



August 14, 2020

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

Re: June 2020 Forecasted Earnings Surveillance Report

Dear Mr. Fletcher:

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL is providing its June 2020 Forecast Earnings Surveillance Report ("FESR") for the proceeding rolling 12 months. The forecast results contained in the FESR reflect the Company's June 2020 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 horizontal line.

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 2021

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$3,266,369 (A)	(\$187,402) (B)	\$3,078,967
AVERAGE RATE BASE	\$44,232,458	\$1,093,483	\$45,325,941
AVERAGE RATE OF RETURN	7.38%		6.79%

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

AVERAGE CAPITAL STRUCTURE
(FPSC ADJUSTED BASIS)

LOW	5.84%
MIDPOINT	6.30%
HIGH	6.80%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.50 (SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.36 (SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.02% (SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	54.16% (SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.81% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.07% (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)

Company: Florida Power & Light Company and Subsidiaries
YEAR: JUNE 2021

	(1) PLANT IN SERVICE	(2) ACCUMULATED DEPRECIATION & AMORTIZATION	(3) NET PLANT IN SERVICE	(4) PROPERTY HELD FOR FUTURE USE	(5) CONSTRUCTION WORK IN PROGRESS	(6) NUCLEAR FUEL (NET)	(7) NET UTILITY PLANT	(8) WORKING CAPITAL	(9) TOTAL RATE BASE
1 SYSTEM PER BOOKS	\$58,669,718	\$17,210,991	\$41,458,727	\$447,796	\$4,059,951	\$667,579	\$46,624,063	\$745,792	\$45,878,261
2 JURISDICTIONAL PER BOOKS	56,434,044	14,161,788	42,272,256	427,873	3,848,278	626,049	47,174,457	(2,941,998)	44,232,458
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS	(40,158)	(4,878,378)	4,878,378				4,878,378		4,878,378
4 CAPITALIZED EXECUTIVE COMPENSATION	(1,500,706)	(386,210)	(40,158)				(40,158)		(40,158)
5 ENVIRONMENTAL	(173,386)	(46,520)	(1,114,496)				(1,114,496)		(1,114,496)
6 FUEL AND CAPACITY	(39,935)	(20,665)	(126,865)				(126,865)		(126,865)
7 LOAD CONTROL	(340,257)	4,510,204	(19,270)				(19,270)		(19,270)
8 ASSET RETIREMENT OBLIGATION	(99,034)	(38,219)	(4,850,461)				(4,850,461)		(4,850,461)
9 CAPITAL LEASES	(58,932)	(231)	(60,815)				(60,815)		(60,815)
10 STORM PROTECTION CLAUSE			(58,701)		(1,639,014)		(58,701)		(58,701)
11 CONSTRUCTION WORK IN PROGRESS					(90,327)		(90,327)		(90,327)
12 CWIP - CLAUSE PROJECTS							(34,756)		(34,756)
13 ACCOUNTS RECEIVABLE - ASSOC COS							(442)		(442)
14 JOBBING ACCOUNTS							(45,852)		(45,852)
15 NET UNDERRECOVERED FUEL CAPACITY, ECCR, ECCR							241,631		241,631
16 NUCLEAR COST RECOVERY							(5,268)		(5,268)
17 OTH REG ASSETS - CLAUSES							(3,038)		(3,038)
18 MISC. DEFERRED DEBIT - CLAUSES							(345,042)		(345,042)
19 CEDAR BAY TRANSACTION							(240,242)		(240,242)
20 ICL TRANSACTION							(8,100)		(8,100)
21 POLE ATTACHMENTS RENTS RECEIVABLE							(481)		(481)
22 MARGIN CALL CASH COLLATERAL							(40,175)		(40,175)
23 PREPAYMENTS - ECCR							(5,306)		(5,306)
24 STORM DEFICIENCY RECOVERY									
25 TEMPORARY CASH INVESTMENTS							(455)		(455)
26 ACCUM DEFERRED RETIREMENT BENEFITS							184		184
27 ACCUM. PROV. - PROPERTY & STORM INSURANCE							115,547		115,547
28 ACCUM. PROV. - RATE REFUNDS									
29 ASSET RETIREMENT OBLIGATION							4,850,461		4,850,461
30 GAIN ON SALE OF EMISSION ALLOWANCE									
31 NOTES PAYABLE TO ASSOC. COMPANIES							(77,509)		(77,509)
32 SURPP ACCELERATED RECOVERY							2,062		2,062
33 SURPP CAPACITY/ECCR							(187,947)		(187,947)
34 INTEREST & DIV RECEIVABLE							(60)		(60)
37 TOTAL FPSC ADJUSTMENTS	(2,252,408)	(860,020)	(1,392,388)	-	(1,729,340)	-	(3,121,729)	4,215,212	1,093,483
38 FPSC ADJUSTED	\$54,181,636	\$13,301,768	\$40,879,868	\$427,873	\$2,118,938	\$626,049	\$44,052,728	\$1,273,213	\$45,325,941

