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June 21, 2021

VIA ELECTRONIC FILING

Adam Teitzman, Commission Clerk
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 20210015-EI
Petition by FPL for Base Rate Increase and Rate Unification

Dear Mr. Teitzman:

Attached for filing on behalf of Floridians Against Increased Rates, Inc. ("FAIR") in the above-referenced docket is Exhibit BTM-8.2 Part 1 to the Direct Testimony of FAIR witness Brendan Mac Mathuna.

Please let me know if you should have any questions regarding this submission.

Cordially yours,

Robert Scheffel Wright

RSW:mae
Encl.

S&P Global
 Market Intelligence
Avangrid, Inc. to acquire PNM Resources, Inc. | Deal Profile

MI Deal Key: 1773168; SPCIQ TRANSACTION ID: 692545316

Overview

Target	PNM Resources, Inc.	Buyer	Avangrid, Inc.
Primary Industry (MI)	Electric Utilities	Primary Industry (MI)	Electric Utilities
Location	Albuquerque, NM, USA	Location	Orange, CT, USA
Status	Announced	Ultimate Buyer	Iberdrola, S.A.
Expected Completion Date	10/1/2021 - 12/31/2021	Release Date	10/21/2020
		Announcement Date	10/21/2020
		Definitive Agreement Date	10/20/2020

Timeline

Price Change



Target Stock Price



Summary

Deal Summary

S&P Global
 Market Intelligence

Avangrid, Inc. to acquire PNM Resources, Inc. | Deal Profile

Bilbao, Spain-based Iberdrola SA unit Orange, Conn.-based Avangrid Inc. has agreed to acquire Albuquerque, N.M.-based PNM Resources Inc.

Deal Consideration

Avangrid Inc. will pay \$50.30 per share in cash to acquire all outstanding shares of PNM Resources Inc.

Latest Activity

News

- EXCLUSIVE** News Story: In Play Today: Exelon, PSEG eye separations; CenterPoint to sell gas utilities - 32 minutes ago
- EXCLUSIVE** News Story: PwC predicts more 'opportunistic M&A' in North American power, utilities sector - 3 days ago
- RRA** RRA Regulatory Focus: Energy, water research reports – November recap - Monday, November 30, 2020
- RRA** RRA Regulatory Focus: Parties file with NM regulators for approval of Avangrid/PNM Resources deal - Tuesday, November 24, 2020
- RRA** RRA Regulatory Focus: Texas stakeholders will benefit from PNM Resources purchase, says Avangrid - Tuesday, November 24, 2020

Documents

Proxy (DEFA14A)	PNM Resources Inc. (PNM)	11/25/2020
Merger App (FERCMA)	Avangrid Inc. (AGR)	11/23/2020
Transcript (Analyst or Investor Day)	Avangrid Inc. (AGR)	11/5/2020
Transcript (Analyst or Investor Day)	Iberdrola SA (IBE)	11/5/2020
Prospectus (424B3)	PNM Resources Inc. (PNM)	11/2/2020

Valuation

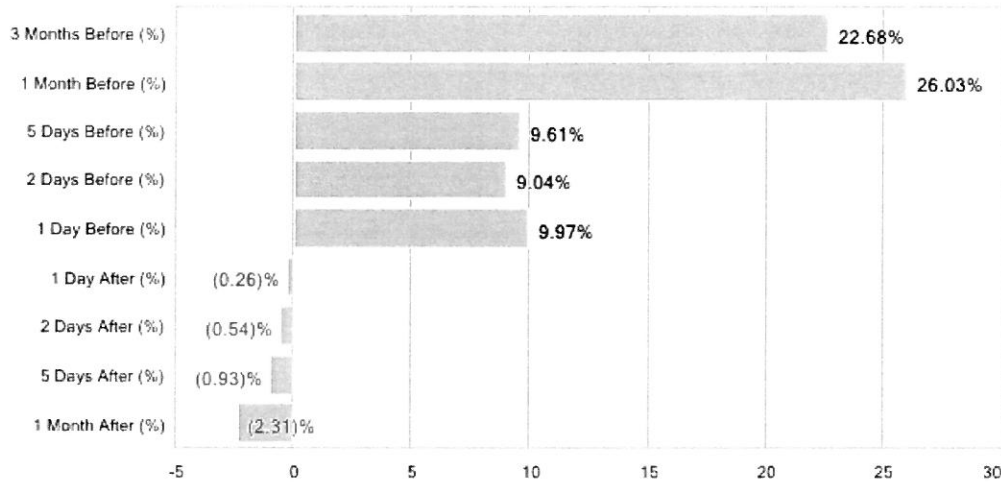
Deal Valuation

	ANNOUNCEMENT	CURRENT
Deal Value per Share (\$)	50.30	50.30
Deal Value per Share, As Reported (\$)	50.30	50.30
Total Consideration to Shareholders (\$M)	4,025.96	4,025.96
Deal Value (\$M)	4,025.96	4,025.96
Deal Value, As Reported (\$M)	4,318.00	4,318.00
Transaction Value (\$M)	7,697.83	7,666.71
Transaction Value, As Reported (\$M)	8,300.00	8,300.00
Gross Transaction Value (\$M)	7,700.65	7,697.60
Implied Equity Value (\$M)	4,025.96	4,025.96
Implied Enterprise Value (\$M)	7,697.83	7,666.71
Franchise Premium (\$000)	2,607,759	2,530,943
Percent of Equity Ownership Acquired (%)	100.00	100.00

Deal Premiums

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General Ratios

	ANNOUNCEMENT	CURRENT
Implied Enterprise Value/ Total Revenue (x)	5.24	5.08
Implied Enterprise Value/ EBITDA (x)	11.83	NA
Implied Enterprise Value/ EBIT (x)	24.52	NA
Implied Equity Value/ Net Income (x)	22.77	20.56
Implied Equity Value/ Book Value (x)	2.37	2.27

Industry Ratios

	ANNOUNCEMENT	CURRENT
Deal Value/ Common Equity (%)	236.17	225.94
Deal Value/ Tangible Common Equity (%)	282.51	268.00
Deal Value/ Assets (%)	53.15	52.00
Transaction Value/ Assets (%)	101.63	99.03
Franchise Premium/ Assets (%)	34.43	32.69
Transaction Value/ Operating Revenue (x)	5.24	5.08
Deal Value/ Earnings (x)	22.76	20.53
Deal Value/ Unadjusted Earnings (x)	20.9	19.0
Deal Value/ EPS before Extra (x)	22.76	20.53
Deal Value/ EBITDA (x)	6.28	6.09

Source: SNL Financial

Estimates and Pricing Ratios

	ANNOUNCEMENT
Implied Enterprise Value/ NTM Revenue (x)	4.43
Implied Enterprise Value/ NTM EBITDA (x)	11.26
Implied Enterprise Value/ NTM EBIT (x)	22.47
Price/ Forward EPS (x)	23.89

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 Avangrid, Inc. to acquire PNM Resources, Inc. | Deal Profile

Price/ Next Fiscal Year Book Value Per Share (x)	2.19
Deal Value/ Estimated EPS, per Share Basis (x)	22.74
Deal Value/ Next Year's Estimated EPS, per Share (x)	21.50
Deal Value/ 52-Week High Price, per Share Basis (%)	89.60

Consideration Details

Consideration Breakout

CONSIDERATION TYPE	TARGET SECURITY TYPE	SHARES ACQUIRED (ACTUAL)	EXCHANGE RATIO (ACTUAL)	CONSIDERATION VALUE PER SHARE (\$)	CONSIDERATION VALUE (\$000)
Cash	Common Equity	79,653,624	NA	50.30	4,006,577
Cash	Units	168,061	NA	50.30	8,453
Cash	Units	217,324	NA	50.30	10,931

Security Consideration

	ANNOUNCEMENT	CURRENT
Cash Consideration Value (\$000)	4,025,962	4,025,962

Other Consideration

	ANNOUNCEMENT	CURRENT
Net Debt Assumed (\$000)	3,671,867	3,640,749

Approvals

Regulatory Approvals

REGULATORY AGENCY	FILING DATE	APPLICATION STATUS	DATE AGENCY RETURNED RULING
Committee on Foreign Investment in the United States	NA	Pending	NA
FCC	NA	Pending	NA
Federal Energy Regulatory Commission	NA	Pending	NA
Federal Trade Commission	NA	Pending	NA
New Mexico Public Regulation Commission	NA	Pending	NA
Nuclear Regulatory Commission	NA	Pending	NA
Public Utility Commission of Texas	11/23/2020	Filed	NA
U.S. Department of Justice	NA	Pending	NA

Shareholder Value

Accretion / Dilution

YEAR	EARNINGS ACCRETION (%)	EARNINGS ACCRETION (\$)
1 - Accretive	NA	NA

Terms

S&P Global
 Market Intelligence

Avangrid, Inc. to acquire PNM Resources, Inc. | Deal Profile

Deal Features	New Shareholder Gaining Majority Control
Accounting Method	Acquisition
Geographic Expansion?	Market Expansion
Deal Attitude	Friendly
Deal Approach	Unsolicited

Termination Conditions

Maximum Termination Fee (\$000)	130,000
Minimum Termination Fee (\$000)	0

Advisers

FIRM NAME	ROLE	PARTY ADVISED	COMPANY NAME	ADVISER NAME	ADVISER FEES (\$000)	FAIRNESS OPINION FEE (\$000)	ADVISER FEES (%)
Latham & Watkins, LLP	Legal Counsel	Buyer	Iberdrola, S.A.	David A. Kurzweil, David L. Schwartz, Eyal Orgad	NA	NA	NA
Morgan Stanley	Financial Adviser	Buyer	Iberdrola, S.A.	NA	NA	NA	NA
BNP Paribas Securities Corp.	Financial Adviser	Buyer	Iberdrola, S.A.	NA	NA	NA	NA
Evercore Inc.	Financial Adviser, Fairness Opinion	Seller	PNM Resources, Inc.	NA	NA	NA	NA
Troutman Pepper Hamilton Sanders LLP	Legal Counsel	Seller	PNM Resources, Inc.	R. Mason Bayler Jr.	NA	NA	NA

Participants & Related Companies

Participants

NAME	ROLE	BUSINESS DESCRIPTION	LOCATION	WEBSITE
PNM Resources, Inc.	Target	PNM Resources (NYSE: PNM) is an energy holding company based in Albuquerque, N.M., with 2019 consolidated operating revenues of \$1.5 billion. Through its regulated utilities, PNM and TNMP, PNM Resources has approximately 2,811 megawatts of generation capacity and provides electricity to more than 790,000 homes and businesses in New Mexico and Texas. For more information, visit the company's website at www.PNMResources.com .	Albuquerque, NM, USA	www.pnmresources.com
Avangrid, Inc.	Buyer	About AVANGRID: AVANGRID, Inc. (NYSE: AGR) is a leading, sustainable energy company with approximately \$35 billion in assets and operations in 24 U.S. states. With headquarters in Orange, Connecticut, AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Avangrid Networks owns eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables owns and operates a portfolio of renewable energy generation facilities across the United States. AVANGRID employs approximately 6,600 people. AVANGRID supports the U.N.'s Sustainable Development Goals and was named among the World's Most Ethical Companies in 2019 and 2020 by the Ethisphere Institute. For more information, visit www.avangrid.com .	Orange, CT, USA	www.avangrid.com

S&P Global
Market Intelligence

Avangrid, Inc. to acquire PNM Resources, Inc. | Deal Profile

Iberdrola, S.A. Ultimate Buyer

Iberdrola, S.A. engages in the generation, transmission, distribution and supply of electricity in Spain and internationally. It generates and markets electrical power using renewable sources, such as onshore and offshore wind, hydro, solar thermal, photovoltaic, biomass, etc. It is also involved in the trading of electricity and gas. Iberdrola, S.A. is headquartered in Bilbao, Spain.

Bilbao,
Vizcaya,
Spain

www.iberdrola.com



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

February 15, 2019

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

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for December 2018. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.60%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Pursuant to the above referenced order, FPL has provided the monthly and year-end total amounts of amortization credit or debit to the Reserve Amount during 2018 herein as Attachment 1. The balance of the Reserve Amount as of December 31, 2018 is \$540,949,289.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jason Chin', is written over a horizontal line.

Jason Chin
Sr. Manager of Regulatory Accounting

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 EARNINGS SURVEILLANCE REPORT SUMMARY
 DECEMBER, 2018

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,638,261,784 (A)	(229,821,448) (B)	2,408,440,336	16,157,078	\$ 2,424,597,414
RATE BASE	\$ 36,177,280,412	(205,534,992)	35,971,745,420	0	\$ 35,971,745,420
AVERAGE RATE OF RETURN	7.29%		6.70%		6.74%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,638,261,784 (A)	(223,931,147) (B)	2,414,330,636	16,157,078	\$ 2,430,487,714
RATE BASE	\$ 37,232,695,572	(416,601,008)	36,816,094,564	0	\$ 36,816,094,564
YEAR END RATE OF RETURN	7.09%		6.56%		6.60%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.78%
MIDPOINT	6.22%
HIGH	6.70%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.79	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.59	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	5.00%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	82.29%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	36.81%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	3.59%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	11.70%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KEITH FERGUSON
 (VICE PRESIDENT ACCOUNTING AND CONTROLLER)


 (SIGNATURE)
 FOR KEITH FERGUSON

2/15/2019
 (DATE)

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

SCHEDULE 2: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 48,548,529,954	15,480,145,587	33,068,384,366	372,183,848	3,776,294,635	603,421,837	37,820,284,687	(165,967,676)	\$ 37,654,317,011
JURISDICTIONAL PER BOOKS	\$ 46,496,972,000	12,373,525,644	34,123,446,355	351,257,682	3,600,371,969	578,776,744	38,653,852,751	(2,476,572,340)	\$ 36,177,280,412
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,207,055,579)	(650,315,793)	(1,556,739,786)	0	(2,167,708,695)	0	(3,724,448,481)	3,518,913,489	\$ (205,534,992)
FPSC ADJUSTED:	\$ 44,289,916,421	11,723,209,851	32,566,706,569	351,257,682	1,432,663,274	578,776,744	34,929,404,270	1,042,341,149	\$ 35,971,745,420
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 44,289,916,421	11,723,209,851	32,566,706,569	351,257,682	1,432,663,274	578,776,744	34,929,404,270	1,042,341,149	\$ 35,971,745,420

NOTE:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 INCOME STATEMENT
 DECEMBER 2018

SCHEDULE 2, PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
JURISDICTIONAL PER BOOKS	\$ 11,148,186,144	3,134,284,090	1,370,421,930	2,327,248,987	1,285,863,774	334,316,566	(25,342,035)	198,954,213	(6,095,649)	8,619,651,875	\$ 2,528,534,269
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(119,282,789)	0	0	0	(131,707,110)	\$ (351,353,584)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	119,378,318	0	0	0	(351,634,969)	351,634,969
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(83,952)	0	0	0	(255,132,222)	(247,284)
FINANCIAL PLANNING SERVICES	0	0	(412,737)	0	0	104,608	0	0	0	(308,129)	308,129
INDUSTRY ASSOCIATION DUES	0	0	(2,303,964)	0	0	583,940	0	0	0	(1,720,024)	1,720,024
ECONOMIC DEVELOPMENT 5%	0	0	(141,274)	0	0	35,806	0	0	0	(105,468)	105,468
AVIATION - EXPENSES	0	0	(172,360)	0	0	43,685	0	0	0	(128,676)	128,676
EXECUTIVE COMPENSATION	0	0	(34,859,280)	0	0	8,835,085	0	0	0	(26,024,196)	26,024,196
FUEL COST REC RETAIL	(2,972,833,854)	(2,960,992,886)	(178,961)	52,309	(2,091,882)	48,162,459	(50,601,265)	0	0	(2,965,650,226)	(7,183,628)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(463,263)	(617)	0	0	(56,540,233)	(1,366,382)
CAPACITY COST RECOVERY	(248,154,854)	(153,164,711)	(28,764,215)	2,890,746	(321,530)	(19,050,966)	1,614,836	0	0	(196,795,840)	(51,359,014)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(31,479,020)	(42,773,087)	(273,343)	(15,136,805)	(10,781,037)	0	341	(100,442,952)	(76,342,337)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,339,040)	0	0	0	(139,733,985)	(3,944,211)
INTEREST TAX DEFICIENCIES	0	0	341,684	0	0	(86,600)	0	0	0	255,084	(255,084)
INTEREST SYNCHRONIZATION	0	0	0	0	0	13,638,446	(5,804,168)	0	0	7,834,277	(7,834,277)
TOTAL FPSC ADJUSTMENTS	\$ (4,337,799,007)	(3,114,157,597)	(160,909,935)	(170,084,565)	(742,276,003)	35,294,936	(65,572,251)	0	341	(4,217,705,075)	\$ (120,093,933)
FPSC ADJUSTED	\$ 6,810,387,136	20,126,492	1,209,511,996	2,157,164,422	543,587,771	369,611,501	(90,914,286)	198,954,213	(6,095,308)	4,401,946,800	\$ 2,408,440,336
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,823,286,510	20,126,492	1,209,511,996	2,157,164,422	543,597,058	366,344,509	(90,914,286)	198,954,213	(6,095,308)	4,398,689,096	\$ 2,424,597,414

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

\$ 114,144,685
 \$ 109,727,515

(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE

\$ 2,917,464
 \$ 2,825,475

CURRENT MONTH AMOUNT

SYSTEM PER BOOKS	\$ 859,278,630	248,076,269	128,031,695	255,395,800	100,474,960	7,387,796	6,551,938	(353,888)	(505,631)	745,058,539	\$ 114,220,091
JURISDICTIONAL PER BOOKS	\$ 826,141,061	233,246,433	123,815,295	249,900,027	98,725,310	6,964,815	6,043,642	(340,509)	(505,630)	717,449,383	\$ 108,691,678

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-060-AS-EI.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

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

SCHEDULE 2: PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 SYSTEM ADJUSTMENTS
 DECEMBER, 2018

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,578,598,955	\$ 1,503,325,374
FUEL AND CAPACITY	152,987,416	146,175,336
CAPITALIZED EXECUTIVE COMPENSATION	27,469,598	26,603,471
LOAD CONTROL	50,422,215	50,422,215
ASSET RETIREMENT OBLIGATION	436,609,647	422,843,188
CAPITAL LEASES	59,564,070	57,685,994
TOTAL	\$ 2,305,651,901	\$ 2,207,055,579
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (312,047,755)	\$ (297,168,136)
ACCUM PROV DECOMMISSIONING COSTS	(4,551,160,940)	(4,352,768,762)
ASSET RETIREMENT OBLIGATION	(12,771,171)	(12,368,492)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,221,677,549	4,088,566,546
FUEL AND CAPACITY	(43,359,939)	(41,315,652)
OTHER RATE CASE ADJUSTMENTS (1)	13,353	13,353
LOAD CONTROL	(25,948,288)	(25,948,288)
CAPITAL LEASES	(9,630,000)	(9,326,363)
TOTAL	\$ (733,227,192)	\$ (650,315,793)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,230,502,695	\$ 2,094,396,113
CWIP - CLAUSE PROJECTS	76,765,547	73,312,582
TOTAL	\$ 2,307,268,242	\$ 2,167,708,695
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,616,670,787)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS	\$ 263,022,164	\$ 205,534,992

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 SYSTEM ADJUSTMENTS
 INCOME STATEMENT
 DECEMBER, 2018

SCHEDULE 2 - PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(142,407,873)	0	0	0	(154,832,194)	\$ (328,228,499)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	142,532,579	0	0	0	(328,480,708)	328,480,708
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(102,441)	0	0	0	(255,150,711)	(228,794)
FINANCIAL PLANNING SERVICES	0	0	(426,175)	0	0	127,822	0	0	0	(298,553)	298,553
INDUSTRY ASSOCIATION DUES	0	0	(2,378,974)	0	0	707,826	0	0	0	(1,671,148)	1,671,148
ECONOMIC DEVELOPMENT 5%	0	0	(145,873)	0	0	43,662	0	0	0	(102,211)	102,211
AVIATION - EXPENSES	0	0	(177,972)	0	0	54,009	0	0	0	(123,963)	123,963
EXECUTIVE COMPENSATION	0	0	(35,994,190)	0	0	10,817,018	0	0	0	(25,177,172)	25,177,172
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,129,070,863)	(3,118,811,808)	(188,036)	54,962	(2,093,145)	48,930,956	(50,915,572)	0	0	(3,123,022,643)	(6,048,221)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(556,344)	(617)	0	0	(56,633,315)	(1,273,301)
CAPACITY COST RECOVERY	(248,527,098)	(160,128,885)	(30,072,082)	2,645,013	(328,294)	(19,997,574)	1,614,836	0	0	(206,266,985)	(42,260,113)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(33,055,218)	(44,914,795)	(280,656)	(19,187,165)	(10,781,037)	0	358	(108,218,514)	(68,566,775)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,636,331)	0	0	0	(140,031,276)	(3,646,919)
INTEREST TAX DEFICIENCIES	0	0	352,808	0	0	(106,504)	0	0	0	246,304	(246,304)
INTEREST SYNCHRONIZATION	0	0	0	0	0	14,161,256	(5,993,134)	0	0	8,168,122	(8,168,122)
TOTAL FPSC ADJUSTMENTS	\$ (4,494,408,260)	(3,278,940,693)	(165,025,518)	(172,469,353)	(742,291,342)	33,336,698	(66,075,524)	0	358	(4,391,465,374)	\$ (102,942,886)
FPSC ADJUSTED	\$ 7,106,817,936	21,069,922	1,251,406,764	2,224,183,672	564,474,921	385,010,508	(88,893,598)	206,771,636	(6,095,308)	4,557,928,516	\$ 2,548,889,420
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,119,717,309	21,069,922	1,251,406,764	2,224,183,672	564,484,208	381,743,515	(88,893,598)	206,771,636	(6,095,308)	4,554,670,811	\$ 2,565,046,498
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 114,144,685										

