

ANDY GARDINER
President of the Senate



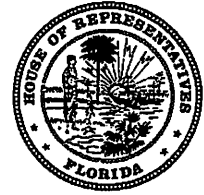
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STEVE CRISAFULLI
*Speaker of the House of
Representatives*



August 27, 2016

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 160021, et al (Consolidated)

Dear Ms. Stauffer:

Enclosed for filing is notice of Filing Revised Exhibits RCS-2, RCS-3 and RCS-4, Schedule D reflecting the adjustments to remove the impact of Mr. Pous' testimony from the schedules presenting the combined impact of all OPC witnesses that Mr. Smith presents but does not support or sponsor. It also includes minor adjustments to the recommendation of Mr. Schultz to reflect the use of FPL proposed depreciation rates instead of the blended rate derived from Mr. Pous' testimony and adjustments to reflect corrections required by new information from rebuttal and discovery.

The errata for Mr. Smith's testimony and exhibits will be provided to the parties as soon as they are available as they are undergoing final review. The schedules that impact revenue requirements are being provided now as they were prioritized for completion. Exhibit RCS-4, Schedule D was revised but it does not impact revenue requirements for 2019 or the numbers in Mr. Smith's testimony.

The errata for the testimonies of Helmuth Schultz and Dan Lawton are undergoing review and errata preparation and will be submitted to the parties and filed as soon as available. Mr. Lawton's testimony revisions will be minor and do not affect revenue requirements and effectively will be favorable to FPL. Mr. Schultz revisions will reduce revenue requirements based on the corrected inputs and will be shown in the errata.

Thank you,

A handwritten signature in black ink, appearing to read "C. Rehwinkel".

Charles J. Rehwinkel
Deputy Public Counsel

cc: Parties of record per service list

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power Company

Docket No. 160021-EI

In re: Petition for approval of 2016-2018 storm hardening plan, by Florida Power & Light Company.

Docket No. 160061-EI

In re: 2016 depreciation and dismantlement study by Florida Power & Light Company.

Docket No. 160062-EI

In re: Petition for limited proceeding to modify and continue incentive mechanism, by Florida Power & Light Company.

Docket No. 160088-EI

Filed: August 27, 2016

**OPC'S NOTICE OF SERVICE OF
REVISED EXHIBITS OF RALPH SMITH**

Pursuant to Section 350.0611, Florida Statutes, the Citizens of the State of Florida, by and through J. R. Kelly, Public Counsel, hereby give notice that it has served the revised exhibits (RCS-2, RCS-3 and RCS-4, Schedule D) of Ralph Smith filed on July 7, 2016.

The revisions reflect the adjustments to remove the impact of Mr. Pous' testimony from the schedules presenting the combined impact of all OPC witnesses that Mr. Smith presents but does not support or sponsor. It also includes minor adjustments to the recommendation of Mr. Schultz to reflect the use of FPL proposed depreciation rates instead of the blended rate derived from Mr. Pous' testimony and adjustments to reflect corrections required by new information from rebuttal and discovery.

J. R. Kelly
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Charles J. Rehwinkel
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Attorneys for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE

Docket No. 160021-EI

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail to the following parties on this 27th day of August, 2016:

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Charles J. Rehwinkel
Deputy Public Counsel

Florida Power & Light Company
Docket No. 160021-EI
Exhibit RCS-2
Accompanying the Direct Testimony of Ralph Smith
Revenue Requirement Schedules - January 2017 Rate Change
Revised 8/26/2016
CONTENTS

Schedule Number	Description	No. of Pages	Revised	Confidential	Page No.
A-1	Calculation of Revenue Deficiency (Sufficiency)	1	Yes	No	2
B-1	Adjusted Rate Base	2	Yes	No	3-4
B-2	Plant Held for Future Use	2		No	5-6
C-1	Adjusted Net Operating Income	2	Yes	No	7-8
C-2	Rate Case Expense	1		No	9
C-3	Generation Overhaul Expense Normalization	1		No	10
C-4	Income Tax Expense - Impact of Other Adjustments	1	Yes	No	11
C-5	Interest Synchronization Adjustment	1	Yes	No	12
C-6	Revenue at Current Rates - Adjustment for Sales Forecast	1		No	13
C-7	Depreciation Expense - New Depreciation Rates	1	Withdrawn	No	14
D	Capital Structure and Cost Rates	1	Yes	No	15
E	Summary of FPL's May 3, 2016 Notice of Filing Adjustments	3		No	16-18
F	Summary of FPL's June 16, 2016 Second Notice of Filing Adjustments	3		No	19-21
	Total Pages (including Contents page)	21			

Schedule A-1
 Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2
 Revised 8/26/2016

Revenue Requirement
 (Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 32,536,116	\$ 32,492,235	Exh. RCS-2, Sch. B-1
2	Required Rate of Return	<u>6.61%</u>	<u>5.05%</u>	Exh. RCS-2, Sch. D
3	Jurisdictional Income Required	\$ 2,149,618	\$ 1,640,435	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	<u>\$ 1,618,192</u>	<u>\$ 1,841,305</u>	Exh. RCS-2, Sch. C-1
5	Income Deficiency (Sufficiency)	\$ 531,427	\$ (200,870)	Line 3 - Line 4
6	Earned Rate of Return	4.97%	5.67%	Line 4 / Line 1
7	Net Operating Income Multiplier	<u>1.63024</u>	<u>1.63025</u>	See below
8	Revenue Deficiency (Sufficiency)	<u>\$ 866,354</u>	<u>\$ (327,469)</u>	Line 5 x Line 7

Source/Notes:

Col. (A): MFR Schedule A-1
 Line 7: MFR Sch. A-1 and C-44
 Col. (B), Line 7: FPL's May 3, 2016 Notice of Identified Adjustments, Item No. 5, NOI Multiplier

Adjusted Rate Base
(Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
1	Plant in Service	\$ 43,122,297			\$ 43,122,297	\$ (31,546)	\$ 43,090,751
2	Accumulated Depreciation & Amortization	\$ (13,074,538)	\$ 690	\$ 10,669	\$ (13,063,179)	\$ 475	\$ (13,062,704)
3	Net Plant in Service	\$ 30,047,759	\$ 690	\$ 10,669	\$ 30,059,118	\$ (31,071)	\$ 30,028,047
4	Construction Work in Progress	\$ 747,987			\$ 747,987		\$ 747,987
5	Plant Held For Future Use	\$ 233,315			\$ 233,315	\$ (14,228)	\$ 219,087
6	Nuclear Fuel	\$ 630,075			\$ 630,075		\$ 630,075
7	Total Net Plant	\$ 31,659,136	\$ 690	\$ 10,669	\$ 31,670,495	\$ (45,299)	\$ 31,625,197
8	Working Capital Allowance	\$ 876,981	\$ (6,411)	\$ 776	\$ 871,346	\$ (4,309)	\$ 867,037
9	Other Rate Base Items	\$ -					\$ -
10	Total Rate Base	\$ 32,536,116	\$ (5,721)	\$ 11,445	\$ 32,541,842	\$ (49,608)	\$ 32,492,235

Source/Notes:

- Col. (A): Company MFR Schedule B-1
Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 1
Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F
Col. (D): Sum of columns A, B and C
Col. (E): See Exhibit RCS-2, Schedule B-1, page 2
Col. (F): Sum of columns D and E

Adjusted Rate Base-Summary of Adjustments
 (Thousands of Dollars)

Line No.	Adjustment Title	Reference (a)	OPC Adjustments	Jurisdictional Separation Factor	Jurisdictional Amount
	<u>Plant in Service Adjustments:</u>				
1	Storm Hardening	Exhibit HWS-9	\$ (31,546)	1.000000	\$ (31,546)
2			\$ (31,546)		\$ (31,546)
3					
4	<i>Total Plant in Service</i>				
	<u>Accumulated Depreciation Adjustments:</u>				
5	OPC's Adjustment to New Depreciation Rates for 2017		\$ -	0.891838	\$ -
6	Depreciation Expense		\$ -	0.891838	\$ -
7	Depreciation Reserve Excess		\$ (475)	1.000000	\$ (475)
8	Storm Hardening	Exhibit HWS-9 Revised	\$ (475)		\$ (475)
9			\$ (475)		\$ (475)
10	<i>Total Accumulated Depreciation</i>				
11					
12					
	<u>Plant Held for Future Use:</u>				
13	Reduction to Transmission PHFFU	Exh. RCS-2, Sch. B-2	\$ (4,637)	0.902240	\$ (4,184)
14	Reduction to Distribution PHFFU	Exh. RCS-2, Sch. B-2	\$ (10,044)	1.000000	\$ (10,044)
15			\$ (14,681)		\$ (14,228)
16	<i>Total Plant Held for Future Use</i>				
17					
	<u>Working Capital Adjustments</u>				
18	Adjustment to Working Capital		\$ (4,309)	1.000000	\$ (4,309)
19	Remove Unamortized Rate Case Expense	Smith Testimony	\$ (4,309)		\$ (4,309)
20			\$ (4,309)		\$ (4,309)
21	<i>Total Working Capital</i>				

Notes:

Jurisdictional Separation Factors from FPL's MFR Schedule B-6.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of Helmuth W. Schultz, III.

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017
 Reduction to Plant Held For Future Use (PHFFU)
 Plant Held for Future Use Adjustment 2017 Test Year

Line No.	Description	Test Year	Test Year	Test Year
		2017	Jurisdictional	Jurisdictional
		13 Month Average	Factor	Amount
		(A)	(B)	(C)
1	Transmission	\$ (4,637,315)	0.902240	\$ (4,183,971)
2	Distribution	\$ (10,043,802)	1.000000	\$ (10,043,802)
3	Total Adjustment	\$ (14,681,117)		\$ (14,227,773)

Notes and Source:
See Schedule B-2, Exhibit RCS-2, page 2 for detail
 Col. B: FPL MFR Schedule B-15

