



August 15, 2019

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

Re: June 2019 Forecasted Earnings Surveillance Report

Dear Mr. Fletcher:

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL is providing its June 2019 Forecast Earnings Surveillance Report ("FESR") for the proceeding rolling 12 months. The forecast results contained in the FESR reflect the Company's June 2019 forecast assumptions and actual results are subject to change. In accordance with the Stipulation and Settlement Agreement that the Commission approved in Order No. PSC-16-0560-AS-EI, the Company will vary the portion of Reserve Amount amortized over the next 12 months to maintain its actual return on equity within the range of 9.6% to 11.6%.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Bores", written over a white background.

Scott Bores
Senior Director-Financial Planning & Analysis

Enclosures

cc: J. R. Kelly, Office of Public Counsel
Andrew Maurey, Florida Public Service Commission

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
(\$000'S)

Company: Florida Power & Light Company and Subsidiaries
YEAR: JUNE 2020

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$2,989,638 (A)	(\$198,901) (B)	\$2,790,738
AVERAGE RATE BASE	\$39,978,368	\$939,905	\$40,918,272
AVERAGE RATE OF RETURN	7.48%		6.82%

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

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW 5.90%
MIDPOINT 6.34%
HIGH 6.82%

IV. FINANCIAL INTEGRITY INDICATORS

- A. TIMES INTEREST EARNED WITH AFUDC 5.52 (SYSTEM PER BOOK BASIS)
- B. TIMES INTEREST EARNED WITHOUT AFUDC 5.39 (SYSTEM PER BOOK BASIS)
- C. AFUDC AS PERCENT OF NET INCOME 3.45% (SYSTEM PER BOOK BASIS)
- D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY 68.94% (SYSTEM PER BOOK BASIS)
- E. LTD TO TOTAL INVESTOR FUNDS 39.97% (FPSC ADJUSTED BASIS)
- F. STD TO TOTAL INVESTOR FUNDS 1.64% (FPSC ADJUSTED BASIS)
- G. RETURN ON COMMON EQUITY (AVERAGE) 11.60% (FPSC ADJUSTED BASIS)

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
RATE BASE (\$000's)

SCHEDULE 2
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Company: Florida Power & Light Company and Subsidiaries
YEAR: JUNE 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1 SYSTEM PER BOOKS	\$54,258,827	\$15,964,506	\$38,294,321	\$416,553	\$3,169,908	\$603,825	\$42,484,607	(\$881,979)	\$41,602,629
2 JURISDICTIONAL PER BOOKS	52,074,912	13,102,838	38,972,074	394,855	3,001,811	574,030	42,942,769	(2,954,402)	39,978,368
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS			4,712,107				4,712,107		4,712,107
4 CAPITALIZED EXECUTIVE COMPENSATION			(32,597)				(32,597)		(32,597)
5 ENVIRONMENTAL	(1,454,358)	(337,880)	(1,116,478)				(1,116,478)		(1,116,478)
6 FUEL AND CAPACITY	(172,450)	(46,470)	(125,979)				(125,979)		(125,979)
7 LOAD CONTROL	(47,354)	(26,348)	(21,006)				(21,006)		(21,006)
8 ASSET RETIREMENT OBLIGATION	(453,249)	4,305,825	(4,759,074)				(4,759,074)		(4,759,074)
9 CAPITAL LEASES	(94,388)	(38,833)	(55,555)				(55,555)		(55,555)
10 CONSTRUCTION WORK IN PROGRESS					(1,647,573)		(1,647,573)		(1,647,573)
11 CWIP - CLAUSE PROJECTS					(50,707)		(50,707)		(50,707)
12 ACCOUNTS RECEIVABLE - ASSOC COS								(30,734)	(30,734)
13 JOBBING ACCOUNTS								(6,044)	(6,044)
14 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECCR								(46,683)	(46,683)
15 NUCLEAR COST RECOVERY								241,631	241,631
16 OTH REG ASSETS - CLAUSES								(5,506)	(5,506)
17 MISC. DEFERRED DEBIT - CLAUSES								(4,079)	(4,079)
18 CEDAR BAY TRANSACTION								(431,130)	(431,130)
19 ICL TRANSACTION								(288,178)	(288,178)
20 POLE ATTACHMENTS RENTS RECEIVABLE								(6,030)	(6,030)
21 MARGIN CALL CASH COLLATERAL								613	613
22 PREPAYMENTS - ECCR								(43,169)	(43,169)
23 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(6,990)	(6,990)
24 STORM DEFICIENCY RECOVERY								5,586	5,586
25 TEMPORARY CASH INVESTMENTS								(386)	(386)
26 ACCUM DEFERRED RETIREMENT BENEFITS								142	142
27 ACCUM. PROV. - PROPERTY & STORM INSURANCE								107,218	107,218
28 ACCUM. PROV. - RATE REFUNDS									
29 ASSET RETIREMENT OBLIGATION								4,757,830	4,757,830
30 GAIN ON SALE OF EMISSION ALLOWANCE								0	0
31 SURPP ACCELERATED RECOVERY								4,535	4,535
32 SURPP CAPACITY								(41,393)	(41,393)
33 UNRECOVERED REG ASSETS - ECCR								(169,769)	(169,769)
34 INTEREST & DIV RECEIVABLE								(696)	(696)
35 TOTAL FPSC ADJUSTMENTS	(2,254,395)	(655,812)	(1,398,583)	0	(1,698,280)	0	(3,096,863)	4,036,767	939,905
36 FPSC ADJUSTED	\$49,820,517	\$12,247,026	\$37,573,491	\$394,855	\$1,303,531	\$574,030	\$39,845,907	\$1,072,366	\$40,918,272