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 SYSTEM ADJUSTMENTS
 DECEMBER, 2018

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	26,421,923	25,548,829
INTEREST & DIVIDENDS RECEIVABLE	113,650	109,894
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	66,979,300	66,856,483
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,519,628	15,519,628
PREPAYMENTS - ECCR	47,660,762	47,660,762
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,643,858	8,309,358
TEMPORARY CASH INVESTMENTS	1,155,158	1,116,987
STORM DEFICIENCY RECOVERY	117,557,626	117,557,626
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	59,510,745	57,544,254
OTH REG ASSETS - CLAUSES	5,228,981	4,976,622
MISC. DEFFERED DEBIT - CLAUSES	5,278,629	5,023,874
CEDAR BAY TRANSACTION	590,136,066	564,470,429
ICL TRANSACTION	376,250,000	359,886,492
SJRPP TRANSACTION	115,549,438	110,340,033
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,436,005,762	\$ 1,384,921,271
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	0	0
ACCUM DEFERRED RETIREMENT BENEFITS	(92,259)	(89,350)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(110,282,748)	(110,282,748)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(721)	(687)
JOBGING ACCOUNTS	(53,378,459)	(51,614,605)
POLE ATTACHMENT RENTS PAYABLE	(7,395,913)	(7,395,913)
SJRPP ACCELERATED RECOVERY	(8,612,690)	(8,238,115)
STORM DEFICIENCY RECOVERY	23,792,943	23,792,943
ASSET RETIREMENT OBLIGATION	(4,645,544,963)	(4,499,069,268)
MARGIN CALL CASH COLLATERAL	(551,923)	(533,685)
NUCLEAR COST RECOVERY	(245,862,070)	(245,862,070)
CEDAR BAY TRANSACTION	(4,747,741)	(4,541,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,052,676,544)	\$ (4,903,834,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,616,670,781)	\$ (3,518,913,489)

NOTES:

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

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 RATE BASE
 DECEMBER, 2018

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 48,974,935,440	15,231,329,022	33,743,606,418	408,394,200	4,093,867,812	593,879,501	38,839,747,931	(165,967,676)	\$ 38,673,780,255
JURISDICTIONAL PER BOOKS	\$ 46,882,368,532	12,026,225,498	34,856,143,034	385,362,058	3,898,138,681	569,624,138	39,709,267,912	(2,476,572,340)	\$ 37,232,695,572
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,059,593,889)	(638,091,755)	(1,421,502,134)	0	(2,514,012,363)	0	(3,935,514,497)	3,518,913,489	\$ (416,601,008)
FPSC ADJUSTED:	\$ 44,822,774,643	11,388,133,743	33,434,640,900	385,362,058	1,384,126,318	569,624,138	35,773,753,415	1,042,341,149	\$ 36,816,094,564
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 44,822,774,643	11,388,133,743	33,434,640,900	385,362,058	1,384,126,318	569,624,138	35,773,753,415	1,042,341,149	\$ 36,816,094,564

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

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
JURISDICTIONAL PER BOOKS	\$ 11,148,166,144	3,134,284,090	1,370,421,930	2,327,248,987	1,285,863,774	334,316,566	(25,342,035)	198,954,213	(6,095,649)	8,619,651,875	\$ 2,528,534,269
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(119,262,789)	0	0	0	(131,707,110)	\$ (351,353,584)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	119,378,318	0	0	0	(351,634,969)	351,634,969
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(83,952)	0	0	0	(255,132,222)	(247,264)
FINANCIAL PLANNING SERVICES	0	0	(412,737)	0	0	104,608	0	0	0	(308,129)	308,129
INDUSTRY ASSOCIATION DUES	0	0	(2,303,964)	0	0	583,940	0	0	0	(1,720,024)	1,720,024
ECONOMIC DEVELOPMENT 5%	0	0	(141,274)	0	0	35,806	0	0	0	(105,468)	105,468
AVIATION - EXPENSES	0	0	(34,859,280)	0	0	43,685	0	0	0	(128,676)	128,676
EXECUTIVE COMPENSATION	0	0	0	0	0	8,835,085	0	0	0	(26,024,196)	26,024,196
FUEL COST REC RETAIL	(2,972,833,854)	(2,960,992,886)	(178,961)	52,309	(2,091,882)	48,162,459	(50,601,265)	0	0	(2,965,850,226)	(7,183,628)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,763)	(10,058,200)	(1,103,370)	(463,263)	(617)	0	0	(56,540,233)	(1,366,382)
CAPACITY COST RECOVERY	(248,154,854)	(153,164,711)	(28,764,215)	2,890,746	(321,530)	(19,050,966)	1,614,836	0	0	(196,795,840)	(51,359,014)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(31,479,020)	(42,773,087)	(273,343)	(15,136,805)	(10,781,037)	0	341	(100,442,952)	(76,342,337)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,339,040)	0	0	0	(139,733,985)	(3,944,211)
INTEREST TAX DEFICIENCIES	0	0	341,664	0	0	(86,600)	0	0	0	255,064	(255,064)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,748,145	(5,804,168)	0	0	1,943,977	(1,943,977)
TOTAL FPSC ADJUSTMENTS	\$ (4,337,799,007)	(3,114,157,597)	(160,909,935)	(170,084,565)	(742,276,003)	29,404,635	(65,572,251)	0	341	(4,223,595,375)	\$ (114,203,632)
FPSC ADJUSTED	\$ 6,810,367,136	20,126,492	1,209,511,996	2,157,164,422	543,587,771	363,721,201	(90,914,286)	198,954,213	(6,095,308)	4,396,056,500	\$ 2,414,330,636
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,823,266,510	20,126,492	1,209,511,996	2,157,164,422	543,597,058	360,454,209	(90,914,286)	198,954,213	(6,095,308)	4,392,798,795	\$ 2,430,487,714

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

\$ 114,144,685
 \$ 109,727,515

NOTES:

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2018

SCHEDULE 3, PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 SYSTEM ADJUSTMENTS
 DECEMBER, 2018

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,432,540,499	\$ 1,364,231,539
FUEL AND CAPACITY	158,237,007	151,196,731
CAPITALIZED EXECUTIVE COMPENSATION	31,037,569	30,058,943
LOAD CONTROL	49,752,419	49,752,419
ASSET RETIREMENT OBLIGATION	418,061,963	404,880,319
CAPITAL LEASES	61,410,224	59,473,938
TOTAL	<u>\$ 2,151,039,681</u>	<u>\$ 2,059,593,889</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (312,139,421)	\$ (297,255,431)
ACCUM PROV DECOMMISSIONING COSTS	(4,405,787,996)	(4,213,732,850)
ASSET RETIREMENT OBLIGATION	(6,490,510)	(6,285,862)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,086,476,727	3,957,628,654
FUEL AND CAPACITY	(43,065,864)	(41,034,502)
OTHER RATE CASE ADJUSTMENTS (1)	173,589	173,589
LOAD CONTROL	(27,543,534)	(27,543,534)
CAPITAL LEASES	(10,368,750)	(10,041,819)
TOTAL	<u>\$ (718,745,759)</u>	<u>\$ (638,091,755)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 2,615,074,673	\$ 2,449,036,302
CWIP - CLAUSE PROJECTS	67,898,002	64,976,062
TOTAL	<u>\$ 2,682,972,676</u>	<u>\$ 2,514,012,363</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,616,670,787)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS	<u>\$ 498,595,810</u>	<u>\$ 416,601,008</u>

NOTES:

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

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

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,601,226,196	3,300,010,615	1,416,432,282	2,396,653,024	1,306,766,263	351,673,810	(22,818,074)	206,771,636	(6,095,666)	8,949,393,890	\$ 2,651,832,306
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (483,060,693)	0	0	0	(12,424,321)	(142,407,873)	0	0	0	(154,832,194)	\$ (328,228,499)
FRANCHISE EXPENSE	0	0	0	0	(471,013,287)	142,532,579	0	0	0	(328,480,708)	328,480,708
GROSS RECEIPTS TAX	(255,379,505)	0	0	0	(255,048,270)	(102,441)	0	0	0	(255,150,711)	(228,794)
FINANCIAL PLANNING SERVICES	0	0	(426,175)	0	0	127,622	0	0	0	(298,553)	298,553
INDUSTRY ASSOCIATION DUES	0	0	(2,378,974)	0	0	707,826	0	0	0	(1,671,148)	1,671,148
ECONOMIC DEVELOPMENT 5%	0	0	(145,873)	0	0	43,662	0	0	0	(102,211)	102,211
AVIATION - EXPENSES	0	0	(177,972)	0	0	54,009	0	0	0	(123,963)	123,963
EXECUTIVE COMPENSATION	0	0	(35,994,190)	0	0	10,817,018	0	0	0	(25,177,172)	25,177,172
FUEL COST REC RETAIL	(3,129,070,863)	(3,118,811,808)	(188,036)	54,962	(2,093,145)	48,930,956	(50,915,572)	0	0	(3,123,022,643)	(6,048,221)
CONSERVATION COST RECOVERY	(57,906,615)	0	(44,914,783)	(10,058,200)	(1,103,370)	(556,344)	(617)	0	0	(56,633,315)	(1,273,301)
CAPACITY COST RECOVERY	(248,527,098)	(160,128,885)	(30,072,082)	2,645,013	(328,294)	(19,997,574)	1,614,836	0	0	(206,266,985)	(42,260,113)
ENVIRONMENTAL COST RECOVERY	(176,785,289)	0	(33,055,218)	(44,914,795)	(280,656)	(19,187,165)	(10,781,037)	0	358	(108,218,514)	(68,566,775)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	173,589	0	(43,996)	0	0	0	129,593	(129,593)
STORM DEFICIENCY RECOVERY	(143,678,195)	0	(18,025,023)	(120,369,922)	0	(1,636,331)	0	0	0	(140,031,276)	(3,646,919)
INTEREST TAX DEFICIENCIES	0	0	352,808	0	0	(106,504)	0	0	0	246,304	(246,304)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,367,779	(5,993,134)	0	0	2,374,645	(2,374,645)
TOTAL FPSC ADJUSTMENTS	\$ (4,494,408,260)	(3,278,940,693)	(165,025,518)	(172,469,353)	(742,291,342)	27,543,221	(66,075,524)	0	358	(4,397,258,850)	\$ (97,149,410)
FPSC ADJUSTED	\$ 7,106,817,936	21,069,922	1,251,406,764	2,224,183,672	564,474,921	379,217,031	(88,893,598)	206,771,636	(6,095,308)	4,552,135,040	\$ 2,554,682,896
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,119,717,309	21,069,922	1,251,406,764	2,224,183,672	564,484,208	375,950,039	(88,893,598)	206,771,636	(6,095,308)	4,548,877,335	\$ 2,570,839,974

(A) THE ADDITION OF EARNINGS FROM AFUDC
 WOULD INCREASE THE SYSTEM NOI BY \$ 114,144,685

NOTES:

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2018

SCHEDULE 3: PAGE 3B OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078
TOTAL PROFORMA ADJUSTMENTS	\$ 12,899,373	0	0	0	9,288	(3,266,992)	0	0	0	(3,257,705)	\$ 16,157,078

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 DECEMBER, 2018

SCHEDULE 4, PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 10,607,209,967	\$ 10,189,623,606	\$ 81,510,456	\$ (130,688,258)	\$ 10,140,445,803	28.19%	4.41%	1.24%	4.41%	1.24%	4.41%	1.24%
SHORT TERM DEBT	1,020,625,524	960,122,740	7,942,217	0	988,064,957	2.75%	2.74%	0.08%	2.74%	0.08%	2.74%	0.08%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,958,149,021	16,285,177,159	131,963,490	0	16,417,140,649	45.64%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
CUSTOMER DEPOSITS	397,688,599	397,147,387	3,218,200	(0)	400,365,587	1.11%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX	8,268,612,494	7,940,230,102	62,451,318	(233,319,860)	7,769,361,560	21.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	402,031,406	384,979,418	2,060,716	(130,673,270)	256,366,864	0.71%	7.59%	0.05%	8.21%	0.06%	8.83%	0.06%
TOTAL	\$ 37,654,317,011	\$ 36,177,280,412	\$ 289,146,396	\$ (494,681,388)	\$ 35,971,745,420	100.00%		5.78%		6.22%		6.70%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 3	SPECIFIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 10,463,948,606	\$ 10,073,048,838	\$ 20,618,214	\$ (131,760,745)	\$ 9,961,906,307	27.06%	4.62%	1.25%	4.62%	1.25%	4.62%	1.25%
SHORT TERM DEBT	1,121,823,032	1,079,583,927	2,239,055	(0)	1,081,822,982	2.94%	3.46%	0.10%	3.46%	0.10%	3.46%	0.10%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,093,652,158	17,412,386,345	36,113,258	(0)	17,448,499,603	47.39%	9.60%	4.55%	10.55%	5.00%	11.60%	5.50%
CUSTOMER DEPOSITS	391,669,667	390,986,447	810,905	(0)	391,797,352	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	8,179,211,900	7,870,504,756	15,839,508	(233,319,860)	7,653,024,404	20.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	423,474,892	406,185,259	577,539	(127,718,862)	279,043,916	0.76%	7.76%	0.06%	8.39%	0.06%	9.03%	0.07%
TOTAL	\$ 38,673,780,255	\$ 37,232,695,572	\$ 76,198,479	\$ (492,799,487)	\$ 36,816,094,564	100.00%		5.98%		6.44%		6.94%

NOTE:
 (1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$3.175 MILLION OF EXCESS DEFERRED TAXES
 (2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
 (3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

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

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 10,140,445,803	\$ -	\$ 10,140,445,803	28.19%	4.41%	1.24%	4.41%	1.24%	4.41%	1.24%
SHORT TERM DEBT	988,064,957	-	988,064,957	2.75%	2.74%	0.08%	2.74%	0.08%	2.74%	0.08%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	16,417,140,649	-	16,417,140,649	45.64%	9.60%	4.38%	10.55%	4.81%	11.60%	5.29%
CUSTOMER DEPOSITS	400,365,587	-	400,365,587	1.11%	2.08%	0.02%	2.08%	0.02%	2.08%	0.02%
DEFERRED INCOME TAX	7,769,361,560	-	7,769,361,560	21.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	256,366,864	-	256,366,864	0.71%	7.59%	0.05%	8.21%	0.06%	8.83%	0.06%
TOTAL	\$ 35,971,745,420	\$ -	\$ 35,971,745,420	100.00%		5.78%		6.22%		6.70%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 9,961,906,307	\$ -	\$ 9,961,906,307	27.06%	4.62%	1.25%	4.62%	1.25%	4.62%	1.25%
SHORT TERM DEBT	1,081,822,982	-	1,081,822,982	2.94%	3.46%	0.10%	3.46%	0.10%	3.46%	0.10%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	17,448,499,603	-	17,448,499,603	47.39%	9.60%	4.55%	10.55%	5.00%	11.60%	5.50%
CUSTOMER DEPOSITS	391,797,352	-	391,797,352	1.06%	2.17%	0.02%	2.17%	0.02%	2.17%	0.02%
DEFERRED INCOME TAX	7,653,024,404	-	7,653,024,404	20.79%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	279,043,916	-	279,043,916	0.76%	7.76%	0.06%	8.39%	0.06%	9.03%	0.07%
TOTAL	\$ 36,816,094,564	\$ -	\$ 36,816,094,564	100.00%		5.98%		6.44%		6.94%

NOTE:
 (1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
 (2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 DECEMBER, 2018

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,702,916,781
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	23,646,218
INCOME TAXES	528,727,297
TOTAL	\$ 3,255,290,296
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 562,321,703
TIMES INTEREST EARNED WITH AFUDC	5.79

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,702,916,781
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(90,498,467)
INCOME TAXES	528,727,297
TOTAL	\$ 3,141,145,611
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 562,321,703
TIMES INTEREST EARNED WITHOUT AFUDC	5.59

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 23,646,218
X (1 - INCOME_TAX_RATE)	0.7466
SUBTOTAL	\$ 17,653,084
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	90,498,467
TOTAL	\$ 108,151,551
NET INCOME AVAILABLE FOR COMMON	\$ 2,164,241,295
AFUDC AS PERCENT OF NET INCOME	5.00%

FOOTNOTES

CLAUSE OVER/UNDER RECOVERY	\$ (39,092,480)
GAINS ON DISPOSITION OF PROPERTY	(6,095,666)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ (45,188,147)

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,164,241,295
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(500,000,000)
AFUDC (DEBT & OTHER)	(114,144,685)
DEPRECIATION AND AMORTIZATION EXPENSE	2,396,653,024
DEFERRED INCOME TAXES	(30,623,279)
INVESTMENT TAX CREDITS	206,771,636
OTHER SOURCE/USES OF FUNDS	(45,188,147)
INTERNALLY GENERATED FUNDS	\$ 4,077,709,845
CONSTRUCTION EXPENDITURES	\$ 4,955,432,098
PERCENT INTERNALLY GENERATED FUNDS	82.29%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 10,140,445,803
JURIS ADJUSTED SHORT TERM DEBT	988,064,957
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	16,417,140,649
TOTAL	\$ 27,545,651,409
LTD TO TOTAL INVESTOR FUNDS	36.81%
STD TO TOTAL INVESTOR FUNDS	3.59%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.70%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	1.24%
SHORT TERM DEBT	0.08%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.06%
SUBTOTAL	1.40%
TOTAL	5.29%
DIVIDED BY COMMON EQUITY RATIO	45.64%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
FINANCIAL INTEGRITY INDICATORS
DECEMBER, 2018

SCHEDULE 5: PAGE 2 OF 2

<u>H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY</u>	
PRO FORMA RATE OF RETURN	6.74%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.24%
SHORT TERM DEBT	0.08%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.06%
SUBTOTAL	<u>1.40%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>5.34%</u>
PRO FORMA COMMON EQUITY RATIO	45.64%
PRO FORMA RETURN ON COMMON EQUITY	11.70%

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 DECEMBER, 2018

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 10,140,445,803	28.19%	4.62%	1.30%
SHORT TERM DEBT	988,064,957	2.75%	2.74% *	0.08%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	400,365,587	1.11%	2.08% *	0.02%
COMMON EQUITY	16,417,140,649	45.64%	10.55%	4.81%
DEFERRED INCOME TAX	7,769,361,560	21.60%	0.00%	0.00%
INVESTMENT TAX CREDITS	256,366,864	0.71%	0.00%	0.00%
TOTAL	\$ 35,971,745,420	100.00%		6.22%

* 13-MONTH AVERAGE

NOTE:
 EFFECTIVE JANUARY 1, 2018 THE COMMISSION APPROVED AFUDC RATE IS 5.97%

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 DECEMBER, 2018

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 10,607,209,967	10,189,623,606	(49,177,803)	10,140,445,803
SHORT TERM DEBT	1,020,625,524	980,122,740	7,942,217	988,064,957
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	16,958,149,021	16,285,177,159	131,963,490	16,417,140,649
CUSTOMER DEPOSITS	397,688,599	397,147,387	3,218,200	400,365,587
DEFERRED INCOME TAX	8,268,612,494	7,940,230,102	(170,868,542)	7,769,361,560
INVESTMENT TAX CREDITS	402,031,406	384,979,418	(128,612,554)	256,366,864
TOTAL	\$ 37,654,317,011	36,177,280,412	(205,534,992)	35,971,745,420

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

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

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,503,325,374
FUEL AND CAPACITY	146,175,336
CAPITALIZED EXECUTIVE COMPENSATION	26,603,471
LOAD CONTROL	50,422,215
ASSET RETIREMENT OBLIGATION	422,843,188
CAPITAL LEASES	57,685,994
TOTAL	<u>\$ 2,207,055,579</u>
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (297,168,136)
ACCUM PROV DECOMMISSIONING COSTS	(4,352,768,762)
ASSET RETIREMENT OBLIGATION	(12,368,492)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,088,566,546
FUEL AND CAPACITY	(41,315,652)
OTHER RATE CASE ADJUSTMENTS (1)	13,353
LOAD CONTROL	(25,948,288)
CAPITAL LEASES	(9,326,363)
TOTAL	<u>\$ (650,315,793)</u>
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 2,094,396,113
CWIP - CLAUSE PROJECTS	\$ 73,312,582
TOTAL	<u>\$ 2,167,708,695</u>
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	<u>\$ 0</u>
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,518,913,489)
TOTAL ADJUSTMENTS	<u>\$ 205,534,992</u>

NOTES:

(1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-E

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

SCHEDULE B: PAGE 3 OF 3

<u>WORKING CAPITAL ADJUSTMENTS</u>	<u>JURISDICTIONAL</u>
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 25,548,829
INTEREST & DIVIDENDS RECEIVABLE	109,894
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECR	66,856,483
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	15,519,628
PREPAYMENTS - ECCR	47,660,762
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	8,309,358
TEMPORARY CASH INVESTMENTS	1,116,987
STORM DEFICIENCY RECOVERY	117,557,626
NUCLEAR COST RECOVERY	0
JOBGING ACCOUNTS	57,544,254
OTH REG ASSETS - CLAUSES	4,976,622
MISC. DEFERRED DEBIT - CLAUSES	5,023,874
CEDAR BAY TRANSACTION	564,470,429
ICL TRANSACTION	359,886,492
SJRPP TRANSACTION	110,340,033
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	<u>\$ 1,384,921,271</u>
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(89,350)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(110,282,748)
ACCUM. PROV. - RATE REFUNDS	0
GAIN ON SALE OF EMISSION ALLOWANCE	(687)
JOBGING ACCOUNTS	(51,614,605)
POLE ATTACHMENT RENTS PAYABLE	(7,395,913)
SJRPP ACCELERATED RECOVERY	(8,238,115)
ASSET RETIREMENT OBLIGATION	(4,499,069,268)
MARGIN CALL CASH COLLATERAL	(533,685)
STORM DEFICIENCY RECOVERY	23,792,943
NUCLEAR COST RECOVERY	(245,862,070)
CEDAR BAY TRANSACTION	(4,541,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	<u>\$ (4,903,834,755)</u>
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	<u>\$ (3,518,913,489)</u>

NOTES:

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 METHODOLOGY FOR MONTHLY COMPOUNDING
 OF THE AFUDC RATE
 DECEMBER, 2018

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{12})-1 =$	APPROVED RATE
$((1+R/12)^{12})-1 =$	6.22%
$((1+R/12)^{12}) =$	1.06220000
$(1+R/12) =$	1.00504118
$(R/12) =$	0.00504118

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00504118	0.00504118
FEB	1.00504118	0.00506660	0.01010778
MAR	1.01010778	0.00509214	0.01519992
APR	1.01519992	0.00511781	0.02031773
MAY	1.02031773	0.00514361	0.02546134
JUN	1.02546134	0.00516954	0.03063087
JUL	1.03063087	0.00519560	0.03582647
AUG	1.03582647	0.00522179	0.04104827
SEP	1.04104827	0.00524812	0.04629638
OCT	1.04629638	0.00527457	0.05157095
NOV	1.05157095	0.00530116	0.05687211
DEC	1.05687211	0.00532789	0.06220000

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FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2018

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2018 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is [REDACTED] ^{(1)A}.