Line No.	Property Name	Test Year 2017		Sub Year 2018		Description	Purchase Date	Expected In Service Date	Date Recorded
		Cost	13 mo. avg.	13 mo. avg.	13 mo. avg.				
TRANSMISSION FUTURE USE									
1	GALLOWAY-SOUTH MIAMI LOOP TO S WEST SUB	\$ 1,834,050	\$ 1,834,050	\$ 1,834,050	\$ 1,834,050	GALLOWAY-SOUTH MIAMI LOOP TO S WEST SUBSTATION, SECTION 14 & 23 TOWNSHIP	Oct-05	Jun-27	2005/10
2	HARBOR PUNTA GORDA #2 - ACQ EASEMENTS	\$ 738,483	\$ 738,483	\$ 738,483	\$ 738,483	ACQUIRED APPROX. 2 MILES OF TRANSMISSION RIGHT-OF-WAY FOR THE HARBOR-PUNTA GORDA #2 LINE, SECTION 6, TOWNSHIP 41, RANGE 23 AND SECTION 36, TOWNSHIP 40, RANGE 22	Sep-08	Dec-27	2008/9
3	RIMA SUB & RIMA-VOLUSIA 230KV R/W LINE	\$ 619,861	\$ 619,861	\$ 619,861	\$ 619,861	RIMA SUB & RIMA-VOLUSIA 230 KV LINE ACQ RE-OPEN	Oct-88	Dec-28	1988/10
4	TURKEY POINT-LEVEE (LEVEE-SOUTH DADE)	\$ 1,444,922	\$ 1,444,922	\$ 1,444,922	\$ 1,444,922	TURKEY POINT-ANDYTOWN-ACQUIRE RIGHT-OF-WAY FOR EHV	Jul-77	Dec-27	1977/7
5	Total Transmission Future Use	\$ 4,637,315	\$ 4,637,315	\$ 4,637,315	\$ 4,637,315				
6									
7									
DISTRIBUTION FUTURE USE									
8	ARIEL SUBSTATION - ACQ SITE	\$ 774,060	\$ 774,060	\$ 774,060	\$ 774,060	VOLUSIA COUNTY - SECTION 24, TOWNSHIP 18 S, RANGE 34 E. ACQUIRE APPROXIMATELY 3.65 +/- ACRES OF LAND IN VOLUSIA COUNTY FOR ARIEL SUBSTATION	Apr-08	Dec-28	2008/5
10	CHESTER SUBSTATION	\$ 374,695	\$ 374,695	\$ 374,695	\$ 374,695	NASSAU COUNTY 25-N2-28	Jul-94	Dec-28	2004/2
11	DEERWOOD SUBSTATION - ACQUIRE SITE	\$ 787,349	\$ 787,349	\$ 787,349	\$ 787,349	SECTIONS 28, 29, TOWNSHIP 7, RANGE 29, ST. JOHNS COUNTY. ACQUIRE APPROXIMATELY 22.6 ACRES	Jan-06	Dec-28	2006/1
12	ELY SUBSTATION EXPANSION	\$ 507,656	\$ 507,656	\$ 507,656	\$ 507,656	SECTION 35, TOWNSHIP 48S, RANGE 42E, BROWARD COUNTY. ACQUIRE APPROXIMATELY 2.18 ACRES OF PROPERTY	Jul-67	Dec-28	2002/2
13	HARGROVE SUBSTATION - ACQUIRE SITE	\$ 866,415	\$ 866,415	\$ 866,415	\$ 866,415	ACQUIRE APPROXIMATELY 5.78 ACRES OF LAND FOR THE HARGROVE SUBSTATION IN FLAGLER COUNTY. SECTION 16, TOWNSHIP 11S, RANGE 30E, FLAGLER COUNTY	Mar-05	Dec-28	2005/6
14	MINTON SUBSTATION - ACQ SITE (FKA HENRY)	\$ 1,000,545	\$ 1,000,545	\$ 1,000,545	\$ 1,000,545	MINTON SUBSTATION - ACQ SITE (FKA HENRY). SECTION 12, TOWNSHIP 28 S, RANGE 36E	Jul-03	Dec-28	2004/2
15	PACETTI	\$ 204,487	\$ 204,487	\$ 204,487	\$ 204,487	4.76 ACRES IN SECTION 38, T6S, R28E, ST. JOHNS COUNTY, NEAR THE INTERSECTION OF NINE MILE ROAD AND I-95 IN NORTHWESTERN ST. AUGUSTINE.	Mar-94	Dec-28	1994/3
16	SARTORI	\$ 117,958	\$ 117,958	\$ 117,958	\$ 117,958	6.63 ACRES IN SECTION 7, T30S, R37E, BREVARD COUNTY.	Sep-94	Dec-28	1994/10
17	SPEEDWAY SUBSTATION (FORMERLY PELICAN)	\$ 520,185	\$ 520,185	\$ 520,185	\$ 520,185	SECTION 2, TOWNSHIP 16, RANGE 32, VOLUSIA COUNTY. ACQUIRE APPROXIMATELY 5 ACRES OF LAND IN VOLUSIA COUNTY FOR THE PELICAN SUBSTATION. PER MEIER WISE ON 11-08-04 SUBSTATION NAME CHANGE FROM PELICAN TO SPEEDWAY.	Oct-01	Dec-28	2002/2
18	TIMUCAN SUBSTATION - ACQUIRE SITE	\$ 1,714,138	\$ 1,714,138	\$ 1,714,138	\$ 1,714,138	TIMUCAN SUBSTATION - ACQUIRE SITE, SECTION 10, TOWNSHIP 35	Jul-05	Dec-28	2005/8
19	TOWNSHIP	\$ 14,520	\$ 14,520	\$ 14,520	\$ 14,520	APPROXIMATELY FOUR ACRES IN THE SE 1/4 OF SECTION 36, T28S, R37E, BREVARD COUNTY.	Apr-73	Dec-28	1973/10
20	PENNSUCCO EXPANSION OF TRANS SUB	\$ 1,580,143	\$ 1,580,143	\$ 1,580,143	\$ 1,580,143	ACQUIRE APPROXIMATELY 2.27 ACRES OF LAND IN DADE COUNTY FOR PENNSUCCO SUBSTATION EXPANSION. SECTION 31, TOWNSHIP 52S, RANGE 40E.	Jan-10	Jun-27	2010/12
21	VERMONT SUBSTATION-ACQUIRE SITE	\$ 702,668	\$ 702,668	\$ 702,668	\$ 702,668	S9, T8S, R29E, ST. JOHNS COUNTY. ACQUIRE APPROXIMATELY 4.2 ACRES OF LAND FOR THE VERMONT SUBSTATION IN ST. JOHNS COUNTY.	Jun-05	Dec-28	2005/7
22	CHALLENGER (formerly Harrison St Sub)	\$ 251,661	\$ 251,661	\$ 251,661	\$ 251,661	2.2 ACRES IN SECTION 9, T22S, R35E, BREVARD COUNTY. 36000 - LAND & LAND RIGHTS 36100 - STRUCTURES & IMPROVEMENTS 36200 - STATION EQUIPMENT	Feb-70	Dec-28	1994/11
23	SOUTHWEST SUB-ACQUIRE ADJNL. PROPERTY	\$ 627,322	\$ 627,322	\$ 627,322	\$ 627,322	S14, T54S, R40E, MIAMI DADE COUNTY. ACQUIRE APPROXIMATELY 0.49 ACRES OF ADDITIONAL PROPERTY. 36000 - LAND & LAND RIGHTS 36100 - STRUCTURES & IMPROVEMENTS 36200 - STATION EQUIPMENT	Aug-04	Dec-28	2004/9
24	Total Distribution Future Use	\$ 10,043,802	\$ 10,043,802	\$ 10,043,802	\$ 10,043,802				
25									
26	TOTAL PROPERTY HELD FOR FUTURE USE BEYOND 2026	\$ 14,668,117	\$ 14,668,117	\$ 14,668,117	\$ 14,668,117				

Source:
 OPC's Second Interrogatory No. 105, Attachment No. 1

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2
Revised 8/26/2016

Adjusted Net Operating Income
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
	<u>Operating Revenues:</u>						
1	Revenue From Sales	\$ 5,728,329	\$ 4,904	\$ 715	\$ 5,733,948	\$ 201,596	\$ 5,935,544
2	Other Operating Revenues	\$ 193,876	\$ (979)		\$ 192,897		\$ 192,897
3	Total Operating Revenues	\$ 5,922,205	\$ 3,925	\$ 715	\$ 5,926,845	\$ 201,596	\$ 6,128,441
	<u>Operating Expenses:</u>						
4	Other Operation & Maintenance	\$ 1,330,140	\$ (3,632)	\$ (19)	\$ 1,326,489	\$ (63,634)	\$ 1,262,855
5	Fuel & Interchange	\$ 24,466			\$ 24,466		\$ 24,466
6	Purchased Power	\$ -			\$ -		\$ -
7	Deferred Costs	\$ -			\$ -		\$ -
8	Depreciation & Amortization	\$ 1,665,925	\$ (1,380)	\$ (21,824)	\$ 1,642,721	\$ (950)	\$ 1,641,771
9	Taxes Other Than Income Taxes	\$ 578,191			\$ 578,191	\$ (3,228)	\$ 574,963
10	Income Taxes	\$ 711,051	\$ 3,479	\$ 8,639	\$ 723,169	\$ 65,672	\$ 788,841
11	(Gain)/Loss on Disposal of Plant	\$ (5,759)			\$ (5,759)		\$ (5,759)
12	Total Operating Expenses	\$ 4,304,013	\$ (1,534)	\$ (13,204)	\$ 4,289,276	\$ (2,140)	\$ 4,287,136
13	Net Operating Income	\$ 1,618,192	\$ 5,459	\$ 13,919	\$ 1,637,569	\$ 203,736	\$ 1,841,305

Source/Notes

Col.(A): Per Company amounts are from FPL MFR Schedule C-1
Col.(B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 2
Col.(C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F
Col.(D): Sum of columns A, B and C
Col.(E): See Exhibit RCS-2, Schedule C-1, page 2
Col.(F): Sum of columns D and E

Schedule C-1, page 2 of 2

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2
Revised 8/26/2016

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Line No.	Adjustment Title	Reference (a)	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
<u>Revenue at Current Rates</u>					
1	Revenue at Current Rates - Sales Forecast Adjustment	Dismukes Testimony	\$ 206,500	1.000000	\$ 206,500
2	less amount in FPL Corrections	Exh. RCS-2, Sch. C-6	\$ (4,904)	1.000000	\$ (4,904)
3	subtotal		<u>\$ 201,596</u>		<u>\$ 201,596</u>
4					
<u>Other Operating and Maintenance Expense</u>					
6	Rate Case Expense	Exh. RCS-2, Sch. C-2	\$ (326)	1.000000	\$ (326)
7	2017 Employee Count Adjustment	Exh. HWS-2 Revised	\$ (15,899)	0.967454	\$ (15,382)
8	2017 Employee Incentive Compensation Adjustment	Exh. HWS-3 Revised	\$ (35,616)	0.967467	\$ (34,458)
9	Benefit Expense Adjustment	Exh. HWS-4 Revised	\$ (2,395)	0.968169	\$ (2,319)
10	Distribution Vegetative Mgt. - Tree Trimming	Exh. HWS-6	\$ (4,647)	1.000000	\$ (4,647)
11	Pole Inspection Expense	Exh. HWS-7	\$ (1,664)	0.999358	\$ (1,663)
12	Directors & Officers Liability Insurance	Exh. HWS-8	\$ (1,391)	0.984797	\$ (1,369)
13					
14	Uncollectible Expense - on Revenue Adjustment	Exh. RCS-2, Sch. C-6	\$ 133	1.000000	\$ 133
15	Generation Overhaul Expense Normalization	Exh. RCS-2, Sch. C-3	\$ (3,803)	0.947328	\$ (3,603)
16	subtotal		<u>\$ (65,608)</u>		<u>\$ (63,634)</u>
17					
<u>Depreciation & Amortization Expense</u>					
19	Depreciation Expense - New Depreciation Rates				
20	Production				
21	Transmission				
22	Distribution				
23	General				
24	Depreciation Expense - New Depreciation Rates Excess Reserve				
25	Transmission				
26	Distribution				
27	General				
28					
29	Storm Hardening	Exh. HWS-9 Revised	\$ (950)	1.000000	\$ (950)
30					
31	subtotal		<u>\$ (950)</u>		<u>\$ (950)</u>
32					
<u>Taxes Other Than Income Expense</u>					
34	Payroll Tax Expense - Base Payroll	Exh. HWS-5 Revised	\$ (1,032)	0.986375	\$ (1,018)
35	Payroll Tax Expense - Incentive Compensation	Exh. HWS-5 Revised	\$ (2,240)	0.986375	\$ (2,210)
36	subtotal				<u>\$ (3,228)</u>
37					
<u>Income Tax Expense</u>					
39	Impact of other adjustments	Exh. RCS-2, Sch. C-4		Various	\$ 105,816
40	Interest Synchronization Adjustment	Exh. RCS-2, Sch. C-5		Various	\$ (40,144)
41	subtotal				<u>\$ 65,672</u>

Source/Notes:

Jurisdictional Separation Factors from FPL MFR Schedule C-4.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of OPC witness Helmuth W. Schultz, III.