FLORIDA PUBLIC SERVICE COMMISSION
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
AVERAGE RATE OF RETURN
INCOME STATEMENT (\$000's)

Company: Florida Power & Light Company and Subsidiaries
YEAR: JUNE 2020

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	FUEL & NET INTERCHANGE	OPERATION & MAINTENANCE OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1 SYSTEM PER BOOKS	\$11,577,055	\$3,064,812	\$1,417,381	\$2,179,593	\$1,351,008	\$543,047	(\$2,950)	\$8,552,892	\$3,024,162
2 JURISDICTIONAL PER BOOKS	11,173,527	2,947,707	1,370,523	2,105,401	1,329,205	520,193	(2,950)	8,270,079	2,903,448
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(245,800)	(147,626)	(32,564)	(6,024)	(319)	(15,021)		(201,554)	(44,246)
4 CONSERVATION COST RECOVERY	(63,102)		(51,545)	(9,475)	(987)	(278)		(62,285)	(818)
5 ENVIRONMENTAL COST RECOVERY	(199,375)		(53,884)	(38,728)	(286)	(26,987)		(119,884)	(79,490)
6 FUEL COST REC RETAIL	(2,804,438)	(2,780,086)	(23)	(497)	(1,996)	(5,534)		(2,788,137)	(16,301)
7 STORM DEFICIENCY RECOVERY	(12,811)		(46)	(14,083)		334		(13,795)	983
8 FUEL CLAUSE - GAS RESERVES	(475,383)				(475,383)			(475,383)	
9 FRANCHISE REVENUE & EXPENSE	(257,799)				(257,799)			(257,799)	
10 GROSS RECEIPTS TAX			(2,681)			679		(2,001)	2,001
11 MISCELLANEOUS O&M EXPENSES			(167)			42		(125)	125
12 AVIATION - EXPENSES			(40,627)			10,297		(30,330)	30,330
13 EXECUTIVE COMPENSATION			287			(73)		214	(214)
14 INTEREST TAX DEFICIENCIES						5,080		5,080	(5,080)
15 INTEREST SYNCHRONIZATION									
16 TOTAL FPSC ADJUSTMENTS	(4,058,709)	(2,927,712)	(181,250)	(68,808)	(736,770)	(31,460)		(3,945,999)	(112,710)
17 FPSC ADJUSTED	\$7,114,818	\$19,995	\$1,189,273	\$2,036,594	\$592,436	\$488,733	(\$2,950)	\$4,324,081	\$2,790,738

