
	Total Company	Jurisdictional	
Steam Power Generation	\$ 472,934	\$ 448,201	0.947703
Other Power Generation	\$ 2,645,031	\$ 2,505,895	0.947397
Total	<u>\$ 3,117,965</u>	<u>\$ 2,954,096</u>	<u>0.947444</u>

Florida Power & Light Company
Projected Year Ended December 31, 2018Income Tax Expense - Impact of Other Adjustments
(Thousands of Dollars)

Line No.	Description	Amount
	OPC Jurisdictional Operating Income Adjustments (1):	
1	Revenue at Current Rates	\$ 259,500
	Pre-Tax Operating Expenses:	
2	Other Operating and Maintenance Expense	\$ (64,881)
3	Depreciation & Amortization Expense	\$ (496,463)
4	Taxes Other Than Income Expense	\$ (2,809)
5	Subtotal Pre-Tax Operating Expenses	\$ (564,153)
6	Net Increase in Taxable Income	\$ 823,653
7	Composite Income Tax Rate (2)	38.575%
8	Adjustment to Income Tax Expense	\$ 317,724

Notes and Source

- (1) Exhibit RCS-3, Schedule C-1, Page 2
(2) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Schedule C-5

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018
Canaveral Modernization Project
Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
Interest Synchronization Adjustment
(Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 34,269,536	Exh. RCS-3, Sch. B-1
2	Weighted Cost of Debt, per OPC	1.84%	Exh. RCS-3, Sch. D
3	Interest Deduction for Income Taxes	\$ 630,589	
4	Jurisdictional Interest Deduction	\$ 504,675	(a)
5	Increase in Deductible Interest	\$ 125,914	
6	Combined Income Tax Rate	38.575%	
7	Increase (Reduction) to Income Tax Expense	\$ (48,571)	

Notes and Source

(a)	Interest in Operating Income Taxes Sch C-22	\$ 569,484	MFR Schedule C-23
	Jurisdictional Factor	0.979395	MFR Schedule C-3, line 16
	Jurisdictional Interest Deduction	\$ 557,750	

(a) Per Company amount calculated as the per Company rate base of times the per FPL weighted Cost of Debt (long term debt, short term debt and customer deposits):

8	Per Company Rate Base	\$ 33,870,897	Exh. RCS-3, Sch. B-1
9	Per Company weighted Cost of Debt	1.49%	Exh. RCS-3, Sch. D
10	Interest Deduction, per Company	\$ 504,675	
11	Per Company weighted Cost of Debt:	Wtd. Cost Rate	Interest Deduction
12	Preferred Stock	1.44%	\$ 488,174
13	Common Equity	0.03%	\$ 8,619
14	Investment Tax Credits	0.02%	\$ 7,882
15	Per Company weighted Cost of Debt	1.49%	\$ 504,675

Florida Power & Light Company
Projected Year Ended December 31, 2018Revenue at Current Rates - Adjustment for Sales Forecast
(Thousands of Dollars)

Line No.	Description	Amount	Reference
Revenue at Current Rates			
1	OPC Forecast Adjustment	\$ 259,500	(a)
2	Less: Amount in FPL May 3, 2016 Adjustments	\$ 5,492	(b)
3	Net Increase to Revenue at Current Rates	<u>\$ 254,008</u>	
Pre-Tax Operating Expenses:			
Uncollectibles Expense			
4	Bad Debt Rate	0.00066	(c)
5	Increase in Uncollectibles Expense	<u>\$ 168</u>	

Notes and Source

- (a) Testimony of OPC witness David Dismukes
- (b) FPL May 3, 2016 Notice of Identified Adjustments, item 4
See Exhibit RCS-3, Schedule E, page 2, Revenue from Sales
- (c) Bad Debt Rate from MFR Schedule C-44, line 5
As corrected per FPL's May 3, 2016 Notice of Identified Corrections, item 5, NOI Multiplier,
Bad Debt Rate

Florida Power & Light Company
Test Year Ended December 31, 2018
Annual Depreciation Accruals - New Depreciation Rates

