



Florida Power & Light Company, 700 Universe Blvd, Juno Beach FL. 33408-0420

March 15, 2018

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 January 2018. 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 11.15%.

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.

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  
JANUARY, 2018

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	\$ 2,306,441,096 (A)	(235,756,066) (B)	2,070,685,029	(156,003,257)	\$ 1,914,681,773
RATE BASE	\$ 33,245,659,529	(423,308,370)	32,822,351,158	0	\$ 32,822,351,158
AVERAGE RATE OF RETURN	6.94%		6.31%		5.83%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 2,306,441,096 (A)	(221,497,840) (B)	2,084,943,256	(156,003,257)	\$ 1,928,939,999
RATE BASE	\$ 35,536,303,273	(603,155,232)	35,033,148,041	0	\$ 35,033,148,041
YEAR END RATE OF RETURN	6.49%		5.95%		5.51%

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

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

LOW	5.62%
MIDPOINT	6.04%
HIGH	6.51%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.82	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.62	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.04%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	53.34%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.33%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	4.92%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.15%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.16%	(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 Ousdahl*  
*Feb K. Ousdahl*

(SIGNATURE)

3/15/18  
(DATE)

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
RATE BASE  
JANUARY, 2018

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	\$ 46,172,660,740	15,050,796,190	31,121,864,550	283,704,404	3,326,483,052	663,090,727	35,395,142,733	(796,688,735)	\$ 34,598,453,998
JURISDICTIONAL PER BOOKS	\$ 44,168,468,435	12,924,244,320	31,274,224,115	268,047,712	3,186,527,400	636,008,623	35,364,807,851	(2,118,148,322)	\$ 33,245,659,529
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,219,269,313)	(684,398,503)	(1,634,870,810)	0	(1,887,103,210)	0	(3,521,974,019)	3,098,665,649	\$ (423,308,370)
FPSC ADJUSTED:	\$ 41,979,199,122	12,339,845,816	29,639,353,306	268,047,712	1,299,424,190	636,008,623	31,842,833,831	979,517,327	\$ 32,822,351,158

PRO FORMA ADJUSTMENTS

TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 41,979,199,122	12,339,845,816	29,639,353,306	268,047,712	1,299,424,190	636,008,623	31,842,833,831	979,517,327	\$ 32,822,351,158

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  
JANUARY, 2018

SCHEDULE 2: 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	\$ 11,751,686,474	3,483,114,893	2,810,781,231	805,255,251	1,296,009,541	108,204,752	854,334,664	97,259,908	(6,013,169)	9,448,957,111	\$ 2,302,729,362
JURISDICTIONAL PER BOOKS	\$ 11,312,109,013	3,317,620,032	2,756,990,016	745,960,218	1,276,684,019	103,557,412	817,141,948	93,582,799	(6,007,166)	9,105,529,278	\$ 2,206,579,735
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (507,513,214)	0	0	0	(13,053,240)	(185,833,759)	0	0	0	(198,886,998)	\$ (308,626,215)
FRANCHISE EXPENSE	0	0	0	0	(494,457,337)	185,833,085	0	0	0	(308,624,252)	308,624,252
GROSS RECEIPTS TAX	(281,500,811)	0	0	0	(261,225,744)	(102,222)	0	0	0	(281,327,966)	(172,645)
FINANCIAL PLANNING SERVICES	0	0	(962,791)	0	0	137,557	0	0	0	(225,234)	225,234
INDUSTRY ASSOCIATION DUES	0	0	(2,146,450)	0	0	808,322	0	0	0	(1,338,127)	1,338,127
ECONOMIC DEVELOPMENT 5%	0	0	(136,471)	0	0	51,500	0	0	0	(84,971)	84,971
AVIATION - EXPENSES	0	0	(155,686)	0	0	59,196	0	0	0	(96,490)	96,490
EXECUTIVE COMPENSATION	0	0	(94,653,111)	0	0	13,099,393	0	0	0	(21,553,718)	21,553,718
FUEL COST REC RETAIL	(3,118,569,620)	(3,102,081,791)	(221,301)	7,384,009	(2,214,028)	(17,439,115)	9,307,792	0	0	(3,105,264,433)	(13,305,187)
CONSERVATION COST RECOVERY	(55,515,283)	0	(43,347,945)	(9,630,215)	(1,138,503)	(902,234)	(983)	0	0	(55,019,881)	(1,495,402)
CAPACITY COST RECOVERY	(315,586,935)	(193,319,377)	(36,544,329)	(3,715,628)	(383,984)	(20,764,325)	(9,678,027)	0	0	(284,406,280)	(51,190,655)
ENVIRONMENTAL COST RECOVERY	(199,241,038)	0	(34,429,488)	(43,623,598)	(287,698)	(62,527,254)	16,964,112	0	117,171	(123,786,755)	(75,454,283)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(418,174,599)	0	(97,676,976)	(312,412,001)	0	(3,034,241)	0	0	0	(413,123,218)	(5,051,381)
INTEREST TAX DEFICIENCIES	0	0	220,877	0	0	(62,078)	0	0	0	(138,799)	(138,799)
INTEREST SYNCHRONIZATION	0	0	0	0	0	20,593,434	(9,210,503)	0	0	12,382,931	(12,382,931)
TOTAL FPSC ADJUSTMENTS	\$ (4,877,111,301)	(3,295,401,168)	(249,454,270)	(361,997,433)	(772,760,545)	(70,102,741)	9,362,390	0	117,171	(4,741,216,595)	\$ (135,684,706)
FPSC ADJUSTED	\$ 6,434,997,713	22,218,864	2,507,535,747	383,962,785	503,923,475	33,454,671	825,524,339	93,582,799	(5,889,995)	4,354,312,683	\$ 2,070,685,029

PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (235,672,216)	0	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,958)	\$ (156,003,257)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,199,325,497	22,218,864	2,507,535,747	383,962,785	503,753,791	(46,044,605)	825,524,339	93,582,799	(5,889,995)	4,284,643,724	\$ 1,914,681,773

(A) THE ADDITION OF EARNINGS FROM AFUDC 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	\$ 914,026,273	284,395,711	127,191,440	148,030,165	107,626,680	(76,974,543)	18,013,041	100,597,150	(496,141)	688,373,513	\$ 225,652,760
JURISDICTIONAL PER BOOKS	\$ 873,902,092	251,498,459	123,888,517	142,442,258	105,804,619	(71,674,691)	12,857,754	96,793,870	(496,140)	680,914,645	\$ 212,967,447

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  
JANUARY, 2018

SCHEDULE 2, 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)	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)
TOTAL PROFORMA ADJUSTMENTS	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)

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  
JANUARY, 2018

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,623,614,351	\$ 1,544,481,423
FUEL AND CAPACITY	135,171,511	128,576,632
CAPITALIZED EXECUTIVE COMPENSATION	19,232,907	18,626,486
LOAD CONTROL	48,434,640	48,434,640
ASSET RETIREMENT OBLIGATION	435,396,633	421,668,421
CAPITAL LEASES	59,353,136	57,481,710
<b>TOTAL</b>	<b>\$ 2,321,203,177</b>	<b>\$ 2,219,269,313</b>
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (282,005,428)	\$ (268,260,837)
ACCUM PROV DECOMMISSIONING COSTS	(4,285,593,576)	(4,098,777,892)
ASSET RETIREMENT OBLIGATION	880,625	852,659
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	3,974,505,784	3,849,188,195
FUEL AND CAPACITY	(39,810,949)	(37,900,539)
OTHER RATE CASE ADJUSTMENTS (1)	0	0
LOAD CONTROL	(21,450,195)	(21,450,195)
CAPITAL LEASES	(8,312,179)	(8,050,093)
<b>TOTAL</b>	<b>\$ (661,785,919)</b>	<b>\$ (584,398,503)</b>
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 1,959,146,068	\$ 1,847,556,911
CWIP - CLAUSE PROJECTS	41,577,608	39,546,299
<b>TOTAL</b>	<b>\$ 2,000,723,675</b>	<b>\$ 1,887,103,210</b>
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,182,946,036)	\$ (3,098,665,649)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 477,194,897</b>	<b>\$ 423,308,370</b>