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 CAPITAL STRUCTURE (\$000'S)
 FPSC ADJUSTED BASIS

Company: Florida Power & Light Company and Subsidiaries
 YEAR: JUNE 2020

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO	LOWPOINT COST WEIGHTED RATE	MIDPOINT COST WEIGHTED RATE	HIGHPOINT COST WEIGHTED RATE
LONG TERM DEBT	\$13,020,768	\$12,508,724	\$395,329	(\$60,034)	\$12,844,019	31.39%	4.32%	4.32%	4.32%
SHORT TERM DEBT	\$530,143	\$509,278	16,173	\$0	\$525,452	1.28%	2.83%	2.83%	2.83%
PREFERRED STOCK	0	0	0	\$0	0	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	\$399,267	\$398,864	12,667	\$0	\$411,531	1.01%	2.04%	2.04%	2.04%
COMMON EQUITY	\$18,931,623	\$18,186,532	577,544	\$5	\$18,764,080	45.86%	9.60%	10.55%	11.60%
DEFERRED INCOME TAXES	\$8,144,248	\$7,821,961	244,033	(\$137,498)	\$7,928,496	19.38%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	\$576,580	\$553,009	13,687	(\$122,001)	\$444,695	1.09%	7.46%	8.02%	8.64%
TOTAL	\$41,602,629	\$39,978,368	\$1,259,432	(\$319,528)	\$40,918,272	100.00%	5.90%	6.34%	6.82%

FLORIDA PUBLIC SERVICE COMMISSION
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT
 FINANCIAL INTEGRITY INDICATORS
 (\$000's)

Company: Florida Power & Light Company and Subsidiaries
 YEAR: JUNE 2020

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST	\$3,080,391
AFUDC - DEBT	20,377
INCOME TAXES	533,394
TOTAL	<u>\$3,634,163</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	658,056
TIE WITH AFUDC	<u>5.62</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST	\$3,080,391
AFUDC - EQUITY	(69,137)
INCOME TAXES	533,394
TOTAL	<u>\$3,544,649</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$658,056
TIE WITHOUT AFUDC	<u>5.39</u>

C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON

AFUDC - DEBT	\$20,377
X (1-INCOME TAX RATE)	0.7466
SUBTOTAL	<u>\$15,212</u>
AFUDC - EQUITY	69,137
TOTAL	<u>\$84,349</u>
NET INCOME AVAILABLE TO COMMON	<u>\$2,442,712</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.45%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$2,442,712
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(795,822)
AFUDC (DEBT & OTHER)	(89,514)
DEPRECIATION & AMORTIZATION	2,179,593
DEFERRED INC TAXES & INVESTMENT CREDITS	184,267
OTHER SOURCES/USES OF FUNDS	<u>312,243</u>
TOTAL	<u>\$4,233,479</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$6,140,784
PERCENT INTERNALLY GENERATED FUNDS	68.94%

E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$12,844,019
SHORT TERM DEBT	525,452
PREFERRED STOCK	0
COMMON EQUITY	<u>19,764,080</u>
TOTAL	<u>\$32,133,551</u>
% LONG TERM DEBT TO TOTAL	39.97%
% SHORT TERM DEBT TO TOTAL	1.64%

G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	FPSC ADJUSTED
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.82%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.36%
SHORT TERM DEBT	0.04%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	<u>0.09%</u>
SUBTOTAL	<u>1.50%</u>
TOTAL	5.32%
DIVIDED BY COMMON EQUITY RATIO	<u>45.86%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.60%</u>

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND 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 OR S. 775.083

 Scott Bores
 NAME

 Senior Director - Financial Planning & Analysis
 TITLE



 SIGNATURE

8/13/19

 DATE