



December 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 October 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 blue ink that reads "Elizabeth Fuentes". The signature is written in a cursive style with a large initial "E" and "F".

Elizabeth Fuentes
Sr. Director of Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
EARNINGS SURVEILLANCE REPORT SUMMARY
OCTOBER, 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	\$ 2,340,451,052 (A)	(231,980,961) (B)	2,108,470,091	(159,138,613)	\$ 1,949,331,478
RATE BASE	\$ 32,358,566,735	(303,274,028)	32,055,292,707	0	\$ 32,055,292,707
AVERAGE RATE OF RETURN	7.23%		6.58%		6.08%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,340,451,052 (A)	(231,613,646) (B)	2,108,837,406	(159,138,613)	\$ 1,949,698,793
RATE BASE	\$ 33,579,989,853	(684,862,788)	32,895,127,065	0	\$ 32,895,127,065
YEAR END RATE OF RETURN	6.97%		6.41%		5.93%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.71%
MIDPOINT	6.14%
HIGH	6.62%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.22	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.03	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	4.59%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	94.70%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	35.99%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.12%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.50%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.41%	(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-EI, 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)

Kimberly Evers
for K. OUSDahl
(SIGNATURE)

12/15/17
(DATE)

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
RATE BASE
OCTOBER, 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	\$ 45,471,636,145	14,852,677,270	30,618,958,875	272,234,626	3,142,184,283	680,659,227	34,714,037,012	(1,102,320,101)	\$ 33,611,716,910
JURISDICTIONAL PER BOOKS	\$ 43,616,098,346	13,063,546,280	30,552,552,066	258,274,915	3,017,117,726	651,785,379	34,479,730,085	(2,121,163,350)	\$ 32,358,566,735
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,209,322,838)	(564,960,877)	(1,644,361,961)	0	(1,741,743,898)	0	(3,386,105,857)	3,082,851,829	\$ (303,274,028)
FPSC ADJUSTED:	\$ 41,406,775,508	12,498,585,403	28,908,190,105	258,274,915	1,275,373,829	651,785,379	31,093,624,228	961,668,479	\$ 32,055,292,707
PRO-FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO-FORMA ADJUSTMENTS:	\$ 41,406,775,508	12,498,585,403	28,908,190,105	258,274,915	1,275,373,829	651,785,379	31,093,624,228	961,668,479	\$ 32,055,292,707