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 2021

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER MAINTENANCE 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	\$11,437,382	\$2,862,392	\$1,450,360	\$1,726,953	\$1,399,518	\$688,421	(\$794)	\$8,126,850	\$3,310,532
2 JURISDICTIONAL PER BOOKS	11,015,198	2,742,850	1,402,646	1,651,083	1,377,719	660,559	(794)	7,834,063	3,181,136
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(257,208)	(165,343)	(36,627)	(6,468)	(332)	(12,073)		(220,842)	(36,365)
4 CONSERVATION COST RECOVERY	(56,043)		(45,828)	(7,984)	(988)	(391)		(55,191)	(852)
5 ENVIRONMENTAL COST RECOVERY	(184,925)		(38,196)	(42,391)	(308)	(25,730)		(106,626)	(78,299)
6 FUEL COST REC RETAIL	(2,573,757)	(2,557,754)	(23)		(1,818)	(2,836)		(2,562,431)	(11,326)
7 STORM PROTECTION COST RECOVERY	(9,613)			(1,345)		(2,027)		(3,373)	(6,240)
8 STORM DEFICIENCY RECOVERY								-	-
9 FUEL CLAUSE - GAS RESERVES	(465,737)				(465,737)			(465,737)	-
10 FRANCHISE REVENUE & EXPENSE	(252,559)				(252,559)			(252,559)	-
11 GROSS RECEIPTS TAX						684		(2,104)	2,104
12 MISCELLANEOUS O&M EXPENSES			(2,787)			30		(91)	91
13 AVIATION - EXPENSES			(42,550)			10,434		(32,116)	32,116
14 EXECUTIVE COMPENSATION			319			(78)		241	(241)
15 INTEREST TAX DEFICIENCIES						3,156		3,156	(3,156)
16 INTEREST SYNCHRONIZATION						(28,833)		(3,697,674)	(102,168)
17 TOTAL FPSC ADJUSTMENTS	(3,799,842)	(2,723,097)	(165,814)	(58,188)	(721,742)	(28,833)	-	(3,697,674)	(102,168)
18 FPSC ADJUSTED	\$7,215,356	\$19,753	\$1,236,832	\$1,592,895	\$655,977	\$631,726	(\$794)	\$4,136,389	\$3,078,967

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 2021

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO	LOWPOINT COST RATE	MIDPOINT COST RATE	HIGHPOINT COST RATE
LONG TERM DEBT	\$14,130,823	\$13,620,692	\$425,905	(\$66,121)	\$13,980,476	30.84%	3.88%	3.88%	3.88%
SHORT TERM DEBT	750,019	722,923	22,715	(\$0)	745,638	1.65%	0.77%	0.77%	0.77%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	408,015	407,753	12,812	\$0	420,565	0.93%	2.04%	2.04%	2.04%
COMMON EQUITY	21,423,957	20,649,958	648,853	(\$0)	21,298,811	46.99%	9.60%	10.55%	11.60%
DEFERRED INCOME TAXES	8,381,748	8,077,034	250,487	(\$105,198)	8,222,324	18.14%	0.00%	0.00%	0.00%
TAX CREDITS WEIGHTED COST	783,699	754,099	20,049	(\$116,021)	658,127	1.45%	7.33%	7.91%	8.54%
TOTAL	\$45,878,261	\$44,232,458	\$1,380,823	(\$287,340)	\$45,325,941	100.00%	5.84%	6.30%	6.80%

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

Company: Florida Power & Light Company and Subsidiaries
YEAR: JUNE 2021

A. TIMES INTEREST EARNED WITH AFUDC		
EARNINGS BEFORE INTEREST	\$3,370,014	
AFUDC - DEBT	20,132	
INCOME TAXES	679,452	
TOTAL	\$4,069,598	
INTEREST CHARGES (BEFORE DEBT AFUDC)	625,814	
TIE WITH AFUDC	6.50	
B. TIMES INTEREST EARNED WITHOUT AFUDC		
EARNINGS BEFORE INTEREST	\$3,370,014	
AFUDC - EQUITY	(88,184)	
INCOME TAXES	679,452	
TOTAL	\$3,981,281	
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$625,814	
TIE WITHOUT AFUDC	6.36	
C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON		
AFUDC - DEBT	\$20,132	
X (1-INCOME TAX RATE)	0.7548	
SUBTOTAL	\$15,195	
AFUDC - EQUITY	88,184	
TOTAL	\$83,379	
NET INCOME AVAILABLE TO COMMON	\$2,764,332	
PERCENT AFUDC TO AVAILABLE NET INCOME	3.02%	
D. PERCENT INTERNALLY GENERATED FUNDS		
NET INCOME	\$2,764,332	
PREFERRED DIVIDENDS	-	
COMMON DIVIDENDS	(1,857,079)	
AFUDC (DEBT & OTHER)	(88,316)	
DEPRECIATION & AMORTIZATION	1,726,953	
DEFERRED INC TAXES & INVESTMENT CREDITS	566,794	
OTHER SOURCES/USES OF FUNDS	199,075	
TOTAL	\$3,311,759	
CONSTRUCTION EXPENDITURES		
(EXCLUDING AFUDC DEBT & EQUITY)	\$6,114,673	
PERCENT INTERNALLY GENERATED FUNDS	54.16%	
E. & F. LONG TERM AND SHORT TERM DEBT AS A PERCENT OF INVESTOR CAPITAL		
RECONCILED AVERAGE RETAIL AMOUNTS:		
LONG TERM DEBT	\$13,980,476	
SHORT TERM DEBT	745,638	
PREFERRED STOCK	-	
COMMON EQUITY	21,298,811	
TOTAL	\$36,024,925	
% LONG TERM DEBT TO TOTAL	38.81%	
% SHORT TERM DEBT TO TOTAL	2.07%	
G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY		
FPSC ADJUSTED		
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	6.79%	
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:		
LONG TERM DEBT	1.20%	
SHORT TERM DEBT	0.01%	
PREFERRED STOCK	0.00%	
CUSTOMER DEPOSITS	0.02%	
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.11%	
SUBTOTAL	1.34%	
TOTAL	5.45%	
DIVIDED BY COMMON EQUITY RATIO	46.99%	
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%	