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2018

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	<u>\$0</u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	\$ 100,738,501	
Total Amortization from 1/1/2018 - 12/31/2018	\$ 540,949,289	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	

Notes:

(1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.

(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.



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

February 14, 2020

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

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for December 2019. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.60%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL also provides as Attachment 1 to the Report the monthly amounts of amortization credits or debits to the Reserve Amount during 2019. The balance of the Reserve Amount as of December 31, 2019 is \$892,613,441.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Ferguson', written over a horizontal line.

Keith Ferguson
Vice President Accounting & Controller

Enclosures

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 EARNINGS SURVEILLANCE REPORT SUMMARY
 DECEMBER, 2019

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,868,527,610 (A)	(197,265,905) (B)	2,671,231,704	(144,423,697)	\$ 2,526,807,806
RATE BASE	\$ 39,484,210,299	769,574,659	39,250,784,958	0	\$ 39,250,784,958
AVERAGE RATE OF RETURN	7.45%		6.81%		6.44%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 2,868,527,610 (A)	(187,526,396) (B)	2,681,001,214	(144,423,697)	\$ 2,536,577,317
RATE BASE	\$ 40,310,878,712	586,027,210	40,896,905,921	0	\$ 40,896,905,921
YEAR END RATE OF RETURN	7.12%		6.56%		6.20%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.87%
MIDPOINT	6.32%
HIGH	6.81%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.53	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.40	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.24%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	38.93%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.64%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.41%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.80%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.81%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:
 WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE
 GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KEITH FERGUSON
 (VICE PRESIDENT ACCOUNTING AND CONTROLLER)

Keith Ferguson
 (SIGNATURE)

2/14/2020
 (DATE)

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 RATE BASE
 DECEMBER, 2019

SCHEDULE 2, PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 51,975,708,233	15,694,410,484	36,281,297,749	427,554,064	3,076,860,712	609,911,884	40,395,624,408	(349,326,017)	\$ 40,046,298,391
JURISDICTIONAL PER BOOKS	\$ 49,858,268,985	12,622,967,689	37,235,301,296	405,416,173	2,927,035,649	579,861,855	41,147,614,973	(2,663,404,674)	\$ 38,484,210,299
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,159,129,376)	(719,821,198)	(1,439,308,178)	0	(1,524,329,869)	0	(2,963,638,047)	3,730,212,706	\$ 766,574,659
FPSC ADJUSTED:	\$ 47,699,139,609	11,903,146,491	35,795,993,118	405,416,173	1,402,705,780	579,861,855	38,183,976,926	1,066,808,031	\$ 39,250,784,958
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 47,699,139,609	11,903,146,491	35,795,993,118	405,416,173	1,402,705,780	579,861,855	38,183,976,926	1,066,808,031	\$ 39,250,784,958

NOTE:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 INCOME STATEMENT
 DECEMBER, 2019

SCHEDULE 2, PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
JURISDICTIONAL PER BOOKS	\$ 11,455,948,231	3,154,907,061	1,539,200,345	2,228,692,062	1,328,860,460	378,057,996	(43,317,063)	83,408,761	(5,406,713)	8,664,402,909	\$ 2,791,545,322
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,163,384)	0	0	0	(136,026,821)	\$ (364,106,792)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,197,169	0	0	0	(364,206,670)	364,206,670
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,416)	0	0	0	(262,766,217)	(181,565)
FINANCIAL PLANNING SERVICES	0	0	(494,798)	0	0	125,066	0	0	0	(369,731)	369,731
INDUSTRY ASSOCIATION DUES	0	0	(1,983,807)	0	0	501,431	0	0	0	(1,482,376)	1,482,376
ECONOMIC DEVELOPMENT 5%	0	0	(173,187)	0	0	43,775	0	0	0	(129,412)	129,412
AVIATION - EXPENSES	0	0	(137,609)	0	0	34,782	0	0	0	(102,827)	102,827
EXECUTIVE COMPENSATION	0	0	(37,510,254)	0	0	9,481,167	0	0	0	(28,029,088)	28,029,088
FUEL COST REC RETAIL	(3,000,865,233)	(2,972,430,736)	(801,577)	143,711	(2,113,645)	(54,035,146)	47,677,942	0	0	(2,981,559,451)	(19,305,782)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(404,493)	(681)	0	0	(55,023,409)	(1,197,806)
CAPACITY COST RECOVERY	(265,053,709)	(162,388,406)	(29,516,594)	(13,053,456)	(327,667)	(17,175,502)	2,074,158	0	0	(220,387,467)	(44,666,242)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(29,508,969)	(38,016,476)	(301,261)	(25,209,898)	(1,210,928)	0	405	(94,247,126)	(78,094,641)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,644)	0	0	0	(64,995,780)	(708,457)
INTEREST TAX DEFICIENCIES	0	0	300,628	0	0	(75,987)	0	0	0	224,641	(224,641)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,562,543	(4,497,086)	0	0	6,065,458	(6,065,458)
TOTAL FPSC ADJUSTMENTS	\$ (4,323,267,556)	(3,134,819,141)	(144,205,069)	(124,775,658)	(766,750,492)	(76,447,389)	44,043,405	0	405	(4,202,953,939)	\$ (120,313,618)
FPSC ADJUSTED	\$ 7,132,680,675	20,087,920	1,394,995,276	2,103,916,405	562,109,968	301,610,607	726,343	83,408,761	(5,406,308)	4,461,448,971	\$ 2,671,231,704
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,939,086,198	20,087,920	1,394,995,276	2,103,916,405	561,970,580	252,579,415	726,343	83,408,761	(5,406,308)	4,412,278,390	\$ 2,526,807,808
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 79,975,324										
	\$ 76,962,288										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE											
ON A TOTAL COMPANY BASIS	\$ 3,573,932										
ON A JURISDICTIONAL BASIS	\$ 3,463,742										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 835,569,372	219,843,537	402,735,056	(14,921,451)	100,348,152	14,928,617	(7,067,060)	(1,289,689)	(188,591)	714,388,572	\$ 121,180,800
JURISDICTIONAL PER BOOKS	\$ 807,036,934	209,600,311	396,917,681	(18,018,897)	98,670,055	13,799,715	(6,977,380)	(1,242,736)	(188,589)	692,560,161	\$ 114,476,773

NOTES:

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2019

SCHEDULE 2 PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2019

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,480,625,080	\$ 1,413,709,994
FUEL AND CAPACITY	167,828,445	160,490,468
CAPITALIZED EXECUTIVE COMPENSATION	34,301,700	33,244,130
LOAD CONTROL	48,040,421	48,040,421
ASSET RETIREMENT OBLIGATION	430,613,395	417,336,963
CAPITAL LEASES	89,053,034	86,307,400
TOTAL	\$ 2,250,462,075	\$ 2,159,129,376
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (333,999,110)	\$ (318,904,418)
ACCUM PROV DECOMMISSIONING COSTS	(4,767,803,746)	(4,564,234,949)
ASSET RETIREMENT OBLIGATION	(27,347,074)	(26,503,924)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,423,825,082	4,287,432,169
FUEL AND CAPACITY	(47,460,968)	(45,247,602)
OTHER RATE CASE ADJUSTMENTS (1)	8,476	8,476
LOAD CONTROL	(26,988,629)	(26,988,629)
CAPITAL LEASES	(26,189,789)	(25,382,320)
TOTAL	\$ (805,955,758)	\$ (719,821,198)
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,547,982,692	\$ 1,451,706,342
CWIP - CLAUSE PROJECTS	75,823,715	72,623,527
TOTAL	\$ 1,623,806,408	\$ 1,524,329,869
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	\$ 0	\$ 0
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,817,238,336)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	\$ (748,925,611)	\$ (766,574,659)

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 SYSTEM ADJUSTMENTS
 INCOME STATEMENT
 DECEMBER, 2019

SCHEDULE 2, PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,474,864)	0	0	0	(136,338,300)	\$ (363,795,313)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,508,740	0	0	0	(363,895,099)	363,895,099
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,583)	0	0	0	(262,766,384)	(181,398)
FINANCIAL PLANNING SERVICES	0	0	(510,538)	0	0	129,338	0	0	0	(381,200)	381,200
INDUSTRY ASSOCIATION DUES	0	0	(2,046,917)	0	0	518,573	0	0	0	(1,528,344)	1,528,344
ECONOMIC DEVELOPMENT 5%	0	0	(178,697)	0	0	45,266	0	0	0	(133,430)	133,430
AVIATION - EXPENSES	0	0	(141,987)	0	0	35,975	0	0	0	(106,012)	106,012
EXECUTIVE COMPENSATION	0	0	(38,703,540)	0	0	9,805,000	0	0	0	(28,898,541)	28,898,541
ADVERTISING EXPENSES	0	0	0	0	0	0	0	0	0	0	0
FUEL COST RECOVERY	(3,139,328,303)	(3,115,576,226)	(842,340)	151,019	(2,115,025)	(53,288,246)	47,987,409	0	0	(3,123,683,409)	(15,644,894)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,589,101)	(1,035,842)	(405,510)	(681)	0	0	(55,024,426)	(1,196,790)
CAPACITY COST RECOVERY	(265,474,762)	(169,609,481)	(30,829,136)	(13,633,916)	(334,055)	(15,017,077)	2,074,158	0	0	(227,349,506)	(38,125,256)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(30,905,716)	(39,815,908)	(309,647)	(24,462,656)	(1,210,928)	0	425	(96,704,431)	(75,637,336)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,886)	0	0	0	(64,996,021)	(708,215)
INTEREST TAX DEFICIENCIES	0	0	310,192	0	0	(78,593)	0	0	0	231,600	(231,600)
INTEREST SYNCHRONIZATION	0	0	0	0	0	10,829,888	(4,640,148)	0	0	6,189,740	(6,189,740)
TOTAL FPSC ADJUSTMENTS	\$ (4,462,151,680)	(3,285,185,707)	(148,227,580)	(127,148,242)	(766,766,647)	(72,183,485)	44,209,810	0	425	(4,355,301,426)	\$ (106,850,253)
FPSC ADJUSTED	\$ 7,422,806,385	21,148,409	1,436,941,602	2,174,446,778	582,911,875	322,510,639	692,957	86,560,097	(5,406,308)	4,619,806,049	\$ 2,803,000,336
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3C OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,229,211,908	21,148,409	1,436,941,602	2,174,446,778	582,772,487	273,479,446	692,957	86,560,097	(5,406,308)	4,570,635,469	\$ 2,658,576,439
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 79,975,324										

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2019

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	35,585,959	34,889,060
INTEREST & DIVIDENDS RECEIVABLE	656,845	643,981
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	141,562,355	141,642,316
CASH CAPITAL SUB ACCOUNT	0	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,126,684	14,126,684
PREPAYMENTS - ECCR	44,666,369	44,666,369
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	7,170,424	6,902,075
TEMPORARY CASH INVESTMENTS	1,106,454	1,084,786
STORM DEFICIENCY RECOVERY	15,148,915	15,148,915
NUCLEAR COST RECOVERY	0	0
JOBGING ACCOUNTS	30,940,621	30,334,694
OTH REG ASSETS - CLAUSES	3,226,641	3,070,497
MISC. DEFERRED DEBIT - CLAUSES	4,248,520	4,042,924
CEDAR BAY TRANSACTION	499,345,902	478,086,393
ICL TRANSACTION	326,083,333	312,200,429
SJRPP TRANSACTION	98,651,946	94,337,633
EARLY RETIRED ASSETS	134,371,061	128,298,295
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,356,892,029	\$ 1,309,475,050
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	15,384,615	0
ACCUM DEFERRED RETIREMENT BENEFITS	(225,191)	(218,248)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(37,821,171)	(37,821,171)
ACCUM. PROV. - RATE REFUNDS	0	0
GAIN ON SALE OF EMISSION ALLOWANCE	(453)	(433)
JOBGING ACCOUNTS	(28,008,243)	(27,459,742)
POLE ATTACHMENT RENTS PAYABLE	(6,747,032)	(6,747,032)
SJRPP ACCELERATED RECOVERY	(6,028,883)	(5,772,205)
STORM DEFICIENCY RECOVERY	(37,033,158)	(37,033,158)
ASSET RETIREMENT OBLIGATION	(4,827,091,403)	(4,678,265,207)
MARGIN CALL CASH COLLATERAL	(911,538)	(893,687)
NUCLEAR COST RECOVERY	(241,630,584)	(241,630,584)
CEDAR BAY TRANSACTION	(4,017,325)	(3,846,289)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,174,130,365)	\$ (5,039,687,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,817,238,336)	\$ (3,730,212,706)

NOTES:

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2019

SCHEDULE 2: PAGE 3C OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 RATE BASE
 DECEMBER, 2019

SCHEDULE 3: PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 54,085,721,889	16,215,889,581	37,869,832,309	509,561,331	3,551,881,553	620,855,537	42,552,130,729	(349,326,017)	\$ 42,202,804,712
JURISDICTIONAL PER BOOKS	\$ 51,889,270,917	13,362,311,474	38,526,959,444	483,681,690	3,373,375,931	590,266,320	42,974,283,386	(2,663,404,674)	\$ 40,310,878,712
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,142,968,244)	(783,731,064)	(1,359,237,181)	0	(1,784,948,315)	0	(3,144,185,496)	3,730,212,706	\$ 586,027,210
FPSC ADJUSTED:	\$ 49,746,302,673	12,578,580,410	37,167,722,263	483,681,690	1,588,427,616	590,266,320	39,830,097,890	1,066,808,031	\$ 40,896,905,921
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 49,746,302,673	12,578,580,410	37,167,722,263	483,681,690	1,588,427,616	590,266,320	39,830,097,890	1,066,808,031	\$ 40,896,905,921

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DECEMBER, 2019

SCHEDULE 3, PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
JURISDICTIONAL PER BOOKS	\$ 11,455,948,231	3,154,907,061	1,539,200,345	2,228,692,062	1,328,860,460	378,057,996	(43,317,063)	83,408,761	(5,406,713)	8,664,402,909	\$ 2,791,545,322
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,163,384)	0	0	0	(136,026,821)	\$ (364,106,792)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,197,169	0	0	0	(364,206,670)	364,206,670
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,416)	0	0	0	(262,766,217)	(181,565)
FINANCIAL PLANNING SERVICES	0	0	(494,798)	0	0	125,066	0	0	0	(369,731)	369,731
INDUSTRY ASSOCIATION DUES	0	0	(1,983,807)	0	0	501,431	0	0	0	(1,482,376)	1,482,376
ECONOMIC DEVELOPMENT 5%	0	0	(173,167)	0	0	43,775	0	0	0	(129,412)	129,412
AVIATION - EXPENSES	0	0	(137,609)	0	0	34,782	0	0	0	(102,827)	102,827
EXCLUSIVE COMPENSATION	0	0	(37,510,254)	0	0	9,481,167	0	0	0	(28,029,088)	28,029,088
FUEL COST REC RETAIL	(3,000,865,233)	(2,972,430,736)	(801,577)	143,711	(2,113,645)	(54,035,146)	47,677,942	0	0	(2,981,559,451)	(19,305,782)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,942)	(404,483)	(681)	0	0	(55,023,409)	(1,197,806)
CAPACITY COST RECOVERY	(265,053,709)	(162,388,406)	(29,516,594)	(13,053,456)	(327,667)	(17,175,502)	2,074,158	0	0	(220,387,467)	(44,866,242)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(29,508,969)	(38,016,476)	(301,261)	(25,209,898)	(1,210,928)	0	405	(94,247,126)	(78,094,641)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,644)	0	0	0	(64,995,780)	(708,457)
INTEREST TAX DEFICIENCIES	0	0	300,628	0	0	(75,987)	0	0	0	224,641	(224,641)
INTEREST SYNCHRONIZATION	0	0	0	0	0	753,034	(4,497,086)	0	0	(3,704,052)	3,704,052
TOTAL FPSC ADJUSTMENTS	\$ (4,323,267,556)	(3,134,819,141)	(144,205,069)	(124,775,658)	(766,750,492)	(86,216,898)	44,043,405	0	405	(4,212,723,448)	\$ (110,544,108)
FPSC ADJUSTED	\$ 7,132,680,675	20,087,920	1,394,995,276	2,103,916,405	562,109,968	291,841,098	726,343	83,408,761	(5,406,308)	4,451,679,461	\$ 2,681,001,214
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 2, PAGE 2A OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 6,939,086,198	20,087,920	1,394,995,276	2,103,916,405	561,970,580	242,809,906	726,343	83,408,761	(5,406,308)	4,402,508,881	\$ 2,536,577,317

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

\$ 79,975,324
 \$ 76,982,288

NOTES

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2019

SCHEDULE 3 PAGE 2A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

FOOTNOTES:

(1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2019

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,491,413,307	\$ 1,424,010,660
FUEL AND CAPACITY	172,455,463	164,920,981
CAPITALIZED EXECUTIVE COMPENSATION	38,471,291	37,285,166
LOAD CONTROL	47,432,988	47,432,988
ASSET RETIREMENT OBLIGATION	383,249,205	371,433,079
CAPITAL LEASES	100,999,325	97,885,370
TOTAL	<u>\$ 2,234,021,579</u>	<u>\$ 2,142,968,244</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (357,521,126)	\$ (341,363,385)
ACCUM PROV DECOMMISSIONING COSTS	(5,123,094,487)	(4,904,356,000)
ASSET RETIREMENT OBLIGATION	(42,902,592)	(41,579,843)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,754,894,702	4,608,294,435
FUEL AND CAPACITY	(50,558,338)	(48,213,591)
OTHER RATE CASE ADJUSTMENTS (1)	110,190	110,190
LOAD CONTROL	(24,867,136)	(24,867,136)
CAPITAL LEASES	(32,765,955)	(31,755,733)
TOTAL	<u>\$ (876,704,742)</u>	<u>\$ (783,731,064)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,810,275,054	\$ 1,693,345,681
CWIP - CLAUSE PROJECTS	95,845,824	91,602,634
TOTAL	<u>\$ 1,906,120,878</u>	<u>\$ 1,784,948,315</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (3,817,238,336)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	<u>\$ (553,800,621)</u>	<u>\$ (586,027,210)</u>

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 SYSTEM ADJUSTMENTS
 INCOME STATEMENT
 DECEMBER, 2019

SCHEDULE 3 PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,884,958,064	3,306,334,115	1,585,169,182	2,301,595,020	1,349,678,522	394,694,124	(43,516,853)	86,560,097	(5,406,733)	8,975,107,475	\$ 2,909,850,589
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (500,133,613)	0	0	0	(12,863,437)	(123,474,864)	0	0	0	(136,338,300)	\$ (363,795,313)
FRANCHISE EXPENSE	0	0	0	0	(487,403,839)	123,508,740	0	0	0	(363,895,099)	363,895,099
GROSS RECEIPTS TAX	(262,947,782)	0	0	0	(262,704,801)	(61,583)	0	0	0	(262,766,384)	(181,398)
FINANCIAL PLANNING SERVICES	0	0	(510,538)	0	0	129,338	0	0	0	(381,200)	381,200
INDUSTRY ASSOCIATION DUES	0	0	(2,046,917)	0	0	518,573	0	0	0	(1,528,344)	1,528,344
ECONOMIC DEVELOPMENT 5%	0	0	(178,697)	0	0	45,266	0	0	0	(133,430)	133,430
AVIATION - EXPENSES	0	0	(141,987)	0	0	35,875	0	0	0	(106,012)	106,012
EXECUTIVE COMPENSATION	0	0	(38,703,540)	0	0	9,805,000	0	0	0	(28,898,541)	28,898,541
FUEL COST REC RETAIL	(3,139,328,303)	(3,115,576,226)	(842,340)	151,019	(2,115,025)	(53,288,246)	47,987,409	0	0	(3,123,683,409)	(15,644,894)
CONSERVATION COST RECOVERY	(56,221,216)	0	(43,983,292)	(9,599,101)	(1,035,842)	(405,510)	(681)	0	0	(55,024,426)	(1,196,790)
CAPACITY COST RECOVERY	(265,474,762)	(169,609,481)	(30,629,136)	(13,633,916)	(334,055)	(15,017,077)	2,074,158	0	0	(227,349,506)	(38,125,256)
ENVIRONMENTAL COST RECOVERY	(172,341,767)	0	(30,905,716)	(39,815,908)	(309,647)	(24,462,656)	(1,210,928)	0	425	(96,704,431)	(75,637,336)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	110,190	0	(27,852)	0	0	0	82,338	(82,338)
STORM DEFICIENCY RECOVERY	(65,704,236)	0	(395,610)	(64,360,526)	0	(239,886)	0	0	0	(64,996,021)	(708,215)
INTEREST TAX DEFICIENCIES	0	0	310,192	0	0	(78,593)	0	0	0	231,600	(231,600)
INTEREST SYNCHRONIZATION	0	0	0	0	0	(207,025)	(4,640,148)	0	0	(4,847,173)	4,847,173
TOTAL FPSC ADJUSTMENTS	\$ (4,462,151,680)	(3,285,185,707)	(148,227,580)	(127,148,242)	(766,766,647)	(83,220,398)	44,209,810	0	425	(4,366,338,339)	\$ (95,813,341)
FPSC ADJUSTED	\$ 7,422,806,385	21,148,409	1,436,941,602	2,174,446,778	582,911,875	311,473,726	692,957	86,560,097	(5,406,308)	4,608,769,136	\$ 2,814,037,248
PRO FORMA ADJUSTMENTS											
PRO FORMA ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3B OF 3)	\$ (193,594,477)	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,229,211,908	21,148,409	1,436,941,602	2,174,446,778	582,772,487	262,442,534	692,957	86,560,097	(5,406,308)	4,559,598,556	\$ 2,669,613,352