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
OCTOBER, 2017

SCHEDULE 2: PAGE 2 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)
SYSTEM PER BOOKS	\$ 11,527,087,725	3,441,981,529	1,508,687,442	1,809,651,223	1,270,876,767	(74,624,196)	1,121,419,021	112,931,563	(6,243,723)	9,184,673,626	\$ 2,342,414,099
JURISDICTIONAL PER BOOKS	\$ 11,094,048,614	3,276,314,285	1,459,878,195	1,752,926,895	1,253,169,027	(71,480,424)	1,073,474,807	108,949,716	(6,224,756)	8,847,007,745	\$ 2,247,040,870
FPSC ADJUSTMENTS	\$ (496,963,810)	0	0	0	(12,781,909)	(186,773,168)	0	0	0	(199,555,078)	\$ (297,408,733)
FRANCHISE REVENUE	0	0	0	0	(484,181,846)	186,773,147	0	0	0	(297,408,699)	297,408,699
FRANCHISE EXPENSE	(256,325,891)	0	0	0	(256,082,720)	(93,803)	0	0	0	(256,176,523)	(149,388)
GROSS RECEIPTS TAX	0	0	(408,051)	0	0	157,406	0	0	0	(250,645)	250,645
FINANCIAL PLANNING SERVICES	0	0	(2,441,902)	0	0	941,964	0	0	0	(1,499,938)	1,499,938
INDUSTRY ASSOCIATION DUES	0	0	(133,586)	0	0	51,531	0	0	0	(82,055)	82,055
ECONOMIC DEVELOPMENT 5%	0	0	(193,522)	0	0	74,651	0	0	0	(118,871)	118,871
AVIATION - EXPENSES	0	0	(34,028,461)	0	0	13,126,479	0	0	0	(20,901,982)	20,901,982
EXECUTIVE COMPENSATION	0	(3,046,159,659)	(227,470)	6,666,667	(2,181,052)	(16,341,871)	2,933,027	0	0	(3,055,310,358)	(21,351,608)
FUEL COST REC RETAIL	(3,076,661,966)	0	(47,437,980)	(9,486,473)	(1,107,447)	(940,175)	(522)	0	0	(58,972,597)	(1,497,921)
CONSERVATION COST RECOVERY	(60,470,518)	0	(35,070,927)	(10,727,410)	(377,126)	(19,074,324)	(9,102,528)	0	0	(279,151,706)	(44,867,483)
CAPACITY COST RECOVERY	(324,019,189)	(204,799,391)	(27,902,488)	(44,993,592)	(283,789)	(68,865,342)	21,286,636	0	366,863	(120,391,712)	(75,762,074)
ENVIRONMENTAL COST RECOVERY	0	0	0	(261,499)	0	100,873	0	0	0	(160,626)	160,626
OTHER RATE CASE ADJUSTMENTS (1)	0	0	(25,508,475)	(308,963,601)	0	(3,451,484)	0	0	0	(337,943,559)	(5,495,979)
STORM DEFICIENCY RECOVERY	(943,439,538)	0	121,442	0	0	(46,846)	0	0	0	74,596	(74,596)
INTEREST TAX DEFICIENCIES	0	0	0	0	0	20,446,554	(8,060,719)	0	0	12,385,835	(12,385,835)
INTEREST SYNCHRONIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL FPSC ADJUSTMENTS	\$ (4,754,034,697)	(3,250,959,049)	(173,231,419)	(967,785,908)	(756,995,890)	(73,914,410)	7,055,894	0	366,863	(4,615,463,919)	\$ (138,570,779)
FPSC ADJUSTED	\$ 6,340,013,917	25,355,236	1,286,646,776	1,385,140,987	496,173,137	(145,394,833)	1,080,530,700	108,949,716	(5,857,893)	4,231,543,826	\$ 2,108,470,091
PRO FORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
(SEE SCHEDULE 2, PAGE 2A OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,080,749,325	25,355,236	1,286,646,776	1,385,140,987	495,986,466	(245,334,141)	1,080,530,700	108,949,716	(5,857,893)	4,131,417,847	\$ 1,949,331,478
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 96,941,288										
	\$ 93,410,182										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:	\$ 2,753,417										
ON A TOTAL COMPANY BASIS	\$ 2,671,724										
ON A JURISDICTIONAL BASIS											
CURRENT MONTH AMOUNT	\$ 1,035,781,760	310,659,132	149,491,906	204,620,302	112,855,945	106,249,977	(23,363,978)	(386,679)	(493,513)	859,653,091	\$ 176,128,669
SYSTEM PER BOOKS	\$ 998,006,795	296,019,280	145,392,425	198,302,284	111,375,049	101,472,821	(22,326,301)	(363,750)	(493,495)	829,388,313	\$ 168,618,482
JURISDICTIONAL PER BOOKS											

NOTES:
(1) 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
INCOME STATEMENT
DETAIL OF PRO FORMA ADJUSTMENTS
OCTOBER, 2017

	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)	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
TOTAL PROFORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)

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
OCTOBER, 2017

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,902,866	\$ 1,547,879,222
FUEL AND CAPACITY	128,444,163	122,061,059
CAPITALIZED EXECUTIVE COMPENSATION	17,592,189	17,079,237
LOAD CONTROL	47,756,532	47,756,532
ASSET RETIREMENT OBLIGATION	429,755,853	417,005,181
CAPITAL LEASES	59,310,320	57,550,608
TOTAL	<u>\$ 2,310,761,922</u>	<u>\$ 2,209,322,838</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (274,580,769)	\$ (261,083,063)
ACCUM PROV DECOMMISSIONING COSTS	(4,189,462,122)	(4,016,545,658)
ASSET RETIREMENT OBLIGATION	8,372,017	8,123,622
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,884,850,495	3,769,588,647
FUEL AND CAPACITY	(38,524,885)	(36,655,748)
OTHER RATE CASE ADJUSTMENTS (1)	(20,876)	(20,115)
LOAD CONTROL	(20,643,549)	(20,643,549)
CAPITAL LEASES	(7,961,218)	(7,725,012)
TOTAL	<u>\$ (637,970,908)</u>	<u>\$ (564,960,877)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,806,229,021	\$ 1,711,892,520
CWIP - CLAUSE PROJECTS	31,408,747	29,851,376
TOTAL	<u>\$ 1,837,637,768</u>	<u>\$ 1,741,743,896</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)	\$ (3,160,135,789)	\$ (3,082,831,829)
TOTAL ADJUSTMENTS	\$ 350,292,993	\$ 303,274,028

