



July 15, 2017

Mr. Bart Fletcher
Public Utilities Supervisor
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for May 2017. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.50%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Fuentes". The signature is written in a cursive style with a long, sweeping underline.

Elizabeth Fuentes
Sr. Director, Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
MAY, 2017

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,255,070,681 (A)	(216,861,243) (B)	2,038,209,438	(125,626,684)	\$ 1,912,582,854
RATE BASE	\$ 31,069,572,690	(182,985,829)	30,886,576,862	0	\$ 30,886,576,862
AVERAGE RATE OF RETURN	7.26%		6.60%		6.19%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,255,070,681 (A)	(215,121,974) (B)	2,039,948,707	(125,626,684)	\$ 1,914,322,123
RATE BASE	\$ 32,850,205,618	(305,377,899)	32,544,827,719	0	\$ 32,544,827,719
YEAR END RATE OF RETURN	6.91%		6.31%		5.92%

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

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	5.73%
MIDPOINT	6.17%
HIGH	6.65%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.02	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.84	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.38%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	83.46%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.44%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.72%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.61%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-IEI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE; PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KIMBERLY OUSDAHL
(VICE PRESIDENT AND CHIEF ACCOUNTING OFFICER)

(SIGNATURE)

for K. Ousdahl

(DATE)

7/15/17

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
MAY, 2017

SCHEDULE 2: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 44,329,829,058	14,512,015,132	29,817,813,926	281,780,078	2,807,537,417	696,810,912	33,883,942,333	(1,383,787,296)	\$ 32,300,155,037
JURISDICTIONAL PER BOOKS	\$ 42,475,232,475	12,889,173,901	29,586,059,173	248,556,283	2,779,657,130	664,222,316	33,278,484,902	(2,208,922,212)	\$ 31,059,572,690
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 38 OF 3)	\$ (2,214,893,748)	(511,601,996)	(1,703,292,352)	0	(1,509,287,373)	0	(3,312,559,729)	3,129,563,896	\$ (182,995,629)
FPSC ADJUSTED:	\$ 40,260,338,727	12,377,571,905	27,882,766,822	248,556,283	1,170,369,757	664,222,316	29,965,935,178	920,641,684	\$ 30,886,576,662
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 40,260,338,727	12,377,571,905	27,882,766,822	248,556,283	1,170,369,757	664,222,316	29,965,935,178	920,641,684	\$ 30,886,576,662
PRO FORMA ADJUSTED									

NOTE:

THE PRO FORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PRO FORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
MAY, 2017