**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  
JANUARY, 2018

SCHEDULE 2, PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE 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	\$ 11,751,686,474	3,483,114,633	2,810,781,231	805,265,251	1,296,009,541	108,204,752	854,334,664	97,259,908	(6,013,169)	9,448,957,111	2,302,729,352
FFSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (507,513,214)	0	0	0	(13,053,240)	(185,833,759)	0	0	0	(198,886,999)	(308,626,215)
FRANCHISE EXPENSE	0	0	0	0	(494,457,337)	185,833,085	0	0	0	(308,624,252)	308,624,252
GROSS RECEIPTS TAX	(251,500,611)	0	0	0	(261,225,744)	(102,222)	0	0	0	(261,327,966)	(172,645)
FINANCIAL PLANNING SERVICES	0	0	(374,602)	0	0	142,035	0	0	0	(232,567)	232,567
INDUSTRY ASSOCIATION DUES	0	0	(2,216,331)	0	0	834,639	0	0	0	(1,381,693)	1,381,693
ECONOMIC DEVELOPMENT 5%	0	0	(140,914)	0	0	53,177	0	0	0	(87,737)	87,737
AVIATION - EXPENSES	0	0	(160,755)	0	0	61,123	0	0	0	(99,631)	99,631
EXECUTIVE COMPENSATION	0	0	(95,781,300)	0	0	13,525,869	0	0	0	(22,255,439)	22,255,439
FUEL COST RECOVERY	(3,274,284,156)	(3,256,482,198)	(232,402)	7,386,551	(2,215,193)	(17,504,403)	9,205,307	0	0	(3,259,842,336)	(14,441,820)
CONSERVATION COST RECOVERY	(56,515,283)	0	(43,347,945)	(9,630,215)	(1,138,503)	(902,234)	(983)	0	0	(56,019,881)	(1,465,402)
CAPACITY COST RECOVERY	(315,973,123)	(203,372,459)	(38,432,898)	(3,941,956)	(32,364)	(16,405,062)	(9,678,027)	0	0	(272,222,764)	(43,750,380)
ENVIRONMENTAL COST RECOVERY	(199,241,038)	0	(96,193,514)	(45,858,693)	(295,089)	(61,002,727)	16,964,112	0	123,174	(126,262,738)	(72,878,301)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(418,174,599)	0	(97,676,976)	(312,412,001)	0	(3,034,241)	0	0	0	(413,123,218)	(5,051,381)
INTEREST TAX DEFICIENCIES	0	0	228,068	0	0	(84,750)	0	0	0	143,317	(143,317)
INTEREST SYNCHRONIZATION	0	0	0	0	0	21,269,551	(8,477,911)	0	0	12,791,740	(12,791,740)
TOTAL FFSC ADJUSTMENTS	\$ (5,033,202,024)	(3,459,854,655)	(254,329,577)	(364,456,313)	(772,777,470)	(63,149,919)	8,012,597	0	123,174	(4,906,432,163)	(126,769,861)
FFSC ADJUSTED	\$ 6,718,484,449	23,260,276	2,556,451,655	440,808,938	523,232,071	45,054,833	862,347,261	97,259,908	(5,889,995)	4,542,524,848	2,175,959,501

PRO FORMA ADJUSTMENTS	\$ (235,672,216)	0	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	(156,003,257)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,482,812,233	23,260,276	2,556,451,655	440,808,938	523,062,387	(34,444,442)	862,347,261	97,259,908	(5,889,995)	4,462,855,889	2,019,956,244