Schedule C-2

Florida Power & Light Company

Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Rate Case Expense

Line No.	Description	Total		Amortization Period (Years)	Amortization Expense	Reference
		Rate Case Expense				
1	Rate Case Expense Authorized in 2010 Rate Case	\$ 3,207,000				(a)
2	O&M CPI-U Compound Multiplier, 2010 - 2013	1,072,066				(b)
3	Compound Inflation Multiplier, 2014 - 2017	1,053,000				(c)
4	OPC Recommended Rate Case Expense - Current Case	\$ 3,620,336		4	\$ 905,084	
5	FPL Estimated Rate Case Expense in Filing	4,925,000		4	1,231,250	(d)
6	Reduction to Rate Case Expense, per OPC	<u>\$ (1,304,664)</u>			<u>\$ (326,166)</u>	
7	Rounded Adjustment to Test Year Amortization Expense (\$000)				<u>\$ (326)</u>	

Source/Notes:

- (a) Commission Order No. PSC-10-0153-FOF-EI
- (b) MFR Schedule C-40 from FPL's 2013 rate case, Docket No. 120015-EI
- (c) O&M CPI-U Compound Multiplier, 2014 - 2017

Year	Inflation Rate	
	Per FPL	Per OPC
2014	1.60%	1.60%
2015	0.10%	0.10%
2016	2.00%	1.44%
2017	2.50%	2.06%

Compound Inflation Factor 2014 - 2017

1.0634 1.05300

(d) MFR Schedule C-10

(e) 2016 and 2017 general price inflation factors are from the Direct Testimony of OPC witness David Dismukes

(f) MFR Schedule C-10 and FPL response to OPC Fourth Set of Interrogatories, Interrogatory No. 128

Schedule C-3

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Generation Overhaul Expense Normalization

Line No	Description	2014 (A)	2015 (B)	2016 (C)	2017 (D)	Four-Year Escalated Average (E)
1	Steam Plant Overhaul Expense	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	
2	- Less Retired Units					
3	Subtotal	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	
4	O&M Compound Multiplier, 2014 - 2017	1.036332	1.035297	1.020600	1.000000	
5	Steam Plant Overhaul Expense - Existing Plants	\$ 17,454,904	\$ 9,762,885	\$ 16,525,352	\$ 4,660,307	\$ 12,100,862
6	Other Production Plant Overhaul Expense	\$ 28,667,337	\$ 25,439,543	\$ 25,697,300	\$ 42,803,842	
7	- Less					
8	- Plus Port Everglades Modernized Unit 5	\$ 497,854	\$ 497,854			
9	Subtotal	\$ 29,165,191	\$ 25,937,397	\$ 25,697,300	\$ 42,803,842	
10	O&M Compound Multiplier, 2014 - 2017	1.036332	1.035297	1.020600	1.000000	
11	Other Production Plant Overhaul Expense - Existing Plants	\$ 30,224,819	\$ 26,852,900	\$ 26,226,664	\$ 42,803,842	\$ 31,527,056
12	Central Maintenance Overhaul Support	\$ 1,183,932	\$ 1,096,447	\$ 1,074,365	\$ 1,074,365	\$ 1,107,277
13	Total	\$ 48,863,654	\$ 37,712,232	\$ 43,826,381	\$ 48,538,514	
14	OPC Recommended Normalized Generation Overhaul Expense					\$ 44,735,195
15	2017 Generation Overhaul Expense in 2017 Base Rate Change, per FPL (Lines 1, 6 and 12 for 2017)					\$ 48,538,514
16	Reduction to Generation Overhaul Expense					\$ (3,803,319)
17	Jurisdictional Factor					0.947328
18	Reduction to Jurisdictional Generation Overhaul Expense (stated in \$000)					\$ (3,603)

Notes and Source

Lines 1, 6,& 12: FPL Responses to Staff's 6th Set of Interrogatories, Interrogatory 153

Lines 4 and 10: MFR Sch. C-40, ad modified to reflect OPC witness Dismuke's recommendations for 2016 and 2017 general inflation

Year	Inflation Rate	Factor		
		2014	2015	2016
2014	1.60%			
2015	0.10%			
2016	1.44%			
2017	2.06%			
		<u>1.036332</u>	<u>1.035297</u>	<u>1.020600</u>

Calculation of Compound Multipliers	2014	2015	2016
	(1+0.001)*(1+0.0144)*(1+0.0206)	(1+0.0144)*(1+0.0206)	(1+0.0206)

Line 8:	2016	2017	Average
	\$ 145,537	850,171	\$ 497,854

Jurisdictional Factor Calculation:

(Figures taken from MFR Schedule C-4, in \$000)	Total Company	FPSC Jurisdictional	Jurisdictional Factor
Steam Power Generation	\$ 446,375	\$ 422,962	0.947549
Other Power Generation	2,504,438	2,372,426	0.947289
Total	\$ 2,950,813	\$ 2,795,389	0.947328

Schedule C-4
 Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2
 Revised 8/26/2016

Income Tax Expense - Impact of Other Adjustments
 (Thousands of Dollars)

Line No.	Description	Amount
OPC Jurisdictional Operating Income Adjustments (1):		
1	Revenue at Current Rates	\$ 206,500
Pre-Tax Operating Expenses:		
2	Other Operating and Maintenance Expense	\$ (63,634)
3	Depreciation & Amortization Expense	\$ (950)
4	Taxes Other Than Income Expense	\$ (3,228)
5	Subtotal Pre-Tax Operating Expenses	<u>\$ (67,812)</u>
6	Net Increase in Taxable Income	\$ 274,312
7	Composite Income Tax Rate (2)	<u>38.575%</u>
8	Adjustment to Income Tax Expense	<u>\$ 105,816</u>

Notes and Source

- (1) Exhibit RCS-2, Schedule C-1, Page 2
- (2) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
 FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Schedule C-5

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2
Revised 8/26/2016

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Interest Synchronization Adjustment
(Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per OPC	\$ 32,492,235	Exh. RCS-2, Sch. B-1
2	Weighted Cost of Debt, per OPC	1.71%	Exh. RCS-2, Sch. D
3	Interest Deduction for Income Taxes	\$ 556,116	Line 1 x Line 2
4	Interest Deduction, per Company	\$ 452,048	(a)
5	Increase (Reduction) in Deductible Interest	\$ 104,068	
6	Composite Income Tax Rate	38.575%	(b)
7	Increase (Reduction) to Income Tax Expense	\$ (40,144)	

Notes and Source

(a) Per Company amount calculated as the per Company rate base times the per FPL weighted Cost of Debt (long term debt, short term debt and customer deposits):

8	Per Company Rate Base	\$ 32,536,116	Exh. RCS-2, Sch. B-1
9	Per Company weighted Cost of Debt	1.39%	Exh. RCS-2, Sch. D
10	Interest Deduction, per Company	\$ 452,048	
11	Per Company weighted Cost of Debt:	<u>Wtd.Cost Rate</u>	<u>Interest Deduction</u>
12	Long Term Debt	1.33%	\$ 432,359
13	Short Term Debt	0.03%	\$ 11,339
14	Customer Deposits	0.03%	\$ 8,350
15	Per Company weighted Cost of Debt	1.39%	\$ 452,048

(b) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Schedule C-6
 Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Revenue at Current Rates - Adjustment for Sales Forecast
 (Thousands of Dollars)

Line No.	Description	Amount	Reference
Revenue at Current Rates			
1	OPC Forecast Adjustment	\$ 206,500	(a)
2	Less: Amount in FPL May 3, 2016 Adjustments	\$ 4,904	(b)
3	Net Increase to Revenue at Current Rates	<u>\$ 201,596</u>	
Pre-Tax Operating Expenses:			
Uncollectibles Expense			
4	Bad Debt Rate	<u>0.00066</u>	(c)
5	Increase in Uncollectibles Expense	<u>\$ 133</u>	

Notes and Source

- (a) Testimony of OPC witness David Dismukes
- (b) FPL May 3, 2016 Notice of Identified Adjustments, item 4
 See Exhibit RCS-2, Schedule E, page 2, Revenue from Sales
- (c) Bad Debt Rate from MFR Schedule C-44, line 5
 As corrected per FPL's May 3, 2016 Notice of Identified Corrections, item 5, NOI Multiplier,
 Bad Debt Rate

Schedule C-7

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2
Revised 8/26/2016

Florida Power & Light Company
Test Year Ended December 31, 2017
Annual Depreciation Accruals - New Depreciation Rates

OPC TESTIMONY ON NEW DEPRECIATION RATES IS WITHDRAWN

Schedule D

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2
 Revised 8/26/2016

Cost of Capital
 (Thousands of Dollars)

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Per OPC Weighted Cost Rate (H)
Per Company									
1	Long Term Debt	\$ 9,358,417	\$ -	\$ 9,358,417	\$ -	\$ 9,358,417	28.76%	4.62%	1.33%
2	Short Term Debt	\$ 612,939	\$ -	\$ 612,939	\$ -	\$ 612,939	1.88%	1.85%	0.03%
3	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
4	Common Equity	\$ 14,682,574	\$ (2,355,609)	\$ 12,326,965	\$ (16,626)	\$ 12,310,339	37.89%	8.75%	3.32%
5	Customer Deposits	\$ 407,328	\$ -	\$ 407,328	\$ (549)	\$ 406,779	1.25%	2.05%	0.03%
6	Deferred Taxes	\$ 7,368,582	\$ -	\$ 7,368,582	\$ (938)	\$ 7,358,644	22.65%	0.00%	0.00%
7	Investment Tax Credits	\$ 106,275	\$ -	\$ 106,275	\$ (143)	\$ 106,132	0.33%	8.84%	0.03%
8	Total	\$ 32,536,115	\$ -	\$ 32,536,115	\$ (43,883)	\$ 32,492,232	100.00%		6.61%
Per OPC									
9	Long Term Debt	\$ 9,358,417	\$ 2,210,810	\$ 11,569,227	\$ (15,604)	\$ 11,553,623	35.56%	4.62%	1.64%
10	Short Term Debt	\$ 612,939	\$ 144,799	\$ 757,738	\$ (1,022)	\$ 756,716	2.33%	1.85%	0.04%
11	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
12	Common Equity	\$ 14,682,574	\$ (2,355,609)	\$ 12,326,965	\$ (16,626)	\$ 12,310,339	37.89%	8.75%	3.32%
13	Customer Deposits	\$ 407,328	\$ -	\$ 407,328	\$ (549)	\$ 406,779	1.25%	2.05%	0.03%
14	Deferred Taxes	\$ 7,368,582	\$ -	\$ 7,368,582	\$ (938)	\$ 7,358,644	22.65%	0.00%	0.00%
15	Investment Tax Credits	\$ 106,275	\$ -	\$ 106,275	\$ (143)	\$ 106,132	0.33%	6.75%	0.02%
16	Total	\$ 32,536,115	\$ (0)	\$ 32,536,115	\$ (43,883)	\$ 32,492,232	100.00%		5.05%

Ratio of Debt & Equity Components	Per FPL Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio Per OPC [^] (c)	Revised Allocations (d)	Adjs. To Reflect OPC Cap. Struct. (e) = (d - a)
17 Long Term Debt	\$ 9,358,417	37.96%	46.93%	\$ 11,569,227	\$ 2,210,810
18 Short Term Debt	\$ 612,939	2.49%	3.07%	\$ 757,738	\$ 144,799
19 Common Equity	\$ 14,682,574	59.55%	50.00%	\$ 12,326,965	\$ (2,355,609)
	\$ 24,653,930	100.00%	100.00%	\$ 24,653,930	\$ -

Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
20 Long Term Debt	\$ 9,358,417	93.85%	46.93%	46.93%
21 Short Term Debt	\$ 612,939	6.15%	3.07%	3.07%
22	\$ 9,971,356	100.00%	50.00%	50.00%

Notes and Source

The per Company amounts are from MFR Sch. D-1a.
 Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell
 Column (d): OPC rate base adjustments are from Schedule B-1, page 1, col. E. This includes the FPL update/filing correction rate base adjustments in columns B and C.
 Column (e): OPC rate base adjustments are from Schedule B-1, page 1, col. E. This includes the FPL update/filing correction rate base adjustments in columns B and C.
 Rate Base Adjustments
 FPL Updates \$ 5,725
 OPC Adjs. \$ (49,608)
 Rate Base Adjs. \$ (43,883)
 Column (g): Lines 9&10, debt cost rates are sponsored by OPC Witness Kevin O'Donnell
 Column (h): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 4 sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.
 FPL Weighted Cost of Debt for Interest Synchronization 1.39% Col. H, lines 1, 2 and 5
 OPC Weighted Cost of Debt for Interest Synchronization 1.71% Col. H, lines 9, 10 and 13