NOTES:
(1) 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
OCTOBER, 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	\$ 11,527,087,725	3,441,981,529	1,508,687,442	1,809,651,223	1,270,876,767	(74,624,196)	1,121,413,021	112,931,563	(6,243,723)	9,184,673,626	\$ 2,342,414,099
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (496,963,810)	0	0	0	(12,781,909)	(186,773,168)	0	0	0	(199,555,078)	\$ (297,408,733)
FRANCHISE EXPENSE	0	0	0	0	(484,181,846)	186,773,147	0	0	0	(297,408,699)	297,408,699
GROSS RECEIPTS TAX	(256,325,891)	0	0	0	(256,082,720)	(93,803)	0	0	0	(256,176,523)	(149,368)
FINANCIAL PLANNING SERVICES	0	0	(420,528)	0	0	162,219	0	0	0	(258,309)	258,309
INDUSTRY ASSOCIATION DUES	0	0	(2,516,588)	0	0	970,766	0	0	0	(1,545,802)	1,545,802
ECONOMIC DEVELOPMENT 5%	0	0	(137,671)	0	0	53,107	0	0	0	(84,564)	84,564
AVIATION - EXPENSES	0	0	(198,439)	0	0	76,934	0	0	0	(122,505)	122,505
EXECUTIVE COMPENSATION	0	0	(35,068,942)	0	0	13,527,844	0	0	0	(21,541,097)	21,541,097
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,229,424,377)	(3,199,753,605)	(239,004)	6,666,667	(2,182,186)	(15,778,436)	2,695,243	0	0	(3,206,591,321)	(20,833,056)
CONSERVATION COST RECOVERY	(60,470,518)	0	(47,437,980)	(9,486,473)	(1,107,447)	(940,175)	(522)	0	0	(66,972,997)	(1,497,921)
CAPACITY COST RECOVERY	(324,404,722)	(215,623,750)	(36,924,547)	(10,931,917)	(385,006)	(14,250,565)	(9,102,528)	0	0	(287,218,333)	(37,186,389)
ENVIRONMENTAL COST RECOVERY	(196,153,786)	0	(29,345,015)	(47,319,711)	(291,159)	(67,416,060)	21,286,636	0	385,830	(122,699,480)	(73,454,306)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(271,364)	0	104,686	0	0	0	(166,698)	166,698
STORM DEFICIENCY RECOVERY	(343,439,538)	0	(25,508,475)	(308,983,601)	0	(3,451,484)	0	0	0	(337,943,559)	(5,495,979)
INTEREST TAX DEFICIENCIES	0	0	125,155	0	0	(48,279)	0	0	0	76,877	(76,877)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,016,825	(8,307,190)	0	0	12,709,635	(12,709,635)
TOTAL FPSC ADJUSTMENTS	\$ (4,907,182,642)	(3,415,377,355)	(177,673,012)	(370,326,420)	(757,012,274)	(66,066,462)	6,571,639	0	385,830	(4,775,498,054)	\$ (127,684,589)
FPSC ADJUSTED	\$ 6,619,905,083	26,604,174	1,331,014,430	1,439,324,803	513,864,493	(140,690,658)	1,127,984,660	112,931,563	(5,857,893)	4,405,175,572	\$ 2,214,729,511
PRO FORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
(SEE SCHEDULE 2, PAGE 3C OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,360,640,491	26,604,174	1,331,014,430	1,439,324,803	513,677,823	(240,629,966)	1,127,984,660	112,931,563	(5,857,893)	4,305,049,594	\$ 2,055,590,898