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	NET INTERCHANGE	OPERATION & MAINTENANCE FUEL & OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,182,493,429	3,281,114,103	1,524,804,850	1,558,431,572	1,242,533,741	289,251,794	718,780,100	113,853,212	(6,448,201)	8,900,280,971	\$ 2,292,212,459
JURISDICTIONAL PER BOOKS	\$ 10,724,016,925	3,202,432,602	1,473,330,773	1,502,943,442	1,224,521,636	258,062,661	688,427,227	108,791,881	(6,414,542)	8,553,095,700	\$ 2,170,921,225
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (474,708,036)	0	0	0	(12,209,516)	(178,408,190)	0	0	0	(190,618,706)	\$ (284,090,330)
FRANCHISE EXPENSE	0	0	0	0	(462,459,306)	178,408,107	0	0	0	(284,090,199)	284,090,199
GROSS RECEIPTS TAX	(246,683,182)	0	0	0	(246,459,984)	(88,059)	0	0	0	(246,548,083)	(137,100)
FINANCIAL PLANNING SERVICES	0	0	(440,234)	0	0	169,820	0	0	0	(270,414)	270,414
INDUSTRY ASSOCIATION DUES	0	0	(2,272,566)	0	0	876,642	0	0	0	(1,395,924)	1,395,924
ECONOMIC DEVELOPMENT 5%	0	0	(135,008)	0	0	52,079	0	0	0	(82,928)	82,928
AVIATION - EXPENSES	0	0	(142,417)	0	0	54,938	0	0	0	(87,480)	87,480
EXECUTIVE COMPENSATION	0	0	(29,947,830)	0	0	11,552,376	0	0	0	(18,395,455)	18,395,455
FUEL COST REC RETAIL INCL GAS RESERVES (1)	(2,984,046,886)	(2,953,089,856)	(1,086,850)	1,508,746	(2,183,298)	27,932,024	(39,255,943)	0	0	(2,966,094,677)	(17,952,010)
CONSERVATION COST RECOVERY	(68,588,603)	0	(45,768,320)	(9,248,134)	(1,096,335)	(951,535)	4,976	0	0	(57,059,347)	(1,507,256)
CAPACITY COST RECOVERY	(330,084,272)	(218,088,438)	(33,342,494)	(21,945,404)	(391,829)	(18,030,453)	(3,694,643)	0	0	(295,490,260)	(34,594,012)
ENVIRONMENTAL COST RECOVERY	(217,631,466)	0	(44,939,637)	(48,133,200)	(310,449)	(71,338,257)	23,165,517	0	632,544	(140,923,481)	(76,707,965)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	3,683,422	0	(1,420,860)	0	0	0	2,262,542	2,262,542
STORM DEFICIENCY RECOVERY	(192,010,985)	0	(577,886)	(180,594,261)	0	(4,181,082)	0	0	0	(185,353,229)	(6,657,756)
INTEREST TAX DEFICIENCIES	0	0	900,588	0	0	(347,402)	0	0	0	553,186	(553,186)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,028,184	(7,456,174)	0	0	12,572,010	(12,572,010)
TOTAL FPSC ADJUSTMENTS	\$ (4,503,732,230)	(3,171,173,294)	(157,732,153)	(254,728,831)	(725,150,716)	(95,629,727)	(27,236,266)	0	632,544	(4,371,020,443)	\$ (32,711,787)
FPSC ADJUSTED	\$ 6,220,284,695	31,257,308	1,315,588,619	1,346,214,611	499,370,920	222,432,954	661,190,961	109,791,881	(5,781,998)	4,182,075,257	\$ 2,039,209,438
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (204,667,645)	0	0	0	(147,361)	(78,883,700)	0	0	0	(79,041,060)	\$ (125,926,584)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,015,617,051	31,257,308	1,315,588,619	1,346,214,611	499,223,560	143,539,254	661,190,961	109,791,881	(5,781,998)	4,103,034,197	\$ 1,912,582,854

(A) THE ADDITION OF EARNINGS FROM AFJDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY

(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:
ON A TOTAL COMPANY BASIS
ON A JURISDICTIONAL BASIS

CURRENT MONTH AMOUNT
SYSTEM PER BOOKS
JURISDICTIONAL PER BOOKS

NOTES:
(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.
(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0860-AS-EL.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

OPERATING REVENUES \$ 87,419,259
FRANCHISE EXPENSE \$ 84,149,455

OPERATING REVENUES \$ 2,786,118
FRANCHISE EXPENSE \$ 2,700,128

OPERATING REVENUES \$ 1,047,989,808
FRANCHISE EXPENSE \$ 1,008,499,668

OPERATING REVENUES \$ 139,740,475
FRANCHISE EXPENSE \$ 134,920,631

OPERATING REVENUES \$ 311,555,095
FRANCHISE EXPENSE \$ 292,373,955

INCOME TAXES CURRENT \$ 78,132,756
DEFERRED INCOME TAXES (NET) \$ 39,521,179

INCOME TAXES CURRENT \$ 75,832,522
DEFERRED INCOME TAXES (NET) \$ 38,969,513

INCOME TAXES CURRENT \$ 78,132,756
DEFERRED INCOME TAXES (NET) \$ 39,521,179

INCOME TAXES CURRENT \$ 75,832,522
DEFERRED INCOME TAXES (NET) \$ 38,969,513

INCOME TAXES CURRENT \$ 75,832,522
DEFERRED INCOME TAXES (NET) \$ 38,969,513

INVESTMENT TAX CREDIT (NET) \$ (293,223)

INVESTMENT TAX CREDIT (NET) \$ (282,813)

INVESTMENT TAX CREDIT (NET) \$ (293,223)

INVESTMENT TAX CREDIT (NET) \$ (282,813)

INVESTMENT TAX CREDIT (NET) \$ (293,223)

(GAIN)/LOSS ON DISPOSITION \$ (488,969)

(GAIN)/LOSS ON DISPOSITION \$ (488,950)

(GAIN)/LOSS ON DISPOSITION \$ (488,969)

(GAIN)/LOSS ON DISPOSITION \$ (488,950)

(GAIN)/LOSS ON DISPOSITION \$ (488,969)

TOTAL OPERATING EXPENSES \$ 816,485,681

TOTAL OPERATING EXPENSES \$ 784,072,420

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TOTAL OPERATING EXPENSES \$ 816,485,681