Line No.	Function	FP&L Existing			FP&L Proposed			Per OPC			Excess Depreciation Reserve for Amortization	Excess Depreciation Reserve Annual Amortization	Total OPC Adjustments
		Original Cost (Based on 12/31/2017 Electric Plant)	Annual Depr. Rate	Annual Depr. Accruals	Annual Depr. Rate	Annual Depr. Accruals	Increase/Decrease	Annual Depr. Rate	Annual Depr. Accruals	Difference			
		(A)	(B)	(C)	(D)	(E)	(F)	(1)	(2)	(3)	(4)	(5)	(6)
I. Calculated Depreciation Expense on 12/31/2017 Plant													
1	Steam	\$3,243,194,417	2.5	\$80,638,814	3.79	\$122,769,150	\$42,130,336	3.78	\$122,494,085	(\$275,065)	0		(\$275,065)
2	Nuclear	\$7,822,373,927	2.0	\$160,192,998	4.16	\$325,071,491	\$164,878,493	4.01	\$313,315,024	(\$11,756,467)	0		(\$11,756,467)
3	Combined Cycle	\$10,884,506,011	3.8	\$412,097,322	4.33	\$471,568,850	\$59,271,528	2.50	\$272,105,968	(\$199,262,882)	0		(\$199,262,882)
4	Peaker Plants	\$527,598,853	3.3	\$17,181,142	3.31	\$17,472,743	\$291,601	3.08	\$16,274,967	(\$1,197,776)	0		(\$1,197,776)
5	Solar	\$1,051,134,801	3.3	\$34,687,449	3.18	\$33,409,047	(\$1,278,402)	3.18	\$33,377,313	(\$31,734)	0		(\$31,734)
6	Total Production	23,528,808,008	3.0	704,797,725	4.12	970,091,281	265,293,556	3.22	757,567,358	(212,523,923)	-	-	(212,523,923)
7													
8	Transmission	\$5,577,625,822	2.8	\$153,559,713	2.50	\$139,417,357	(\$14,142,356)	2.21	\$123,360,653	(\$16,056,704)	\$375,878,092	(\$93,969,523)	(\$110,026,227)
9	Distribution	\$16,015,951,572	3.4	\$537,116,945	3.19	\$510,924,906	(\$26,192,039)	2.75	\$439,673,732	(\$71,251,174)	\$519,694,355	(\$129,923,589)	(\$201,174,763)
10	General	\$858,008,962	4.4	\$37,489,110	3.94	\$33,801,079	(\$3,688,031)	3.60	\$30,845,717	(\$2,955,362)	\$27,554,227	(\$6,888,537)	(\$9,843,919)
11	Total Trans., Dist. and General Plant	22,451,586,356	3.2	728,165,768	3.05	684,143,342	(44,022,426)	2.65	593,880,102	(90,263,240)	923,126,674	(230,781,669)	(321,044,909)
12													
13													
14	Grand Total	45,980,394,364	3.1	1,432,963,493	3.60	1,654,234,623	221,271,130	2.94	1,351,447,459	(302,787,164)	923,126,674	(230,781,669)	(533,568,832)

II. Depreciation Expense Adjustment for Ratemaking - 2018 Projected Test Year

Function	FPL New Depreciation Rates Expense Adjustment	Depreciation Expense -Clauses	Depreciation Expense - Base Rates	Jurisdictional Factors	FPL New Depreciation Rates Juris. Expense Adjustment	OPC New Depreciation Rates Expense Adjustment	Ratio of FPL Base Rates Expense Adj to Total Exp. Adj.	OPC Depreciation Expense Adjustment - Base Rates	Excess Depreciation Reserve Annual Amortization	OPC Total Depreciation Expense Adjustment After Clauses	Jurisdictional Factors	OPC New Depreciation Rates Juris. Expense Adjustment
15	Steam	\$43,253,022	\$13,193,385	\$28,059,637	0.9512837	\$26,692,676	64.8732%	(\$178,443)		(\$178,443)	0.9512837	(\$169,750)
16	Nuclear	\$163,550,927	\$3,957,612	\$159,593,315	0.9512837	\$151,818,526	97.5802%	(\$11,471,984)		(\$11,471,984)	0.9512837	(\$10,913,112)
17	Other	\$52,132,143	\$208,202	\$51,923,941	0.9512837	\$49,394,401	99.6006%	(\$199,691,625)		(\$199,691,625)	0.9512837	(\$189,963,395)
18	Total Production	258,936,092	19,359,199	239,576,893		227,905,602		(211,342,052)	-	(211,342,052)	0.9512837	(201,046,257)
19												
20	Transmission	(\$9,870,108)	\$3,599	(\$9,873,707)	0.8987352	(\$8,873,848)	100.0365%	(\$16,062,565)	(\$93,969,523)	(\$110,032,088)	0.8987352	(\$98,889,713)
21	Distribution	(\$23,123,520)	(\$4,858,090)	(\$18,265,430)	1.0000000	(\$18,265,430)	78.9907%	(\$56,281,801)	(\$129,923,589)	(\$186,205,390)	1.0000000	(\$186,205,390)
22	General	(\$3,041,361)	(\$468,931)	(\$2,572,430)	0.9682042	(\$2,490,637)	84.5815%	(\$2,499,690)	(\$6,888,537)	(\$9,388,247)	0.9682042	(\$9,089,740)
23	Total Trans., Dist. and General Plant	(36,034,988)	(5,323,422)	(30,711,566)		(29,629,915)		(74,844,050)	(230,781,669)	(305,625,725)		(294,184,843)
24												
25												
26	Grand Total	222,901,104	14,035,777	208,865,327		198,275,687		(286,186,108)	(230,781,669)	(516,967,777)		(495,231,100)
27												
28	Compare FPL Total Jurisdictional Adjustment (based on MFR Schedule C-2)					198,275,687 (a)						

Notes and Source

Columns A-F, Line Nos. 1-16: FPL Exhibit NWA-1, Page 7 of 762

Excess Depreciation Reserve is being amortized over 4 years per recommendation of OPC witness Pous.