Schedule E, page 1 of 3

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Company Rate Base Adjustments from May 3, 2016 Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Rate Base Components	FPL May 3, 2016 Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 690
3	Net Plant in Service	\$ 690
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 690
8	Working Capital Allowance	\$ (6,411)
9	Other Rate Base Items	
10	Total Rate Base	<u>\$ (5,721)</u>

Source/Notes:

Schedule E, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(9)	\$ 1,328	\$ 1
12	(10)	\$ 688,781	\$ 689
13		<u>\$ 690,109</u>	<u>\$ 690</u>
Working Capital Allowance			
14	(2)	\$ (3,527,564)	\$ (3,528)
15	(6)	\$ 30,107	\$ 30
16	(8)	\$ (2,913,278)	\$ (2,913)
17		<u>\$ (6,410,735)</u>	<u>\$ (6,411)</u>
18		<u>\$ (5,720,626)</u>	<u>\$ (5,721)</u>

Schedule E, page 2 of 3

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Company Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Description	Reference	FPL May 3, 2016 Notice of Filing Adjustments (A)
<u>Operating Revenues:</u>			
1	Revenue From Sales	Line 14	\$ 4,904
2	Other Operating Revenues	Line 18	(979)
3	Total Operating Revenues	Line 19	\$ 3,925
<u>Operating Expenses:</u>			
4	Other Operation & Maintenance	Line 22	(3,632)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	(1,380)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	3,479
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		\$ (1,534)
13	Net Operating Income		\$ 5,459

Source/Notes:

Schedule E, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14	Retail Base Revenues (7)	\$ 4,903,899 (a)	\$ 4,904
Other Operating Revenues			
15	Aviation gains (1)	\$ (1,229,710) (a)	(1,230)
16	Late Payment charges (4)	\$ 244,983 (a)	245
17	Returned Checks (5)	\$ 6,123 (a)	6
18	Other Operating Revenues	\$ (978,604)	\$ (979)
19	Total Operating Revenues	\$ 3,925,295	\$ 3,925
Other Operation & Maintenance			
20	WCEC Water Reclamation (3)	\$ (4,031,221)	(4,031)
21	Uncollectible Accounts Expense (6)	\$ 398,765	399
22	Other Operation & Maintenance	\$ (3,632,456)	\$ (3,632)
Depreciation & Amortization			
23	Depreciation Co Adj (9)	\$ (2,710)	(3)
24	Dismantlement Co Adj (10)	\$ (1,377,561)	(1,378)
25	Depreciation & Amortization	\$ (1,380,271)	\$ (1,380)
Income Taxes			
26	Revenue	Line 19	\$ 3,925
27	Pre-Tax Expenses	Lines 22 + 25	\$ (5,013)
28	Synchronized Interest (c)	Line 37	\$ (81)
29	Taxable Income		\$ 9,019
30	Combined State and Federal Income Tax Rate Used		0.38575
31	Income Tax Expense	Line 29 x Line 30	\$ 3,479
(a)	Page 3, lines 22-28 state the income statement amounts as net operating income impacts		
32	Combined State and Federal Income Tax Rate Used	0.38575	
33	NOI factor: 1 minus Income Tax Rate	0.61425	
34	1 divided by NOI factor	1.62800	
(c)	Synchronized Interest		
35	Rate Base	Page 1	\$ (5,721)
36	FPL Interest	Page 3	1.4173%
37	Synchronized Interest		\$ (81)

Company Rate Base and Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments

Line No.	Description	2017										Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
		Aviation gains	Pension Debit	WCEC Water Reclamation	Late Payment charges	Returned Checks	Uncollectible Accounts Expense	Retail Base Revenues	DSM Adj	Depreciation Co Adj	Dismantlement Co Adj	
RATE BASE												
1	PLANT IN SERVICE											
2	DEPRECIATION & AMORT RESERVE											
3	NET PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ 725,906
4												
5	FUTURE USE PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	CWIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7	NUCLEAR FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8	NET UTILITY PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ 725,906
9												
10	WORKING CAPITAL											
11	RATE BASE - INCREASE/(DECREASE)	\$ -	\$ (3,646,236)	\$ -	\$ -	\$ -	\$ 30,107	\$ -	\$ -	\$ 1,328	\$ 724,578	\$ (3,616,129)
12												
13	JURISDICTIONAL FACTOR ⁽²⁾		0.96745		1.00000	1.00000	1.00000	1.00000		1.00000	0.95060	
14	JURISDICTIONAL RATE BASE	\$ -	\$ (3,527,564)	\$ -	\$ -	\$ -	\$ 30,107	\$ -	\$ (2,913,278)	\$ 1,328	\$ 688,781	\$ (5,720,626)
15												
16	PRE-TAX RATE OF RETURN (D-1a) ⁽¹⁾	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%	9.8659%
17												
18	RETURN ON RATE BASE	\$ -	\$ (348,028)	\$ -	\$ -	\$ -	\$ 2,970	\$ -	\$ (287,422)	\$ 131	\$ 67,955	\$ (564,394)
19												
20	COST OF DEBT (D-1a) ⁽¹⁾	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%	1.4173%
21	INTEREST SYNC ADJUSTMENT		19,286				(165)		15,927	(7)	(3,766)	31,275
NET OPERATING INCOME												
22	OPERATION AND MAINTENANCE EXPENSE	\$ -	\$ -	\$ (4,243,153)	\$ -	\$ -	\$ 398,765	\$ -	\$ -	\$ -	\$ -	\$ (3,844,388)
23	DEPRECIATION & AMORTIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,710)	\$ (1,449,157)	
24	REVENUES	\$ 1,229,710	\$ -	\$ -	\$ (244,983)	\$ (6,123)	\$ -	\$ (4,903,899)	\$ -	\$ -	\$ -	\$ (3,925,295)
25	TOTAL - INCREASE/(DECREASE)	\$ 1,229,710	\$ -	\$ (4,243,153)	\$ (244,983)	\$ (6,123)	\$ 398,765	\$ (4,903,899)	\$ -	\$ (2,710)	\$ (1,449,157)	\$ (7,769,683)
26												
27	JURISDICTIONAL FACTOR ⁽²⁾	1.00000		0.95005	1.00000	1.00000	1.00000	1.00000		1.00000	0.95060	
28	JURISDICTIONAL NET OPERATING INCOME	\$ 1,229,710	\$ -	\$ (4,031,221)	\$ (244,983)	\$ (6,123)	\$ 398,765	\$ (4,903,899)	\$ (450,736)	\$ (2,710)	\$ (1,377,561)	\$ (9,388,758)
26	SUBTOTAL (SUM OF LINES 18, 21, & 25)	\$ 1,229,710	\$ (328,742)	\$ (4,031,221)	\$ (244,983)	\$ (6,123)	\$ 401,571	\$ (4,903,899)	\$ (722,232)	\$ (2,586)	\$ (1,313,372)	\$ (9,921,877)
27	RAF and Bad Debt Multiplier ⁽³⁾	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137	1.00137
28	TOTAL REVENUE REQUIREMENT	\$ 1,231,395	\$ (329,193)	\$ (4,036,744)	\$ (245,319)	\$ (6,131)	\$ 402,121	\$ (4,910,617)	\$ (723,221)	\$ (2,590)	\$ (1,315,171)	\$ (9,935,470)

Notes:

- ⁽¹⁾ Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY
- ⁽²⁾ Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY
- ⁽³⁾ Refer to MFR C-44 for TY & SY
- ⁽⁴⁾ Fukushima adjustment only applies to 2018.

Schedule F, page 1 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-2

Florida Power & Light Company
 Projected Test Year Ended December 31, 2017

Company Rate Base Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL June 16, 2016 Second Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 10,669
3	Net Plant in Service	10,669
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	10,669
8	Working Capital Allowance	776
9	Other Rate Base Items	
10	Total Rate Base	\$ 11,445

Source/Notes:

Schedule F, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(3)	\$ 10,669,329	\$ 10,669
12			\$ -
13		\$ 10,669,329	\$ 10,669
Working Capital Allowance			
14	(2)	\$ 775,850	\$ 776
15			
16			
17		\$ 775,850	\$ 776
18		\$ 11,445,179	\$ 11,445

Schedule F, page 2 of 3

Docket No: 160021-EI
January 2017 Rate Change
Exhibit No. RCS-2

Florida Power & Light Company
Projected Test Year Ended December 31, 2017

Company Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Description	Reference	FPL June 16, 2016 Notice of Filing Adjustments (A)
Operating Revenues:			
1	Revenue From Sales	Line 14	715
2	Other Operating Revenues	Line 18	
3	Total Operating Revenues	Line 19	<u>715</u>
Operating Expenses:			
4	Other Operation & Maintenance	Line 22	(19)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	(21,824)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	8,639
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		<u>(13,204)</u>
13	Net Operating Income		<u><u>13,919</u></u>

Source/Notes:

Schedule F, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14 EDR	(1)	<u>715,000 (a)</u>	<u>715</u>
Other Operating Revenues			
15			
16			
17			
18 Other Operating Revenues		<u>\$ -</u>	<u>\$ -</u>
19 Total Operating Revenues		<u>\$ 715,000</u>	<u>\$ 715</u>
Other Operation & Maintenance			
20 EDR	(1)	\$ (19,028)	(19)
21			
22 Other Operation & Maintenance		<u>\$ (19,028)</u>	<u>\$ (19)</u>
Depreciation & Amortization			
23 Depreciation Co Adj	(3)	\$ (21,824,174)	(21,824)
24			
25 Depreciation & Amortization		<u>\$ (21,824,174)</u>	<u>\$ (21,824)</u>
Income Taxes			
26 Revenue		Line 19	\$ 715
27 Pre-Tax Expenses		Lines 22 + 25	\$ (21,843)
28 Synchronized Interest (c)		Line 37	\$ 162
29 Taxable Income			\$ 22,396
30 Combined State and Federal Income Tax Rate Used			0.38575
31 Income Tax Expense		Line 29 x Line 30	<u>\$ 8,639</u>
(a) Page 3, lines 22-28 state the income statement amounts as net operating income impacts			
32 Combined State and Federal Income Tax Rate Used		0.38575	
33 NOI factor: 1 minus Income Tax Rate		0.61425	
34 1 divided by NOI factor		1.62800	
(c) Synchronized Interest			
35 Rate Base	Page 1	\$ 11,445	
36 FPL Interest	Page 3	1.4173%	
37 Synchronized Interest		<u>\$ 162</u>	

Company Rate Base and Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments

		2017			
Line No.	DESCRIPTION	(1)	(2)	(3)	Total
		EDR	SJRPP - Def Credit - Dismantlement	Depreciation Co Adj	
	RATE BASE			(4)	
1	PLANT IN SERVICE	-	-	-	-
2	DEPRECIATION & AMORT RESERVE	-	-	11,153,114	11,153,114
3	NET PLANT IN SERVICE	-	-	11,153,114	11,153,114
4					
5	FUTURE USE PLANT	-	-	-	-
6	CWIP	-	-	-	-
7	NUCLEAR FUEL	-	-	-	-
8	NET UTILITY PLANT	-	-	11,153,114	11,153,114
9					
10	WORKING CAPITAL	-	816,173	-	816,173
11	RATE BASE - INCREASE/(DECREASE)	-	816,173	11,153,114	11,969,287
12					
13	JURISDICTIONAL FACTOR ⁽²⁾	-	0.95060	0.95662	
14	JURISDICTIONAL RATE BASE	-	775,850	10,669,329	11,445,179
15					
16	PRE-TAX RATE OF RETURN (D-1a) ⁽¹⁾	9.8659%	9.8659%	9.8659%	9.8659%
17					
18	RETURN ON RATE BASE	-	76,545	1,052,631	1,129,176
19					
20	COST OF DEBT (D-1a) ⁽¹⁾	1.4173%	1.4173%	1.4173%	1.4173%
21	INTEREST SYNC ADJUSTMENT	-	(4,242)	(58,330)	(62,572)
	NET OPERATING INCOME				
22	OPERATION AND MAINTENANCE EXPENSE	(19,028)	-	-	(19,028)
23	DEPRECIATION & AMORTIZATION	-	-	(22,794,378)	
24	REVENUES	715,000	-	-	715,000
25	TOTAL - INCREASE/(DECREASE)	695,972	-	(22,794,378)	695,972
26					
27	JURISDICTIONAL FACTOR ⁽²⁾	1.00000	-	0.95744	
28	JURISDICTIONAL NET OPERATING INCOME	695,972	-	(21,824,174)	(21,128,202)
29	SUBTOTAL (SUM OF LINES 18, 21, & 25)	695,972	72,303	(20,829,874)	(20,061,598)
30	RAF and Bad Debt Multiplier ⁽³⁾	1,00137	1,00137	1,00137	1,00137
31	TOTAL REVENUE REQUIREMENT	696,926	72,402	(20,858,411)	(20,089,083)

Notes:

⁽¹⁾ Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY

⁽²⁾ Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY

⁽³⁾ Refer to MFR C-44 for TY & SY

⁽⁴⁾ Jurisdictional factor reflected for this adjustment is a composite rate. Jurisdictional factors by function are reflected in the supporting tabs in this workbook.