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 96,941,288

NOTES:
(1) 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
OCTOBER, 2017

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS

	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	21,347,016	20,669,437
INTEREST & DIVIDENDS RECEIVABLE	(138,789)	(134,384)
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECCR	23,486,661	23,728,611
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,213,486	15,213,486
PREPAYMENTS - ECCR	51,154,221	51,154,221
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	9,947,140	9,584,814
TEMPORARY CASH INVESTMENTS	482,060	466,759
STORM DEFICIENCY RECOVERY	250,082,661	249,862,563
NUCLEAR COST RECOVERY	39,919	39,919
JOBGING ACCOUNTS	10,407,384	10,077,042
OTH REG ASSETS - CLAUSES	511,452	486,771
MISC. DEFERRED DEBIT - CLAUSES	16,074,230	15,298,521
CEDAR BAY TRANSACTION	678,108,446	644,164,085
ICL TRANSACTION	329,620,726	313,073,694
	\$ 1,406,336,615	\$ 1,353,685,540

TOTAL ADJUSTMENTS TO ASSETS PER BOOKS

ADJUSTMENTS TO LIABILITIES PER BOOKS:

ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(212,252)	(205,955)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	344,103,044	344,103,044
ACCUM. PROV. - RATE REFUNDS	(16,972)	(18,382)
GAIN ON SALE OF EMISSION ALLOWANCE	(3,890)	(3,699)
JOBGING ACCOUNTS	(18,619,943)	(18,028,925)
POLE ATTACHMENT RENTS PAYABLE	(7,368,581)	(7,368,581)
SURPP ACCELERATED RECOVERY	(15,960,507)	(15,159,286)
STORM DEFICIENCY RECOVERY	(292,222,853)	(292,222,853)
ASSET RETIREMENT OBLIGATION	(4,322,978,365)	(4,194,717,451)
MARGIN CALL CASH COLLATERAL	(494,231)	(478,543)
NUCLEAR COST RECOVERY	(247,097,961)	(247,097,961)
CEDAR BAY TRANSACTION	(5,599,893)	(5,318,777)
	\$ (4,566,472,404)	\$ (4,436,517,369)

TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS

NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS

\$ (3,160,135,789) \$ (3,082,831,829)

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

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
TOTAL PROFORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)

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
OCTOBER, 2017

SCHEDULE 3, PAGE 2 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)
SYSTEM PER BOOKS	\$ 11,527,087,725	3,441,981,529	1,508,687,442	1,809,651,223	1,270,876,767	1,121,413,021	112,931,563	(6,243,723)	9,184,673,626	\$ 2,342,414,099
JURISDICTIONAL PER BOOKS	\$ 11,094,048,614	3,276,314,285	1,459,878,195	1,752,926,895	1,253,169,027	1,073,474,807	108,949,716	(6,224,756)	8,847,007,745	\$ 2,247,040,870
FPSC ADJUSTMENTS										
FRANCHISE REVENUE	\$ (496,963,810)	0	0	0	(12,781,909)	0	0	0	(199,555,078)	\$ (297,408,733)
FRANCHISE EXPENSE	0	0	0	0	(484,181,846)	0	0	0	(297,408,699)	297,408,699
GROSS RECEIPTS TAX	(256,325,891)	0	0	0	(93,803)	0	0	0	(256,176,523)	(149,368)
FINANCIAL PLANNING SERVICES	0	0	(408,051)	0	157,406	0	0	0	(250,645)	250,645
INDUSTRY ASSOCIATION DUES	0	0	(2,441,902)	0	941,984	0	0	0	(1,499,918)	1,499,918
ECONOMIC DEVELOPMENT 5%	0	0	(133,586)	0	51,531	0	0	0	(82,055)	82,055
AVIATION - EXPENSES	0	0	(193,522)	0	74,951	0	0	0	(118,571)	118,571
EXECUTIVE COMPENSATION	0	0	(34,028,461)	0	0	0	0	0	(34,028,461)	(34,028,461)
FUEL COST REC RETAIL	0	(3,046,159,659)	(227,470)	0	13,126,479	2,933,027	0	0	(20,901,982)	20,901,982
CONSERVATION COST RECOVERY	(3,076,661,966)	0	6,686,667	0	(2,181,052)	0	0	0	(3,055,310,358)	(21,351,608)
CAPACITY COST RECOVERY	(60,470,518)	0	(47,437,980)	(9,486,473)	(1,107,447)	(522)	0	0	(68,972,597)	(1,497,921)
ENVIRONMENTAL COST RECOVERY	(324,019,169)	(204,799,391)	(35,070,927)	(10,727,410)	(9,074,324)	(9,102,528)	0	0	(279,151,706)	(44,867,483)
OTHER RATE CASE ADJUSTMENTS (1)	(196,153,786)	0	(27,902,488)	(44,993,592)	(68,865,342)	21,286,636	0	366,863	(120,391,712)	(75,762,074)
STORM DEFICIENCY RECOVERY	0	0	(261,489)	0	100,873	0	0	0	(160,616)	160,616
INTEREST TAX DEFICIENCIES	(343,439,538)	0	(25,508,475)	(308,983,601)	(3,451,464)	0	0	0	(337,943,559)	(5,495,979)
INTEREST SYNCHRONIZATION	0	0	121,442	0	(46,846)	0	0	0	(74,596)	(74,596)
TOTAL FPSC ADJUSTMENTS	\$ (4,754,034,697)	(3,250,959,049)	(173,231,419)	(367,785,908)	(756,995,890)	(8,060,719)	0	366,863	(4,615,831,233)	\$ (138,203,464)
FPSC ADJUSTED	\$ 6,340,013,917	25,355,236	1,286,646,776	1,385,140,987	496,173,137	1,080,530,700	108,949,716	(5,857,893)	4,231,176,511	\$ 2,108,837,406

PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3) PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ (259,264,592)	0	0	0	(186,671)	0	0	0	(100,125,979)	\$ (159,138,613)
	\$ 6,080,749,325	25,355,236	1,286,646,776	1,385,140,987	495,986,466	1,080,530,700	108,949,716	(5,857,893)	4,131,050,533	\$ 1,949,698,793

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

NOTES:
(1) 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
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 OCTOBER, 2017

SCHEDULE 3: 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)	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
TOTAL PROFORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)

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
OCTOBER, 2017

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,627,547,722	\$ 1,547,541,536
FUEL AND CAPACITY	136,509,652	129,721,627
CAPITALIZED EXECUTIVE COMPENSATION	22,920,323	22,240,287
LOAD CONTROL	50,529,173	50,529,173
ASSET RETIREMENT OBLIGATION	432,217,840	419,394,122
CAPITAL LEASES	59,410,224	57,647,548
TOTAL	<u>\$ 2,329,134,935</u>	<u>\$ 2,227,074,293</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (298,342,348)	\$ (283,676,582)
ACCUM PROV DECOMMISSIONING COSTS	(4,381,083,115)	(4,200,257,657)
ASSET RETIREMENT OBLIGATION	(7,686,154)	(7,458,109)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,063,405,069	3,942,845,584
FUEL AND CAPACITY	(40,618,222)	(38,643,967)
OTHER RATE CASE ADJUSTMENTS (1)	(271,384)	(261,499)
LOAD CONTROL	(23,238,664)	(23,238,664)
CAPITAL LEASES	(8,660,833)	(8,403,870)
TOTAL	<u>\$ (696,495,650)</u>	<u>\$ (619,094,764)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,231,564,940	\$ 2,113,200,776
CWIP - CLAUSE PROJECTS	48,935,423	46,514,312
TOTAL	<u>\$ 2,280,500,363</u>	<u>\$ 2,159,715,088</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)	\$ (3,160,135,789)	\$ (3,082,831,829)
TOTAL ADJUSTMENTS	\$ 753,003,860	\$ 684,862,788