NET OPERATING INCOME (A) \$ 231,514,126

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FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
MAY, 2017

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (204,667,645)	0	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)
TOTAL PROFORMA ADJUSTMENTS	\$ (204,667,645)	0	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
MAY, 2017

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,457,675	\$ 1,545,231,932
FUEL AND CAPACITY	120,016,686	113,786,998
FUEL CLAUSE - GAS RESERVES (1)	25,825,668	24,476,980
CAPITALIZED EXECUTIVE COMPENSATION	16,034,408	15,539,522
LOAD CONTROL	46,790,500	46,790,500
ASSET RETIREMENT OBLIGATION	424,767,226	411,657,207
CAPITAL LEASES	59,238,960	57,410,608
TOTAL	<u>\$ 2,320,131,124</u>	<u>\$ 2,214,893,748</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (255,183,072)	\$ (242,290,191)
ACCUM PROV DECOMMISSIONING COSTS	(4,045,689,743)	(3,859,805,773)
ASSET RETIREMENT OBLIGATION	20,370,557	19,741,840
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,750,854,208	3,635,087,813
FUEL AND CAPACITY	(36,566,892)	(34,677,594)
FUEL CLAUSE - GAS RESERVES (1)	(2,890,000)	(2,739,076)
OTHER RATE CASE ADJUSTMENTS (2)	294,350	283,340
LOAD CONTROL	(20,044,810)	(20,044,810)
CAPITAL LEASES	(7,384,872)	(7,156,945)
TOTAL	<u>\$ (596,240,274)</u>	<u>\$ (511,601,396)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,675,541,734	\$ 1,586,927,727
CWIP - CLAUSE PROJECTS (1)	23,547,417	22,339,646
TOTAL	<u>\$ 1,699,089,151</u>	<u>\$ 1,609,267,373</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,214,546,098)	\$ (3,129,563,896)
TOTAL ADJUSTMENTS	\$ 208,433,903	\$ 182,995,829

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 2017

SCHEDULE 2, PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,162,493,429	3,397,114,103	1,524,804,650	1,555,431,572	1,242,533,741	269,231,794	718,790,100	113,833,212	(6,448,201)	8,900,290,971	\$ 2,262,212,459
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (474,709,036)	0	0	0	(12,209,516)	(178,409,190)	0	0	0	(190,618,706)	\$ (284,090,330)
FRANCHISE EXPENSE	0	0	0	0	(462,499,306)	178,409,107	0	0	0	(284,090,199)	284,090,199
GROSS RECEIPTS TAX	(246,683,182)	0	0	0	(246,459,984)	(66,039)	0	0	0	(246,546,083)	(137,100)
FINANCIAL PLANNING SERVICES	0	0	(454,254)	0	0	175,229	0	0	0	(279,026)	279,026
INDUSTRY ASSOCIATION DUES	0	0	(2,344,940)	0	0	904,561	0	0	0	(1,440,380)	1,440,380
ECONOMIC DEVELOPMENT 5%	0	0	(139,306)	0	0	53,737	0	0	0	(85,569)	85,569
AVIATION - EXPENSES	0	0	(146,959)	0	0	56,687	0	0	0	(90,266)	90,266
EXECUTIVE COMPENSATION	0	0	(30,901,577)	0	0	11,920,293	0	0	0	(18,981,294)	18,981,294
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY, INCL. GAS RESERVES (1)	(3,148,408,227)	(3,116,222,359)	(1,125,106)	1,408,211	(2,187,788)	28,180,633	(39,469,408)	0	0	(3,131,415,796)	(17,982,431)
CONSERVATION COST RECOVERY	(56,586,603)	0	(45,756,220)	(9,248,194)	(1,096,335)	(951,535)	4,976	0	0	(57,059,347)	(1,507,256)
CAPACITY COST RECOVERY	(330,477,530)	(230,048,061)	(35,163,422)	(22,104,664)	(400,532)	(12,800,348)	(3,694,643)	0	0	(304,211,689)	(26,265,841)
ENVIRONMENTAL COST RECOVERY	(217,691,466)	0	(46,576,769)	(50,694,491)	(318,630)	(69,728,543)	23,165,517	0	666,204	(143,486,712)	(74,144,754)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	3,826,549	0	0	(1,476,091)	0	0	0	2,350,458	(2,350,458)
STORM DEFICIENCY RECOVERY	(192,010,965)	0	(594,739)	(180,594,261)	0	(4,174,581)	0	0	0	(185,363,581)	(6,647,404)
INTEREST TAX DEFICIENCIES	0	0	929,269	0	0	(358,486)	0	0	0	570,804	(570,804)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,509,401	(7,693,630)	0	0	12,809,771	(12,809,771)
TOTAL FPSC ADJUSTMENTS	\$ (4,669,487,029)	(3,346,270,439)	(162,296,117)	(357,406,793)	(725,172,690)	(27,781,193)	(27,667,188)	0	686,204	(4,547,997,619)	\$ (121,549,416)
FPSC ADJUSTED	\$ 6,493,006,400	32,843,664	1,362,518,533	1,399,024,782	517,361,651	241,450,601	691,092,912	113,833,212	(5,781,998)	4,352,343,957	\$ 2,140,663,043
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (204,667,645)	0	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,564)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,288,338,755	32,843,664	1,362,518,533	1,399,024,782	517,214,290	162,556,901	691,092,912	113,833,212	(5,781,998)	4,273,302,897	\$ 2,015,036,458