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3
 Revised 8/26/2016

Schedule A-1
 Florida Power & Light Company
 Projected Year Ended December 31, 2018

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase (Decrease)
 (Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 33,870,897	\$ 33,830,719	Exh. RCS-3, Sch. B-1
2	Required Rate of Return	6.71%	5.17%	Exh. RCS-3, Sch. D
3	Jurisdictional Income Required	2,271,063	1,749,378	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	1,575,711	1,839,721	Exh. RCS-3, Sch. C-1
5	Income Deficiency (Sufficiency)	695,352	(90,343)	Line 3 - Line 4
6	Earned Rate of Return	4.65%	5.44%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.63024	1.63025	See below
8	Revenue Deficiency (Sufficiency)	\$ 1,133,593	\$ (147,282)	Line 5 x Line 7
9	2017 Revenue Increase (Decrease) Requested	\$ 871,301	\$ (329,339)	
10	Rate Increase Requested (After 2017 Increase)	\$ 262,292	\$ -	None if line 8 is less than zero

Source/Notes:
 Col. (A): MFR Schedule A-1
 Line 7: MFR Sch. A-1 and C-44
 Col. (B), Line 7: FPL's May 3, 2016 Notice of Identified Adjustments, Item No. 5, NOI Multiplier

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
 (Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
1	Plant in Service	\$ 45,511,408			\$ 45,511,408	\$ (45,335)	\$ 45,466,073
2	Accumulated Depreciation & Amortization	\$ (14,227,659)	\$ 1,994	\$ 33,803	\$ (14,191,862)	\$ 683	\$ (14,191,179)
3	Net Plant in Service	\$ 31,283,750	\$ 1,994	\$ 33,803	\$ 31,319,546	\$ (44,652)	\$ 31,274,894
4	Construction Work in Progress	\$ 807,675			\$ 807,675		\$ 807,675
5	Plant Held For Future Use	\$ 242,917			\$ 242,917	\$ (14,235)	\$ 228,682
6	Nuclear Fuel	\$ 606,781			\$ 606,781		\$ 606,781
7	Total Net Plant	\$ 32,941,123	\$ 1,994	\$ 33,803	\$ 32,976,919	\$ (58,887)	\$ 32,918,033
8	Working Capital Allowance	\$ 929,774	\$ (14,924)	\$ 914	\$ 915,764	\$ (3,078)	\$ 912,686
9	Other Rate Base Items						\$ -
10	Total Rate Base	\$ 33,870,897	\$ (12,930)	\$ 34,717	\$ 33,892,683	\$ (61,965)	\$ 33,830,719

Source/Notes:

- Col. (A): Company MFR Schedule B-1
- Col. (B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-3, Schedule E, page 1
- Col. (C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-3, Schedule F
- Col. (D): Sum of columns A, B and C
- Col. (E): See Exhibit RCS-2, Schedule B-1, page 2
- Col. (F): Sum of columns D and E

Adjusted Rate Base-Summary of Adjustments
 (Thousands of Dollars)

Line No.	Adjustment Title	Reference	OPC Adjustments	Jurisdictional Separation Factor	Jurisdictional Amount
	<u>Plant in Service Adjustments:</u>				
1	Storm Hardening	Exhibit HWS-9	\$ (45,335)	1.000000	\$ (45,335)
2			\$ (45,335)		\$ (45,335)
3	<i>Total Plant in Service</i>				
4					
5	<u>Accumulated Depreciation Adjustments:</u>				
6					
7					
8					
9					
10	Storm Hardening	Exhibit HWS-9 Revised	\$ (683)	1.000000	\$ (683)
11			\$ (683)		\$ (683)
12	<i>Total Accumulated Depreciation</i>				
13					
14					
15					
16					
17	<u>Plant Held for Future Use:</u>				
18	Reduction to Transmission PHFFU	Exh. RCS-2, Sch. B-2	\$ (4,637)	0.903661	\$ (4,191)
19	Reduction to Distribution PHFFU	Exh. RCS-2, Sch. B-2	\$ (10,044)	1.000000	\$ (10,044)
20			\$ (14,681)		\$ (14,235)
21	<i>Total Plant Held for Future Use</i>				
22	<u>Working Capital Adjustments</u>				
23	Adjustment to Working Capital				
24	Remove Unamortized Rate Case Expense	Smith Testimony	\$ (3,078)	1.000000	\$ (3,078)
25		FPL Sch B-1, p.3, L23			
26	<i>Total Working Capital</i>		\$ (3,078)		\$ (3,078)

Notes:

Jurisdictional Separation Factors from FPL's MFR Schedule B-6.

(a) References beginning with Exh. HWS refer to exhibits presented with the testimony of Helmuth W. Schultz, III.

Schedule B-2
 Florida Power & Light Company
 Projected Year Ended December 31, 2018
 January 2018 Step Increase

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Reduction to Plant Held For Future Use (PHFFU)
 Plant Held for Future Use Adjustment 2018 Test Year

Line No.	Description	Test Year	Test Year	Test Year
		2017	Jurisdictional	Jurisdictional
		13 Month Average	Factor	Amount
		(A)	(B)	(C)
1	Transmission	\$ (4,637,315)	0.903661	\$ (4,190,561)
2	Distribution	\$ (10,043,802)	1.000000	\$ (10,043,802)
3	Total Adjustment	<u>\$ (14,681,117)</u>		<u>\$ (14,234,363)</u>

Notes and Source:
 See Schedule B-2, Exhibit RCS-2, page 2 for detail
 Col. B: FPL MFR Schedule B-15

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	FPL May 3, 2016 Notice of Filing Adjustments (B)	FPL June 15, 2016 Second Notice of Filing Adjustments (C)	Amounts Before OPC Adjustments (D)	OPC Adjustments (E)	Adjusted Juris. Total Amount per OPC (F)
<u>Operating Revenues:</u>							
1	Sales From Electricity	\$ 5,766,631	\$ 5,492	\$ 850	\$ 5,772,973	\$ 254,008	\$ 6,026,981
2	Other Operating Revenues	\$ 200,898	\$ (6,761)		\$ 194,137		\$ 194,137
3	Total Operating Revenues	\$ 5,967,529	\$ (1,269)	\$ 850	\$ 5,967,110	\$ 254,008	\$ 6,221,118
<u>Operating Expenses:</u>							
4	Operation & Maintenance:	\$ 1,379,393	\$ (4,046)	\$ (26)	\$ 1,375,321	\$ (71,719)	\$ 1,303,602
5	Fuel	\$ 24,262			\$ 24,262		\$ 24,262
6	Purchased Power	\$ -			\$ -		\$ -
7	Deferred Costs				\$ -		\$ -
8	Depreciation & Amortization	\$ 1,738,419	\$ (1,382)	\$ (23,660)	\$ 1,713,377	\$ (1,365)	\$ 1,712,012
9	Taxes Other Than Income Taxes	\$ 615,473			\$ 615,473	\$ (3,260)	\$ 612,213
10	Income Taxes	\$ 645,029	\$ 1,680	\$ 9,262	\$ 655,971	\$ 84,096	\$ 740,067
11	(Gain)/Loss on Disposal of Plant	\$ (10,759)			\$ (10,759)		\$ (10,759)
12	Total Operating Expenses	\$ 4,391,818	\$ (3,748)	\$ (14,424)	\$ 4,373,645	\$ 7,752	\$ 4,381,397
13	Net Operating Income	\$ 1,575,711	\$ 2,479	\$ 15,274	\$ 1,593,465	\$ 246,256	\$ 1,839,721

Source/Notes

- Col.(A): Per Company amounts are from FPL MFR Schedule C-1
Col.(B): Company May 3, 2016 Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule E, page 2
Col.(C): Company June 16, 2016 Second Notice of Filing Adjustments. Also see Exhibit RCS-2, Schedule F
Col.(D): Sum of columns A, B and C
Col.(E): See Exhibit RCS-2, Schedule C-1, page 2
Col.(F): Sum of columns D and E

Schedule C-1, page 2 of 2

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3
Revised 8/26/2016

Florida Power & Light Company
Projected Year Ended December 31, 2018

Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
(Thousands of Dollars)

Line No.	Adjustment Title	Reference	OPC Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
<u>Revenue at Current Rates</u>					
1	Revenue at Current Rates - Sales Forecast Adjustment	Dismukes Testimony	\$ 259,500	1.000000	\$ 259,500
2	less amount in FPL Corrections	Exh. RCS-3, Sch. C-6	\$ (5,492)	1.000000	\$ (5,492)
3	subtotal		<u>\$ 254,008</u>		<u>\$ 254,008</u>
4					
<u>Other Operating and Maintenance Expense</u>					
6	Rate Case Expense	Exh. RCS-3, Sch. C-2	\$ (326)	1.000000	\$ (326)
7	Employee Count Adjustment	Exh. HWS-2 Revised	\$ (14,887)	0.964177	\$ (14,354)
8	Employee Incentive Compensation Adjustment	Exh. HWS-3 Revised	\$ (37,189)	0.967467	\$ (35,979)
9	Benefit Expense Adjustment	Exh. HWS-4 Revised	\$ (2,246)	0.968861	\$ (2,177)
10	Distribution Vegetative Mgt. - Tree Trimming	Exh. HWS-10, p.5	\$ (7,428)	1.000000	\$ (7,428)
11	Pole Inspection Expense	Exh. HWS-10, p.6	\$ (1,693)	0.999422	\$ (1,692)
12	Directors & Officers Liability Insurance	Exh. HWS-8	\$ (1,391)	0.984797	\$ (1,369)
13			\$ -	-	\$ -
14	Uncollectible Expense - on Revenue Adjustment	Exh. RCS-3, Sch. C-6	\$ 168	1.000000	\$ 168
15	Generation Overhaul Expense Normalization	Exh. RCS-2, Sch. C-3	\$ (9,037)	0.947444	\$ (8,562)
16	subtotal		<u>\$ (74,029)</u>		<u>\$ (71,719)</u>
17					
<u>Depreciation & Amortization Expense</u>					
19	Depreciation Expense - New Depreciation Rates				
20	Production				
21	Transmission				
22	Distribution				
23	General				
24	Depreciation Expense - New Depreciation Rates				
25	Excess Reserve				
26	Transmission				
27	Distribution				
28	General				
29	Storm Hardening	Exh. HWS-9 Revised	\$ (1,365)	1.000000	\$ (1,365)
30	subtotal		<u>\$ (1,365)</u>		<u>\$ (1,365)</u>
31					
<u>Taxes Other Than Income Expense</u>					
33	Payroll Tax Expense - Base Payroll	Exh. HWS-5 Revised	\$ (966)	0.986375	\$ (953)
34	Payroll Tax Expense - Incentive Compensation	Exh. HWS-5 Revised	\$ (2,339)	0.986375	\$ (2,307)
35	subtotal		<u>\$ (3,305)</u>		<u>\$ (3,260)</u>
36					
<u>Income Tax Expense</u>					
38	Impact of other adjustments	Exh. RCS-3, Sch. C-4		Various	\$ 129,552
39	Interest Synchronization Adjustment	Exh. RCS-3, Sch. C-3		Various	\$ (45,456)
40	subtotal				<u>\$ 84,096</u>