(A) THE ADDITION OF EARNINGS FROM AFUDC  
WOULD INCREASE THE SYSTEM NOI BY \$ 103,881,360

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  
JANUARY, 2018

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>		
ACCOUNTS RECEIVABLE - ASSOC COS	21,033,989	20,338,936
INTEREST & DIVIDENDS RECEIVABLE	22,971	22,212
NET UNDERRECOVERED FUEL, CAPACITY, ECRC, ECRC	19,044,222	19,180,727
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,087,573	15,087,573
PREPAYMENTS - ECRC	50,405,623	50,405,623
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	10,142,870	9,750,361
TEMPORARY CASH INVESTMENTS	505,140	488,448
STORM DEFICIENCY RECOVERY	223,430,298	223,327,534
NUCLEAR COST RECOVERY	21,139	21,139
JOBGING ACCOUNTS	13,271,493	12,832,946
OTH REG ASSETS - CLAUSES	1,713,817	1,631,954
MISC. DEFERRED DEBIT - CLAUSES	14,817,441	14,109,662
CEDAR BAY TRANSACTION	672,399,230	639,369,446
ICL TRANSACTION	422,236,111	401,494,287
SJRPP TRANSACTION	6,802,676	6,488,503
<b>TOTAL ADJUSTMENTS TO ASSETS PER BOOKS</b>	<b>\$ 1,470,934,591</b>	<b>\$ 1,414,529,349</b>
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(212,919)	(206,206)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	381,962,393	381,962,393
ACCUM. PROV. - RATE REFUNDS	114	0
GAIN ON SALE OF EMISSION ALLOWANCE	(2,695)	(2,564)
JOBGING ACCOUNTS	(19,612,372)	(18,964,295)
POLE ATTACHMENT RENTS PAYABLE	(7,592,296)	(7,592,296)
SJRPP ACCELERATED RECOVERY	(13,731,210)	(13,056,682)
STORM DEFICIENCY RECOVERY	(330,088,441)	(330,088,441)
ASSET RETIREMENT OBLIGATION	(4,410,811,980)	(4,271,737,500)
MARGIN CALL CASH COLLATERAL	(475,000)	(459,304)
NUCLEAR COST RECOVERY	(247,898,932)	(247,898,932)
CEDAR BAY TRANSACTION	(5,417,289)	(5,151,171)
<b>TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS</b>	<b>\$ (4,653,880,627)</b>	<b>\$ (4,513,194,998)</b>
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ (3,182,946,036)</b>	<b>\$ (3,098,665,649)</b>



FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
DETAIL OF PRO FORMA ADJUSTMENTS  
JANUARY, 2018

SCHEDULE 2: PAGE 30 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)	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)
TOTAL PROFORMA ADJUSTMENTS	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)

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  
 RATE BASE  
 JANUARY, 2018

SCHEDULE 3: 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	\$ 47,391,633,107	15,010,418,782	32,381,214,325	332,468,124	3,440,196,585	625,478,503	36,779,357,537	(796,688,735)	\$ 35,982,668,801
JURISDICTIONAL PER BOOKS	\$ 45,377,528,458	11,924,367,906	33,453,150,551	313,778,242	3,288,580,235	599,932,566	37,655,451,595	(2,119,148,322)	\$ 35,536,303,273
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 38 OF 3)	\$ (2,207,604,590)	(591,228,111)	(1,616,376,479)	0	(1,985,444,401)	0	(3,601,820,881)	3,098,665,649	\$ (503,155,232)
FPSC ADJUSTED:	\$ 43,169,923,867	11,333,139,795	31,836,784,072	313,778,242	1,303,135,833	599,932,566	34,053,630,714	979,517,327	\$ 35,033,148,041

PRO FORMA ADJUSTMENTS

TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 43,169,923,867	11,333,139,795	31,836,784,072	313,778,242	1,303,135,833	599,932,566	34,053,630,714	979,517,327	\$ 35,033,148,041

FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
JANUARY, 2018

SCHEDULE 3, 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	\$ 11,751,686,474	3,483,114,933	2,810,761,231	805,265,251	1,296,009,541	108,204,752	854,334,664	87,259,908	(6,013,169)	9,448,957,111	\$ 2,302,729,362
JURISDICTIONAL PER BOOKS	\$ 11,312,109,013	3,317,620,032	2,756,950,016	745,960,218	1,276,684,019	103,557,412	817,141,948	93,562,799	(6,007,165)	9,105,529,278	\$ 2,206,579,735
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (507,513,214)	0	0	0	(13,053,240)	(185,633,759)	0	0	0	(198,686,999)	\$ (308,626,215)
FRANCHISE EXPENSE	0	0	0	0	(494,457,337)	185,633,085	0	0	0	(308,624,252)	308,624,252
GROSS RECEIPTS TAX	(261,500,611)	0	0	0	(261,225,744)	(102,222)	0	0	0	(261,327,966)	(172,645)
FINANCIAL PLANNING SERVICES	0	0	(952,791)	0	0	137,557	0	0	0	(225,234)	225,234
INDUSTRY ASSOCIATION DUES	0	0	(2,146,450)	0	0	808,322	0	0	0	(1,338,127)	1,338,127
ECONOMIC DEVELOPMENT 5%	0	0	(136,471)	0	0	51,500	0	0	0	(84,971)	84,971
AVIATION - EXPENSES	0	0	(193,696)	0	0	35,196	0	0	0	(96,490)	96,490
EXECUTIVE COMPENSATION	0	0	(54,653,111)	0	0	13,093,415	0	0	0	(21,553,719)	21,553,718
FUEL COST REC RETAIL	(3,118,566,620)	(3,102,081,791)	0	7,384,009	(2,214,029)	(17,433,415)	9,307,792	0	0	(3,102,081,791)	(3,305,167)
COST RECOVERY	(58,516,285)	0	(43,347,545)	(9,800,215)	(1,138,503)	(20,764,325)	(639)	0	0	(55,254,663)	(1,483,462)
OPERATIONAL RECOVERY	(315,536,635)	(183,319,377)	(36,544,928)	(3,715,628)	(383,994)	(62,527,254)	(9,678,927)	0	0	(51,019,991)	(1,190,655)
ENVIRONMENTAL COST RECOVERY	(199,241,038)	0	(34,429,468)	(43,623,598)	(287,693)	(62,527,254)	16,964,412	0	117,171	(123,766,756)	(73,454,265)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	(3,034,241)	0	0	0	(413,123,219)	(5,051,395)
STORM DEFICIENCY RECOVERY	(418,174,599)	0	(97,676,976)	(312,412,001)	0	(32,073)	0	0	0	(138,769)	(138,769)
INTEREST TAX DEFICIENCIES	0	0	220,877	0	0	6,335,207	(8,210,503)	0	0	(1,875,296)	1,875,296
INTEREST SYNCHRONIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL FPSC ADJUSTMENTS	\$ (4,877,111,301)	(3,295,401,168)	(249,454,270)	(561,997,433)	(772,760,545)	(84,390,666)	3,382,990	0	117,171	(4,755,474,621)	\$ (121,636,479)
FPSC ADJUSTED	\$ 6,434,997,713	22,218,864	2,507,535,747	383,962,785	503,923,475	19,196,444	825,524,339	93,562,799	(5,889,995)	4,350,054,457	\$ 2,084,943,256
PRO FORMA ADJUSTMENTS	\$ (235,672,216)	0	0	0	(169,684)	(79,499,275)	0	0	0	(79,688,959)	\$ (156,003,257)
(SEE SCHEDULE 2, PAGE 2A OF 3)											
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,199,325,497	22,218,864	2,507,535,747	383,962,785	503,753,791	(60,302,831)	825,524,339	93,562,799	(5,889,995)	4,270,365,498	\$ 1,928,939,999
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 103,881,360										
	\$ 99,861,360										

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  
JANUARY, 2018

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)	\$ (235,672,216)	0	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)
TOTAL PROFORMA ADJUSTMENTS	\$ (235,672,216)	0	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)

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  
JANUARY, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,572,822,822	\$ 1,496,165,410
FUEL AND CAPACITY	148,119,522	140,888,464
CAPITALIZED EXECUTIVE COMPENSATION	24,620,408	23,844,118
LOAD CONTROL	51,073,903	51,073,903
ASSET RETIREMENT OBLIGATION	452,358,730	438,095,697
CAPITAL LEASES	59,410,224	57,536,999
<b>TOTAL</b>	<b>\$ 2,308,405,609</b>	<b>\$ 2,207,604,590</b>
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (254,685,318)	\$ (242,272,275)
ACCUM PROV DECOMMISSIONING COSTS	(4,508,518,142)	(4,311,984,829)
ASSET RETIREMENT OBLIGATION	(15,549,956)	(15,059,660)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,182,830,056	4,050,943,928
FUEL AND CAPACITY	(41,748,803)	(39,743,073)
OTHER RATE CASE ADJUSTMENTS (1)	0	0
LOAD CONTROL	(24,373,378)	(24,373,378)
CAPITAL LEASES	(9,023,333)	(8,738,824)
<b>TOTAL</b>	<b>\$ (671,068,873)</b>	<b>\$ (591,228,111)</b>
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 2,047,680,035	\$ 1,927,969,536
CWIP - CLAUSE PROJECTS	60,423,910	57,474,865
<b>TOTAL</b>	<b>\$ 2,108,103,945</b>	<b>\$ 1,985,444,401</b>
<b>NUCLEAR FUEL:</b>		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,182,946,036)	\$ (3,098,665,649)
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 562,494,645</b>	<b>\$ 503,155,232</b>