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 87,419,289

NOTES:
(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.
(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
MAY, 2017

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	18,686,245	18,066,220
INTEREST & DIVIDENDS RECEIVABLE	(308,712)	(296,501)
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECR	1,993,410	2,479,228
FUEL CLAUSE - GAS RESERVES (1)	156,513	148,339
CASH CAPITAL SUB ACCOUNT	(2)	(2)
POLE ATTACHMENTS RENTS RECEIVABLE	15,205,972	14,944,380
PREPAYMENTS - ECCR	52,401,885	52,401,885
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	10,355,403	9,968,073
TEMPORARY CASH INVESTMENTS	1,741,667	1,684,063
STORM DEFICIENCY RECOVERY	294,650,182	294,548,765
NUCLEAR COST RECOVERY	76,476	76,476
JOBGING ACCOUNTS	9,513,525	9,198,876
OTH REG ASSETS - CLAUSES	2,522,930	2,391,175
MISC. DEFERRED DEBIT - CLAUSES	15,749,978	14,927,470
CEDAR BAY TRANSACTION	686,456,223	651,079,845
ICL TRANSACTION	168,830,128	160,087,305
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,278,031,823	\$ 1,231,705,618
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(184,914)	(179,207)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	74,578,316	74,578,316
ACCUM. PROV. - RATE REFUNDS	(154,717)	(155,954)
GAIN ON SALE OF EMISSION ALLOWANCE	(7,102)	(6,743)
JOBGING ACCOUNTS	(16,505,138)	(15,959,250)
FUEL CLAUSE - GAS RESERVES (1)	4,233,469	4,012,385
POLE ATTACHMENT RENTS PAYABLE	(7,248,432)	(7,123,736)
SRPP ACCELERATED RECOVERY	(19,745,417)	(18,722,906)
STORM DEFICIENCY RECOVERY	(80,821,715)	(80,821,715)
ASSET RETIREMENT OBLIGATION	(4,195,991,992)	(4,066,486,860)
MARGIN CALL CASH COLLATERAL	(484,615)	(468,587)
NUCLEAR COST RECOVERY	(244,251,525)	(244,251,525)
CEDAR BAY TRANSACTION	(5,994,136)	(5,683,731)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (4,492,577,920)	\$ (4,361,269,514)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,214,546,098)	\$ (3,129,563,896)

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
MAY, 2017

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (204,687,646)	0	0	0	(147,351)	(78,893,700)	0	0	0	(79,041,050)	\$ (125,626,564)
TOTAL PROFORMA ADJUSTMENTS	\$ (204,687,646)	0	0	0	(147,351)	(78,893,700)	0	0	0	(79,041,050)	\$ (125,626,564)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
MAY, 2017