Schedule C-2
 Florida Power & Light Company
 Projected Year Ended December 31, 2018
 January 2018 Step Increase

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Rate Case Expense
 (Thousands of Dollars)

Line No.	Description	Amortization Expense
1	Rounded Adjustment to Test Year Amortization Expense (\$000)	\$ (326)

Notes and Source
 Exhibit No. RCS-2, Schedule C-2

Schedule C-3
 Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Docket No.: 160021-EI
 January 2018 Rate Change
 Exhibit No. RCS-3

Generation Overhaul Expense Normalization

Line No	Description	2014 (A)	2015 (B)	2016 (C)	2017 (D)	2018 (E)	2014-2017 Four-Year Escalated Average (F)	2014-2018 Five-Year Escalated Average (F)
1	Steam Plant Overhaul Expense	\$ 16,842,966	\$ 9,430,036	\$ 16,191,801	\$ 4,660,307	\$ 21,288,659		
2	- Less Retired Units							
3	Subtotal	16,842,966	9,430,036	16,191,801	4,660,307	21,288,659		
4	O&M Compound Multiplier, 2014 - 2018	1.057680	1.056624	1.041624	1.020600	1.000000		
5	Steam Plant Overhaul Expense - Existing Plants	\$ 17,814,475	\$ 9,964,000	\$ 16,865,774	\$ 4,756,309	\$ 21,288,659	\$ 12,350,140	\$ 11,781,536
6	Other Production Plant Overhaul Expense	\$ 28,667,337	\$ 25,439,543	\$ 25,697,300	\$ 42,803,842	\$ 32,249,855		
7	- Less							
8	- Plus Port Everglades Modernized Unit 5	\$ 597,210	\$ 597,210					
9	Subtotal	\$ 29,264,547	\$ 26,036,753	\$ 25,697,300	\$ 42,803,842	\$ 32,249,855		
10	O&M Compound Multiplier, 2014 - 2018	1.057680	1.056624	1.041624	1.020600	1.000000		
11	Other Production Plant Overhaul Expense - Existing Plants	\$ 30,952,537	\$ 27,511,052	\$ 26,766,934	\$ 43,685,601	\$ 32,249,855	\$ 32,229,031	\$ 32,233,196
12	Central Maintenance Overhaul Support	\$ 1,183,932	\$ 1,096,447	\$ 1,074,365	\$ 1,074,365	\$ 1,184,487	\$ 1,107,277	\$ 1,122,719
13	Total	\$ 49,950,944	\$ 38,571,499	\$ 44,707,073	\$ 49,516,275	\$ 54,723,001	\$ 45,686,448	\$ 45,137,451
14	OPC Recommended Normalized Generation Overhaul Expense						\$ 54,723,001	\$ 54,723,001
15	2018 Generation Overhaul Expense in 2018 Base Rate Change, per FPL (Lines 1, 6 and 12 for 2018)						\$ (9,036,553)	\$ (9,585,550)
16	Reduction to Generation Overhaul Expense						0.947444	0.947444
17	Jurisdictional Factor						\$ (8,562)	\$ (9,082)
18	Reduction to Jurisdictional Generation Overhaul Expense (stated in \$000)							

Notes and Source

Lines 1, 6, & 12: FPL Responses to Staff's 6th Set of Interrogatories, Interrogatory 153
 Lines 4 and 10: MFR Sch. C-40, ad modified to reflect OPC witness Dismukes' recommendations for 2016, 2017, and 2018 general inflation

Year	Rate	For Year	
		2014	2015
2014	1.60%	1.057680	2014
2015	0.10%	1.056624	2015
2016	1.4%	1.041624	2016
2017	2.06%	1.020600	2017
2018	2.06%	1.000000	2018

Calculation of Compound Multipliers
 2014 (1+0.001)*(1+0.0144)*(1+0.0206)*(1+0.0206)
 2015 (1+0.0144)*(1+0.0206)*(1+0.0206)
 2016 (1+0.0206)*(1+0.0206)
 2017 (1+0.0206)

Line 8:

2016	\$ 145,537
2017	\$ 850,171
2018	\$ 795,922
Average	\$ 597,210

Jurisdictional Factor Calculation:

(Figures taken from MFR Schedule C-4, in \$000)

	Total Company	FPSC Jurisdictional	FPSC Jurisdictional Factor
Steam Power Generation	\$ 472,934	\$ 448,201	0.947703
Other Power Generation	\$ 2,645,031	\$ 2,505,895	0.947397
Total	\$ 3,117,965	\$ 2,954,096	0.947444

Schedule C-4
 Florida Power & Light Company
 Projected Year Ended December 31, 2018

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3
 Revised 8/26/2016

Income Tax Expense - Impact of Other Adjustments
 (Thousands of Dollars)

Line No.	Description	Amount
	OPC Jurisdictional Operating Income Adjustments (1):	
1	Revenue at Current Rates	\$ 259,500
	Pre-Tax Operating Expenses:	
2	Other Operating and Maintenance Expense	\$ (71,719)
3	Depreciation & Amortization Expense	\$ (1,365)
4	Taxes Other Than Income Expense	\$ (3,260)
5	Subtotal Pre-Tax Operating Expenses	<u>\$ (76,344)</u>
6	Net Increase in Taxable Income	<u>\$ 335,844</u>
7	Composite Income Tax Rate (2)	<u>38.575%</u>
8	Adjustment to Income Tax Expense	<u>\$ 129,552</u>

Notes and Source

- (1) Exhibit RCS-3, Schedule C-1, Page 2
- (2) Calculated using Florida state income tax rate of 5.50% and Federal income tax rate of 35%
 FPL used these same income tax rates in its filing. See, e.g., MFR Schedule C-44

Schedule C-5

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3
 Revised 8/26/2016

Florida Power & Light Company
 Projected Year Ended December 31, 2018
 Canaveral Modernization Project
 Adjusted Rate Base-Summary of Adjustments - January 2018 Step Increase
 Interest Synchronization Adjustment
 (Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 33,830,719	Exh. RCS-3, Sch. B-1
2	Weighted Cost of Debt, per OPC	1.84%	Exh. RCS-3, Sch. D
3	Interest Deduction for Income Taxes	\$ 622,514	
4	Jurisdictional Interest Deduction	\$ 504,675	(a)
5	Increase in Deductible Interest	\$ 117,839	
6	Combined Income Tax Rate	38.575%	
7	Increase (Reduction) to Income Tax Expense	\$ (45,456)	

Notes and Source

(a)	Interest in Operating Income Taxes Sch C-22	\$ 569,484	MFR Schedule C-23
	Jurisdictional Factor	0.979395	MFR Schedule C-3, line 16
	Jurisdictional Interest Deduction	\$ 557,750	

(a) Per Company amount calculated as the per Company rate base of times the per FPL weighted Cost of Debt (long term debt, short term debt and customer deposits):

8	Per Company Rate Base	\$ 33,870,897	Exh. RCS-3, Sch. B-1
9	Per Company weighted Cost of Debt	1.49%	Exh. RCS-3, Sch. D
10	Interest Deduction, per Company	\$ 504,675	
11	Per Company weighted Cost of Debt:	Wtd. Cost Rate	Interest Deduction
12	Preferred Stock	1.44%	\$ 488,174
13	Common Equity	0.03%	\$ 8,619
14	Investment Tax Credits	0.02%	\$ 7,882
15	Per Company weighted Cost of Debt	1.49%	\$ 504,675

Schedule C-6
 Florida Power & Light Company
 Projected Year Ended December 31, 2018

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-3

Revenue at Current Rates - Adjustment for Sales Forecast
 (Thousands of Dollars)

Line No.	Description	Amount	Reference
Revenue at Current Rates			
1	OPC Forecast Adjustment	\$ 259,500	(a)
2	Less: Amount in FPL May 3, 2016 Adjustments	\$ 5,492	(b)
3	Net Increase to Revenue at Current Rates	<u>\$ 254,008</u>	
Pre-Tax Operating Expenses:			
Uncollectibles Expense			
4	Bad Debt Rate	0.00066	(c)
5	Increase in Uncollectibles Expense	<u>\$ 168</u>	

Notes and Source

- (a) Testimony of OPC witness David Dismukes
- (b) FPL May 3, 2016 Notice of Identified Adjustments, item 4
 See Exhibit RCS-3, Schedule E, page 2, Revenue from Sales
- (c) Bad Debt Rate from MFR Schedule C-44, line 5
 As corrected per FPL's May 3, 2016 Notice of Identified Corrections, item 5, NOI Multiplier,
 Bad Debt Rate

Schedule C-7

Docket No: 160021-EI
January 2018 Rate Change
Exhibit No. RCS-3
Revised 8/26/2016

Florida Power & Light Company
Test Year Ended December 31, 2018
Annual Depreciation Accruals - New Depreciation Rates

OPC TESTIMONY ON NEW DEPRECIATION RATES IS WITHDRAWN

Cost of Capital
 (Thousands of Dollars)

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Per OPC Weighted Cost Rate (H)
Per Company									
1	Long Term Debt	\$ 10,024,107		\$ 10,024,107		\$ 10,024,107	29.60%	4.87%	1.44%
2	Short Term Debt	\$ 321,611		\$ 321,611		\$ 321,611	0.95%	2.68%	0.03%
3	Preferred Stock	-		-		-	0.00%	0.00%	0.00%
4	Common Equity	\$ 15,284,522		\$ 15,284,522		\$ 15,284,522	45.13%	11.50%	5.19%
5	Customer Deposits	\$ 386,360		\$ 386,360		\$ 386,360	1.14%	2.04%	0.02%
6	Deferred Taxes	\$ 7,753,738		\$ 7,753,738		\$ 7,753,738	22.89%	0.00%	0.00%
7	Investment Tax Credits	\$ 100,559		\$ 100,559		\$ 100,559	0.30%	8.87%	0.03%
8	Total	\$ 33,870,897	\$ -	\$ 33,870,897		\$ 33,870,897	100.00%		6.71%
Per OPC									
9	Long Term Debt	\$ 10,024,107	\$ 2,392,637	\$ 12,416,744	\$ (14,729)	\$ 12,402,015	36.66%	4.87%	1.79%
10	Short Term Debt	\$ 321,611	\$ 76,765	\$ 398,376	\$ (473)	\$ 397,903	1.18%	2.68%	0.03%
11	Preferred Stock	-		-		-	0.00%	0.00%	0.00%
12	Common Equity	\$ 15,284,522	\$ (2,469,402)	\$ 12,815,120	\$ (15,201)	\$ 12,799,919	37.84%	8.75%	3.31%
13	Customer Deposits	\$ 386,360		\$ 386,360	\$ (458)	\$ 385,902	1.14%	2.04%	0.02%
14	Deferred Taxes	\$ 7,753,738		\$ 7,753,738	\$ (9,197)	\$ 7,744,541	22.89%	0.00%	0.00%
15	Investment Tax Credits	\$ 100,559		\$ 100,559	\$ (119)	\$ 100,440	0.30%	6.84%	0.02%
16	Total	\$ 33,870,897	\$ (0)	\$ 33,870,897	\$ (40,178)	\$ 33,830,719	100.00%		5.17%

Ratio of Debt & Equity Components	Per FPL Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio		Revised Allocations (d)	Adjis. To Reflect OPC Cap. Struct. (e) = (d - a)
			Per OPC^	Per OPC		
17 Long Term Debt	\$ 10,024,107	39.11%	48.45%	\$ 12,416,744	\$ 2,392,637	
18 Short Term Debt	\$ 321,611	1.25%	1.55%	\$ 398,376	\$ 76,765	
19 Common Equity	\$ 15,284,522	59.63%	50.00%	\$ 12,815,120	\$ (2,469,402)	
	\$ 25,630,240	100.00%	100.00%	\$ 25,630,240	\$ -	

^ Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
20 Long Term Debt	\$ 10,024,107	96.89%		48.45%
21 Short Term Debt	\$ 321,611	3.11%		1.55%
22	\$ 10,345,718	100.00%	50.00%	50.00%

Notes and Source

The per Company amounts are from MFR Sch. D-1a.
 Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell
 Column (d): OPC rate base adjustments are from Schedule B-1, page 1, col. E. This includes the FPL update/filing correction rate base adjustments in columns B and C.
 Column (e): OPC rate base adjustments are from per-FPL Cost rates. Return on Equity on line 4 sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.
 Rate Base Adjustments (\$000) \$ 21,787 \$ (61,965) \$ (40,178)
 FPL Updates OPC Adjis Rate Base Adjis
 Column (G): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 4 sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.
 FPL Weighted Cost of Debt for Interest Synchronization 1.49% Col. H, lines 1, 2 and 5
 OPC Weighted Cost of Debt for Interest Synchronization 1.84% Col. H, lines 9, 10 and 13

Schedule E, page 1 of 3

Docket No: 160021-EI
 January 2017 Rate Change
 Exhibit No. RCS-3

Florida Power & Light Company
 Projected Year Ended December 31, 2018

Company Rate Base Adjustments from May 3, 2016 Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL May 3, 2016 Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 1,994
3	Net Plant in Service	\$ 1,994
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 1,994
8	Working Capital Allowance	\$ (14,924)
9	Other Rate Base Items	
10	Total Rate Base	<u>\$ (12,930)</u>

Source/Notes:

Schedule E, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(11)	\$ (77,803)	\$ (78)
12	(12)	\$ 4,216	\$ 4
13	(13)	\$ 2,067,839	\$ 2,068
14		<u>\$ 1,994,251</u>	<u>\$ 1,994</u>
Working Capital Allowance			
14	(2)	\$ (2,430,949)	\$ (2,431)
15	(3)	\$ (8,599,615)	\$ (8,600)
16	(7)	\$ (81,172)	\$ (81)
17	(10)	\$ (3,812,368)	\$ (3,812)
		<u>\$ (14,924,104)</u>	<u>\$ (14,924)</u>
18		<u>\$ (12,929,853)</u>	<u>\$ (12,930)</u>

Schedule E, page 2 of 3

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Florida Power & Light Company
 Projected Year Ended December 31, 2018

Company Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Description	Reference	FPL May 3, 2016 Notice of Filing Adjustments (A)
Operating Revenues:			
1	Revenue From Sales	Line 14	\$ 5,492
2	Other Operating Revenues	Line 18	\$ (6,761)
3	Total Operating Revenues	Line 19	\$ (1,269)
Operating Expenses:			
4	Other Operation & Maintenance	Line 22	\$ (4,046)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	\$ (1,382)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	\$ 1,680
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		\$ (3,748)
13	Net Operating Income		\$ 2,479

Source/Notes:

Schedule E, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14	Outdoor Lighting (8)	\$ (3,833,010) (a)	\$ (3,833)
15	Retail Base Revenues (9)	\$ 9,324,785 (a)	\$ 9,325
16	Revenues (Decrease) Increase	\$ 5,491,775	\$ 5,492
Other Operating Revenues			
17	Aviation gains (1)	\$ (1,229,710) (a)	\$ (1,230)
18	Mitigation Bank Gain (2)	\$ (5,028,704) (a)	\$ (5,029)
19	Late Payment charges (5)	\$ (490,062) (a)	\$ (490)
20	Returned Checks (6)	\$ (12,194) (a)	\$ (12)
21	Other Operating Revenues	\$ (6,760,670)	\$ (6,761)
22	Total Operating Revenues	\$ (1,268,896)	\$ (1,269)
Other Operation & Maintenance			
23	WCEC Water Reclamation (4)	\$ (4,032,828)	\$ (4,033)
24	Uncollectible Accounts Expense (7)	\$ (13,391)	\$ (13)
25	Other Operation & Maintenance	\$ (4,046,219)	\$ (4,046)
Depreciation & Amortization			
26	Depreciation Co Adj (12)	\$ (3,072)	\$ (3)
27	Dismantlement Co Adj (13)	\$ (1,378,559)	\$ (1,379)
28	Depreciation & Amortization	\$ (1,381,631)	\$ (1,382)
Income Taxes			
29	Revenue	Line 22	\$ (1,269)
30	Pre-Tax Expenses	Lines 25 and 28	\$ (5,428)
31	Synchronized Interest (c)	Line 40	\$ (196)
32	Taxable Income		\$ 4,355
33	Combined State and Federal Income Tax Rate Used		0.38575
34	Income Tax Expense	Line 32 x Line 33	\$ 1,680
(a)	Page 3, lines 22-28 state the income statement amounts as after tax net operating income impacts		
35	Combined State and Federal Income Tax Rate Used	0.38575	
36	NOI factor: 1 minus Income Tax Rate	0.61425	
37	1 divided by NOI factor	1.62800 (b)	
(c)	Synchronized Interest		
38	Rate Base	Page 1	\$ (12,930)
39	FPL Interest	Page 3	1.5156%
40	Synchronized Interest		\$ (196)

Company Rate Base and Net Operating Income Adjustments from May 3, 2016 Notice of Identified Adjustments

Line No.	Description	2018													Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
	Aviation gains	Mitigation Bank Gain	Pension Debit	WCEC Water Reclamation	Late Payment charges	Returned Checks	Uncollectible Accounts Expense	Outdoor Lighting	Retail Base Revenues	DSM Adj	Fukushima ⁽⁴⁾	Depreciation Co Adj	Dismantlement Co Adj		
1	PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2	DEPRECIATION & AMORT RESERVE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
3	NET PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
4															
5	FUTURE USE PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
6	CWIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7	NUCLEAR FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
8	NET UTILITY PLANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
9															
10	WORKING CAPITAL	\$ (2,514,352)	\$ (8,882,026)	\$ (8,882,026)	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11	RATE BASE - INCREASE/(DECREASE)	\$ -	\$ (2,514,352)	\$ (8,882,026)	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ -	\$ (81,788)	\$ 4,216	\$ 2,173,735	\$ 2,096,163	
12															
13	JURISDICTIONAL FACTOR ⁽²⁾	\$ -	\$ 0,96683	\$ (8,599,615)	\$ -	\$ 1,00000	\$ 1,00000	\$ 1,00000	\$ 1,00000	\$ -	\$ 0,95128	\$ 1,00000	\$ 2,173,735	\$ (11,477,550)	
14	JURISDICTIONAL RATE BASE	\$ -	\$ (2,430,949)	\$ (8,599,615)	\$ -	\$ -	\$ (81,172)	\$ -	\$ -	\$ (3,812,368)	\$ (77,803)	\$ 4,216	\$ 2,067,839	\$ (12,929,853)	
15															
16	PRE-TAX RATE OF RETURN (D-1a) ⁽¹⁾	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	9.9641%	
17															
18	RETURN ON RATE BASE	\$ -	\$ (242,221)	\$ (856,870)	\$ -	\$ -	\$ (8,088)	\$ -	\$ -	\$ (379,866)	\$ (7,752)	\$ 420	\$ 206,041	\$ (1,288,337)	
19															
20	COST OF DEBT (D-1a) ⁽¹⁾	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	1.5156%	
21	INTEREST SYNC ADJUSTMENT	\$ -	\$ 14,212	\$ 50,277	\$ -	\$ -	\$ 475	\$ -	\$ -	\$ 22,289	\$ 455	\$ (23)	\$ (12,089)	\$ 75,593	
22	NET OPERATING INCOME	\$ -	\$ -	\$ -	\$ (4,246,490)	\$ -	\$ (13,391)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,250,881)	
23	DEPRECIATION & AMORTIZATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,072)	\$ (1,449,157)	\$ (1,452,228)	
24	REVENUES	\$ 1,229,710	\$ 5,028,704	\$ -	\$ -	\$ 490,062	\$ 12,194	\$ 3,833,010	\$ (9,324,785)	\$ -	\$ -	\$ -	\$ -	\$ 1,268,896	
25	TOTAL - INCREASE/(DECREASE)	\$ 1,229,710	\$ 5,028,704	\$ -	\$ (4,246,490)	\$ 490,062	\$ (13,391)	\$ 3,833,010	\$ (9,324,785)	\$ -	\$ -	\$ (3,072)	\$ (1,449,157)	\$ (4,443,213)	
26															
27	JURISDICTIONAL FACTOR ⁽²⁾	\$ 1,00000	\$ 1,00000	\$ -	\$ 0,94969	\$ 1,00000	\$ 1,00000	\$ 1,00000	\$ 1,00000	\$ 1,00000	\$ -	\$ 1,00000	\$ 0,95128	\$ (4,743,753)	
28	JURISDICTIONAL NET OPERATING INCOME	\$ 1,229,710	\$ 5,028,704	\$ -	\$ (4,032,828)	\$ 490,062	\$ (13,391)	\$ 3,833,010	\$ (9,324,785)	\$ (384,800)	\$ -	\$ (3,072)	\$ (1,378,559)	\$ (4,743,753)	
26	SUBTOTAL (SUM OF LINES 18, 21, & 25)	\$ 1,229,710	\$ 4,800,696	\$ (806,594)	\$ (4,032,828)	\$ 490,062	\$ (21,004)	\$ 3,833,010	\$ (9,324,785)	\$ (943,377)	\$ (7,298)	\$ (2,676)	\$ (1,184,608)	\$ (5,956,498)	
27	RAF and Bad Debt Multiplier ⁽³⁾	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	\$ 1,00137	
28	TOTAL REVENUE REQUIREMENT	\$ 1,231,395	\$ 4,807,273	\$ (807,699)	\$ (4,038,353)	\$ 490,733	\$ (21,033)	\$ 3,838,262	\$ (9,337,560)	\$ (943,668)	\$ (7,307)	\$ (2,680)	\$ (1,186,231)	\$ (5,964,658)	

Notes:

⁽¹⁾ Pre-Tax COC (debt/equity) was obtained from MFRs D-1a for the TY & SY

⁽²⁾ Jurisdictional factors reflected in this calculation are the same as the jurisdictional factors reflected in MFRs B-2 & C-3 for the TY & SY

⁽³⁾ Refer to MFR C-44 for TY & SY

⁽⁴⁾ Fukushima adjustment only applies to 2018.