(A) THE ADDITION OF EARNINGS FROM AFUDC
 WOULD INCREASE THE SYSTEM NOI BY \$ 79,975,324

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

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DETAIL OF PRO FORMA ADJUSTMENTS
 DECEMBER, 2019

SCHEDULE 3 PAGE 3B OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE		OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
WEATHER NORMALIZATION ADJUSTMENT (1)	\$ (193,594,477)	0	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)
TOTAL PROFORMA ADJUSTMENTS	\$ (193,594,477)	0	0	0	0	(139,388)	(49,031,192)	0	0	0	(49,170,580)	\$ (144,423,897)

FOOTNOTES:
 (1) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 DECEMBER, 2019

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		M DPOINT		HIGH POINT	
			PRO RATA 3	SPEC FIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 11,775,841,181	\$ 11,313,232,033	\$ 336,118,030	\$ (78,031,677)	\$ 11,571,318,386	29.48%	4.31%	1.27%	4.31%	1.27%	4.31%	1.27%
SHORT TERM DEBT	744,379,334	715,076,509	21,392,596	-	736,469,105	1.88%	3.25%	0.06%	3.25%	0.06%	3.25%	0.06%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,390,365,232	17,666,420,293	528,517,712	-	18,194,938,004	46.36%	9.60%	4.45%	10.55%	4.89%	11.60%	5.38%
CUSTOMER DEPOSITS	401,361,580	400,894,164	11,993,356	-	412,887,520	1.05%	2.10%	0.02%	2.10%	0.02%	2.10%	0.02%
DEFERRED INCOME TAX (1)	8,232,992,466	7,907,728,490	231,472,680	(170,440,669)	7,968,760,502	20.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	501,358,598	480,858,810	10,643,341	(125,090,711)	366,411,440	0.93%	7.51%	0.07%	8.12%	0.08%	8.73%	0.08%
TOTAL	\$ 40,046,298,391	\$ 38,484,210,299	\$ 1,140,137,715	\$ (373,563,056)	\$ 39,250,784,958	100.00%	5.87%	6.32%	6.81%			

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS		ADJUSTED RETAIL 5	RATIO (%) 6	LOW POINT		M DPOINT		HIGH POINT	
			PRO RATA 3	SPEC FIC 4			COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10	COST RATE (%) 11	WEIGHTED COST (%) 12
LONG TERM DEBT	\$ 12,848,658,833	\$ 12,268,205,727	\$ 293,473,914	\$ (63,236,235)	\$ 12,478,443,406	30.51%	4.25%	1.30%	4.25%	1.30%	4.25%	1.30%
SHORT TERM DEBT	1,348,961,476	1,287,865,625	31,018,130	0	1,318,883,755	3.22%	2.24%	0.07%	2.24%	0.07%	2.24%	0.07%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,798,515,414	17,947,111,344	432,254,592	-	18,379,365,935	44.94%	9.60%	4.31%	10.55%	4.74%	11.60%	5.21%
CUSTOMER DEPOSITS	415,084,458	414,494,060	9,983,053	-	424,477,113	1.04%	2.19%	0.02%	2.19%	0.02%	2.19%	0.02%
DEFERRED INCOME TAX (1)	8,286,155,012	7,910,695,285	186,423,349	(170,440,669)	7,926,677,966	19.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (2)	505,429,519	482,506,670	8,679,674	(122,128,598)	369,057,746	0.90%	7.41%	0.07%	8.00%	0.07%	8.60%	0.08%
TOTAL	\$ 42,202,804,712	\$ 40,310,878,712	\$ 961,832,711	\$ (375,805,501)	\$ 40,896,905,921	100.00%	5.77%	6.21%	6.68%			

NOTE:
 (1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2,998 MILLION OF EXCESS DEFERRED TAXES.
 (2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
 (3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
PROFORMA ADJUSTED BASIS
DECEMBER, 2019

SCHEDULE 4: PAGE 2 OF 2

AVERAGE	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 11,571,318,386	\$ -	\$ 11,571,318,386	29.48%	4.31%	1.27%	4.31%	1.27%	4.31%	1.27%
SHORT TERM DEBT	736,469,105	-	736,469,105	1.88%	3.25%	0.06%	3.25%	0.06%	3.25%	0.06%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,194,938,004	-	18,194,938,004	46.36%	9.60%	4.45%	10.55%	4.89%	11.60%	5.38%
CUSTOMER DEPOSITS	412,887,520	-	412,887,520	1.05%	2.10%	0.02%	2.10%	0.02%	2.10%	0.02%
DEFERRED INCOME TAX	7,968,760,502	-	7,968,760,502	20.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	366,411,440	-	366,411,440	0.93%	7.51%	0.07%	8.12%	0.08%	8.73%	0.08%
TOTAL	\$ 39,250,784,958	\$ -	\$ 39,250,784,958	100.00%		5.87%		6.32%		6.81%

YEAR END	FPSC ADJUSTED 1	PRO-FORMA ADJUSTMENTS 2	TOTAL PRO-FORMA ADJUSTED 3	TOTAL RATIO (%) 4	LOW POINT		MIDPOINT		HIGH POINT	
					COST RATE (%) 5	WEIGHTED COST (%) 6	COST RATE (%) 7	WEIGHTED COST (%) 8	COST RATE (%) 9	WEIGHTED COST (%) 10
LONG TERM DEBT	\$ 12,478,443,406	\$ -	\$ 12,478,443,406	30.51%	4.25%	1.30%	4.25%	1.30%	4.25%	1.30%
SHORT TERM DEBT	1,318,883,755	-	1,318,883,755	3.22%	2.24%	0.07%	2.24%	0.07%	2.24%	0.07%
PREFERRED STOCK	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	18,379,365,935	-	18,379,365,935	44.94%	9.60%	4.31%	10.55%	4.74%	11.60%	5.21%
CUSTOMER DEPOSITS	424,477,113	-	424,477,113	1.04%	2.19%	0.02%	2.19%	0.02%	2.19%	0.02%
DEFERRED INCOME TAX	7,926,677,966	-	7,926,677,966	19.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	369,057,746	-	369,057,746	0.90%	7.41%	0.07%	8.00%	0.07%	8.60%	0.08%
TOTAL	\$ 40,896,905,921	\$ -	\$ 40,896,905,921	100.00%		5.77%		6.21%		6.68%

NOTE:

- (1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 DECEMBER, 2019

SCHEDULE 5, PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,916,587,854
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	18,307,944
INCOME TAXES	426,821,038
TOTAL	\$ 3,361,716,836
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 607,996,783
TIMES INTEREST EARNED WITH AFUDC	5.53

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 2,916,587,854
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(61,667,380)
INCOME TAXES	426,821,038
TOTAL	\$ 3,281,741,512
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 607,996,783
TIMES INTEREST EARNED WITHOUT AFUDC	5.40

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION X (1 - INCOME TAX RATE)	\$ 18,307,944
SUBTOTAL	\$ 13,680,426
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	61,667,380
TOTAL	\$ 75,347,808
NET INCOME AVAILABLE FOR COMMON	\$ 2,326,899,015
AFUDC AS PERCENT OF NET INCOME	3.24%

FOOTNOTES

CLAIMS OVER/UNDER RECOVERY	\$ 357,265,283
GAINS ON DISPOSITION OF PROPERTY	(5,406,733)
LONG TERM DEBT RETIREMENTS & REDEMPTIONS	0
INCREASE/DECREASE IN DECOMMISSIONING FUNDS	0
	\$ 351,858,550

** INCLUDES EXPENDITURES FOR NUCLEAR FUELS OF: 0

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,326,899,015
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(2,200,000,000)
AFUDC (DEBT & OTHER)	(79,975,324)
DEPRECIATION AND AMORTIZATION EXPENSE	2,301,595,020
DEFERRED INCOME TAXES	(52,121,155)
INVESTMENT TAX CREDITS	86,560,097
OTHER SOURCE/USES OF FUNDS	351,858,550
INTERNALLY GENERATED FUNDS	\$ 2,734,816,204
CONSTRUCTION EXPENDITURES	\$ 6,849,585,909
PERCENT INTERNALLY GENERATED FUNDS	39.93%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 11,571,318,386
JURIS ADJUSTED SHORT TERM DEBT	736,469,105
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	18,194,938,004
TOTAL	\$ 30,502,725,495
LTD TO TOTAL INVESTOR FUNDS	37.94%
STD TO TOTAL INVESTOR FUNDS	2.41%

G. FPSC ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

FPSC RATE OF RETURN	6.81%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.27%
SHORT TERM DEBT	0.06%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.08%
SUBTOTAL	1.43%
TOTAL	5.38%
DIVIDED BY COMMON EQUITY RATIO	46.36%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
FINANCIAL INTEGRITY INDICATORS
DECEMBER, 2019

SCHEDULE 5: PAGE 2 OF 2

H. PROFORMA ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

PRO FORMA RATE OF RETURN	6.44%
LESS: AVERAGE RETAIL WEIGHTED COST RATES FOR:	
LONG TERM DEBT	1.27%
SHORT TERM DEBT	0.06%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WTD COST	0.08%
SUBTOTAL	<u>1.43%</u>
PRO FORMA ROR LESS NON EQUITY COST	<u>5.01%</u>
PRO FORMA COMMON EQUITY RATIO	46.36%
PRO FORMA RETURN ON COMMON EQUITY	10.81%

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 DECEMBER, 2019

SCHEDULE A: PAGE 1 OF 1

<u>CAPITAL COMPONENTS</u>	<u>JURISDICTIONAL AVERAGE</u>	<u>CAPITAL RATIO</u>	<u>COST OF CAPITAL</u>	<u>AFUDC WEIGHTED COMPONENTS</u>
LONG TERM DEBT	\$ 11,571,318,386	29.48%	4.25%	1.25%
SHORT TERM DEBT	736,469,105	1.88%	3.25% *	0.06%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	412,887,520	1.05%	2.10% *	0.02%
COMMON EQUITY	18,194,938,004	46.36%	10.55%	4.89%
DEFERRED INCOME TAX	7,968,760,502	20.30%	0.00%	0.00%
INVESTMENT TAX CREDITS	366,411,440	0.93%	0.00%	0.00%
TOTAL	\$ 39,250,784,958	100.00%		6.23%

* 13-MONTH AVERAGE

NOTE:
 EFFECTIVE JANUARY 1, 2019 THE COMMISSION APPROVED AFUDC RATE IS 6.22%

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 DECEMBER, 2019

SCHEDULE B: PAGE 1 OF 3

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	COMMISSION ADJUSTMENTS *	ADJUSTED RETAIL
LONG TERM DEBT	\$ 11,775,841,181	11,313,232,033	258,086,353	11,571,318,386
SHORT TERM DEBT	744,379,334	715,076,509	21,392,596	736,469,105
PREFERRED STOCK	-	-	-	-
COMMON EQUITY	18,390,365,232	17,666,420,293	528,517,712	18,194,938,004
CUSTOMER DEPOSITS	401,361,580	400,894,164	11,993,356	412,887,520
DEFERRED INCOME TAX	8,232,992,466	7,907,728,490	61,032,012	7,968,760,502
INVESTMENT TAX CREDITS	501,358,598	480,858,810	(114,447,369)	366,411,440
TOTAL	\$ 40,046,298,391	38,484,210,299	766,574,659	39,250,784,958

* FOR ADJUSTMENT DETAILS, SEE SCHEDULE B, PAGES 2 AND 3

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 DECEMBER, 2019

SCHEDULE B: PAGE 2 OF 3

RATE BASE ADJUSTMENTS	JURISDICTIONAL
PLANT IN SERVICE:	
ENVIRONMENTAL	\$ 1,413,709,994
FUEL AND CAPACITY	160,490,468
FUEL CLAUSE - GAS RESERVES (1)	0
CAPITALIZED EXECUTIVE COMPENSATION	33,244,130
LOAD CONTROL	48,040,421
ASSET RETIREMENT OBLIGATION	417,336,963
CAPITAL LEASES	86,307,400
TOTAL	<u>\$ 2,159,129,376</u>
ACCUMULATED PROVISION FOR DEPRECIATION:	
ENVIRONMENTAL	\$ (318,904,418)
ACCUM PROV DECOMMISSIONING COSTS	(4,564,234,949)
ASSET RETIREMENT OBLIGATION	(26,503,924)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,287,432,169
FUEL AND CAPACITY	(45,247,602)
FUEL CLAUSE - GAS RESERVES (1)	8,476
OTHER RATE CASE ADJUSTMENTS (2)	0
LOAD CONTROL	(26,988,629)
CAPITAL LEASES	(25,382,320)
TOTAL	<u>\$ (719,821,198)</u>
CONSTRUCTION WORK IN PROGRESS:	
CONSTRUCTION WORK IN PROGRESS	\$ 1,451,706,342
CWIP - CLAUSE PROJECTS (1)	\$ 72,623,527
TOTAL	<u>\$ 1,524,329,869</u>
NUCLEAR FUEL:	
NUCLEAR FUEL IN PROCESS	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0
TOTAL	<u>\$ 0</u>
WORKING CAPITAL:	
(SEE SCHEDULE B, PAGE 3 OF 3)	\$ (3,730,212,706)
TOTAL ADJUSTMENTS	<u>\$ (766,574,659)</u>

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
DECEMBER, 2019

SCHEDULE B: PAGE 3 OF 3

WORKING CAPITAL ADJUSTMENTS	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:	
ACCOUNTS RECEIVABLE - ASSOC COS	\$ 34,889,066
INTEREST & DIVIDENDS RECEIVABLE	643,981
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	141,642,316
CASH CAPITAL SUB ACCOUNT	0
POLE ATTACHMENTS RENTS RECEIVABLE	14,126,684
PREPAYMENTS - ECCR	44,666,369
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	6,902,075
TEMPORARY CASH INVESTMENTS	1,084,786
STORM DEFICIENCY RECOVERY	15,148,915
NUCLEAR COST RECOVERY	0
JOBGING ACCOUNTS	30,334,694
OTH REG ASSETS - CLAUSES	3,070,497
MISC. DEFERRED DEBIT - CLAUSES	4,042,924
CEDAR BAY TRANSACTION	478,086,393
ICL TRANSACTION	312,200,429
SJRPP TRANSACTION	94,337,633
EARLY RETIRED ASSETS	128,298,295
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,309,475,056
ADJUSTMENTS TO LIABILITIES PER BOOKS:	
ACCOUNTS PAYABLE - ASSOC COS	\$ 0
ACCUM DEFERRED RETIREMENT BENEFITS	(218,248)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(37,821,171)
ACCUM. PROV. - RATE REFUNDS	0
GAIN ON SALE OF EMISSION ALLOWANCE	(433)
JOBGING ACCOUNTS	(27,459,742)
FUEL CLAUSE – GAS RESERVES	0
POLE ATTACHMENT RENTS PAYABLE	(6,747,032)
SJRPP ACCELERATED RECOVERY	(5,772,205)
ASSET RETIREMENT OBLIGATION	(4,678,265,207)
MARGIN CALL CASH COLLATERAL	(893,687)
STORM DEFICIENCY RECOVERY	(37,033,158)
NUCLEAR COST RECOVERY	(241,630,584)
CEDAR BAY TRANSACTION	(3,846,289)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,039,687,755)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (3,730,212,700)

NOTES:

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 METHODOLOGY FOR MONTHLY COMPOUNDING
 OF THE AFUDC RATE
 DECEMBER, 2019

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING	
$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.23%
$((1+R/12)^{**12}) =$	1.06230000
$(1+R/12) =$	1.00504907
$(R/12) =$	0.00504907

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00504907	0.00504907
FEB	1.00504907	0.00507456	0.01012363
MAR	1.01012363	0.00510018	0.01522381
APR	1.01522381	0.00512593	0.02034975
MAY	1.02034975	0.00515182	0.02550156
JUN	1.02550156	0.00517783	0.03067939
JUL	1.03067939	0.00520397	0.03588336
AUG	1.03588336	0.00523025	0.04111360
SEP	1.04111360	0.00525665	0.04637026
OCT	1.04637026	0.00528319	0.05165345
NOV	1.05165345	0.00530987	0.05696332
DEC	1.05696332	0.00533668	0.06230000

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2019

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI. This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2019 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is \$[REDACTED].⁽¹⁾

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2019

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	<u>\$ 1,252,100,355</u>	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	<u>\$ (1,148,303,252)</u>	
Total Amortization from 1/1/2017 - 12/31/2017	<u>\$ (1,252,100,355)</u>	
Remaining Reserve Amount - 12/31/2017	<u><u>\$0</u></u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	<u>\$ 100,738,501</u>	
Total Amortization from 1/1/2018 - 12/31/2018	<u>\$ 540,949,289</u>	
Remaining Reserve Amount - 12/31/2018	<u><u>\$540,949,289</u></u>	
Actual Amortization from 1/1/2019 - 12/31/2019:		
January, 2019	\$ (84,875,022)	
February, 2019	\$ (33,423,808)	
March, 2019	\$ (37,487,852)	
April, 2019	\$ (1,238,828)	
May, 2019	\$ 48,530,293	
June, 2019	\$ 173,309,107	
July, 2019	\$ 86,035,009	
August, 2019	\$ 52,771,234	
September, 2019	\$ 172,044,151	
October, 2019	\$ 157,733,862	
November, 2019	\$ (657,986)	
December, 2019	<u>\$ (176,076,008)</u>	
Total Amortization from 1/1/2019 - 12/31/2019	<u>\$ 356,664,152</u>	
Reduction in Total Reserve Amount Available Under Current Settlement Agreement	\$ (5,000,000)	PSC-2019-0319-S-EI
Remaining Reserve Amount - 12/31/2019	<u><u>\$892,613,441</u></u>	

Notes:

- (1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI,
(2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.
(3) Available Reserve Amount reduction pursuant to Order No. PSC-2019-0319-S-EI, Docket No. 20180049-EI.



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

February 15, 2021

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

Dear Mr. Fletcher:

Enclosed is Florida Power & Light Company's Rate of Return Surveillance Report to the Florida Public Service Commission for December 2020. This report was prepared using a thirteen-month average and year-end rate base and adjustments consistent with Docket Nos. 160021-EI, 160061-EI, 160062-EI and 160088-EI, Order No. PSC-16-0560-AS-EI. The required rate of return was calculated using the return on common equity as authorized in the aforementioned docket and order. The return on common equity is 11.60%.

This report was prepared consistent with the guidelines provided in Commission Form PSC/AFA 14.

Pursuant to FPSC Order No. PSC-2019-0225-FOF-EI, FPL also provides as Attachment 1 to the Report the monthly amounts of amortization credits or debits to the Reserve Amount during 2020. The balance of the Reserve Amount as of December 31, 2020 is \$893,809,009.

Florida Power & Light Company does not presently have any proforma adjustments to capital structure to report, therefore Schedule 4.2 has not been included in the Earnings Surveillance Report for December 2020.

Sincerely,

A handwritten signature in black ink that reads "David Hughes". The signature is written in a cursive, flowing style.

David Hughes
Assistant Controller, FPL Finance

Enclosures

Copy: Richard Gentry, Office of Public Counsel

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 EARNINGS SURVEILLANCE REPORT SUMMARY
 DECEMBER 2020

SCHEDULE 1 PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 3,135,886,291 (A)	(180,457,256) (B)	2,955,429,035	(187,321,868)	\$ 2,768,107,167
RATE BASE	\$ 42,151,119,364	1,073,028,192	43,224,147,555	0	\$ 43,224,147,555
AVERAGE RATE OF RETURN	7.44%		6.84%		6.40%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 3,135,886,291 (A)	(179,787,245) (B)	2,956,099,046	(187,321,868)	\$ 2,768,777,178
RATE BASE	\$ 44,120,377,400	1,193,725,665	45,314,103,065	0	\$ 45,314,103,065
YEAR END RATE OF RETURN	7.11%		6.52%		6.11%

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

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

LOW	5.89%
MIDPOINT	6.34%
HIGH	6.85%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	6.26	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.13	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	2.82%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	54.02%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	39.34%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	0.93%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.60%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.68%	(PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC 16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

WHOEVER KNOWINGLY MAKES A FALSE STATEMENT IN WRITING WITH THE INTENT TO MISLEAD A PUBLIC SERVANT IN THE PERFORMANCE OF HIS OFFICIAL DUTY SHALL BE GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN S. 775.082, S. 775.083, OR S. 775.084.