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,182,493,429	3,381,114,103	1,924,604,650	1,656,481,572	1,242,533,741	269,231,794	716,780,100	113,853,212	(6,448,201)	8,900,280,971	\$ 2,262,212,459
JURISDICTIONAL PER BOOKS	\$ 10,724,016,925	3,202,432,602	1,473,330,773	1,602,943,442	1,224,821,636	258,062,681	688,427,227	109,791,881	(6,414,542)	8,553,095,700	\$ 2,170,921,225
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (474,709,036)	0	0	0	(12,209,516)	(178,409,190)	0	0	0	(190,618,706)	\$ (284,090,330)
FRANCHISE EXPENSE	0	0	0	0	(462,459,306)	178,409,107	0	0	0	(284,090,199)	284,090,199
GROSS RECEIPTS TAX	(246,683,182)	0	0	0	(246,459,984)	(86,096)	0	0	0	(246,546,089)	(137,100)
FINANCIAL PLANNING SERVICES	0	0	(440,234)	0	0	169,820	0	0	0	(270,414)	270,414
INDUSTRY ASSOCIATION DUES	0	0	(2,272,866)	0	0	876,642	0	0	0	(1,395,924)	1,395,924
ECONOMIC DEVELOPMENT 5%	0	0	(135,006)	0	0	52,079	0	0	0	(82,928)	82,928
AVIATION - EXPENSES	0	0	(142,417)	0	0	54,938	0	0	0	(87,480)	87,480
EXECUTIVE COMPENSATION	0	0	(29,947,830)	0	0	11,552,376	0	0	0	(18,395,455)	18,395,455
FUEL COST REC RETAIL, INCL GAS RESERVES (1)	(2,984,046,686)	(2,953,089,856)	(1,066,850)	1,508,746	(2,183,298)	27,982,024	(39,255,943)	0	0	(2,966,094,677)	(17,932,010)
CONSERVATION COST RECOVERY	(58,566,603)	0	(45,768,320)	(9,248,134)	(1,086,335)	(851,535)	4,976	0	0	(97,059,347)	(1,507,295)
CAPACITY COST RECOVERY	(330,094,272)	(219,085,438)	(33,542,494)	(21,945,400)	(391,529)	(18,030,453)	(3,694,643)	0	0	(295,490,260)	(34,594,012)
ENVIRONMENTAL COST RECOVERY	(217,651,466)	0	(44,939,537)	(46,183,200)	(310,449)	(71,338,257)	23,165,517	0	632,544	(140,923,481)	(76,707,985)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	3,683,422	0	(1,420,880)	0	0	0	2,262,542	(2,262,542)
STORM DEFICIENCY RECOVERY	(192,010,985)	0	(577,896)	(180,594,261)	0	(4,181,082)	0	0	0	(185,353,223)	(6,657,756)
INTEREST TAX DEFICIENCIES	0	0	900,588	0	0	(347,402)	0	0	0	553,186	(553,186)
INTEREST SYNCHRONIZATION	0	0	0	0	0	18,288,915	(7,456,174)	0	0	10,832,741	(10,832,741)
TOTAL FPSC ADJUSTMENTS	\$ (4,503,732,230)	(3,171,175,284)	(157,732,153)	(254,728,831)	(725,150,716)	(37,368,996)	(27,236,266)	0	632,544	(4,372,759,712)	\$ (130,972,518)
FPSC ADJUSTED	\$ 6,220,284,695	31,257,308	1,315,598,619	1,348,214,611	499,370,920	220,693,685	661,190,961	109,791,881	(5,781,998)	4,180,335,988	\$ 2,039,948,707
PRO FORMA ADJUSTMENTS	\$ (204,667,845)	0	0	0	(147,361)	(78,693,700)	0	0	0	(79,041,060)	\$ (125,626,584)
(SEE SCHEDULE 2, PAGE 2A OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,015,617,051	31,257,308	1,315,598,619	1,348,214,611	489,223,560	141,799,985	661,190,961	109,791,881	(5,781,998)	4,101,294,928	\$ 1,914,322,123
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 87,419,259										
	\$ 84,149,456										

NOTES:
(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.
(2) REFLECTS A PORTION OF THE DEPRECIATION/DEMAND/RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
MAY, 2017

SCHEDULE 3: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (204,667,645)	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)
TOTAL PROFORMA ADJUSTMENTS	\$ (204,667,645)	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
MAY, 2017