Schedule F, page 1 of 3

Docket No: 160021-EI
 2018 Subsequent Year Adjustment
 Exhibit No. RCS-3

Florida Power & Light Company
 Projected Test Year Ended December 31, 2018

Company Rate Base Adjustments from June 16, 2016 Second Notice of Identified Adjustments
 (Thousands of Dollars)

Line No.	Rate Base Components	FPL June 16, 2016 Second Notice of Filing Adjustments (A)
1	Plant in Service	
2	Accumulated Depreciation & Amortization	\$ 33,803
3	Net Plant in Service	\$ 33,803
4	Construction Work in Progress	
5	Plant Held For Future Use	
6	Nuclear Fuel	
7	Total Net Plant	\$ 33,803
8	Working Capital Allowance	\$ 914
9	Other Rate Base Items	
10	Total Rate Base	\$ 34,717

Source/Notes:

Schedule F, page 3 of 3

	Page 3 Column Reference	Dollars	Thousands of \$
Accumulated Depreciation & Amortization			
11	(3)	\$ 33,803,023	\$ 33,803
12			\$ -
13		\$ 33,803,023	\$ 33,803
Working Capital Allowance			
14	(2)	\$ 914,228	\$ 914
15			
16			
17		\$ 914,228	\$ 914
18		\$ 34,717,251	\$ 34,717

Schedule F, page 2 of 3

Docket No: 160021-EI
2018 Subsequent Year Adjustment
Exhibit No. RCS-3

Florida Power & Light Company
Projected Test Year Ended December 31, 2018

Company Net Operating Income Adjustments from June 16, 2016 Second Notice of Identified Adjustments
(Thousands of Dollars)

Line No.	Description	Reference	FPL June 16, 2016 Notice of Filing Adjustments (A)
Operating Revenues:			
1	Revenue From Sales	Line 14	\$ 850
2	Other Operating Revenues	Line 18	
3	Total Operating Revenues	Line 19	<u>\$ 850</u>
Operating Expenses:			
4	Other Operation & Maintenance	Line 22	\$ (26)
5	Fuel & Interchange		
6	Purchased Power		
7	Deferred Costs		
8	Depreciation & Amortization	Line 25	\$ (23,660)
9	Taxes Other Than Income Taxes		
10	Income Taxes	Line 31	\$ 9,262
11	(Gain)/Loss on Disposal of Plant		
12	Total Operating Expenses		<u>\$ (14,424)</u>
13	Net Operating Income		<u><u>\$ 15,274</u></u>

Source/Notes:

Schedule F, page 3 of 3

Description	Page 3 Column Reference	NOI Dollars (a) (B)	Thousands of NOI \$ (C)
Revenues (Decrease) Increase			
14 EDR	(1)	<u>\$ 850,000 (a)</u>	<u>\$ 850</u>
Other Operating Revenues			
15			
16			
17			
18 Other Operating Revenues		<u>\$ -</u>	<u>\$ -</u>
19 Total Operating Revenues		<u>\$ 850,000</u>	<u>\$ 850</u>
Other Operation & Maintenance			
20 EDR	(1)	\$ (25,674)	\$ (26)
21			
22 Other Operation & Maintenance		<u>\$ (25,674)</u>	<u>\$ (26)</u>
Depreciation & Amortization			
23 Depreciation Co Adj	(3)	\$ (23,660,469)	\$ (23,660)
24			
25 Depreciation & Amortization		<u>\$ (23,660,469)</u>	<u>\$ (23,660)</u>
Income Taxes			
26 Revenue		Line 19	\$ 850
27 Pre-Tax Expenses		Lines 22 + 25	\$ (23,686)
28 Synchronized Interest (c)		Line 37	\$ 526
29 Taxable Income			\$ 24,010
30 Combined State and Federal Income Tax Rate Used			0.38575
31 Income Tax Expense		Line 29 x Line 30	<u>\$ 9,262</u>
(a) Page 3, lines 22-28 state the income statement amounts as net operating income impacts			
32 Combined State and Federal Income Tax Rate Used		0.38575	
33 NOI factor: 1 minus Income Tax Rate		0.61425	
34 1 divided by NOI factor		1.62800 (b)	
(c) Synchronized Interest			
35 Rate Base	Page 1	\$ 34,717	
36 FPL Interest	Page 3	1.5156%	
37 Synchronized Interest		<u>\$ 526</u>	

Schedule A-1
 Florida Power & Light Company
 Projected Year Ended May 31, 2020

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Adjusted Revenue Deficiency - Okeechobee Limited Scope Increase
 (Thousands of Dollars)

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 1,063,315	\$ 1,063,314	Exh. RCS-4, Sch. B-1
2	Required Rate of Return	8.87%	5.17%	Exh. RCS-4, Sch. D
3	Jurisdictional Income Required	\$ 94,348	\$ 54,984	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ (33,868)	\$ (34,228)	Exh. RCS-4, Sch. C-1
5	Income Deficiency (Sufficiency)	\$ 128,217	\$ 89,212	Line 3 - Line 4
6	Net Operating Income Multiplier	1.63024	1.63024	MFR Sch. A-1
7	Revenue Deficiency (Sufficiency)	\$ 209,024	\$ 145,436	Line 5 x Line 7
8	Adjustment (Reduction) to FPL proposed increase		\$ (63,588)	

Source/Notes:

Col. (A): MFR Schedule A-1 - Okeechobee Limited Scope Increase
 FPL projects an in-service date of 6/1/2019 for the Okeechobee Clean Energy Center

Schedule B-1

Docket No: 160021-EI
Okeechobee Limited Scope 2019
Exhibit No. RCS-4

Florida Power & Light Company
Projected Year Ended May 31, 2020

Adjusted Rate Bases - Okeechobee Limited Scope Increase
(Thousands of Dollars)

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	OPC Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 1,165,226	\$ -	\$ 1,165,226
2	Accumulated Depreciation & Amortization	\$ (20,553)	\$ -	\$ (20,553)
3	Net Plant in Service	\$ 1,144,673	\$ -	\$ 1,144,673
4	Construction Work in Progress	\$ -		\$ -
5	Plant Held For Future Use	\$ -		\$ -
6	Nuclear Fuel	\$ -		\$ -
7	Total Net Plant	\$ 1,144,673		\$ 1,144,673
8	Working Capital Allowance	\$ -		\$ -
9	Other Rate Base Items	\$ (81,359)	\$ -	\$ (81,359)
10	Total Rate Base	<u>\$ 1,063,315</u>	<u>\$ -</u>	<u>\$ 1,063,314</u>

Source/Notes:

Col. (A): Company MFR Schedule B-1 - Okeechobee Limited Scope Increase

Col. (B): Exhibit No. RCS-4, Schedule B-1, page 2

Schedule C-1

Docket No: 160021-EI
Okeechobee Limited Scope 2019
Exhibit No. RCS-4

Florida Power & Light Company
Projected Year Ended May 31, 2020

Adjusted Net Operating Income - Okeechobee Limited Scope Increase
(Thousands of Dollars)

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	OPC Adjustments (B)	Adjusted Jurisdictional Total per OPC (C)
	<u>Operating Revenues:</u>			
1	Sales From Electricity	\$ -		\$ -
2	Other Operating Revenues	\$ -		\$ -
3	Total Operating Revenues	\$ -	\$ -	\$ -
	<u>Operating Expenses:</u>			
4	Operation & Maintenance:	\$ -		\$ -
5	Fuel	\$ -		\$ -
6	Purchased Power	\$ -		\$ -
7	Other	\$ 7,905		\$ 7,905
8	Depreciation & Amortization	\$ 41,105		\$ 41,105
9	Decommissioning Expense	\$ -		\$ -
10	Taxes Other Than Income Taxes	\$ 17,110		\$ 17,110
11	Income Taxes - Current	\$ (161,446)	\$ 360	\$ (161,086)
12	Deferred Income Taxes - Net	\$ 129,194		\$ 129,194
13	Investment Tax Credit - Net	\$ -		\$ -
14	(Gain)/Loss on Disposal of Plant	\$ -		\$ -
15	Total Operating Expenses	\$ 33,868	\$ 360	\$ 34,228
16	Net Operating Income	\$ (33,868)	\$ (360)	\$ (34,228)

Source/Notes:

Col. (A): FPL's MFR Schedule C-1 - Okeechobee Limited Scope Increase

Col. (B): Exhibit RCS-4, Schedule C-2, interest synchronization adjustment to income tax expense

Schedule C-2
 Florida Power & Light Company
 Projected Year Ended May 31, 2020
 Okeechobee Limited Scope Increase

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4

Interest Synchronization Adjustment
 (Thousands of Dollars)

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 1,063,314	Exh. RCS-4, Sch. B-1
2	Weighted Cost of Debt, per OPC	<u>1.84%</u>	Exh. RCS-4, Sch. D
3	Interest Deduction for Income Taxes	\$ 19,566	
4	Jurisdictional Interest Deduction, per FPL	\$ 20,500	MFR Schedule C-23
5	Increase in Deductible Interest	\$ (934)	
6	Combined Income Tax Rate	<u>38.575%</u>	
7	Increase (Reduction) to Income Tax Expense	<u>\$ 360</u>	

Schedule D
 Florida Power & Light Company
 Projected Year Ended May 31, 2020
 Okeechobee Limited Scope Increase
 Cost of Capital
 (Thousands of Dollars)

Docket No: 160021-EI
 Okeechobee Limited Scope 2019
 Exhibit No. RCS-4
 Revised 8/26/2016

Line No.	Description	Jurisdictional Capital Structure Per Company (A)	OPC Adjustments to Cap. Struct. (B)	Adjusted Amounts (C)	OPC Rate Base Adjustments (D)	Per Citizens Adjusted Amounts (E)	Ratio (F)	Cost Rate (G)	Weighted Cost Rate (H)
	Per Company								
1	Long Term Debt	\$ 443,868	\$ -	\$ 443,868	\$ (14,729)	\$ 443,868	39.61%	4.87%	1.93%
2	Short Term Debt	\$ -	\$ -	\$ -	\$ (473)	\$ -	0.00%	2.68%	0.00%
3	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
4	Common Equity	\$ 676,799	\$ -	\$ 676,799	\$ (15,201)	\$ 676,799	60.39%	11.50%	6.95%
5	Customer Deposits	\$ -	\$ -	\$ -	\$ (458)	\$ -	0.00%	2.04%	0.00%
6	Deferred Taxes	\$ -	\$ -	\$ -	\$ (9,197)	\$ -	0.00%	0.00%	0.00%
7	Investment Tax Credits	\$ -	\$ -	\$ -	\$ (119)	\$ -	0.00%	8.87%	0.00%
8	Total	\$ 1,120,666	\$ -	\$ 1,120,666	\$ (40,178)	\$ 1,120,666	100.00%		8.87%

Per OPC - Uses Recommended 2018 Capital Structure - See Exhibit RCS-3, Schedule D

9	Long Term Debt	\$ 10,024,107	\$ 2,392,637	\$ 12,416,744	\$ (14,729)	\$ 12,402,015	36.66%	4.87%	1.79%
10	Short Term Debt	\$ 321,611	\$ 76,765	\$ 398,376	\$ (473)	\$ 397,903	1.18%	2.68%	0.03%
11	Preferred Stock	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	0.00%	0.00%
12	Common Equity	\$ 15,284,522	\$ (2,469,402)	\$ 12,815,120	\$ (15,201)	\$ 12,799,919	37.84%	8.75%	3.31%
13	Customer Deposits	\$ 386,360	\$ -	\$ 386,360	\$ (458)	\$ 385,902	1.14%	2.04%	0.02%
14	Deferred Taxes	\$ 7,753,738	\$ -	\$ 7,753,738	\$ (9,197)	\$ 7,744,541	22.89%	0.00%	0.00%
15	Investment Tax Credits	\$ 100,559	\$ -	\$ 100,559	\$ (119)	\$ 100,440	0.30%	6.84%	0.02%
16	Total	\$ 33,870,897	\$ -	\$ 33,870,897	\$ (40,178)	\$ 33,830,719	100.00%		5.17%

Ratio of Debt & Equity Components	Per FPL 2018 Amounts (a)	Effective FPL Ratio (b)	Capitalization Ratio Per OPC^ (c)	Revised Allocations (d)	Adjs. To Reflect OPC Cap. Struct. (e) = (d - a)
Long Term Debt	\$ 10,024,107	39.11%	48.45%	\$ 12,416,744	\$ 2,392,637
Short Term Debt	\$ 321,611	1.25%	1.55%	\$ 398,376	\$ 76,765
Common Equity	\$ 15,284,522	59.63%	50.00%	\$ 12,815,120	\$ (2,469,402)
	\$ 25,630,240	100.00%	100.00%	\$ 25,630,240	\$ -

^ Ratio of Debt Components	Per FPL Amounts (f)	Long/Short Term Ratio (g)	Per OPC Debt Ratio (h)	OPC Adjusted Debt Ratio (i) = (g x h)
Long Term Debt	\$ 10,024,107	96.89%	50.00%	48.45%
Short Term Debt	\$ 321,611	3.11%	50.00%	1.55%
	\$ 10,345,718	100.00%	50.00%	50.00%

Notes and Source

The per Company amounts are from MFR Sch. D-1a.

Column (c): Capitalization Ratio per OPC sponsored by OPC Witness Kevin O'Donnell

Column (g): Lines 1 - 3 and 5 based on per-FPL Cost rates. Return on Equity on line 12 is sponsored by OPC witness Randall Woolridge. Lines 7 and 15 are fall-out calculations.

FPL Weighted Cost of Debt for Interest Synchronization

1.93%

Col. H, lines 1, 2 and 5

OPC Weighted Cost of Debt for Interest Synchronization

1.84%

Col. H, lines 9, 10 and 13