**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  
JANUARY, 2018

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	\$ 11,751,686,474	3,485,114,933	2,610,781,231	895,265,251	1,296,009,541	108,204,752	854,354,864	97,259,908	(6,013,169)	9,448,957,111	2,302,729,362
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (507,513,214)	0	0	0	(13,053,240)	(185,833,759)	0	0	0	(199,886,999)	(308,626,215)
FRANCHISE EXPENSE	0	0	0	0	(494,457,337)	185,833,085	0	0	0	(308,624,252)	308,624,252
GROSS RECEIPTS TAX	(261,500,611)	0	0	0	(261,225,744)	(102,222)	0	0	0	(261,327,966)	(172,645)
FINANCIAL PLANNING SERVICES	0	0	(374,602)	0	0	142,035	0	0	0	(232,567)	232,567
INDUSTRY ASSOCIATION DUES	0	0	(2,216,331)	0	0	894,639	0	0	0	(1,381,693)	1,381,693
ECONOMIC DEVELOPMENT 5%	0	0	(140,914)	0	0	53,177	0	0	0	(87,737)	87,737
AVIATION - EXPENSES	0	0	(160,755)	0	0	61,123	0	0	0	(99,631)	99,631
EXECUTIVE COMPENSATION	0	0	(35,781,306)	0	0	13,525,869	0	0	0	(22,255,439)	22,255,439
FUEL COST REC RETAIL	(3,274,284,156)	(3,256,482,199)	(232,402)	7,386,551	(2,215,193)	(17,504,403)	9,205,307	0	0	(3,259,842,336)	(14,441,820)
CONSERVATION COST RECOVERY	(56,515,283)	0	(43,347,945)	(9,630,215)	(1,138,503)	(902,234)	(893)	0	0	(55,019,881)	(1,495,402)
CAPACITY COST RECOVERY	(315,973,123)	(203,372,458)	(38,432,898)	(3,941,955)	(392,364)	(16,405,052)	(9,678,027)	0	0	(272,222,764)	(43,750,360)
ENVIRONMENTAL COST RECOVERY	(199,241,038)	0	(36,193,514)	(45,858,693)	(295,089)	(61,002,727)	16,954,112	0	123,174	(126,262,738)	(72,978,301)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	0	0	0	0	0	0	0	0
STORM DEFICIENCY RECOVERY	(418,174,598)	0	(97,676,976)	(312,412,001)	0	(3,034,241)	0	0	0	(413,123,218)	(5,051,381)
INTEREST TAX DEFICIENCIES	0	0	228,068	0	0	(64,750)	0	0	0	143,317	(143,317)
INTEREST SYNCHRONIZATION	0	0	0	0	0	9,812,939	(8,477,811)	0	0	1,335,128	(1,335,128)
TOTAL FPSC ADJUSTMENTS	\$ (5,093,202,024)	(3,459,854,655)	(254,329,577)	(364,456,313)	(772,777,470)	(74,606,531)	8,012,597	0	123,174	(4,917,868,775)	(115,313,249)
FPSC ADJUSTED	\$ 6,718,484,449	23,260,278	2,556,451,655	440,808,938	523,232,071	33,598,221	862,347,261	97,259,908	(5,889,955)	4,531,058,336	2,187,416,113
PRO FORMA ADJUSTMENTS	\$ (235,672,215)	0	0	0	(169,584)	(79,499,275)	0	0	0	(79,669,959)	(156,003,257)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,482,812,233	23,260,278	2,556,451,655	440,808,938	523,062,387	(45,901,054)	862,347,261	97,259,908	(5,889,955)	4,451,359,377	2,031,412,856

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY \$ 103,881,360

NOTES:  
(1) REFLECTS A PORTION OF THE DEPRECIATION/DEPLETION RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.