(a): MFR Schedule C-2 for Projected Test Year Ended 12/31/18, Page 3 of 3, Line 15

Col.G: FPL response to OPC Fifth Set of Interrogatories, No. 172, Attachment I

Col.H, lines 15-26; Col. G - Col. I.

Col. H, line 26: FPL response to OPC Fifth Set of Interrogatories, No. 172, Attachment I. Clauses amounts for 2018 spread in same proportion to FPL Clause adjustments for 2017.

Cols. I, J, and K: FPL response to OPC's Fifth Set of Interrogatories, No. 169, Attachment 2

OPC Depreciation Rate Recommendations from OPC witness Jack Pous are summarized in columns (1) through (6) above.

Florida Power & Light Company
Projected Test Year Ended December 31, 2018

Cost of Capital
(Thousands of Dollars)

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Per OPC Weighted Cost Rate (H)
Per Company									
1	Long Term Debt	\$ 10,024,107		\$ 10,024,107		\$ 10,024,107	29.60%	4.87%	1.44%
2	Short Term Debt	\$ 321,611		\$ 321,611		\$ 321,611	0.95%	2.68%	0.03%
3	Preferred Stock	\$ -		\$ -		\$ -	0.00%	0.00%	0.00%
4	Common Equity	\$ 15,284,522		\$ 15,284,522		\$ 15,284,522	45.13%	11.50%	5.19%
5	Customer Deposits	\$ 386,360		\$ 386,360		\$ 386,360	1.14%	2.04%	0.02%
6	Deferred Taxes	\$ 7,753,738		\$ 7,753,738		\$ 7,753,738	22.89%	0.00%	0.00%
7	Investment Tax Credits	\$ 100,559		\$ 100,559		\$ 100,559	0.30%	8.87%	0.03%
8	Total	\$ 33,870,897	\$ -	\$ 33,870,897		\$ 33,870,897	100.00%		6.71%
Per OPC									
9	Long Term Debt	\$ 10,024,107	\$ 2,392,637	\$ 12,416,744	\$ 146,137	\$ 12,562,882	36.66%	4.87%	1.79%
10	Short Term Debt	\$ 321,611	\$ 76,765	\$ 398,376	\$ 4,689	\$ 403,064	1.18%	2.68%	0.03%
11	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
12	Common Equity	\$ 15,284,522	\$ (2,469,402)	\$ 12,815,120	\$ 150,826	\$ 12,965,946	37.84%	8.75%	3.31%
13	Customer Deposits	\$ 386,360	\$ -	\$ 386,360	\$ 4,547	\$ 390,907	1.14%	2.04%	0.02%
14	Deferred Taxes	\$ 7,753,738	\$ -	\$ 7,753,738	\$ 91,257	\$ 7,844,995	22.89%	0.00%	0.00%
15	Investment Tax Credits	\$ 100,559	\$ -	\$ 100,559	\$ 1,184	\$ 101,743	0.30%	6.84%	0.02%
16	Total	\$ 33,870,897	\$ (0)	\$ 33,870,897	\$ 398,639	\$ 34,269,536	100.00%		5.17%

Ratio of Debt & Equity Components	Per FPL Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio Per OPC^ (c)	Revised Allocations (d)	Adjs. To Reflect OPC Cap. Struct. (e) = (d - a)
17 Long Term Debt	\$ 10,024,107	39.11%	48.45%	\$ 12,416,744	\$ 2,392,637
18 Short Term Debt	\$ 321,611	1.25%	1.55%	\$ 398,376	\$ 76,765
19 Common Equity	\$ 15,284,522	59.63%	50.00%	\$ 12,815,120	\$ (2,469,402)
	\$ 25,630,240	100.00%	100.00%	\$ 25,630,240	\$ -

^ Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
20 Long Term Debt	\$ 10,024,107	96.89%	48.45%	48.45%
21 Short Term Debt	\$ 321,611	3.11%	1.55%	1.55%
22	\$ 10,345,718	100.00%	50.00%	50.00%

Notes and Source

The per Company amounts are from MFR Sch. D-1a.

Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell

Column (D): OPC rate base adjustments are from Schedule B-1, page 1, col. E. This includes the FPL update/filing correction rate base adjustments in columns B and C.

Rate Base Adjustments (\$000)	FPL Updates	OPC Adjs	Rate Base Adjs
	\$ 21,787	\$ 376,852	\$ 398,639

Column (G): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 4 sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.