KEITH FERGUSON
 (VICE PRESIDENT ACCOUNTING AND CONTROLLER)

Keith Ferguson
 (SIGNATURE)
 on behalf of Keith Ferguson

2/12/2021
 (DATE)

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 RATE BASE
 DECEMBER, 2020

SCHEDULE 2, PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 56,060,089,732	16,688,454,317	39,371,635,415	492,236,647	3,894,085,389	635,391,911	44,393,349,361	(578,540,726)	\$ 43,814,808,635
JURISDICTIONAL PER BOOKS	\$ 53,804,267,416	13,788,257,394	40,016,010,022	468,688,145	3,696,459,789	602,207,993	44,783,365,949	(2,632,246,586)	\$ 42,151,119,364
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (2,128,597,651)	(795,191,549)	(1,333,406,101)	0	(1,484,179,762)	0	(2,817,585,863)	3,890,614,055	\$ 1,073,028,192
FPSC ADJUSTED:	\$ 51,675,669,766	12,993,065,845	38,682,603,921	468,688,145	2,212,280,027	602,207,993	41,965,780,086	1,258,367,469	\$ 43,224,147,555
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 51,675,669,766	12,993,065,845	38,682,603,921	468,688,145	2,212,280,027	602,207,993	41,965,780,086	1,258,367,469	\$ 43,224,147,555

NOTE:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
INCOME STATEMENT
DECEMBER, 2020

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
JURISDICTIONAL PER BOOKS	\$ 10,947,465,103	2,549,508,994	1,488,978,448	1,945,998,904	1,319,615,537	87,008,270	192,423,567	305,115,550	(1,006,319)	7,887,642,952	\$ 3,059,822,151
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(112,987,068)	0	0	0	(125,150,698)	\$ (347,774,277)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	112,958,374	0	0	0	(347,685,959)	347,685,959
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(65,984)	0	0	0	(251,007,426)	(203,098)
FINANCIAL PLANNING SERVICES	0	0	(114,665)	0	0	28,118	0	0	0	(86,547)	86,547
INDUSTRY ASSOCIATION DUES	0	0	(50,969)	0	0	12,499	0	0	0	(38,471)	38,471
ECONOMIC DEVELOPMENT 5% AVIATION - EXPENSES	0	0	(324,738)	0	0	79,632	0	0	0	(245,106)	245,106
EXECUTIVE COMPENSATION	0	0	(61,739)	0	0	15,139	0	0	0	(46,599)	46,599
FUEL COST REC RETAIL	(2,385,747,729)	(2,367,361,437)	(824,824)	0	(873,067)	20,457,090	(25,373,495)	0	0	(2,373,975,733)	(11,771,996)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,743,996	(2,230,776)	0	0	(50,116,457)	(1,202,847)
CAPACITY COST RECOVERY	(260,756,786)	(163,388,575)	(30,419,016)	(13,992,245)	(258,677)	(9,386,255)	(3,655,033)	0	0	(221,099,800)	(39,656,896)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(28,352,566)	(40,912,859)	(236,056)	(23,826,883)	(2,514,548)	0	109,641	(95,733,271)	(80,745,895)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,221)	0	0	0	(14,884)	(16,072)
INTEREST TAX DEFICIENCIES	0	0	356,537	0	0	(87,429)	0	0	0	269,108	(269,108)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,518,061	(4,419,817)	0	0	4,098,244	(4,098,244)
TOTAL FPSC ADJUSTMENTS	\$ (3,599,469,440)	(2,530,750,012)	(144,866,982)	(62,764,757)	(725,864,714)	8,254,170	(38,193,669)	0	109,641	(3,494,076,323)	\$ (104,393,117)
FPSC ADJUSTED	\$ 7,348,995,663	18,758,982	1,344,111,466	1,883,234,147	593,750,823	95,262,441	154,229,898	305,115,550	(896,678)	4,393,566,628	\$ 2,955,429,035
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,100,636,685	18,758,982	1,343,932,647	1,883,234,147	593,750,823	34,404,149	154,229,898	305,115,550	(896,678)	4,332,529,518	\$ 2,768,107,167
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 78,970,399										
	\$ 76,064,139										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 6,704,569										
ON A JURISDICTIONAL BASIS	\$ 6,494,753										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 812,174,455	199,239,220	350,556,447	(17,439,537)	103,048,205	(180,782,173)	107,519,101	103,309,469	(190,187)	665,260,545	\$ 146,913,911
JURISDICTIONAL PER BOOKS	\$ 783,292,458	189,599,363	344,761,949	(20,337,611)	101,254,738	(170,938,840)	99,819,140	99,694,523	(184,952)	643,668,310	\$ 139,624,148

NOTES:

- (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
(2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2020

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,524,717,127	\$ 1,455,164,499
FUEL AND CAPACITY	178,273,164	170,570,396
CAPITALIZED EXECUTIVE COMPENSATION	42,221,787	40,900,474
LOAD CONTROL	41,627,753	41,627,753
ASSET RETIREMENT OBLIGATION	333,293,259	322,862,991
CAPITAL LEASES	100,620,409	97,471,537
TOTAL	<u>\$ 2,220,753,499</u>	<u>\$ 2,128,597,651</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (381,617,802)	\$ (364,209,641)
ACCUM PROV DECOMMISSIONING COSTS	(5,075,650,175)	(4,859,511,023)
ASSET RETIREMENT OBLIGATION	(28,559,200)	(27,665,452)
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	4,710,625,554	4,563,208,573
FUEL AND CAPACITY	(49,046,859)	(46,815,273)
OTHER RATE CASE ADJUSTMENTS (1)	18,565	18,565
LOAD CONTROL	(22,489,982)	(22,489,982)
CAPITAL LEASES	(38,946,118)	(37,727,316)
TOTAL	<u>\$ (885,666,016)</u>	<u>\$ (795,191,549)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,519,251,431	\$ 1,414,530,396
CWIP - CLAUSE PROJECTS	72,830,621	69,649,366
TOTAL	<u>\$ 1,592,082,052</u>	<u>\$ 1,484,179,762</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (4,003,533,505)	\$ (3,890,614,055)
TOTAL ADJUSTMENTS	<u>\$ (1,076,363,969)</u>	<u>\$ (1,073,028,192)</u>

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 AVERAGE RATE OF RETURN
 SYSTEM ADJUSTMENTS
 INCOME STATEMENT
 DECEMBER, 2020

SCHEDULE 2: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(114,305,081)	0	0	0	(126,548,711)	\$ (346,376,264)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	114,356,282	0	0	0	(346,288,052)	346,288,052
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(66,644)	0	0	0	(251,008,086)	(202,438)
FINANCIAL PLANNING SERVICES	0	0	(118,369)	0	0	30,427	0	0	0	(87,942)	87,942
INDUSTRY ASSOCIATION DUES	0	0	(52,616)	0	0	17,963	0	0	0	(34,623)	34,623
ECONOMIC DEVELOPMENT 5%	0	0	(335,228)	0	0	82,904	0	0	0	(252,325)	252,325
AVIATION - EXPENSES	0	0	(63,733)	0	0	15,897	0	0	0	(47,836)	47,836
EXECUTIVE COMPENSATION	0	0	(45,714,800)	0	0	11,346,154	0	0	0	(34,368,646)	34,368,646
FUEL COST RECOVERY	(2,500,496,315)	(2,487,689,161)	(825,953)	0	(874,382)	22,424,535	(25,657,563)	0	0	(2,492,622,524)	(7,873,791)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,745,796	(2,230,776)	0	0	(50,114,657)	(1,204,647)
CAPACITY COST RECOVERY	(261,033,781)	(170,611,942)	(31,760,482)	(14,610,839)	(265,363)	(7,263,250)	(3,655,033)	0	0	(228,166,909)	(32,866,873)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(29,705,227)	(42,868,375)	(243,774)	(23,283,894)	(2,514,548)	0	114,882	(98,500,937)	(77,978,230)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,119)	0	0	0	(14,782)	(16,174)
INTEREST TAX DEFICIENCIES	0	0	368,055	0	0	(91,517)	0	0	0	276,538	(276,538)
INTEREST SYNCHRONIZATION	0	0	0	0	0	8,760,115	(4,562,602)	0	0	4,197,513	(4,197,513)
TOTAL FPSC ADJUSTMENTS	\$ (3,713,495,022)	(2,658,301,103)	(148,999,182)	(65,338,867)	(725,880,434)	13,625,415	(38,620,522)	0	114,882	(3,623,399,811)	\$ (90,095,211)
FPSC ADJUSTED	\$ 7,659,904,113	19,810,336	1,386,325,585	1,959,090,335	615,162,597	104,302,644	163,795,974	316,179,110	(896,678)	4,563,769,903	\$ 3,096,134,210
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,411,545,134	19,810,336	1,386,146,767	1,959,090,335	615,162,597	43,444,352	163,795,974	316,179,110	(896,678)	4,502,732,792	\$ 2,908,812,342
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY											
	\$ 78,970,399										

NOTES:
 (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
 (2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.
 THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
DECEMBER, 2020

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	116,704,520	115,358,282
INTEREST & DIVIDENDS RECEIVABLE	218,223	211,113
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	40,251,244	41,267,019
POLE ATTACHMENTS RENTS RECEIVABLE	26,929,476	26,052,091
PREPAYMENTS - SWA	41,671,975	41,671,975
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	5,675,913	5,481,615
TEMPORARY CASH INVESTMENTS	188,008,569	181,883,089
JOBGING ACCOUNTS	29,763,980	28,794,244
OTH REG ASSETS - CLAUSES	8,128,928	7,746,626
FUEL COST RECOVERY - GPIF	5,538,640	5,278,159
CEDAR BAY TRANSACTION	408,555,738	391,258,308
ICL TRANSACTION	275,916,666	264,234,908
SJRPP TRANSACTION	75,069,337	71,748,048
EARLY RETIRED ASSETS - ECRC	134,471,418	128,337,235
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 1,356,904,627	\$ 1,309,322,712
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCOUNTS PAYABLE - ASSOC COS	34,615,385	33,487,581
ACCUM DEFERRED RETIREMENT BENEFITS	(106,749)	(103,408)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(80,641,338)	(80,641,338)
ACCUM. PROV. - RATE REFUNDS	(3,449,540)	0
GAIN ON SALE OF EMISSION ALLOWANCE	(243)	(231)
JOBGING ACCOUNTS	(24,936,365)	(24,123,917)
SJRPP ACCELERATED RECOVERY	(3,445,076)	(3,299,219)
STORM DEFICIENCY RECOVERY	(7,313,644)	(7,313,644)
ASSET RETIREMENT OBLIGATION	(5,015,359,613)	(4,858,406,112)
MARGIN CALL CASH COLLATERAL	(902,331)	(872,933)
NUCLEAR COST RECOVERY	(241,630,584)	(241,630,584)
CEDAR BAY TRANSACTION	(3,286,909)	(3,147,748)
OTH REG LIAB - CLAUSES	(13,981,124)	(13,885,214)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (5,360,438,131)	\$ (5,199,936,767)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ (4,003,533,505)	\$ (3,890,614,055)

NOTES:

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR-END RATE OF RETURN
 RATE BASE
 DECEMBER, 2020

SCHEDULE 3, PAGE 1 OF 3

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 57,906,627,493	17,132,227,272	40,774,400,221	505,308,534	4,545,461,755	666,296,436	46,491,468,947	(578,540,726)	\$ 45,912,928,221
JURISDICTIONAL PER BOOKS	\$ 55,581,330,595	14,252,965,160	41,328,365,434	481,183,279	4,311,574,876	631,500,397	46,752,623,986	(2,632,246,586)	\$ 44,120,377,400
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,892,945,794)	(772,946,496)	(1,119,999,299)	0	(1,576,889,091)	0	(2,696,886,390)	3,890,614,055	\$ 1,193,725,665
FPSC ADJUSTED:	\$ 53,688,384,800	13,480,018,665	40,208,366,136	481,183,279	2,734,685,784	631,500,397	44,055,735,596	1,258,367,469	\$ 45,314,103,065
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 53,688,384,800	13,480,018,665	40,208,366,136	481,183,279	2,734,685,784	631,500,397	44,055,735,596	1,258,367,469	\$ 45,314,103,065

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 DECEMBER, 2020

SCHEDULE 3, PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
		FUEL & NET INTERCHANGE	OTHER								
SYSTEM PER BOOKS	\$ 11,373,399,134	2,678,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
JURISDICTIONAL PER BOOKS	\$ 10,947,465,103	2,549,508,994	1,488,978,448	1,945,998,904	1,319,615,537	87,008,270	192,423,567	305,115,550	(1,006,319)	7,887,642,952	\$ 3,059,822,151
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(112,987,068)	0	0	0	(125,150,698)	\$ (347,774,277)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	112,958,374	0	0	0	(347,685,959)	347,685,959
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(65,984)	0	0	0	(251,007,426)	(203,098)
FINANCIAL PLANNING SERVICES	0	0	(114,665)	0	0	28,118	0	0	0	(86,547)	86,547
INDUSTRY ASSOCIATION DUES	0	0	(50,969)	0	0	12,499	0	0	0	(38,471)	38,471
ECONOMIC DEVELOPMENT 5%	0	0	(324,738)	0	0	79,632	0	0	0	(245,106)	245,106
AVIATION - EXPENSES	0	0	(61,739)	0	0	15,139	0	0	0	(46,599)	-46,599
EXECUTIVE COMPENSATION	0	0	(44,284,175)	0	0	10,859,286	0	0	0	(33,424,889)	33,424,889
FUEL COST REC RETAIL	(2,385,747,729)	(2,367,361,437)	(824,824)	0	(873,067)	20,457,090	(25,373,495)	0	0	(2,373,975,733)	(11,771,996)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,743,996	(2,230,776)	0	0	(50,116,457)	(1,202,847)
CAPACITY COST RECOVERY	(260,756,766)	(163,388,575)	(30,419,016)	(13,992,245)	(258,677)	(9,386,255)	(3,655,033)	0	0	(221,099,800)	(39,556,966)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(28,352,566)	(40,912,859)	(236,056)	(23,828,863)	(2,514,548)	0	109,641	(99,733,271)	(80,745,895)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,221)	0	0	0	(14,884)	(16,072)
INTEREST TAX DEFICIENCIES	0	0	356,537	0	0	(87,429)	0	0	0	269,108	(269,108)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,848,050	(4,419,817)	0	0	3,428,233	(3,428,233)
TOTAL FPSC ADJUSTMENTS	\$ (3,598,469,440)	(2,530,750,012)	(144,866,982)	(62,764,757)	(725,864,714)	7,584,159	(38,193,669)	0	109,641	(3,494,746,334)	\$ (103,723,105)
FPSC ADJUSTED	\$ 7,348,995,663	18,758,982	1,344,111,466	1,883,234,147	593,750,823	94,592,430	154,229,898	305,115,550	(896,678)	4,392,896,617	\$ 2,956,099,046
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,100,636,685	18,758,982	1,343,932,647	1,883,234,147	593,750,823	33,734,138	154,229,898	305,115,550	(896,678)	4,331,859,507	\$ 2,768,777,178
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 78,970,399										
	\$ 76,064,139										

NOTES:
 (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
 (2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 SYSTEM ADJUSTMENTS
 DECEMBER, 2020

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,582,210,839	\$ 1,510,035,535
FUEL AND CAPACITY	186,347,670	178,303,044
CAPITALIZED EXECUTIVE COMPENSATION	47,718,326	46,225,002
LOAD CO d	40,416,718	40,416,718
ASSET RETIREMENT OBLIGATION	33,028,710	31,995,090
CAPITAL LEASES	88,747,727	85,970,405
TOTAL	<u>\$ 1,978,469,990</u>	<u>\$ 1,892,945,794</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (406,994,767)	\$ (388,428,992)
ACCUM PROV DECOMMISSIONING COSTS	(5,700,735,430)	(5,457,977,935)
ASSET RETIREMENT OBLIGATION	59,302,054	57,446,222
ASSET RETIREMENT OBLIGATION DECOMMISSIONING	5,293,048,004	5,127,404,365
FUEL AND CAPACITY	(49,436,764)	(47,188,671)
OTHER RATE CASE ADJUSTMENTS (1)	241,350	241,350
LOAD CONTROL	(23,589,899)	(23,589,899)
CAPITAL LEASES	(42,172,713)	(40,852,936)
TOTAL	<u>\$ (870,338,165)</u>	<u>\$ (772,946,496)</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 1,673,778,638	\$ 1,555,816,067
CWIP - CLAUSE PROJECTS	21,862,248	21,073,024
TOTAL	<u>\$ 1,695,640,886</u>	<u>\$ 1,576,889,091</u>
NUCLEAR FUEL:		
NUCLEAR FUEL IN PROCESS	\$ 0	\$ 0
NUCLEAR FUEL CAPITAL LEASES	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ (4,003,533,505)	\$ (3,890,614,055)
TOTAL ADJUSTMENTS	<u>\$ (1,199,760,793)</u>	<u>\$ (1,193,725,665)</u>

NOTES:

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

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 YEAR END RATE OF RETURN
 SYSTEM ADJUSTMENTS
 INCOME STATEMENT
 DECEMBER, 2020

SCHEDULE 3- PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 11,373,389,134	2,676,111,438	1,535,324,767	2,024,429,202	1,341,043,031	90,677,229	202,416,496	316,179,110	(1,011,559)	8,187,169,713	\$ 3,186,229,421
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (472,924,975)	0	(148,904)	0	(12,014,726)	(114,385,061)	0	0	0	(126,548,711)	\$ (346,376,264)
FRANCHISE EXPENSE	0	0	0	0	(460,644,334)	114,356,282	0	0	0	(346,288,052)	346,288,052
GROSS RECEIPTS TAX	(251,210,524)	0	0	0	(250,941,442)	(66,644)	0	0	0	(251,008,086)	(202,438)
FINANCIAL PLANNING SERVICES	0	0	(118,369)	0	0	30,427	0	0	0	(87,942)	87,942
INDUSTRY ASSOCIATION DUES	0	0	(52,616)	0	0	17,993	0	0	0	(34,623)	34,623
ECONOMIC DEVELOPMENT 5%	0	0	(335,228)	0	0	82,904	0	0	0	(252,325)	252,325
AVIATION - EXPENSES	0	0	(63,733)	0	0	15,897	0	0	0	(47,836)	47,836
EXECUTIVE COMPENSATION	0	0	(45,714,800)	0	0	11,346,154	0	0	0	(34,368,646)	34,368,646
FUEL COST REC RETAIL	(2,500,496,315)	(2,487,689,161)	(825,953)	0	(874,382)	22,424,535	(25,657,963)	0	0	(2,492,622,524)	(7,873,791)
CONSERVATION COST RECOVERY	(51,319,304)	0	(40,632,262)	(8,101,002)	(896,413)	1,745,796	(2,230,776)	0	0	(50,114,657)	(1,204,647)
CAPACITY COST RECOVERY	(261,033,781)	(170,611,942)	(31,760,482)	(14,610,839)	(265,363)	(7,263,250)	(3,655,033)	0	0	(228,166,909)	(32,866,873)
ENVIRONMENTAL COST RECOVERY	(176,479,166)	0	(29,705,227)	(42,866,375)	(243,774)	(23,283,894)	(2,514,548)	0	114,882	(88,500,037)	(77,978,230)
OTHER RATE CASE ADJUSTMENTS (1)	0	0	0	241,350	0	(59,183)	0	0	0	182,167	(182,167)
STORM DEFICIENCY RECOVERY	(30,956)	0	(9,663)	0	0	(5,119)	0	0	0	(14,782)	(16,174)
INTEREST TAX DEFICIENCIES	0	0	368,055	0	0	(91,517)	0	0	0	276,538	(276,538)
INTEREST SYNCHRONIZATION	0	0	0	0	0	7,913,878	(4,562,602)	0	0	3,351,276	(3,351,276)
TOTAL FPSC ADJUSTMENTS	\$ (3,713,495,022)	(2,658,301,103)	(148,999,182)	(65,338,867)	(725,880,434)	12,779,179	(38,620,522)	0	114,882	(3,624,246,047)	\$ (89,248,974)
FPSC ADJUSTED	\$ 7,659,904,113	19,810,336	1,386,325,585	1,959,090,335	615,162,597	103,456,408	163,795,974	316,179,110	(896,678)	4,562,923,666	\$ 3,096,980,447
PRO FORMA ADJUSTMENTS											
WEATHER NORMALIZATION ADJUSTMENT (2)	\$ (248,358,978)	0	(178,818)	0	0	(60,858,292)	0	0	0	(61,037,111)	\$ (187,321,868)
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 7,411,545,134	19,810,336	1,386,146,767	1,959,090,335	615,162,597	42,598,115	163,795,974	316,179,110	(896,678)	4,501,886,556	\$ 2,909,658,579
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 78,970,399										

NOTES:
 (1) REFLECTS A PORTION OF THE DEPRECIATION/DISMANTLEMENT RESERVE SURPLUS ADJUSTMENT PROVIDED UNDER ORDER NO. PSC-16-0560-AS-EI.
 (2) ADJUSTMENT TO NORMALIZE BASE REVENUES AS A RESULT OF ABNORMAL WEATHER CONDITIONS EXPERIENCED DURING THE PERIOD.
 THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 DECEMBER, 2020