NOTES:
(1) 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
OCTOBER, 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	\$ 11,527,087,725	3,441,981,529	1,508,687,442	1,809,651,223	1,270,876,767	(74,624,196)	1,121,413,021	112,931,563	(6,243,723)	9,184,673,626	\$ 2,342,414,099
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (496,963,810)	0	0	0	(12,781,909)	(186,773,168)	0	0	0	(199,555,078)	\$ (297,408,733)
FRANCHISE EXPENSE	0	0	0	0	(484,181,846)	186,773,147	0	0	0	(297,408,699)	297,408,699
GROSS RECEIPTS TAX	(256,325,891)	0	0	0	(256,082,720)	(93,803)	0	0	0	(256,176,523)	(149,368)
FINANCIAL PLANNING SERVICES	0	0	(420,528)	0	0	162,219	0	0	0	(258,309)	258,309
INDUSTRY ASSOCIATION DUES	0	0	(2,516,568)	0	0	970,766	0	0	0	(1,545,802)	1,545,802
ECONOMIC DEVELOPMENT 5%	0	0	(137,671)	0	0	53,107	0	0	0	(84,564)	84,564
AVIATION - EXPENSES	0	0	(199,439)	0	0	76,934	0	0	0	(122,505)	122,505
EXECUTIVE COMPENSATION	0	0	(35,066,942)	0	0	13,527,844	0	0	0	(21,541,097)	21,541,097
FUEL COST REC RETAIL	(3,229,424,377)	(3,199,753,605)	(239,004)	6,666,667	(2,182,186)	(15,778,436)	2,695,243	0	0	(3,208,591,321)	(20,833,056)
CONSERVATION COST RECOVERY	(60,470,518)	0	(47,437,980)	(9,486,473)	(1,107,447)	(940,175)	(522)	0	0	(68,972,597)	(1,497,921)
CAPACITY COST RECOVERY	(324,404,722)	(215,623,750)	(36,924,547)	(10,931,917)	(385,006)	(14,250,585)	(9,102,528)	0	0	(287,218,333)	(37,186,389)
ENVIRONMENTAL COST RECOVERY	(196,153,786)	0	(29,945,015)	(47,319,711)	(291,159)	(67,416,060)	21,286,636	0	385,830	(122,699,480)	(73,454,306)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	(271,384)	0	104,686	0	0	0	(166,698)	166,698
STORM DEFICIENCY RECOVERY	(343,439,538)	0	(25,508,475)	(308,983,601)	0	(3,451,484)	0	0	0	(337,943,559)	(5,495,979)
INTEREST TAX DEFICIENCIES	0	0	125,155	0	0	(48,279)	0	0	0	76,877	(76,877)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,092,869	(8,307,190)	0	0	12,785,679	(12,785,679)
TOTAL FPSC ADJUSTMENTS	\$ (4,907,182,642)	(3,415,377,355)	(177,673,012)	(370,326,420)	(757,012,274)	(65,990,418)	6,571,639	0	385,830	(4,779,422,010)	\$ (127,760,633)
FPSC ADJUSTED	\$ 6,619,905,083	26,604,174	1,331,014,430	1,439,324,803	513,864,493	(140,614,614)	1,127,984,660	112,931,563	(5,857,893)	4,405,251,616	\$ 2,214,653,467
PRO FORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
(SEE SCHEDULE 3, PAGE 3B OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,360,640,491	26,604,174	1,331,014,430	1,439,324,803	513,677,823	(240,553,922)	1,127,984,660	112,931,563	(5,857,893)	4,305,125,638	\$ 2,055,514,854

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 96,941,288

NOTES:
(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0860-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
 OCTOBER, 2017

SCHEDULE 3: PAGE 3B 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)	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)
TOTAL PROFORMA ADJUSTMENTS	\$ (259,264,592)	0	0	0	(186,671)	(99,939,308)	0	0	0	(100,125,979)	\$ (159,138,613)

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
OCTOBER, 2017

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS		RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	1	2		PRO RATA	SPECIFIC			3	4	5	6	7	8
LONG TERM DEBT	\$ 9,220,303,541	\$ 8,877,223,865	\$ 110,912,785	\$ (212,838,346)	\$ 8,775,298,304	27.38%	4.49%	1.23%	4.49%	1.23%	4.49%	4.49%	1.23%
SHORT TERM DEBT	1,031,853,002	992,759,250	12,708,310	-	1,005,467,559	3.14%	1.97%	0.06%	1.97%	0.06%	1.97%	1.97%	0.06%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,981,781,438	14,414,167,586	184,515,736	0	14,598,683,322	45.54%	9.60%	4.37%	10.55%	4.80%	11.60%	11.60%	5.28%
CUSTOMER DEPOSITS	408,366,988	407,871,516	5,221,163	0	413,092,678	1.29%	2.09%	0.03%	2.09%	0.03%	2.09%	2.09%	0.03%
DEFERRED INCOME TAX	7,732,294,625	7,440,038,940	90,654,159	(358,235,109)	7,172,457,991	22.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	237,117,317	226,505,578	1,141,230	(137,353,955)	90,292,852	0.28%	7.65%	0.02%	8.27%	0.02%	8.90%	8.90%	0.03%
TOTAL	\$ 33,611,716,910	\$ 32,358,566,735	\$ 405,153,382	\$ (708,427,410)	\$ 32,055,292,707	100.00%	5.71%	6.14%	6.14%	5.99%	6.46%	6.46%	6.62%