FPL Weighted Cost of Debt for Interest Synchronization	<u>1.49%</u>	Col. H, lines 1, 2 and 5
OPC Weighted Cost of Debt for Interest Synchronization	<u>1.84%</u>	Col. H, lines 9, 10 and 13

Schedule E, page 1 of 3

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018

Company Rate Base Adjustments from May 3, 2016 Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Rate Base Components	FPL May 3, 2016 Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 1,994
3	Net Plant in Service	\$ 1,994
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 1,994
8	Working Capital Allowance	\$ (14,924)
9	Other Rate Base Items	
10	Total Rate Base	\$ (12,930)

Source/Notes:

Schedule E, page 3 of 3

		Page 3 Column		
Description	Reference	Dollars	Thousands of \$	
Accumulated Depreciation & Amortization				
11	Fukushima	\$ (77,803)	\$ (78)	
12	Depreciation Co Adj	\$ 4,216	\$ 4	
13	Dismantlement Co Adj	\$ 2,067,839	\$ 2,068	
14	Accumulated Depreciation & Amortization	\$ 1,994,251	\$ 1,994	
Working Capital Allowance				
14	Mitigation Bank Gain	\$ (2,430,949)	\$ (2,431)	
15	Pension Debit	\$ (8,599,615)	\$ (8,600)	
16	Uncollectible Accounts Expense	\$ (81,172)	\$ (81)	
17	DSM Adj	\$ (3,812,368)	\$ (3,812)	
	Working Capital Allowance	\$ (14,924,104)	\$ (14,924)	
18	Total Rate Base	\$ (12,929,853)	\$ (12,930)	

Schedule E, page 2 of 3

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Year Ended December 31, 2018

Company Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Description	Reference	FPL May 3, 2016 Notice of Filing Adjustments (A)
Operating Revenues:			
1	Revenue From Sales	Line 14	\$ 5,492
2	Other Operating Revenues	Line 18	\$ (6,761)
3	Total Operating Revenues	Line 19	\$ (1,269)
Operating Expenses:			
4	Other Operation & Maintenance	Line 22	\$ (4,046)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	\$ (1,382)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	\$ 1,680
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		\$ (3,748)
13	Net Operating Income		\$ 2,479

Source/Notes:

Schedule E, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14	Outdoor Lighting (8)	\$ (3,833,010) (a)	\$ (3,833)
15	Retail Base Revenues (9)	\$ 9,324,785 (a)	\$ 9,325
16	Revenues (Decrease) Increase	\$ 5,491,775	\$ 5,492
Other Operating Revenues			
17	Aviation gains (1)	\$ (1,229,710) (a)	\$ (1,230)
18	Mitigation Bank Gain (2)	\$ (5,028,704) (a)	\$ (5,029)
19	Late Payment charges (5)	\$ (490,062) (a)	\$ (490)
20	Returned Checks (6)	\$ (12,194) (a)	\$ (12)
21	Other Operating Revenues	\$ (6,760,670)	\$ (6,761)
22	Total Operating Revenues	\$ (1,268,896)	\$ (1,269)
Other Operation & Maintenance			
23	WCEC Water Reclamation (4)	\$ (4,032,828)	\$ (4,033)
24	Uncollectible Accounts Expense (7)	\$ (13,391)	\$ (13)
25	Other Operation & Maintenance	\$ (4,046,219)	\$ (4,046)
Depreciation & Amortization			
26	Depreciation Co Adj (12)	\$ (3,072)	\$ (3)
27	Dismantlement Co Adj (13)	\$ (1,378,559)	\$ (1,379)
28	Depreciation & Amortization	\$ (1,381,631)	\$ (1,382)
Income Taxes			
29	Revenue	Line 22	\$ (1,269)
30	Pre-Tax Expenses	Lines 25 and 28	\$ (5,428)
31	Synchronized Interest (c)	Line 40	\$ (196)
32	Taxable Income		\$ 4,355
33	Combined State and Federal Income Tax Rate Used		0.38575
34	Income Tax Expense	Line 32 x Line 33	\$ 1,680
(a)	Page 3, lines 22-28 state the income statement amounts as after tax net operating income impacts		
35	Combined State and Federal Income Tax Rate Used	0.38575	
36	NOI factor: 1 minus Income Tax Rate	0.61425	
37	1 divided by NOI factor	1.62800 (b)	
(c)	Synchronized Interest		
38	Rate Base	Page 1	\$ (12,930)
39	FPL Interest	Page 3	1.5156%
40	Synchronized Interest		\$ (196)

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Company Rate Base and Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments

Line No.	Description	2018													Total	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
		Aviation gains	Mitigation Bank Gain	Pension Debit	WCEC Water Reclamation	Late Payment charges	Returned Checks	Uncollectible Accounts Expense	Outdoor Lighting	Retail Base Revenues	DSM Adj	Fukushima ⁽⁴⁾	Depreciation Co Adj	Dismantlement Co Adj		
RATE BASE																
1	PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	DEPRECIATION & AMORT RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,788)	\$ 4,216	\$ 2,173,735	\$ 2,096,163
3	NET PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,788)	\$ 4,216	\$ 2,173,735	\$ 2,096,163
4																
5	FUTURE USE PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	CWIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	NUCLEAR FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	NET UTILITY PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (81,788)	\$ 4,216	\$ 2,173,735	\$ 2,096,163
9																
10	WORKING CAPITAL		\$ (2,514,352)	\$ (8,882,026)	\$ -	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,477,550)
11	RATE BASE - INCREASE/(DECREASE)	\$ -	\$ (2,514,352)	\$ (8,882,026)	\$ -	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ -	\$ -	\$ (81,788)	\$ 4,216	\$ 2,173,735	\$ (9,381,387)
12																
13	JURISDICTIONAL FACTOR ⁽²⁾	-	0.96683	0.96820	-	1.00000	1.00000	1.00000	1.00000	1.00000	-	0.95128	1.00000	0.95128		
14	JURISDICTIONAL RATE BASE	\$ -	\$ (2,430,949)	\$ (8,599,615)	\$ -	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ (3,812,368)	\$ (77,803)	\$ 4,216	\$ 2,067,839	\$ (12,929,853)	
15																
16	PRE-TAX RATE OF RETURN (D-1a) ⁽¹⁾	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%
17																
18	RETURN ON RATE BASE	\$ -	\$ (242,221)	\$ (856,870)	\$ -	\$ -	\$ -	\$ (8,088)	\$ -	\$ -	\$ (379,866)	\$ (7,752)	\$ 420	\$ 206,041	\$ (1,288,337)	
19																
20	COST OF DEBT (D-1a) ⁽¹⁾	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%
21	INTEREST SYNC ADJUSTMENT	\$ -	\$ 14,212	\$ 50,277	\$ -	\$ -	\$ -	\$ 475	\$ -	\$ -	\$ 22,289	\$ 455	\$ (25)	\$ (12,089)	\$ 75,593	
NET OPERATING INCOME																
22	OPERATION AND MAINTENANCE EXPENSE	\$ -	\$ -	\$ -	\$ (4,246,490)	\$ -	\$ -	\$ (13,391)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,259,881)
23	DEPRECIATION & AMORTIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,072)	\$ (1,449,157)	\$ (1,452,228)	
24	REVENUES	\$ 1,229,710	\$ 5,028,704	\$ -	\$ -	\$ 490,062	\$ 12,194	\$ -	\$ 3,833,010	\$ (9,324,785)	\$ -	\$ -	\$ -	\$ -	\$ 1,268,896	
25	TOTAL - INCREASE/(DECREASE)	\$ 1,229,710	\$ 5,028,704	\$ -	\$ (4,246,490)	\$ 490,062	\$ 12,194	\$ (13,391)	\$ 3,833,010	\$ (9,324,785)	\$ -	\$ -	\$ (3,072)	\$ (1,449,157)	\$ (4,443,213)	
26																
27	JURISDICTIONAL FACTOR ⁽²⁾	1.00000	1.00000	-	0.94969	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	-	1.00000	0.95128		
28	JURISDICTIONAL NET OPERATING INCOME	\$ 1,229,710	\$ 5,028,704	\$ -	\$ (4,032,828)	\$ 490,062	\$ 12,194	\$ (13,391)	\$ 3,833,010	\$ (9,324,785)	\$ (584,800)	\$ -	\$ (3,072)	\$ (1,378,559)	\$ (4,743,753)	
SUBTOTAL (SUM OF LINES 18, 21, & 25)																
26	SUBTOTAL (SUM OF LINES 18, 21, & 25)	\$ 1,229,710	\$ 4,800,696	\$ (806,594)	\$ (4,032,828)	\$ 490,062	\$ 12,194	\$ (21,004)	\$ 3,833,010	\$ (9,324,785)	\$ (942,377)	\$ (7,298)	\$ (2,676)	\$ (1,184,608)	\$ (5,956,498)	
27	RAF and Bad Debt Multiplier ⁽³⁾	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	
28	TOTAL REVENUE REQUIREMENT	\$ 1,231,395	\$ 4,807,273	\$ (807,699)	\$ (4,038,353)	\$ 490,733	\$ 12,211	\$ (21,033)	\$ 3,838,262	\$ (9,337,560)	\$ (943,668)	\$ (7,307)	\$ (2,680)	\$ (1,186,231)	\$ (5,964,658)	

Notes:

⁽¹⁾ Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY

⁽²⁾ Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY

⁽³⁾ Refer to MFR C-44 for TY & SY

⁽⁴⁾ Fukushima adjustment only applies to 2018.