THE PRO FORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PRO FORMA 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  
JANUARY, 2018

SCHEDULE 3: PAGE 3B 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)	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)
TOTAL PROFORMA ADJUSTMENTS	\$ (235,672,216)	0	0	(169,684)	(79,499,275)	0	0	0	(79,668,959)	\$ (156,003,257)

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  
JANUARY, 2018

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			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	\$ 9,568,444,382	\$ 9,194,398,659	\$ 65,925,791	\$ (196,547,149)	\$ 9,063,777,301	27.61%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%
SHORT TERM DEBT	1,268,758,421	1,218,380,719	8,926,877	0	1,227,307,596	3.74%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	15,154,022,588	14,552,312,425	106,622,421	0	14,658,934,845	44.66%	9.60%	4.29%	10.55%	4.71%	11.60%	5.18%
CUSTOMER DEPOSITS	404,315,375	403,819,337	2,958,718	0	406,778,055	1.24%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%
DEFERRED INCOME TAX (1)	7,945,054,350	7,630,418,902	53,492,224	(329,557,177)	7,354,353,949	22.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	257,858,880	246,329,487	808,814	(135,938,890)	111,199,411	0.34%	7.57%	0.03%	8.19%	0.03%	8.81%	0.03%
TOTAL	\$ 34,598,453,998	\$ 33,245,659,529	\$ 238,734,845	\$ (662,043,215)	\$ 32,822,351,158	100.00%	5.04%	5.62%	5.04%	5.62%	5.04%	6.51%

  

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			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	\$ 10,211,778,263	\$ 10,088,073,657	\$ 44,047,628	\$ (195,913,706)	\$ 9,936,207,579	28.36%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%
SHORT TERM DEBT	1,858,084,017	1,835,496,068	8,173,063	0	1,843,669,131	5.26%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	15,067,879,792	14,884,705,887	66,278,345	0	14,950,984,233	42.58%	9.60%	4.10%	10.55%	4.50%	11.60%	4.95%
CUSTOMER DEPOSITS	390,465,807	390,028,472	1,736,712	0	391,765,183	1.12%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	8,123,566,432	8,016,253,328	34,227,179	(329,557,177)	7,720,923,331	22.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	330,874,490	321,745,861	840,499	(132,987,775)	189,598,584	0.54%	7.37%	0.04%	7.98%	0.04%	8.58%	0.05%
TOTAL	\$ 35,982,668,801	\$ 35,536,303,273	\$ 155,303,426	\$ (668,458,658)	\$ 35,033,148,041	100.00%	5.44%	5.44%	5.44%	5.85%	5.44%	6.30%

NOTE:  
(1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$506.5 MILLION OF EXCESS DEFERRED TAXES  
(2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.  
(3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.