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
LONG TERM DEBT	\$ 13,600,790,591	\$ 13,080,690,152	\$ 431,238,052	\$ (65,225,836)	\$ 13,446,702,368	31.11%	3.96%	1.23%	3.96%	1.23%	3.96%	1.23%
SHORT TERM DEBT	320,487,164	308,220,905	10,212,204	0	318,433,109	0.74%	0.92%	0.01%	0.92%	0.01%	0.92%	0.01%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	20,550,559,958	19,764,012,118	654,835,961	(0)	20,418,848,080	47.24%	9.60%	4.53%	10.55%	4.98%	11.60%	5.48%
CUSTOMER DEPOSITS	406,324,542	405,991,577	13,451,615	0	419,443,192	0.97%	2.16%	0.02%	2.16%	0.02%	2.16%	0.02%
DEFERRED INCOME TAX	(1) 4,977,851,054	4,785,843,843	154,299,381	(128,838,100)	4,811,305,124	11.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,292,179,909	3,166,175,703	104,904,090	(0)	3,271,079,793	7.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	(2) 666,615,416	640,185,065	17,264,524	(119,113,701)	538,335,889	1.25%	7.36%	0.09%	7.93%	0.10%	8.57%	0.11%
TOTAL	\$ 43,814,808,635	\$ 42,151,119,364	\$ 1,386,205,828	\$ (313,177,637)	\$ 43,224,147,555	100.00%		5.89%		6.34%		6.85%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
LONG TERM DEBT	\$ 14,092,505,646	\$ 13,538,693,710	\$ 458,371,460	\$ (50,599,084)	\$ 13,946,466,087	30.78%	3.81%	1.17%	3.81%	1.17%	3.81%	1.17%
SHORT TERM DEBT	1,377,913,550	1,323,726,027	44,984,725	(0)	1,368,710,752	3.02%	0.38%	0.01%	0.38%	0.01%	0.38%	0.01%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	20,884,490,920	20,063,192,058	681,815,697	(0)	20,745,007,756	45.78%	9.60%	4.39%	10.55%	4.83%	11.60%	5.31%
CUSTOMER DEPOSITS	385,058,379	384,728,211	13,074,377	0	397,802,588	0.88%	2.20%	0.02%	2.20%	0.02%	2.20%	0.02%
DEFERRED INCOME TAX	5,189,795,601	4,984,317,740	165,005,759	(128,838,100)	5,020,485,399	11.08%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,202,379,187	3,076,443,133	104,548,031	0	3,180,991,164	7.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	(2) 780,784,738	749,276,520	21,515,700	(116,152,900)	654,639,319	1.44%	7.24%	0.10%	7.84%	0.11%	8.44%	0.12%
TOTAL	\$ 45,912,928,221	\$ 44,120,377,400	\$ 1,489,315,749	\$ (295,590,084)	\$ 45,314,103,065	100.00%		5.70%		6.15%		6.64%

NOTE:
 (1) SYSTEM PER BOOKS INCLUDES APPROXIMATELY \$2,797 MILLION OF EXCESS DEFERRED TAXES.
 (2) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
 (3) COLUMNS MAY NOT FOOT DUE TO ROUNDING

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 DECEMBER, 2020

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 3,241,072,033
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	18,001,981
INCOME TAXES	596,205,447
TOTAL	\$ 3,855,279,461
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 615,795,670
TIMES INTEREST EARNED WITH AFUDC	6.26

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 3,241,072,033
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(60,968,418)
INCOME TAXES	596,205,447
TOTAL	\$ 3,776,309,062
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 615,795,670
TIMES INTEREST EARNED WITHOUT AFUDC	6.13

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION X (1 - INCOME TAX RATE)	\$ 18,001,981
SUBTOTAL	0.7548
	\$ 13,587,568
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	60,968,418
TOTAL	\$ 74,555,985
NET INCOME AVAILABLE FOR COMMON	\$ 2,643,278,343
AFUDC AS PERCENT OF NET INCOME	2.82%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 2,643,278,343
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(2,210,000,000)
AFUDC (DEBT & OTHER)	(78,970,399)
DEPRECIATION AND AMORTIZATION EXPENSE	2,024,429,202
DEFERRED INCOME TAXES	197,873,248
INVESTMENT TAX CREDITS	316,179,110
CLAUSE OVER/UNDER RECOVERY	34,960,847
OTHER	30,179,083
INTERNALLY GENERATED FUNDS	\$ 2,957,929,435
CONSTRUCTION EXPENDITURES	\$ 5,475,129,749
PERCENT INTERNALLY GENERATED FUNDS	54.02%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	
JURIS ADJUSTED LONG TERM DEBT	\$ 13,446,702,368
JURIS ADJUSTED SHORT TERM DEBT	318,433,109
JURIS ADJUSTED PREFERRED STOCK	0
JURIS ADJUSTED COMMON STOCK	20,418,848,080
TOTAL	\$ 34,183,983,557
LTD TO TOTAL INVESTOR FUNDS	39.34%
STD TO TOTAL INVESTOR FUNDS	0.93%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	6.84%	6.40%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR:		
LONG TERM DEBT	1.23%	1.23%
SHORT TERM DEBT	0.01%	0.01%
PREFERRED STOCK	0.00%	0.00%
CUSTOMER DEPOSITS	0.02%	0.02%
TAX CREDITS - WEIGHTED COST	0.10%	0.10%
SUBTOTAL	1.36%	1.36%
TOTAL	5.48%	5.05%
DIVIDED BY COMMON EQUITY RATIO	47.24%	47.24%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.60%	10.68%

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 BASIS FOR THE REQUESTED AFUDC RATE
 FPSC ADJUSTED BASIS
 DECEMBER, 2020

SCHEDULE A: PAGE 1 OF 1

CAPITAL COMPONENTS	JURISDICTIONAL AVERAGE	CAPITAL RATIO	COST OF CAPITAL	AFUDC WEIGHTED COMPONENTS
LONG TERM DEBT	\$ 13,446,702,368	31.11%	3.81%	1.19%
SHORT TERM DEBT	318,433,109	0.74%	0.92% *	0.01%
PREFERRED STOCK	-	0.00%	0.00%	0.00%
CUSTOMER DEPOSITS	419,443,192	0.97%	2.16% *	0.02%
COMMON EQUITY	20,418,848,080	47.24%	10.55%	4.98%
DEFERRED INCOME TAX	4,811,305,124	11.13%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,271,079,793	7.57%	0.00%	0.00%
INVESTMENT TAX CREDITS	538,335,889	1.25%	0.00%	0.00%
TOTAL	\$ 43,224,147,555	100.00%		6.20%

* 13-MONTH AVERAGE

NOTE:
 EFFECTIVE JANUARY 1, 2019 THE COMMISSION APPROVED AFUDC RATE IS 6.22%

FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
DECEMBER, 2020

SCHEDULE B: PAGE 1 OF 1

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 2	ADJUSTMENTS (1), (2)		ADJUSTED RETAIL 8
			PRO RATA 6	SPECIFIC 7	
LONG TERM DEBT	\$ 13,600,790,591	\$ 13,080,690,152	\$ 431,238,052	\$ (65,225,836)	\$ 13,446,702,368
SHORT TERM DEBT	320,487,164	308,220,905	10,212,204	0	318,433,109
PREFERRED STOCK	-	-	-	-	-
COMMON EQUITY	20,550,559,958	19,764,012,118	654,835,961	(0)	20,418,848,080
CUSTOMER DEPOSITS	406,324,542	405,991,577	13,451,615	0	419,443,192
DEFERRED INCOME TAX	4,977,851,054	4,785,843,843	154,299,381	(128,838,100)	4,811,305,124
FAS 109 DEFERRED INCOME TAX	3,292,179,909	3,166,175,703	104,904,090	(0)	3,271,079,793
INVESTMENT TAX CREDITS	666,615,416	640,185,065	17,264,524	(119,113,701)	538,335,889
TOTAL	\$ 43,814,808,635	\$ 42,151,119,364	\$ 1,386,205,828	\$ (313,177,637)	\$ 43,224,147,555

NOTE:

- (1) FOR RATE BASE ADJUSTMENTS SEE SCHEDULE 2 PAGE 3
- (2) FOR WORKING CAPITAL ADJUSTMENTS SEE SCHEDULE 2 PAGE 3B
- (3) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

FLORIDA POWER & LIGHT COMPANY
 AND SUBSIDIARIES
 METHODOLOGY FOR MONTHLY COMPOUNDING
 OF THE AFUDC RATE
 DECEMBER, 2020

SCHEDULE C: PAGE 1 OF 1

AFUDC COMPOUNDING

$((1+R/12)^{**12})-1 =$	APPROVED RATE
$((1+R/12)^{**12})-1 =$	6.20%
$((1+R/12)^{**12}) =$	1.06200000
$(1+R/12) =$	1.00502541
$(R/12) =$	0.00502541

<u>MONTHS</u>	<u>AFUDC BASE</u>	<u>MONTHLY AFUDC</u>	<u>CUMULATIVE AFUDC</u>
JAN	1.00000000	0.00502541	0.00502541
FEB	1.00502541	0.00505067	0.01007608
MAR	1.01007608	0.00507605	0.01515213
APR	1.01515213	0.00510156	0.02025369
MAY	1.02025369	0.00512720	0.02538088
JUN	1.02538088	0.00515296	0.03053384
JUL	1.03053384	0.00517886	0.03571270
AUG	1.03571270	0.00520488	0.04091758
SEP	1.04091758	0.00523104	0.04614862
OCT	1.04614862	0.00525733	0.05140595
NOV	1.05140595	0.00528375	0.05668970
DEC	1.05668970	0.00531030	0.06200000

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FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES
SUPPLEMENTAL EARNINGS SURVEILLANCE INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER, 2020

SCHEDULE D: PAGE 1 OF 1

CONFIDENTIAL

CSA-1

The information below is presented to comply with Order No. PSC-14-0197-PAA-EI, Docket No. 140048-EI.

This supplemental information is to be treated as confidential. The total difference for all executed Contract Service Arrangements (CSAs) between the calendar year 2020 revenues that would have been received under the otherwise applicable tariff rate(s) and the CISR rate is \$ [REDACTED] ⁽¹⁾

Footnotes:

(1) Please note that, but for the Commercial Industrial Service Rider, FPL would not serve this load and would receive no revenues for it.

RESERVE AMOUNT BALANCE AS OF DECEMBER 31, 2020

ATTACHMENT 1

	AMOUNT	RELATED ORDER
Rollover Reserve Amount - 12/31/2016 ⁽¹⁾	\$ 252,100,355	
Depreciation Reserve Surplus Approved by FPSC - 1/1/2017	\$ 1,000,000,000	PSC-16-0560-AS-EI
Total Reserve Amount Available Under Current Settlement Agreement	\$ 1,252,100,355	
Actual Amortization from 1/1/2017 - 12/31/2017:		
January, 2017	\$ (125,223,511)	
February, 2017	\$ (35,682,879)	
March, 2017	\$ (52,328,640)	
April, 2017	\$ 26,451,730	
May, 2017	\$ (36,038,470)	
June, 2017	\$ (7,408,419)	
July, 2017	\$ 25,671,697	
August, 2017	\$ 22,847,456	
September, 2017	\$ 75,509,428	
October, 2017	\$ 54,523,942	
November, 2017	\$ (52,119,437)	
December, 2017 ⁽²⁾	\$ (1,148,303,252)	
Total Amortization from 1/1/2017 - 12/31/2017	\$ (1,252,100,355)	
Remaining Reserve Amount - 12/31/2017	<u>\$ 0</u>	
Actual Amortization from 1/1/2018 - 12/31/2018:		
January, 2018	\$ -	
February, 2018	\$ -	
March, 2018	\$ -	
April, 2018	\$ -	
May, 2018	\$ -	
June, 2018	\$ -	
July, 2018	\$ 51,958,256	
August, 2018	\$ 55,277,885	
September, 2018	\$ 193,713,805	
October, 2018	\$ 125,007,557	
November, 2018	\$ 14,253,285	
December, 2018	\$ 100,738,501	
Total Amortization from 1/1/2018 - 12/31/2018	\$ 540,949,289	
Remaining Reserve Amount - 12/31/2018	<u>\$540,949,289</u>	
Actual Amortization from 1/1/2019 - 12/31/2019:		
January, 2019	\$ (84,875,022)	
February, 2019	\$ (33,423,808)	
March, 2019	\$ (37,487,852)	
April, 2019	\$ (1,238,828)	
May, 2019	\$ 48,530,293	
June, 2019	\$ 173,309,107	
July, 2019	\$ 86,035,009	
August, 2019	\$ 52,771,234	
September, 2019	\$ 172,044,151	
October, 2019	\$ 157,733,862	
November, 2019	\$ (657,986)	
December, 2019	\$ (176,076,008)	
Total Amortization from 1/1/2019 - 12/31/2019	\$ 356,664,152	
Actual Amortization from 1/1/2020 - 12/31/2020:		
January, 2020	\$ (114,482,970)	
February, 2020	\$ (45,574,339)	
March, 2020	\$ 11,911,325	
April, 2020	\$ 5,861,698	
May, 2020	\$ (5,982,714)	
June, 2020	\$ (9,495,711)	
July, 2020	\$ 41,960,553	
August, 2020	\$ 78,526,460	
September, 2020	\$ 137,409,299	
October, 2020	\$ 117,397,423	
November, 2020	\$ (26,854,283)	
December, 2020	\$ (189,481,173)	
Total Amortization from 1/1/2020 - 12/31/2020	\$ 1,195,568	
Reduction in Total Reserve Amount Available Under Current Settlement Agreement	\$ (5,000,000)	PSC-2019-0319-S-EI
Remaining Reserve Amount - 12/31/2020	<u>\$893,809,009</u>	

Notes:

- (1) Rollover Reserve Amount provided pursuant to Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI.
 (2) The December 2017 amortization amount is a partial offset to the \$1.3 billion Hurricane Irma restoration cost write-off.
 (3) Available Reserve Amount reduction pursuant to Order No. PSC-2019-0319-S-EI, Docket No. 20180049-EI.

April 29, 2021

spglobal.com/marketintelligence

RRA Regulatory Focus Florida Regulatory Review



RRA evaluation

Florida regulation is viewed as quite constructive from an investor perspective by Regulatory Research Associates, a group within S&P Global Market Intelligence. In recent years, the Florida Public Service Commission has issued a number of decisions, most of which adopted multiyear settlements that were supportive of the utilities' financial health. Florida has not restructured its electric industry, and the state's utilities remain vertically integrated and are regulated within a traditional framework. PSC-adopted equity returns have tended to exceed industry averages when established, and the commission utilizes forecast test years and frequently authorizes interim rate increases. As a result, utilities are generally accorded a reasonable opportunity to earn the authorized returns. In addition, a constructive framework is in place for new nuclear and integrated gasification combined cycle coal power plants that allows a cash return on construction work in progress for these investments outside of the base rate case process. Whether any of the state's electric utilities will proceed with the construction of nuclear power plants in the foreseeable future remains questionable given the challenges such projects posed for utilities in neighboring states in recent years. State law permits the electric utilities to securitize certain nuclear generation retirement or abandonment costs, and one of the state's major companies has done so. Mechanisms are in place that allow utilities to reflect in rates, on a timely basis, changes in fuel, purchased power, certain new generation,

Florida Public Service Commission

2540 Shumard Oak Blvd.
Tallahassee, FL 32399 0850
(800) 342-3552

No. of commissioners:
5 full-time

Method selection: Gubernatorial appointment, from candidates proposed by the Nominating Council, Senate confirmation

Term of office:
4 years, staggered terms

Chairman: Elected by fellow commissioners for a two-year term

Governor: Republican Ron DeSantis, serving a four-year term extending to January 2023

Please note that the sections below are updated through 4/29/21, but are maintained on a real-time basis in the Commission Profiles section of our website

Current Florida PSC commissioners

Commissioners	Party	Began serv.	Term ends	Background
Gary F. Clark (Chairman)	R	Sept-17	Jan-23	Deputy Secretary at Florida Dept. of Environmental Protection; VP of Member Services at West Florida Electric
Arthur Graham	R	July-10	Jan-22	Engineer; environmental consultant; Jacksonville, FL City Council
Andrew Giles Fay	R	Feb-18	Jan-22	Special counsel and director of legislative affairs, cabinet affairs and public policy for Attorney General Pam Bondi
Mike La Rosa	R	Jan-21	Jan-25	Representative, Florida House of Representatives 2012-2020; Founder La Rosa Development and La Rosa Realty

Vacancy

As of Feb. 25, 2021.

Source: Regulatory Research Associates, a group within S&P Global Market Intelligence

Dan Lowrey, CFA
Senior Research Analyst

Sales & subscriptions
Sales_NorthAm@spglobal.com

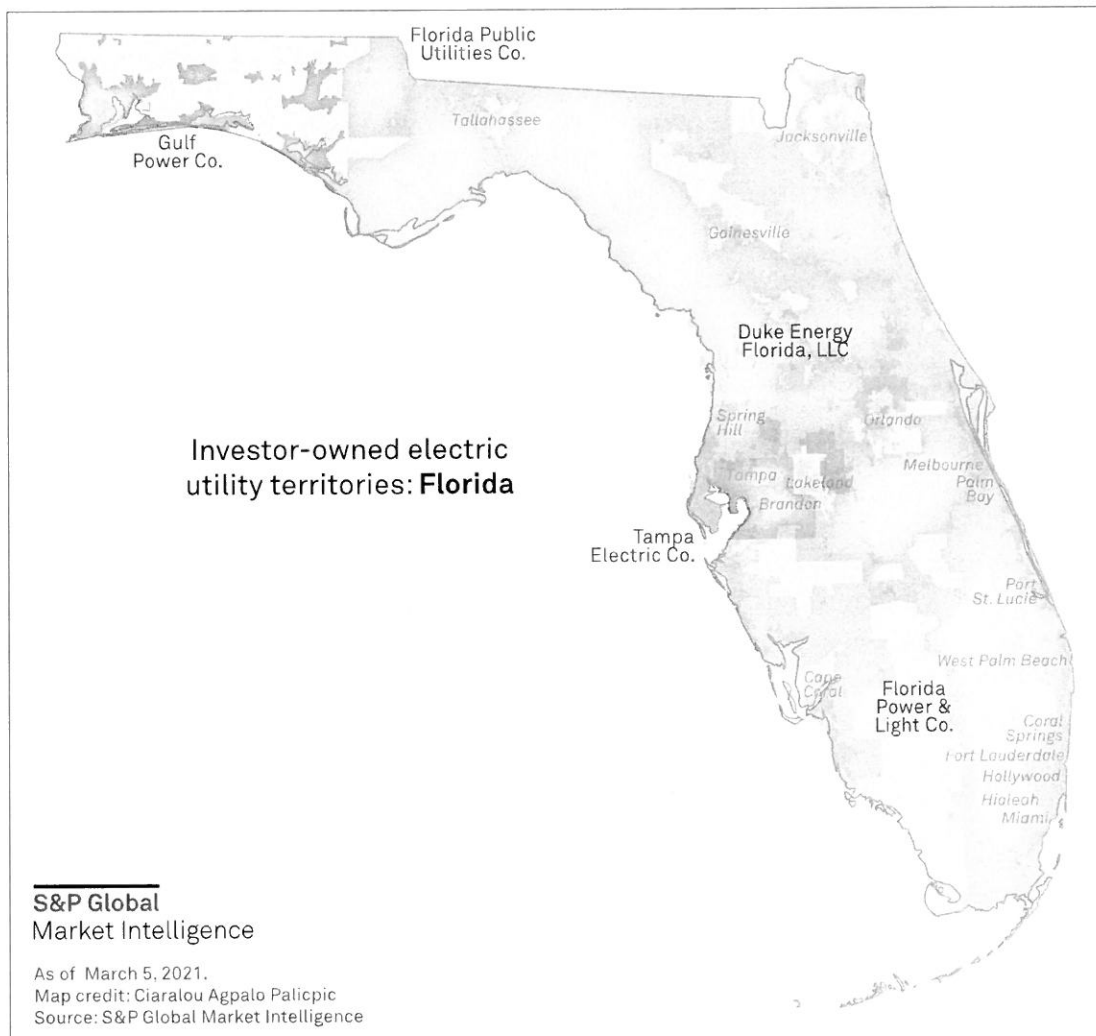
Enquiries
support.mi@spglobal.com

conservation, environmental compliance, purchased gas and other costs. Additionally, the state has been very proactive in providing utilities cost-recovery mechanisms for costs related to major storms. Additionally, in 2019 the state adopted a Storm Protection Plan Cost Recovery Clause that allows utilities to seek more timely recovery of storm hardening investments outside a general rate case. RRA currently accords Florida regulation an Above Average/2 ranking. (Section updated 4/29/21)

Miscellaneous

Commissioner selection criteria — Commissioners are appointed by the governor from a list of nominees submitted by a 12-member PSC Nominating Council. Senate confirmation is required.

Commission chairmanship — The Chairman is elected by his/her fellow commissioners for a two-year term. Commissioner Gary F. Clark was re-elected PSC chairman for a term ending Jan. 1, 2023, when his term as commissioner ends. He was previously elected to serve as PSC chairman from January 2020 through January 2022.