Schedule F, page 1 of 3

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Company Rate Base Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL June 16, 2016 Second Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 33,803
3	Net Plant in Service	\$ 33,803
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 33,803
8	Working Capital Allowance	\$ 914
9	Other Rate Base Items	
10	Total Rate Base	\$ 34,717

Source/Notes:

Schedule F, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(3)	\$ 33,803,023	\$ 33,803
12			\$ -
13		\$ 33,803,023	\$ 33,803
Working Capital Allowance			
14	(2)	\$ 914,228	\$ 914
15			
16			
17		\$ 914,228	\$ 914
18		\$ 34,717,251	\$ 34,717

Schedule F, page 2 of 3
 Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Company Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Description	Reference	FPL June 16, 2016 Notice of Filing Adjustments (A)
<u>Operating Revenues:</u>			
1	Revenue From Sales	Line 14	\$ 850
2	Other Operating Revenues	Line 18	
3	Total Operating Revenues	Line 19	\$ 850
<u>Operating Expenses:</u>			
4	Other Operation & Maintenance	Line 22	\$ (26)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	\$ (23,660)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	\$ 9,262
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		\$ (14,424)
13	Net Operating Income		\$ 15,274

Source/Notes:

Schedule F, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14 EDR	(1)	\$ 850,000 (a)	\$ 850
Other Operating Revenues			
15			
16			
17			
18 Other Operating Revenues		\$ -	\$ -
19 Total Operating Revenues		\$ 850,000	\$ 850
Other Operation & Maintenance			
20 EDR	(1)	\$ (25,674)	\$ (26)
21			
22 Other Operation & Maintenance		\$ (25,674)	\$ (26)
Depreciation & Amortization			
23 Depreciation Co Adj	(3)	\$ (23,660,469)	\$ (23,660)
24			
25 Depreciation & Amortization		\$ (23,660,469)	\$ (23,660)
Income Taxes			
26 Revenue		Line 19	\$ 850
27 Pre-Tax Expenses		Lines 22 + 25	\$ (23,686)
28 Synchronized Interest (c)		Line 37	\$ 526
29 Taxable Income			\$ 24,010
30 Combined State and Federal Income Tax Rate Used			0.38575
31 Income Tax Expense		Line 29 x Line 30	\$ 9,262
(a)			
32 Page 3, lines 22-28 state the income statement amounts as net operating income impacts			
33 Combined State and Federal Income Tax Rate Used		0.38575	
34 NOI factor: 1 minus Income Tax Rate		0.61425	
34 1 divided by NOI factor		1.62800 (b)	
(c)			
35 Synchronized Interest			
35 Rate Base	Page 1	\$ 34,717	
36 FPL Interest	Page 3	1.5156%	
37 Synchronized Interest		\$ 526	

Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Company Rate Base and Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments

		2018			
Line No.	DESCRIPTION	(1) EDR	(2) SJRPP - Def Credit - Dismantlement	(3) Depreciation Co Adj (4)	Total
RATE BASE					
1	PLANT IN SERVICE	-	-	-	-
2	DEPRECIATION & AMORT RESERVE	\$ -	\$ -	\$ 35,229,696	\$ 35,229,696
3	NET PLANT IN SERVICE	\$ -	\$ -	\$ 35,229,696	\$ 35,229,696
4					
5	FUTURE USE PLANT	\$ -	\$ -	\$ -	\$ -
6	CWIP	\$ -	\$ -	\$ -	\$ -
7	NUCLEAR FUEL	\$ -	\$ -	\$ -	\$ -
8	NET UTILITY PLANT	\$ -	\$ -	\$ 35,229,696	\$ 35,229,696
9					
10	WORKING CAPITAL		\$ 961,047	\$ -	\$ 961,047
11	RATE BASE - INCREASE/(DECREASE)	\$ -	\$ 961,047	\$ 35,229,696	\$ 36,190,742
12					
13	JURISDICTIONAL FACTOR (2)	-	0.95128	0.95950	
14	JURISDICTIONAL RATE BASE	\$ -	\$ 914,228	\$ 33,803,023	\$ 34,717,251
15					
16	PRE-TAX RATE OF RETURN (D-1a) (1)	9.9641%	9.9641%	9.9641%	9.9641%
17					
18	RETURN ON RATE BASE	\$ -	\$ 91,094	\$ 3,368,151	\$ 3,459,245
19					
20	COST OF DEBT (D-1a) (1)	1.5156%	1.5156%	1.5156%	1.5156%
21	INTEREST SYNC ADJUSTMENT	\$ -	\$ (5,345)	\$ (197,625)	\$ (202,970)
NET OPERATING INCOME					
22	OPERATION AND MAINTENANCE EXPENSE	\$ (25,674)	\$ -	\$ -	\$ (25,674)
23	DEPRECIATION & AMORTIZATION	\$ -	\$ -	\$ (24,563,848)	\$ (24,563,848)
24	REVENUES	\$ 850,000	\$ -	\$ -	\$ 850,000
25	TOTAL - INCREASE/(DECREASE)	\$ 824,326	\$ -	\$ (24,563,848)	\$ (23,739,522)
26					
27	JURISDICTIONAL FACTOR (2)	1.00000	-	0.96322	
28	JURISDICTIONAL NET OPERATING INCOME	\$ 824,326	\$ -	\$ (23,660,469)	\$ (22,836,143)
SUBTOTAL					
29	SUBTOTAL (SUM OF LINES 18, 21, & 25)	\$ 824,326	\$ 85,749	\$ (20,489,943)	\$ (19,579,868)
30	RAF and Bad Debt Multiplier (3)	1.00137	1.00137	1.00137	1.00137
31	TOTAL REVENUE REQUIREMENT	\$ 825,455	\$ 85,867	\$ (20,518,014)	\$ (19,606,692)