FLORIDA POWER & LIGHT COMPANY  
AND SUBSIDIARIES  
CAPITAL STRUCTURE  
PROFORMA ADJUSTED BASIS  
JANUARY, 2018

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	LOW POINT										MIDPOINT			HIGH POINT				
	1	2	3	4	5	6	7	8	9	10	7	8	9	10	7	8	9	10
LONG TERM DEBT	\$ 9,063,777,301	\$ -	\$ 9,063,777,301	27.61%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%	4.38%	1.21%
SHORT TERM DEBT	1,227,307,596	-	1,227,307,596	3.74%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%	1.85%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,658,934,845	-	14,658,934,845	44.66%	9.60%	4.29%	9.60%	4.29%	9.60%	4.29%	9.60%	4.29%	9.60%	4.29%	9.60%	4.29%	9.60%	4.29%
CUSTOMER DEPOSITS	406,778,055	-	406,778,055	1.24%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%	2.09%	0.03%
DEFERRED INCOME TAX	7,354,353,949	-	7,354,353,949	22.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	111,199,411	-	111,199,411	0.34%	7.57%	0.03%	7.57%	0.03%	7.57%	0.03%	7.57%	0.03%	7.57%	0.03%	7.57%	0.03%	7.57%	0.03%
TOTAL	\$ 32,822,351,158	\$ -	\$ 32,822,351,158	100.00%		5.62%		5.62%		5.62%		5.62%		5.62%		5.62%		5.62%
YEAR END																		
LONG TERM DEBT	\$ 9,936,207,579	\$ -	\$ 9,936,207,579	28.36%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%	4.10%	1.16%
SHORT TERM DEBT	1,843,669,131	-	1,843,669,131	5.26%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%	2.18%	0.11%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	14,950,984,233	-	14,950,984,233	42.66%	9.60%	4.10%	9.60%	4.10%	9.60%	4.10%	9.60%	4.10%	9.60%	4.10%	9.60%	4.10%	9.60%	4.10%
CUSTOMER DEPOSITS	391,765,183	-	391,765,183	1.12%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,720,923,331	-	7,720,923,331	22.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	189,598,584	-	189,598,584	0.54%	7.37%	0.04%	7.37%	0.04%	7.37%	0.04%	7.37%	0.04%	7.37%	0.04%	7.37%	0.04%	7.37%	0.04%
TOTAL	\$ 35,033,148,041	\$ -	\$ 35,033,148,041	100.00%		5.44%		5.44%		5.44%		5.44%		5.44%		5.44%		5.44%

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.

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A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,374,142,774
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	22,664,393
INCOME TAXES	1,036,320,465
TOTAL	\$ 3,433,127,632
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 503,067,938
TIMES INTEREST EARNED WITH AFUDC	6.82

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,374,142,774
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(81,216,967)
INCOME TAXES	1,036,320,465
TOTAL	\$ 3,329,246,272
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 503,067,938
TIMES INTEREST EARNED WITHOUT AFUDC	6.62

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 22,664,393
X (1 - INCOME TAX RATE) (1)	0.6253
SUBTOTAL	\$ 14,171,365
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	\$ 81,216,967
TOTAL	\$ 95,388,332
NET INCOME AVAILABLE FOR COMMON	\$ 1,893,739,228
AFUDC AS PERCENT OF NET INCOME	5.04%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ 193,028,463
GAINS ON DISPOSITION OF PROPERTY	(6,013,169)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 187,015,294

\*\* INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF:

NOTE:

(1) INCOME TAX RATE IS BASED ON A PHASED IN RATE FOR THE TWELVE MONTHS ENDED JANUARY 2018

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 1,893,739,228
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(1,450,000,000)
AFUDC (DEBT & OTHER)	(103,881,360)
DEPRECIATION AND AMORTIZATION EXPENSE	805,265,251
DEFERRED INCOME TAXES	845,085,774
INVESTMENT TAX CREDITS	97,269,908
OTHER SOURCE/USES OF FUNDS	187,015,294
INTERNALLY GENERATED FUNDS	\$ 2,274,484,095
CONSTRUCTION EXPENDITURES	\$ 4,264,330,730
PERCENT INTERNALLY GENERATED FUNDS	53.34%

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	\$ 9,063,777,301
JURIS ADJUSTED LONG TERM DEBT	1,227,307,596
JURIS ADJUSTED SHORT TERM DEBT	0
JURIS ADJUSTED PREFERRED STOCK	14,658,934,845
JURIS ADJUSTED COMMON STOCK	\$ 24,950,019,743
TOTAL	36.33%
LTD TO TOTAL INVESTOR FUNDS	4.92%
STD TO TOTAL INVESTOR FUNDS	

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.31%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.21%
SHORT TERM DEBT	0.07%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.03%
SUBTOTAL	1.33%
TOTAL	4.98%
DIVIDED BY COMMON EQUITY RATIO	44.66%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.15%

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H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN 5.87%

LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:

LONG TERM DEBT	1.21%
SHORT TERM DEBT	0.07%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.03%
TAX CREDITS - WTD COST	0.03%
SUBTOTAL	<u>1.33%</u>

PRO FORMA FOR LESS NON EQUITY COST

4.54%

PRO FORMA COMMON EQUITY RATIO

44.66%

PRO FORMA RETURN ON COMMON EQUITY

10.16%