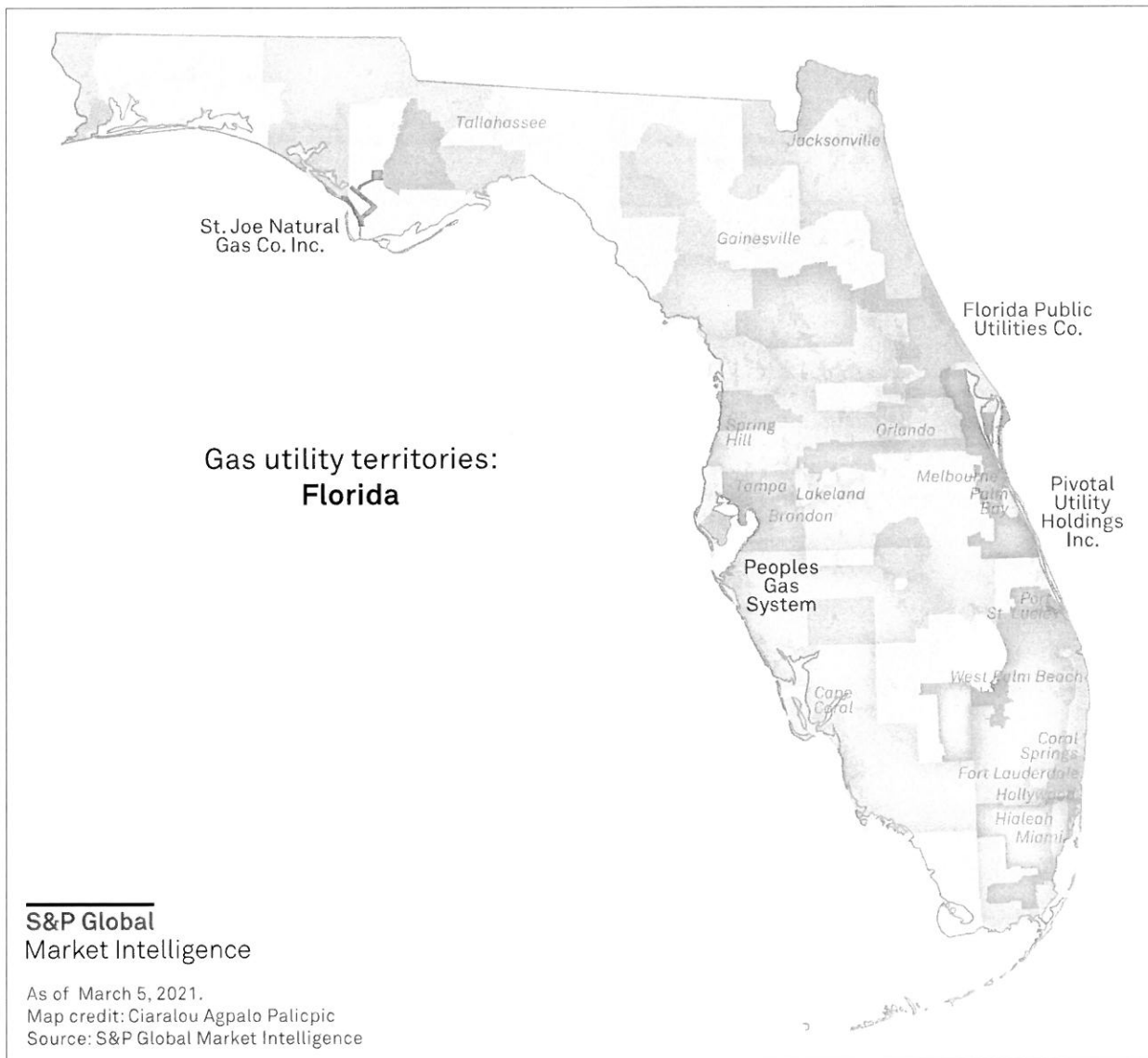
S&P Global
Market Intelligence

Regulatory Focus: State Regulatory Review

Services regulated — The PSC has jurisdiction over the rates charged and services provided by all investor-owned electric and gas and roughly half of the state’s water and wastewater utilities. The PSC also has limited rate-structure jurisdiction over municipal and rural electric cooperatives to ensure that rates are not discriminatory.

In addition, the PSC has jurisdiction over all electric utilities’ territorial boundaries, bulk power planning, power plant and safety standards — including municipals and cooperatives — and intrastate natural gas pipeline siting. The PSC makes determinations of need with respect to certain sized transmission lines and electrical power plants. In addition, the PSC exercises safety authority over all electric and natural gas systems operating in the state.

Staff contacts — Beverlee DeMello, assistant director, Consumer Assistance and Outreach, (850) 413-6482 (Section updated 4/29/21)



Commission budget

The fiscal 2020-2021 budget, for the 12 months ending June 30, 2021, is about \$26.8 million, derived from assessments against the revenues of the regulated utilities. (Section updated 4/29/21)

Commissioner salaries

\$135,997 (Section updated 4/29/21)

Commission staff

The PSC staff is currently budgeted at 271 positions. With the exception of management positions and attorneys, most are filled under and protected by the State Career Service System. (Section updated 4/29/21)

Consumer interest

The PSC staff provides recommendations to the commission in all major proceedings. The Office of Public Counsel, or OPC, was established by the Joint Legislative Auditing Committee of the Legislature to represent the people of the state before the commission. The Public Counsel is appointed by the Joint Committee on Public Counsel Oversight and is subject to biennial reconfirmation by this committee. J.R. Kelly, who had served as public counsel since 2007, resigned effective March 1, 2021, to respect legislative efforts at establishing term limits on the position. The Joint Legislative Committee on Public Counsel Oversight on Feb. 9, 2021, appointed Richard Gentry as public counsel to replace Kelly. Industrial customers also regularly participate in PSC proceedings. (Section updated 4/29/21)

Rate case timing/interim procedures

A requested base rate increase becomes effective at the expiration of a 60-day period unless the application is suspended by the PSC. The commission is permitted to suspend a rate increase application for a maximum of eight months from the filing date. In fully litigated base rate cases, the PSC generally issues verbal decisions approximately one month prior to the end of the eight-month suspension period, and final written orders are usually issued near the expiration of the eight-month suspension period.

Under the Proposed Agency Action procedure, which has been used in relatively non-controversial proceedings, the PSC may approve requested actions without a hearing, in which case a substantially affected party has 21 days to file a protest and request an evidentiary hearing. If no such petition is filed, the PSC ruling stands; if a protest is filed, the protested issues are litigated.

Interim base rate increases are statutorily permitted and have been frequently authorized, usually becoming effective roughly three months after an initial filing is tendered. The utility is not required to demonstrate emergency conditions or financial hardship for an interim hike to be authorized. Interim increases are generally determined on the basis of the utility's achieved rate of return and cost of capital for the most recent 12-month period, utilizing the low end of the equity return range authorized in the company's previous rate case (see the [Return on equity](#) section). Any collected interim increase is subject to refund with interest. (Section updated 4/29/21)

Rate base and test period

The PSC generally relies on an average original-cost rate base. Court rulings prohibit the commission from using a year-end rate base in a permanent rate case absent a showing of extraordinary growth; however, the PSC may do so in an interim proceeding. In permanent base rate case decisions, the PSC generally utilizes test periods that are fully or partially forecast at the time the rate decisions are issued.

The utilities may be authorized a cash return on construction work in progress for any new nuclear or integrated gasification combined cycle facilities, for upgrades to existing facilities that result in increased capacity, and for new, enlarged or relocated electric transmission lines or facilities that are necessary to serve these power plants. All construction work in progress for minor projects — less than a year in construction and less than 0.5% of the utility's gross plant balance — are included in rate base. All construction work in progress for major projects accrues allowance for funds used during construction until placed into service. (Section updated 4/29/21)

Return on equity

When determining a utility's authorized ROE, the PSC generally establishes an ROE midpoint that is used to set rates as well as an allowed range of plus or minus 100 basis points around the midpoint. The commission's midpoint ROE findings have tended to exceed industry average authorizations at the time established.

There has not been a lot of electric rate case activity in the last couple of years, and the most recent decisions were multiyear settlements authorized for the state's largest electric utilities in 2016 and 2017.

In 2017, the PSC approved a multifaceted settlement, which is effective through December 2021, for Tampa Electric Co., or TEC. Subject to certain adjustment provisions, TEC's authorized return on equity is to remain within a range of 9.25% to 11.25%, with a midpoint of 10.25%. If at any time during the term of the settlement, the average 30-year U.S. Treasury Bond yield for any period of six consecutive months is at least 4.6039%, which is the trigger point, TEC's authorized ROE would be increased by 25 basis points to be within the range of 9.5% to 11.5%, with a midpoint of 10.5%, for the remainder of the term of the settlement and thereafter until the PSC resets the company's rates and authorized ROE. If the trigger point is reached and the revised authorized ROE becomes effective, this revised authorized ROE range and midpoint would be used for the remainder of the settlement's term and thereafter for all regulatory purposes until changed by an order of the commission. TEC is a subsidiary of TECO Energy, which is owned by Emera Inc.

In 2017, the PSC also approved a settlement authorizing Gulf Power Co., or GP, to continue its previously authorized 10.25% equity return, the midpoint of an allowed range of 9.25% to 11.25%. As a result of a transaction completed in January 2019, GP is now a subsidiary of NextEra Energy Inc.

In 2016, the PSC approved a settlement of another multiyear rate plan, authorizing Florida Power & Light Co., or FP&L, a 10.55% ROE, just below the midpoint of an allowed range of 9.6% to 11.6%. FP&L is a subsidiary of NextEra Energy Inc.

In a 2014 electric rate case decision for Chesapeake Utilities Corp. subsidiary Florida Public Utilities Co., or FPU, the PSC approved a settlement that specified a 10.25% ROE, the midpoint of a 9.25%-to-11.25% range.

In 2010, the PSC authorized Duke Energy Florida LLC, or DEF, formerly Florida Power, a 10.5% ROE, the midpoint of an allowed range of 9.5% to 11.5%. As a result of 2012, 2013 and 2017 settlements, the 10.5% ROE and 9.5%-to-11.5% ROE range are to be maintained through 2021. DEF is a subsidiary of Duke Energy Inc.

Regarding gas utilities, the most recent decision occurred Nov. 19, 2020, when the PSC adopted a settlement providing for a base gas rate increase for Peoples Gas System, or PGS, that was premised upon a ROE of 9.90%. PGS is a subsidiary of TECO Energy, which is owned by Emera Inc.

In 2018, the PSC authorized a 10.19% ROE for Pivotal Utility Holdings Inc., or PUH. PUH, d/b/a Florida City Gas, is a subsidiary of NextEra Energy Inc. Rates will continue beyond 2022 unless changed by commission order.

In a gas rate case decision issued in 2009, the PSC authorized FPU a 10.85% ROE, the midpoint of an allowed range of 9.85% to 11.85%. (Section updated 4/29/21)

Accounting

Decommissioning

The PSC allows electric utilities to expense and recover nuclear plant decommissioning costs through rates, with these amounts placed in external trusts. Florida Power & Light Co.'s, or FP&L's, nuclear decommissioning accrual has been suspended since 2006 due to the adequacy of the decommissioning fund.

Duke Energy Florida LLC's, or DEF's, annual accruals for nuclear decommissioning have been suspended since 2002 due to the adequacy of the decommissioning fund.

Generation plant cost recovery

State law authorizes recovery of prudently incurred preconstruction costs of nuclear and integrated gasification combined cycle, or IGCC, plants through a utility's capacity cost recovery clause, with these costs to accrue a return equal to that used to calculate the utility's allowance for funds used during construction, or AFUDC. Also included in the capacity cost recovery clause is a cash return on construction work in progress, or CWIP. The rate used to calculate the cash return on CWIP is the most recently approved AFUDC rate at the time incremental cost recovery is sought.

A utility is required to obtain PSC approval to proceed with certain preconstruction and with construction work. If a utility does not complete the construction of a nuclear or IGCC plant, it would be permitted to recover all prudent preconstruction and construction costs through its capacity cost recovery clause over a time frame equal to the period during which the costs were incurred or five years, whichever is greater. The unrecovered balance during the recovery period would accrue interest at the utility's authorized midpoint cost of capital, based on the midpoint of the ROE range, or ROE approved for "other regulatory purposes" if the company is not authorized a specific ROE or ROE range for rate-setting purposes.

Canceled plant

Dismantlement studies for electric utilities that own and operate fossil fuel generating units are required to be filed with the PSC every four years unless modified by an order. These studies provide updated cost estimates to dismantle a fossil fuel generating unit at the end of its useful life; the information in these studies is also used to determine whether a company needs to recover funds, in current customer rates, that will be necessary to pay for dismantlement.

Decommissioning studies for electric utilities that own and operate nuclear generating units are required to be filed with the PSC every five years unless directed otherwise by the commission. These studies provide estimates of the cost to decommission a nuclear unit at the end of its useful life; the information in these studies is also used to determine whether a company needs to recover funds, in current customer rates, that will be necessary to pay for decommissioning.

In 2015, the PSC authorized DEF to issue an estimated \$1.314 billion of nuclear asset recovery bonds to securitize the regulatory asset associated with the permanent closure of DEF's Crystal River 3 nuclear plant. In addition, the PSC authorized DEF to implement a non-bypassable nuclear asset recovery charge to be collected on a per kilowatt-hour basis from applicable rate classes over a period not to exceed 20 years.

Under a multiyear rate settlement approved for DEF in 2017, the utility stopped construction of the two-unit, 2,200-MW Levy nuclear project. The company agreed to write off all costs related to obtaining the Levy combined construction and operating license, including AFUDC, and all remaining but unrecovered Levy costs, including the retail portion of the Westinghouse Electric Co. LLC termination fee. DEF wrote off remaining unrecovered Levy project costs in 2018.

Federal tax reform

Settlements that were approved by the PSC in the last few years contained provisions to reflect in rates the impact of the federal tax reform legislation enacted in December 2017. The settlements also specified storm cost recovery procedures.

In 2017, the PSC approved a settlement in a Gulf Power Co., or GP, general rate case that established a mechanism for addressing the tax reform. Subsequently, the PSC approved a proposal for GP to pass along \$103.2 million in federal tax savings to its electric customers beginning in April 2018. The PSC approved reductions of \$18.2 million to GP's base rates, \$15.6 million to its 2018 environmental cost recovery rate and \$69.4 million to its 2018 fuel cost recovery rate. In 2018, the PSC approved an amended implementation stipulation authorizing DEF to utilize savings from the lower federal income tax rate to offset an electric rate increase sought by the company to recover storm costs. The company had sought to recover \$513.2 million of costs associated with hurricanes Irma and Nate and to replenish the company's storm reserve. Instead of raising customer rates, the company proposed to apply tax reform savings to offset the storm costs. DEF also agreed to apply federal tax savings from the flow back of excess deferred income taxes, or EDIT, to offset an interim storm restoration surcharge for Hurricane Michael, which hit Florida's panhandle in October 2018. DEF had originally requested recovery of \$223.5 million of such costs. The proceeding remains open, and DEF is required to file documentation of the storm costs for PSC review and true-up of any excess or shortfall.

Also in 2018, the PSC voted to approve an agreement between Tampa Electric Co., or TEC, and intervenors that offset the need for a \$102.5 million storm cost related rate increase through the flow-back of EDIT from the federal tax reform, which, among other things, reduced the corporate income tax rate to 21% from 35%. TEC also was required to adjust any solar base rate adjustment to specifically account for the tax reform.

In 2018, the PSC approved a settlement agreement reducing the revenue requirement of Peoples Gas System, or PGS, by \$11.6 million annually to account for tax reform. Terms of the agreement allowed PGS to initiate a base rate proceeding in 2020, as long as any PSC-approved rate change was not effective before 2021. PGS subsequently filed a rate case June 8, 2020, which was settled, and the settlement was approved by the commission Nov. 19, 2020. Per the settlement, PGS proposes to flow back excess state accumulated deferred income taxes of about \$940,000 over the term of the agreement, in annual amounts determined at PGS's discretion, provided that PGS flows back the full amount by Dec. 31, 2023.

In February 2019, the PSC voted to require Florida Public Utilities Co., or FPU, and its related divisions, to return almost \$1.6 million in tax savings to customers from its Gas Reliability Infrastructure Programs. FPU is a wholly owned subsidiary of Chesapeake Utilities Corp. Because all of these gas utilities are earning below the bottom of their authorized range of return, all retained some savings from the 35% to 21% Tax Cuts and Jobs Act tax reduction. The savings will be used for capital improvements and will delay expensive rate case proceedings.

In August 2019, the PSC issued a final order approving a settlement between FP&L and intervenors resolving all issues regarding the prudence of total storm restoration costs of about \$1.25 billion related to Hurricane Irma. The order came after a related order on the tax treatment impacts of tax reform on FP&L. On June 10, 2019, the PSC had issued an order confirming that FP&L's actions to use available reserve amortization to offset nearly all of the expense associated with the write-off of the regulatory asset related to Hurricane Irma cost recovery were permitted under the terms of a 2016 rate agreement and that FP&L is able to credit the reserve with tax savings resulting from tax reform. That order was challenged by the State of Florida Office of Public Counsel to the Florida Supreme Court, but later dismissed in December 2019.

Storm costs

Each of Florida's electric investor-owned utilities under the PSC's jurisdiction has incurred costs related to damage caused by named storms. Utilities seeking to recover storm costs outside of a rate case must file a petition with the commission. The requested costs are audited and analyzed to determine whether the costs meet the criteria for recovery set forth by PSC rule. The utilities maintain reserves that are funded through base rates for extraordinary storm costs. Actual expenditures in excess of the amounts reserved are addressed on a case-by-case basis.

FP&L, DEF and TEC may petition the PSC for recovery of costs associated with any tropical systems named by the National Hurricane Center without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings.

In 2017, the PSC approved, on an interim basis, FP&L's request to recover over a 12-month period commencing in March 2017 \$318.5 million in costs related to Hurricane Matthew restoration and the replenishment of the company's storm reserve. Following a true-up, the company agreed to provide to customers a refund of \$27.7 million of over-collections under a settlement approved in July 2018.

In 2019, the PSC approved interim storm cost recovery surcharges for GP and PGS for costs incurred in connection with Hurricane Michael. GP will recover approximately \$342 million for restoration costs associated with Hurricane Michael and to replenish its storm reserve. PGS reported recoverable costs of \$3.4 million.

During 2020, the PSC approved settlement agreements for GP's Hurricane Michael incurred costs and FPU's, incurred costs for Hurricanes Michael and Dorian. The commission will hold hearings in 2021 to address DEF's incurred costs for Hurricane Michael, and DEF's and FP&L's incurred costs for Hurricane Dorian. FP&L will recover Hurricane Dorian costs through its reserve amount balance, as established in its 2016 settlement agreement. On May 4, 2021, the PSC is scheduled to address two separate settlement agreements for FP&L's Hurricane Dorian related costs and DEF's Hurricanes Michael and Dorian related costs. A docket has been opened to address GP's request to recover incurred costs for Hurricane Sally, which made landfall in Florida Sept. 16, 2020, as a Category 2 storm. Dockets are expected to be opened later in 2021 to address incurred costs for 2020's Hurricane Isaias for FP&L and Hurricane Zeta for GP.

State law permits Florida utilities, subject to PSC approval, to securitize storm damage restoration costs; however, to date, only one utility has availed themselves of this option (See the [Securitization](#) section).

COVID-19

During 2020, several Florida utilities requested approval to track costs associated with the COVID-19 pandemic. The PSC directed the utilities to submit detailed monthly cost reports for any future recovery requests.

GP on May 22, 2020, filed a petition (Docket No. 20200151-EI) for approval to establish a regulatory asset for the recording and preservation of incremental bad debt expense and safety-related costs attributable to COVID-19. GP indicated that the damaging economic effects of COVID-19 and the suspension of customer disconnections have caused the utility to incur a shortfall in its receipt of customer bill payments. GP anticipated that COVID-19-related bad debt expense will continue to increase due to higher levels of write-offs for uncollectible accounts and acknowledged that any commission approval of deferred accounting treatment for the COVID-19 costs does not constitute approval of the recovery of these deferred costs. Rather, the costs will be considered for recovery in a future proceeding. The commission granted GP's request by order issued Oct. 22, 2020.

Other utilities filed similar petitions with the PSC, notably FPU (Docket 20200194-PU) and PGS (Docket 20200178-GU). The PSC subsequently issued orders in those dockets approving the creation by the utilities of a regulatory asset to track COVID-19-related costs. Pursuant to an approved settlement agreement in the fourth quarter of 2020, PGS withdrew its request for COVID-19-related costs.

The remaining three proceedings were consolidated by a PSC order issued March 12, 2021, for consideration of the recovery of deferred costs. Utility testimony was due April 2, 2021, with intervenor testimony due April 30, 2021, and staff testimony due May 5, 2021. (Section updated 4/29/21)

Alternative regulation

Most of the state's major utilities are operating under multifaceted, multiyear rate plans.

In 2017, the PSC approved a multifaceted settlement for Tampa Electric Co., or TEC. TEC's base rates are to be frozen through Dec. 31, 2021. However, the agreement stated that the company would be required to reduce rates in accordance with any federal income tax reform that may occur during the term of the settlement (see the [Accounting](#) section). The agreement also included provisions to foster and streamline recovery of investment in solar and/or battery storage projects (as appropriate). (see the [Renewables](#) section).

In addition, TEC may petition the PSC for recovery of costs associated with any tropical systems named by the National Hurricane Center without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. The settlement specifies that recovery of storm costs from customers would begin, on an interim basis and subject to refund following a hearing or a full opportunity for a formal proceeding, 60 days following the filing of a cost recovery petition with the PSC and would be based on a 12-month recovery period if the storm costs do not exceed \$4.00/1,000 kWh on monthly residential customer bills. If the company's reasonable and prudent storm costs exceed that level, any additional costs would be recovered in subsequent year or years as determined by the commission after hearing or after the opportunity for a formal proceeding has been afforded to all substantially affected persons or parties. The settlement, which allows an exception to the rate freeze noted above, permits the replenishment of TEC's storm reserve to \$55.9 million.

In 2017, the PSC approved a multiyear settlement for Duke Energy Florida LLC, or DEF, that impacts several areas of the company's operations. The settlement extended a base rate freeze implemented as part of a 2013 settlement from Dec. 31, 2018, through year-end 2021. However, DEF was authorized to increase base rates by \$67 million per year, or \$55 million after adjusted for tax reform savings, in 2019, 2020 and 2021; incremental increases are permitted to reflect new investment in solar generation (see below). In addition, should DEF's actual earnings fall outside a 9.5%-to-11.5% authorized ROE band, any party can request that the settlement be modified. The agreement also included provisions to foster and streamline recovery of investment in solar and/or battery storage projects (as appropriate) (See Renewables section).