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,628,263,871	\$ 1,545,997,395
FUEL AND CAPACITY	131,436,847	124,615,813
FUEL CLAUSE - GAS RESERVES (1)	0	0
CAPITALIZED EXECUTIVE COMPENSATION	17,170,844	16,640,883
LOAD CONTROL	46,524,608	46,524,608
ASSET RETIREMENT OBLIGATION	432,217,840	418,877,865
CAPITAL LEASES	59,410,224	57,576,586
TOTAL	<u>\$ 2,315,024,234</u>	<u>\$ 2,210,233,151</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (278,848,022)	\$ (264,759,492)
ACCUM PROV DECOMMISSIONING COSTS	(4,204,265,283)	(4,011,115,202)
ASSET RETIREMENT OBLIGATION	6,530,744	6,329,179
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,898,653,955	3,778,325,867
FUEL AND CAPACITY	(39,311,886)	(37,261,516)
FUEL CLAUSE - GAS RESERVES (1)	0	0
OTHER RATE CASE ADJUSTMENTS (2)	3,826,549	3,683,422
LOAD CONTROL	(19,406,373)	(19,406,373)
CAPITAL LEASES	(8,076,667)	(7,827,388)
TOTAL	<u>\$ (640,896,982)</u>	<u>\$ (552,031,505)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,837,732,878	\$ 1,743,308,275
CWIP - CLAUSE PROJECTS (1)	35,228,160	33,431,874
TOTAL	<u>\$ 1,872,961,038</u>	<u>\$ 1,776,740,149</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,214,546,098)	\$ (3,129,563,896)
TOTAL ADJUSTMENTS	\$ 332,542,192	\$ 305,377,899

NOTES:

(1) AMOUNTS ASSOCIATED WITH FPLS WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.

(2) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 2017

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,162,493,429	3,381,114,103	1,524,804,650	1,656,431,672	1,242,533,741	269,231,794	718,780,100	113,833,212	(6,448,201)	8,900,280,971	\$ 2,262,212,459
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (474,709,036)	0	0	0	(12,209,516)	(178,409,190)	0	0	0	(190,618,706)	\$ (284,090,330)
FRANCHISE EXPENSE	0	0	0	0	(462,489,306)	178,409,107	0	0	0	(284,090,199)	284,090,199
GROSS RECEIPTS TAX	(246,683,182)	0	0	0	(246,459,984)	(86,089)	0	0	0	(246,546,083)	(137,100)
FINANCIAL PLANNING SERVICES	0	0	(454,254)	0	0	175,229	0	0	0	(279,026)	279,026
INDUSTRY ASSOCIATION DUES	0	0	(2,344,940)	0	0	904,561	0	0	0	(1,440,380)	1,440,380
ECONOMIC DEVELOPMENT 5%	0	0	(139,306)	0	0	53,737	0	0	0	(85,569)	85,569
AVIATION - EXPENSES	0	0	(146,953)	0	0	56,687	0	0	0	(90,266)	90,266
EXECUTIVE COMPENSATION	0	0	(90,901,577)	0	0	11,920,263	0	0	0	(18,881,294)	18,881,294
FUEL COST REC RETAIL INCL GAS RESERVES (1)	(3,149,406,227)	(3,119,222,359)	(1,125,106)	1,408,211	(2,187,789)	28,180,653	(39,469,408)	0	0	(3,131,415,796)	(17,992,431)
CONSERVATION COST RECOVERY	(58,556,603)	0	(45,768,320)	(9,248,134)	(1,096,395)	(951,535)	4,976	0	0	(57,059,347)	(1,507,295)
CAPACITY COST RECOVERY	(330,477,530)	(230,048,081)	(35,163,422)	(22,104,664)	(400,532)	(12,500,348)	(3,694,643)	0	0	(304,211,699)	(26,265,841)
ENVIRONMENTAL COST RECOVERY	(217,631,466)	0	(46,576,769)	(50,694,491)	(318,630)	(69,728,543)	23,165,517	0	666,204	(143,466,712)	(74,144,754)
OTHER RATE CASE ADJUSTMENTS (2)	0	0	0	3,826,549	0	(1,476,091)	0	0	0	2,350,458	(2,350,458)
STORM DEFICIENCY RECOVERY	(192,010,985)	0	(594,739)	(180,594,261)	0	(4,174,581)	0	0	0	(185,363,581)	(6,847,404)
INTEREST TAX DEFICIENCIES	0	0	929,289	0	0	(365,466)	0	0	0	570,804	(570,804)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,938,930	(7,693,630)	0	0	13,245,300	(13,245,300)
TOTAL FPSC ADJUSTMENTS	\$ (4,669,487,029)	(5,349,270,439)	(192,286,117)	(257,406,789)	(726,172,090)	(27,345,664)	(27,687,188)	0	666,204	(4,547,502,084)	\$ (121,984,945)
FPSC ADJUSTED	\$ 6,493,006,400	32,843,654	1,362,518,533	1,399,024,762	517,361,651	241,886,130	691,092,912	113,833,212	(5,781,998)	4,352,778,866	\$ 2,140,227,514
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (204,667,645)	0	0	0	(147,361)	(76,893,700)	0	0	0	(79,041,080)	\$ (125,625,584)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,288,338,755	32,843,654	1,362,518,533	1,399,024,762	517,214,290	162,992,430	691,092,912	113,833,212	(5,781,998)	4,273,737,826	\$ 2,014,600,929