Notes:

(1) Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY

(2) Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY

(3) Refer to MFR C-44 for TY & SY

(4) Jurisdictional factor reflected for this adjustment is a composite rate. Jurisdictional factors by function are reflected in the supporting tabs in this workbook.

Source: [Attachment No. I - Second Notice of Identified Adjustments Workpapers.xlsx]rev req

Florida Power & Light Company
Docket No. 160021-EI
Exhibit RCS-4
Accompanying the Direct Testimony of Ralph Smith
Revenue Requirement Schedules - Okeechobee Clean Energy Center
Limited Scope Adjustment
CONTENTS

Schedule Number	Description	No. of Pages	Confidential	Page No.
A-1	Calculation of Revenue Deficiency (Sufficiency)	1	No	2
B-1	Adjusted Rate Base	1	No	3
C-1	Adjusted Net Operating Income	1	No	4
C-2	Interest Synchronization Adjustment	1	No	5
D	Capital Structure and Cost Rates	1	No	6
	Total Pages (including Contents page)	6		

Schedule A-1

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Florida Power & Light Company
 Projected Year Ended May 31, 2020

Adjusted Revenue Deficiency - Okeechobee Limited Scope Increase
 (Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 1,063,315	\$ 1,063,314	Exh. RCS-4, Sch. B-1
2	Required Rate of Return	8.87%	5.17%	Exh. RCS-2, Sch. D
3	Jurisdictional Income Required	\$ 94,348	\$ 54,984	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ (33,868)	\$ (34,228)	Exh. RCS-4, Sch. C-1
5	Income Deficiency (Sufficiency)	\$ 128,217	\$ 89,212	Line 3 - Line 4
6	Net Operating Income Multiplier	1.63024	1.63024	MFR Sch. A-1
7	Revenue Deficiency (Sufficiency)	\$ 209,024	\$ 145,436	Line 5 x Line 7
8	Adjustment (Reduction) to FPL proposed increase		\$ (63,588)	

Source/Notes:

Col. (A): MFR Schedule A-1 - Okeechobee Limited Scope Increase

FPL projects an in-service date of 6/1/2019 for the Okeechobee Clean Energy Center

Schedule B-1

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Florida Power & Light Company
 Projected Year Ended May 31, 2020

Adjusted Rate Bases - Okeechobee Limited Scope Increase
 (Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	OPC Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 1,165,226	\$ -	\$ 1,165,226
2	Accumulated Depreciation & Amortization	\$ (20,553)	\$ -	\$ (20,553)
3	Net Plant in Service	\$ 1,144,673	\$ -	\$ 1,144,673
4	Construction Work in Progress	\$ -		\$ -
5	Plant Held For Future Use	\$ -		\$ -
6	Nuclear Fuel	\$ -		\$ -
7	Total Net Plant	\$ 1,144,673		\$ 1,144,673
8	Working Capital Allowance	\$ -		\$ -
9	Other Rate Base Items	\$ (81,359)	\$ -	\$ (81,359)
10	Total Rate Base	\$ 1,063,315	\$ -	\$ 1,063,314

Source/Notes:

Col. (A): Company MFR Schedule B-1 - Okeechobee Limited Scope Increase
 Col. (B): Exhibit No. RCS-4, Schedule B-1, page 2

Schedule C-1

Docket No: 160021-EI
Okeechobee Limited Scope 2019
Exhibit No. RCS-4

Florida Power & Light Company
Projected Year Ended May 31, 2020

Adjusted Net Operating Income - Okeechobee Limited Scope Increase
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	OPC Adjustments (B)	Adjusted Jurisdictional Total per OPC (C)
<u>Operating Revenues:</u>				
1	Sales From Electricity	\$ -		\$ -
2	Other Operating Revenues	\$ -		\$ -
3	Total Operating Revenues	\$ -	\$ -	\$ -
<u>Operating Expenses:</u>				
4	Operation & Maintenance:	\$ -		\$ -
5	Fuel	\$ -		\$ -
6	Purchased Power	\$ -		\$ -
7	Other	\$ 7,905		\$ 7,905
8	Depreciation & Amortization	\$ 41,105		\$ 41,105
9	Decommissioning Expense	\$ -		\$ -
10	Taxes Other Than Income Taxes	\$ 17,110		\$ 17,110
11	Income Taxes - Current	\$ (161,446)	\$ 360	\$ (161,086)
12	Deferred Income Taxes - Net	\$ 129,194		\$ 129,194
13	Investment Tax Credit - Net	\$ -		\$ -
14	(Gain)/Loss on Disposal of Plant	\$ -		\$ -
15	Total Operating Expenses	\$ 33,868	\$ 360	\$ 34,228
16	Net Operating Income	\$ (33,868)	\$ (360)	\$ (34,228)