YEAR END	SYSTEM PER BOOKS		RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	1	2		PRO RATA	SPECIFIC			3	4	5	6	7	8
LONG TERM DEBT	\$ 9,285,547,578	\$ 8,962,737,446	\$ 5,332,225	\$ (212,256,428)	\$ 8,755,813,244	26.62%	4.42%	1.18%	4.42%	1.18%	4.42%	4.42%	1.18%
SHORT TERM DEBT	1,425,150,703	1,374,729,735	837,710	(0)	1,375,567,446	4.18%	2.02%	0.08%	2.02%	0.08%	2.02%	2.02%	0.08%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	15,128,266,992	14,593,038,082	8,892,467	(0)	14,601,930,550	44.39%	9.60%	4.26%	10.55%	4.68%	11.60%	11.60%	5.15%
CUSTOMER DEPOSITS	391,251,754	390,716,129	238,088	(0)	390,954,217	1.19%	2.18%	0.03%	2.18%	0.03%	2.18%	2.18%	0.03%
DEFERRED INCOME TAX	8,316,474,684	8,022,007,183	4,670,024	(358,235,109)	7,668,442,098	23.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	247,464,419	236,761,278	62,373	(134,404,140)	102,419,511	0.31%	7.63%	0.02%	8.25%	0.03%	8.88%	8.88%	0.03%
TOTAL	\$ 34,794,156,130	\$ 33,579,989,853	\$ 20,032,888	\$ (704,895,677)	\$ 32,895,127,065	100.00%	5.57%	5.99%	5.99%	6.46%	6.46%	6.46%	6.46%

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
OCTOBER, 2017

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT			MIDPOINT			HIGH POINT		
					COST RATE (%) 5	WEIGHTED COST (%) 6	TOTAL RATIO (%) 4	COST RATE (%) 7	WEIGHTED COST (%) 8	TOTAL RATIO (%) 4	COST RATE (%) 9	WEIGHTED COST (%) 10	TOTAL RATIO (%) 4
LONG TERM DEBT	\$ 8,775,298,304	\$ -	\$ 8,775,298,304	27.38%	4.49%	1.23%	4.49%	1.23%	4.49%	1.23%	4.49%	1.23%	
SHORT TERM DEBT	1,005,467,559	-	1,005,467,559	3.14%	1.97%	0.06%	1.97%	0.06%	1.97%	0.06%	1.97%	0.06%	
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	14,598,683,322	-	14,598,683,322	45.54%	9.60%	4.37%	10.55%	4.80%	11.60%	5.28%	11.60%	5.28%	
CUSTOMER DEPOSITS	413,092,678	-	413,092,678	1.29%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	
DEFERRED INCOME TAX	7,172,457,991	-	7,172,457,991	22.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (1)	90,292,852	-	90,292,852	0.28%	7.65%	0.02%	8.27%	0.02%	8.90%	0.03%	8.90%	0.03%	
TOTAL	\$ 32,055,292,707	\$ -	\$ 32,055,292,707	100.00%		5.71%		6.14%		6.82%		6.82%	
YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 9	WEIGHTED COST (%) 10	
LONG TERM DEBT	\$ 8,755,813,244	\$ -	\$ 8,755,813,244	26.62%	4.42%	1.18%	4.42%	1.18%	4.42%	1.18%	4.42%	1.18%	
SHORT TERM DEBT	1,375,567,446	-	1,375,567,446	4.18%	2.02%	0.08%	2.02%	0.08%	2.02%	0.08%	2.02%	0.08%	
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
COMMON EQUITY	14,601,930,550	-	14,601,930,550	44.39%	9.60%	4.26%	10.55%	4.68%	11.60%	5.15%	11.60%	5.15%	
CUSTOMER DEPOSITS	390,954,217	-	390,954,217	1.19%	2.18%	0.03%	2.18%	0.03%	2.18%	0.03%	2.18%	0.03%	
DEFERRED INCOME TAX	7,668,442,098	-	7,668,442,098	23.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
INVESTMENT TAX CREDITS (1)	102,419,511	-	102,419,511	0.31%	7.63%	0.02%	8.25%	0.03%	8.88%	0.03%	8.88%	0.03%	
TOTAL	\$ 32,895,127,065	\$ -	\$ 32,895,127,065	100.00%		5.57%		5.99%		6.46%		6.46%	