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY

NOTES:
(1) AMOUNTS ASSOCIATED WITH FPL'S WOODFORD PROJECT HAVE BEEN MOVED BELOW THE LINE BEGINNING JULY 1, 2016.
(2) REFLECTS A PORTION OF THE DEPRECIATION/DEAMTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
MAY, 2017

SCHEDULE 3: PAGE 35 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (204,667,646)	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)
TOTAL PROFORMA ADJUSTMENTS	\$ (204,667,646)	0	0	(147,361)	(78,893,700)	0	0	0	(79,041,060)	\$ (125,626,584)

FOOTNOTES:
(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
MAY, 2017

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12			
LONG TERM DEBT	\$ 9,005,415,392	\$ 8,663,641,032	\$ 158,518,174	\$ (241,303,212)	\$ 8,580,855,994	27.78%	4.53%	1.26%	4.53%	1.26%	4.53%	4.53%	1.26%		
SHORT TERM DEBT	895,763,159	861,026,341	16,205,515	-	877,231,856	2.84%	1.76%	0.05%	1.76%	0.05%	1.76%	1.76%	0.05%		
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
COMMON EQUITY	14,389,514,278	13,831,503,005	260,324,941	0	14,091,827,946	45.62%	9.60%	4.38%	10.55%	4.81%	11.60%	11.60%	5.29%		
CUSTOMER DEPOSITS	413,982,916	413,670,407	7,785,757	0	421,456,165	1.36%	2.09%	0.03%	2.09%	0.03%	2.09%	2.09%	0.03%		
DEFERRED INCOME TAX	7,394,895,617	7,108,653,662	126,779,151	(372,663,625)	6,862,769,187	22.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
INVESTMENT TAX CREDITS (1)	200,583,674	191,078,244	988,670	(199,611,199)	52,435,715	0.17%	7.65%	0.01%	8.27%	0.01%	8.89%	8.89%	0.02%		
TOTAL	\$ 32,300,155,037	\$ 31,069,572,680	\$ 570,582,207	\$ (753,578,036)	\$ 30,886,576,862	100.00%	5.73%	6.17%	6.17%	6.17%	6.17%	6.17%	6.65%		
YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	PRO RATA 3	ADJUSTMENTS SPECIFIC 4	ADJUSTED RETAIL 5	RATIO (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12			
LONG TERM DEBT	\$ 9,217,108,111	\$ 8,989,215,546	\$ 121,970,211	\$ (240,798,747)	\$ 8,870,387,010	27.42%	4.36%	1.20%	4.36%	1.20%	4.36%	4.36%	1.20%		
SHORT TERM DEBT	1,147,232,803	1,118,345,419	15,691,944	(0)	1,133,937,364	3.51%	1.87%	0.07%	1.87%	0.07%	1.87%	1.87%	0.07%		
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
COMMON EQUITY	14,872,646,711	14,498,151,398	202,132,869	0	14,700,284,267	45.45%	9.60%	4.36%	10.55%	4.79%	11.60%	11.60%	5.27%		
CUSTOMER DEPOSITS	399,907,601	399,727,291	5,572,988	(0)	405,300,279	1.25%	2.17%	0.03%	2.17%	0.03%	2.17%	2.17%	0.03%		
DEFERRED INCOME TAX	7,602,804,583	7,406,711,353	98,068,520	(372,663,625)	7,132,116,248	22.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
INVESTMENT TAX CREDITS (1)	247,912,910	238,054,611	1,413,563	(136,665,623)	102,802,561	0.32%	7.60%	0.02%	8.22%	0.03%	8.85%	8.85%	0.03%		
TOTAL	\$ 33,487,612,818	\$ 32,650,205,618	\$ 444,750,096	\$ (750,127,995)	\$ 32,344,827,719	100.00%	5.68%	6.11%	6.11%	6.11%	6.11%	6.11%	6.59%		