Source/Notes:

Col. (A): FPL's MFR Schedule C-1 - Okeechobee Limited Scope Increase

Col. (B): Exhibit RCS-4, Schedule C-2, interest synchronization adjustment to income tax expense

Schedule C-2

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Florida Power & Light Company
 Projected Year Ended May 31, 2020
 Okeechobee Limited Scope Increase

Interest Synchronization Adjustment
 (Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 1,063,314	Exh. RCS-4, Sch. B-1
2	Weighted Cost of Debt, per OPC	<u>1.84%</u>	Exh. RCS-4, Sch. D
3	Interest Deduction for Income Taxes	\$ 19,566	
4	Jurisdictional Interest Deduction, per FPL	<u>\$ 20,500</u>	MFR Schedule C-23
5	Increase in Deductible Interest	\$ (934)	
6	Combined Income Tax Rate	<u>38.575%</u>	
7	Increase (Reduction) to Income Tax Expense	<u><u>\$ 360</u></u>	

Schedule D

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Florida Power & Light Company
 Projected Year Ended May 31, 2020
 Okeechobee Limited Scope Increase
 Cost of Capital
 (Thousands of Dollars)

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Weighted Cost Rate (H)
<u>Per Company</u>									
1	Long Term Debt	\$ 443,868		\$ 443,868		\$ 443,868	39.61%	4.87%	1.93%
2	Short Term Debt			\$ -		\$ -	0.00%	2.68%	0.00%
3	Preferred Stock			\$ -		\$ -	0.00%	0.00%	0.00%
4	Common Equity	\$ 676,799		\$ 676,799		\$ 676,799	60.39%	11.50%	6.95%
5	Customer Deposits			\$ -		\$ -	0.00%	2.04%	0.00%
6	Deferred Taxes			\$ -		\$ -	0.00%	0.00%	0.00%
7	Investment Tax Credits			\$ -		\$ -	0.00%	8.87%	0.00%
8	Total	<u>\$ 1,120,666</u>	<u>\$ -</u>	<u>\$ 1,120,666</u>		<u>\$ 1,120,666</u>	<u>100.00%</u>		<u>8.87%</u>

Per OPC - Uses Recommended 2018 Capital Structure - See Exhibit RCS-3, Schedule D

9	Long Term Debt	\$ 10,024,107	\$ 2,392,637	\$ 12,416,744	\$ 146,137	\$ 12,562,882	36.66%	4.87%	1.79%
10	Short Term Debt	\$ 321,611	\$ 76,765	\$ 398,376	\$ 4,689	\$ 403,064	1.18%	2.68%	0.03%
11	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
12	Common Equity	\$ 15,284,522	\$ (2,469,402)	\$ 12,815,120	\$ 150,826	\$ 12,965,946	37.84%	8.75%	3.31%
13	Customer Deposits	\$ 386,360	\$ -	\$ 386,360	\$ 4,547	\$ 390,907	1.14%	2.04%	0.02%
14	Deferred Taxes	\$ 7,753,738	\$ -	\$ 7,753,738	\$ 91,257	\$ 7,844,995	22.89%	0.00%	0.00%
15	Investment Tax Credits	\$ 100,559	\$ -	\$ 100,559	\$ 1,184	\$ 101,743	0.30%	6.84%	0.02%
16	Total	<u>\$ 33,870,897</u>	<u>\$ (0)</u>	<u>\$ 33,870,897</u>	<u>\$ 398,639</u>	<u>\$ 34,269,536</u>	<u>100.00%</u>		<u>5.17%</u>

Ratio of Debt & Equity Components	Per FPL 2018 Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio Per OPC^ (c)	Revised Allocations (d)	Adjs. To Reflect OPC Cap. Struct. (e) = (d - a)
17	Long Term Debt	\$ 10,024,107	39.11%	48.45%	\$ 12,416,744
18	Short Term Debt	\$ 321,611	1.25%	1.55%	\$ 398,376
19	Common Equity	\$ 15,284,522	59.63%	50.00%	\$ (2,469,402)
	Total	<u>\$ 25,630,240</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ -</u>

^ Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
20	Long Term Debt	\$ 10,024,107	96.89%	48.45%
21	Short Term Debt	\$ 321,611	3.11%	1.55%
22	Total	<u>\$ 10,345,718</u>	<u>100.00%</u>	<u>50.00%</u>

Notes and Source

The per Company amounts are from MFR Sch. D-1a.

Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell

Column (G): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 12 is sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.