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
OCTOBER, 2017

<u>A. TIMES INTEREST EARNED WITH AFUDC</u>		
EARNINGS BEFORE INTEREST CHARGES	\$	2,401,518,442
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		21,535,169
INCOME TAXES		1,145,364,878
TOTAL	\$	3,568,418,488
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	493,977,588
TIMES INTEREST EARNED WITH AFUDC		7.22
<u>B. TIMES INTEREST EARNED WITHOUT AFUDC</u>		
EARNINGS BEFORE INTEREST CHARGES	\$	2,401,518,442
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(75,406,120)
INCOME TAXES		1,145,364,878
TOTAL	\$	3,471,477,200
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	493,977,588
TIMES INTEREST EARNED WITHOUT AFUDC		7.03
<u>C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS</u>		
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	21,535,169
X (1 - INCOME TAX RATE)		0.6143
SUBTOTAL	\$	13,227,977
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		75,406,120
TOTAL	\$	88,634,097
NET INCOME AVAILABLE FOR COMMON	\$	1,929,076,023
AFUDC AS PERCENT OF NET INCOME		4.59%
<u>D. PERCENT INTERNALLY GENERATED FUNDS</u>		
NET INCOME	\$	1,929,076,023
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		(800,000,000)
AFUDC (DEBT & OTHER)		(96,941,288)
DEPRECIATION AND AMORTIZATION EXPENSE		1,809,651,223
DEFERRED INCOME TAXES		1,124,298,896
INVESTMENT TAX CREDITS		112,931,563
OTHER SOURCE/USES OF FUNDS		160,482,598
INTERNALLY GENERATED FUNDS	\$	4,239,499,015
CONSTRUCTION EXPENDITURES	\$	4,476,664,158
PERCENT INTERNALLY GENERATED FUNDS		94.70%
<u>E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u>		
<u>F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL</u>		
<u>G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</u>		
AVERAGE RETAIL AMOUNTS		
JURIS ADJUSTED LONG TERM DEBT	\$	8,775,298,304
JURIS ADJUSTED SHORT TERM DEBT		1,005,467,559
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		14,598,683,322
TOTAL	\$	24,379,449,186
LTD TO TOTAL INVESTOR FUNDS		35.99%
STD TO TOTAL INVESTOR FUNDS		4.12%
<u>G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</u>		
FPSC RATE OF RETURN		6.58%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:		
LONG TERM DEBT		1.23%
SHORT TERM DEBT		0.06%
PREFERRED STOCK		0.00%
CUSTOMER DEPOSITS		0.03%
TAX CREDITS - WTD COST		0.02%
SUBTOTAL		1.34%
TOTAL		5.24%
DIVIDED BY COMMON EQUITY RATIO		45.54%
JURISDICTIONAL RETURN ON COMMON EQUITY		11.50%
<u>FOOTNOTES</u>		
CLAUSE OVER/UNDER RECOVERY	\$	166,726,321
GAINS ON DISPOSITION OF PROPERTY		(6,243,723)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS		0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS		0
	\$	160,482,598
** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:		

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

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 6.08%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.23%
SHORT TERM DEBT	0.06%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.02%
SUBTOTAL	<u>1.34%</u>

PRO FORMA ROR LESS NON EQUITY COST

4.74%

PRO FORMA COMMON EQUITY RATIO

45.54%

PRO FORMA RETURN ON COMMON EQUITY

10.41%