NOTE:
(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
MAY, 2017

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	LOW POINT				MIDPOINT			HIGH POINT		
	1	2	3	4	5	6	7	8	9	10
LONG TERM DEBT	\$ 8,580,855,994	\$ -	\$ 8,580,855,994	27.78%	4.53%	1.26%	4.53%	1.26%	4.53%	1.26%
SHORT TERM DEBT	877,231,856	-	877,231,856	2.84%	1.76%	0.05%	1.76%	0.05%	1.76%	0.05%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,091,827,946	-	14,091,827,946	45.62%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
CUSTOMER DEPOSITS	421,456,165	-	421,456,165	1.36%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%
DEFERRED INCOME TAX	6,862,769,187	-	6,862,769,187	22.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	52,435,715	-	52,435,715	0.17%	7.65%	0.01%	8.27%	0.01%	8.89%	0.02%
TOTAL	\$ 30,886,576,862	\$ -	\$ 30,886,576,862	100.00%	5.73%	6.17%	6.17%	6.17%	6.59%	6.59%
YEAR END										
LONG TERM DEBT	\$ 8,870,387,010	\$ -	\$ 8,870,387,010	27.42%	4.36%	1.20%	4.36%	1.20%	4.36%	1.20%
SHORT TERM DEBT	1,133,937,364	-	1,133,937,364	3.51%	1.87%	0.07%	1.87%	0.07%	1.87%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,700,284,267	-	14,700,284,267	45.45%	9.60%	4.36%	10.55%	4.79%	11.60%	5.27%
CUSTOMER DEPOSITS	405,300,279	-	405,300,279	1.25%	2.17%	0.03%	2.17%	0.03%	2.17%	0.03%
DEFERRED INCOME TAX	7,132,116,248	-	7,132,116,248	22.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	102,802,551	-	102,802,551	0.32%	7.60%	0.02%	8.22%	0.03%	8.85%	0.03%
TOTAL	\$ 32,344,827,719	\$ -	\$ 32,344,827,719	100.00%	5.68%	6.11%	6.11%	6.11%	6.59%	6.59%

NOTE:
(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
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SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,285,342,857
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	19,944,600
INCOME TAXES	1,087,525,325
TOTAL	\$ 3,392,812,781
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 483,428,820
TIMES INTEREST EARNED WITH AFUDC	7.02

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,821,858,636
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(800,000,000)
AFUDC (DEBT & OTHER)	(87,419,259)
DEPRECIATION AND AMORTIZATION EXPENSE	1,656,431,572
DEFERRED INCOME TAXES	720,071,951
INVESTMENT TAX CREDITS	113,833,212
OTHER SOURCE/USES OF FUNDS	63,807,846
INTERNALLY GENERATED FUNDS	\$ 3,488,583,958

CONSTRUCTION EXPENDITURES

\$ 4,179,880,145

PERCENT INTERNALLY GENERATED FUNDS

83.46%

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,285,342,857
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(67,474,860)
INCOME TAXES	1,087,525,325
TOTAL	\$ 3,305,393,322
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 483,428,820
TIMES INTEREST EARNED WITHOUT AFUDC	6.84

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 8,580,855,994
JURIS ADJUSTED SHORT TERM DEBT	877,231,956
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	14,091,827,946
TOTAL	\$ 23,549,915,795
LTD TO TOTAL INVESTOR FUNDS	36.44%
STD TO TOTAL INVESTOR FUNDS	3.72%

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 19,944,600
X (1 - INCOME TAX RATE)	0.6143
SUBTOTAL	\$ 12,250,970
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	\$ 67,474,860
TOTAL	\$ 79,725,630
NET INCOME AVAILABLE FOR COMMON	\$ 1,821,858,636
AFUDC AS PERCENT OF NET INCOME	4.38%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.60%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.26%
SHORT TERM DEBT	0.05%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.01%
SUBTOTAL	1.35%
TOTAL	5.25%
DIVIDED BY COMMON EQUITY RATIO	45.62%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.50%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 70,256,047
GAINS ON DISPOSITION OF PROPERTY	(6,448,201)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 63,807,846

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 FINANCIAL INTEGRITY INDICATORS
 MAY, 2017

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.19%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.28%
SHORT TERM DEBT	0.05%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.01%
SUBTOTAL	<u>1.35%</u>

PRO FORMA FOR LESS NON EQUITY COST

4.84%

PRO FORMA COMMON EQUITY RATIO

45.62%

PRO FORMA RETURN ON COMMON EQUITY

10.61%