In addition, the settlement called for DEF to cease construction of the two-unit, 2,200-MW Levy nuclear project. The company was required to write off all costs related to obtaining the Levy combined construction and operating license, including allowance for funds used during construction, and all remaining but unrecovered Levy costs, including the retail portion of the Westinghouse Electric Co. LLC termination fee. DEF wrote off remaining unrecovered Levy project costs in 2018.

With respect to tax reform, the agreement stated that should the tax reform result in a decrease in base revenue requirements, DEF would retain 40% of any impact each year up to \$50 million pretax to accelerate the depreciation of Crystal River coal units 4 & 5, with any remaining impacts to be flowed back to customers through a one-time base rate decrease. In February 2018, the PSC approved an amended implementation stipulation authorizing DEF to utilize savings from the lower federal income tax rate to offset an electric rate increase sought by the company to recover storm costs (See Accounting section).

In addition, DEF may petition the PSC for recovery of costs associated with any tropical systems named by the National Hurricane Center without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. The approved settlement specifies that recovery of storm costs from customers would begin, on an interim basis and subject to refund following a hearing or a full opportunity for a formal proceeding, 60 days following the filing of a cost recovery petition with the PSC and would be based on a 12-month recovery period. The approved settlement permits the replenishment of DEF's storm reserve to \$132 million (See Accounting section).

In 2016, the PSC approved a four-year settlement for Florida Power & Light Co., or FP&L, that provided a multistep rate increase and possible additional rate increases, subject to certain conditions, through a solar base rate adjustment mechanism. The base rate increases are associated with the annual addition of up to 300 MW of new solar generation in each year 2017 through 2020, and the company is permitted to carry forward any unused megawatts to subsequent years. The approved settlement specifies a 10.55% authorized ROE for FP&L and an authorized ROE range of 9.6% to 11.6%. If FP&L's earned ROE falls below 9.6%, the company will be permitted to request a base rate increase. If FP&L's earned ROE exceeds 11.6%, any party other than FP&L may seek a review of FP&L's base rates. Subject to certain conditions, FP&L may amortize over the 2017 to 2020 time frame, the minimum term of the settlement, up to \$1 billion of depreciation reserve surplus plus any depreciation reserve surplus remaining under the company's 2012 rate agreement, which extended through the end of 2016, provided that in any year FP&L amortizes at least enough reserve to maintain a 9.6% ROE but does not amortize any reserve that would result in a ROE in excess of 11.6%. FP&L filed a new rate case March 12, 2021, seeking an increase in base rate in excess of \$1 billion associated with its combined FP&L and Gulf Power Co. utility. The petition requests continuation of the reserve surplus amortization mechanism,

or RSAM. FP&L intends to use the RSAM to respond to changes in its underlying revenues and expenses in order to maintain a PSC-adjusted ROE within the authorized range.

The approved settlement specified that FP&L's future storm restoration costs would be recoverable on an interim basis beginning 60 days from the filing of a cost-recovery request but are capped at an amount that would produce a surcharge no greater than \$4.00/1,000 kWh of usage on residential bills during the first 12 months of cost recovery. Any additional costs would be eligible for recovery in subsequent years. If storm restoration costs exceed \$800 million in any given calendar year, FP&L could request an increase to the \$4 surcharge limit (See Accounting section).

The commission approved a settlement agreement with Peoples Gas System, or PGS, authorizing PGS a 9.90% ROE on Nov. 19, 2020. The approved settlement established for PGS new depreciation rates and certain depreciation reserve transfers that are projected to result in a reduction in the 2016 depreciation expense of \$16.1 million. In addition, the approved settlement accelerated recovery of environmental cleanup and monitoring costs associated with former manufactured gas plants — old industrial facilities at which gas was produced from coal, oil and other feedstocks. Moreover, PGS is authorized to expand its existing accelerated cast-iron and bare-steel pipe replacement program, which was authorized by the PSC in 2012 (see the [Adjustment clauses](#) section) to include “problematic plastic pipe” replacements, i.e., certain types of plastic pipes that were manufactured before 1983 and that have been found to become brittle under certain conditions.

The fuel adjustment clause includes a generating performance incentive factor (See the [Adjustment clauses](#) section).

Additionally, the PSC allows DEF, TEC and Gulf Power to retain 20% of the margins from non-firm energy sales if a three-year rolling average threshold of those sales is exceeded.

FP&L is under an incentive framework that was most recently authorized as part of a general rate case settlement approved by the PSC in 2016. The incentive mechanism applies to FP&L's wholesale power purchases and sales as well as asset optimization activities. On an annual basis, FP&L customers will receive 100% of the incentive mechanism gain up to a threshold of \$40 million. FP&L will retain 60% and customers will receive 40% of incremental gains between \$40 million and \$100 million. FP&L and customers will equally share incremental gains in excess of \$100 million (see the [Adjustment clauses](#) section). (Section updated 4/29/21)

Court action

PSC rate decisions for electric and gas utilities may be appealed to the Florida Supreme Court. Supreme Court judges are appointed by the governor from a list of nominees submitted by a Judicial Nominating Commission. Judges run for retention at the general election preceding the expiration of their six-year term. PSC decisions have generally been upheld.

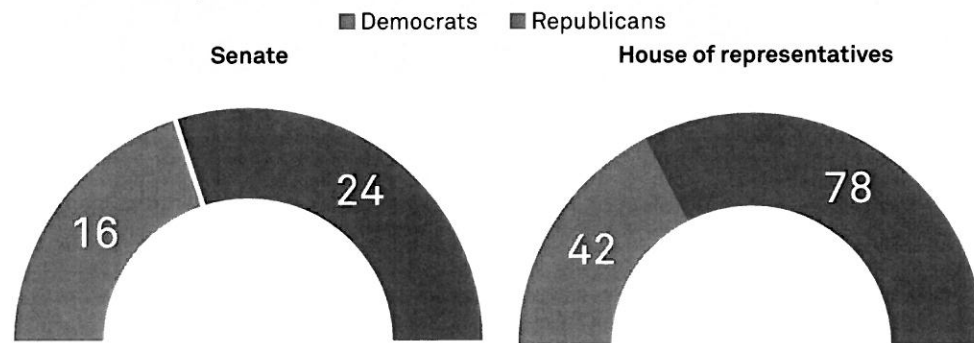
The Florida Supreme Court held oral arguments in August 2019 to determine if a proposed amendment by Citizens for Energy Choices, a political action group in Florida, calling for retail electricity choice should appear on the 2020 ballot. In a January 2020 ruling, the court ruled that ballot initiative language that would allow electricity consumers to choose their energy and service providers was misleading, and it did not appear on the ballot. (See Electric regulatory reform/industry restructuring section) (Section updated 4/29/21)

Legislation

The Florida Legislature is a bicameral body and meets annually, typically for two months, from early March to early May. Currently, the Senate comprises 24 Republicans and 16 Democrats, while the House of Representatives has 78 Republicans and 42 Democrats.

In 2021, the Florida State Legislature convened on March 2, and is scheduled to adjourn on April 30.

Florida Legislature
Political composition



Data as of March 24, 2021.

Source: Regulatory Research Associates, a group within S&P Global Market Intelligence

2019 Legislative session

In 2019, Gov. Ron DeSantis signed into law legislation establishing a Storm Protection Plan Cost Recovery Clause. The law allows utilities to seek more timely recovery of storm hardening investments outside a general rate case. The law requires utilities to submit to the PSC a 10-year plan explaining “the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability.” Such grid hardening activities include burying transmission and distribution lines as well as vegetation management. The PSC has proposed two rules to implement the legislation (See Reliability issues section).

No major energy-related legislation was enacted in 2020.

2021 Legislative session

Several energy-related bills are being considered in the 2021 legislative session including House Bill 283/Senate Bill 720, which directs the Office of Energy to develop a plan that states that by 2040, 100% of the electricity used in the state will be generated from 100% renewable energy and by 2050, the state will have net-zero carbon emissions. The plan would include interim goals to reach 50% renewable energy statewide by 2030, 40% reduction in carbon emissions statewide by 2030, and 80% reduction in carbon emissions statewide by 2040.

HB 775/SB 208 would provide an exemption from regulation by the PSC for commercial or industrial businesses with a “renewable energy source device” that sell renewable energy produced to another business located in the same or an adjacent parcel of land. The legislation would authorize owners of commercial or industrial businesses, or third parties contracted by such owners, to install, maintain, and operate a renewable energy source device on the structure in which the business operates or a property owned or leased by the business.

There are also bills pending in both chambers that would direct the Florida Department of Transportation to establish the Electric Vehicle Infrastructure Grant Program to provide financial assistance to encourage the installation of publicly available electric vehicle charging infrastructure for electric vehicles, electric semi-trucks, and electric aircraft on public or private property (HB 817, SB 138).

HB 1051/SB 964 seek to revise the definition of “environmental compliance costs” for purposes of the existing Environmental Cost Recovery Clause to include costs or expenses incurred by an electric utility after July 1, 2021,

for the construction and operation of a wastewater reuse system. It would require at least 50% of reclaimed water produced to be used in conjunction with the water requirements of facilities owned by the electric utility, and allows utilities to petition the PSC for recovery of such costs through a cost-recovery factor, which is separate from the utility's base rates.

SB 136 seeks to establish the Energy 2040 Task Force within the PSC. The task force would be responsible to project the state's electric energy needs over the next 19 years and determine how best to meet those needs in an efficient, affordable and reliable manner while increasing competition and consumer choice and ensuring adequate electric reserves. The task force would be required to submit its recommendations to the governor, president of the Senate and the speaker of the House of Representatives by Jan. 1, 2023.

SB 896 would amend current state statutes to include the terms biogas and renewable natural and expand the term renewable energy. The legislation provides that the PSC may approve cost recovery by a gas public utility for renewable natural gas purchase contracts, in which the pricing provisions exceed the current market price of natural gas but which are otherwise deemed reasonable and prudent by the PSC.

House Bill 1567 would create and revise provisions regarding PSC's power to regulate and enforce rates, charges, terms and conditions for poles and pole attachments. It would require the PSC to regulate certain plants and equipment of communications services providers and create provisions concerning redundant poles. The bill also would give the PSC broader control over the telecommunications industry's service distribution systems. (Section updated 4/29/21)

Corporate governance

By law, PSC approval is required for the issuance of most utility securities. The PSC may deny the issuance or sale of a security or utility assumption of a liability or obligation if the security, liability or obligation is for non-utility purposes; the PSC must reject the issuance of a security or assumption of a liability or obligation if the utility's ability to provide reasonable service at reasonable rates would be adversely affected. (Section updated 4/29/21)

Merger activity

The PSC is not statutorily authorized to directly review proposed mergers and acquisitions of regulated utilities. However, the PSC does have statutory authority over territorial agreements.

In 2018, the PSC voted to terminate a territorial agreement, providing for the acquisition of the Vero Beach municipal utility by Florida Power & Light Co. for \$185 million. The decision was the culmination of many years of effort by Vero Beach to sell its utility.

Also, in 2018, NextEra Energy and Southern Co. announced a transaction in which NextEra would acquire from Southern subsidiaries Gulf Power Co. and Florida City Gas, a division of Pivotal Utility Holdings Inc., and interests in the Oleander and Stanton power plants. The companies closed the sale of Florida City Gas and the Southern Power assets in the second half of 2018 and closed the sale of Gulf Power Co. on Jan. 1, 2019. Gulf Power officially merged with NextEra subsidiary Florida Power & Light in January 2021.

As a result of a transaction completed in 2016, TECO Energy Inc. became a subsidiary of Emera Inc. TECO Energy is the parent of Tampa Electric Co. and Peoples Gas System Inc. (Section updated 4/29/21)

Electric regulatory reform/industry restructuring

No substantive restructuring has occurred.

However, Citizens for Energy Choices, a political action group in Florida, pushed for a 2020 ballot measure to deregulate the state's electric utility industry. Under its proposed constitutional amendment investor-owned utilities, or IOUs, would be forced to sell generation assets and only manage electricity distribution. The IOUs and the PSC opposed the

initiative. The Florida Supreme Court held oral arguments in August 2019 to determine if the proposed amendment calling for retail electricity choice should appear on the 2020 ballot. In a January 2020 ruling, the court ruled that ballot initiative language that would allow electricity consumers to choose their energy and service providers was misleading, and it did not appear on the ballot. (Section updated 4/29/21)

Gas regulatory reform/industry restructuring

All non-residential customers of natural gas utilities may select a competitive gas supplier and take transportation-only service from the utility. Most of the state's local distribution companies, or LDCs, including the largest, Peoples Gas System, maintain the traditional utility role of providing both gas supply and transportation service to residential customers. However, a few very small LDCs are transportation-only providers, requiring all their customers, including residential, to contract with a marketer for gas supply. (Section updated 4/29/21)

Securitization

State law permits Florida utilities, subject to PSC approval, to securitize storm damage restoration costs. In 2006, the PSC authorized Florida Power & Light Co., or FP&L, to issue \$708 million of 12-year bonds to securitize 2004 and 2005 hurricane restoration costs and to rebuild its storm damage reserve. The PSC authorized the company to recover \$198.7 million of 2004 restoration costs and \$735.6 million of 2005 restoration costs and to rebuild its storm damage reserve to \$200 million. The PSC disallowed certain storm restoration costs of \$27 million, after tax and net of interest. Net of taxes and allowing for \$9.6 million of bond issuance costs, the final amount of the bond issuance was \$652 million. The bonds were issued in May 2007 and paid off in August 2019.

No other utilities have availed themselves of this option. While Gulf Power Co. filed a petition to securitize certain storm damage related costs, the company voluntarily withdrew its petition, and the PSC did not hold a hearing.

In 2015, House Bill 7109 was enacted, authorizing the PSC to allow the state's electric utilities to securitize certain nuclear generation retirement or abandonment costs. Specifically, utilities would be permitted to request PSC authorization to securitize nuclear generation retirement or abandonment costs for plants located in Florida and for which the costs had been found by the PSC to be reasonable and prudent before July 1, 2017.

If the pretax costs were to exceed \$750 million, the utility would be permitted to issue bonds, with the bonds' principal and interest to be paid by ratepayers through a nuclear asset recovery charge.

Also, in 2015, the PSC authorized Duke Energy Florida LLC, or DEF, to issue an estimated \$1.314 billion of nuclear asset recovery bonds to securitize the regulatory asset associated with the permanent closure of DEF's Crystal River 3 nuclear plant. In addition, the PSC authorized DEF to implement a non-bypassable nuclear asset recovery charge to be collected on a per kilowatt-hour basis from applicable rate classes over a period not to exceed 20 years. DEF issued \$1.29 billion of nuclear asset recovery bonds in June 2016. The nuclear asset recovery bonds are secured by the nuclear asset recovery property, and cash collections from the nuclear asset recovery charges are the sole source of funds to satisfy the debt obligation. The bondholders have no recourse to DEF. (Section updated 4/29/21)

Adjustment clauses

Fuel and purchased power — The fuel cost recovery clause, or FCRC, and the capacity cost recovery clause, or CCRC, provide for recovery of prudently incurred fuel and purchased power costs, respectively. Annual fuel factors are established based upon 12-month projections of fuel costs and energy purchases and sales. Hearings are held each November, during which the PSC sets fuel factors for the next calendar year. Subsequent to the November hearings, utilities may seek, or the PSC may require a midterm modification to the factors if updated projected costs for the year vary from updated projected revenues by plus or minus 10%.

Interest is accrued on both over- and under-recovered balances. Included in the FCRC is a generating performance incentive factor that provides a financial reward or penalty when a company's base load generating units' availability and heat rate vary from targets approved by the PSC. The reward or penalty is limited to a 25-basis point ROE spread. The PSC generally requires market-based pricing of coal purchased from an affiliate.

The FCRC also reflects gains from non-firm energy sales. A three-year moving average based on eligible sales is determined, and 100% of the sales up to this benchmark are credited to ratepayers. For sales above the benchmark, 80% of the gains accrue to ratepayers, with 20% retained by Duke Energy Florida LLC, or DEF; Tampa Electric Co., or TEC; and Gulf Power Co., or GP.

In 2016, the Florida Supreme Court ruled, in a six-to-one decision, that the PSC exceeded its authority when, in 2014, it authorized Florida Power & Light Co., or FP&L, to invest in natural gas reserves and to recover the associated revenue requirement from customers through its fuel clause.

Gas commodity costs — Purchased gas adjustment, or PGA, clauses are in place for the local distribution companies that offer bundled service. The PGA is designed to recover purchased gas costs and the costs of reserving and utilizing interstate pipeline capacity for the transportation of gas to customers. These charges are adjusted monthly based on a cap approved annually following a PSC hearing. The cap is based on estimated costs of purchased gas and pipeline capacity and on estimated customer usage for a specific recovery period, with a true-up adjustment to reflect the variance of actual costs and revenues from the projections.

Gas infrastructure — A Cast-Iron/Bare-Steel Pipe Replacement Rider is in place for Peoples Gas System, or PGS. The rider enables PGS to recover through an annual surcharge the costs associated with accelerating the replacement of cast-iron and bare-steel distribution pipes on its system over a 10-year period beginning Jan. 1, 2013. Under the rider, PGS is authorized to spend an additional \$7 million per year on distribution pipe replacement; the company previously was authorized to spend \$1 million annually, as established by the PSC in 2009. The company is authorized to earn a return on its additional investment equivalent to its cost of capital, as reflected in PGS' earnings surveillance report for December of each year, incorporating the company's currently authorized return on equity of 9.9%. During its most recently concluded rate case, PGS moved \$201 million of Cast-Iron/Bare-Steel Rider investments made through December 2020 into base rates.

Similar riders, known as the Gas Reliability Infrastructure Programs, exist for the smaller gas utilities such as Florida Public Utilities Co., or FPU, the Florida division of Chesapeake Utilities and Pivotal Utility Holdings Inc., or PUH, also known as Florida City Gas. For PUH, the plan is known as the Safety, Access, and Facility Enhancement, or SAFE, program and encompasses a 10-year, \$105-million project to replace aging pipes to improve system safety and reliability that began in 2015.

Other — A CCRC is the mechanism by which the capacity or demand component of purchased power agreements is recovered on an annual basis. In addition, utilities may recover all prudently incurred site selection and preconstruction costs, including carrying charges, for nuclear and integrated gasification combined cycle, or IGCC, power plants through the CCRC pursuant to the Nuclear Cost Recovery Rule established by the PSC. A cash return on construction work in progress for nuclear plant construction and uprates for IGCC construction are also reflected in the CCRC.

In June 2019, Gov. Ron DeSantis signed into law legislation establishing a Storm Protection Plan, or SPP, Cost Recovery Clause. The law allows utilities to seek more timely recovery of storm hardening investments outside a general rate case. The law requires utilities to submit to the PSC a 10-year plan explaining "the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability." Such grid hardening activities include burying transmission and distribution lines as well as vegetation management. In March 2020, dockets were opened to facilitate PSC review of the initial SPPs for each of the investor-owned electric utilities. FPU requested that it be allowed to defer the filing of its first SPP for a period of one year, from April 10, 2020, to April 10, 2021. The remaining four investor-owned utilities — FP&L, TEC, DEF and GP — entered into a series of settlement agreements with the intervening parties that resolved all disputed issues in the individual SPP dockets. These settlement agreements were approved by the PSC Aug. 28, 2020. A common term

in each of the approved settlement agreements was that the investor-owned utilities would file their updated SPPs in 2022, rather than 2023. So that it could remain in alignment with the other utilities, FPU requested and was allowed to defer the filing of its SPP from April 12, 2021, to April 2022.

Pursuant to statutes, the PSC has established an Energy Conservation Cost Recovery Clause, or ECCRC, for electric and gas conservation related expenditures. The ECCRC factors are based on projected costs and are subject to true up, similar to the FCRC mechanism. These costs are dependent upon or limited by approved demand-side management plans and programs. Also pursuant to statutes, the commission has established an Environmental Cost Recovery Clause that enables each utility to recover compliance costs associated with environmental laws or mandates that became effective after 1993. The clause is reviewed annually and permits recovery of environmental operations and maintenance costs, related capital investments and a return on such capital investments.

Certain fees and taxes, such as franchise fees and gross receipts taxes, are recovered through a line item on customer bills, with the charge adjusted based on customer usage. (Section updated 4/29/21)

Integrated resource planning

There is no comprehensive electric resource planning process in place that requires the filing of resource plans on a periodic basis for PSC review and approval. However, a less formalized process is in place that requires electric utilities to file annually a 10-year generation site plan that includes a projection of customer usage and peak demand and capacity. Ten-year site plans are not docketed as part of a formal administrative proceeding and are not formally approved by the PSC pursuant to a final order. They are reviewed and subject to staff data requests and are ultimately determined to be suitable or not suitable by the commission.

In addition, for major generation projects, utilities must obtain a certificate of need from the PSC prior to commencing construction. A cost estimate is included in the need determination, and utility cost recovery is not challenged if costs are at or below the estimate. For costs that exceed the estimate, the utility is required to show that these costs are justified before they can be recovered.

The PSC's competitive bidding rules, developed in accordance with state law, generally require investor-owned utilities, or IOUs, to issue requests for proposals for any new generating project of 75 MW or more, that is, either a steam unit or solar unit. The bidding requirement can be waived by the PSC if the IOU can demonstrate on an individual case basis that it is not in the best interests of its ratepayers. State law exempts nuclear power plants from the requirement of a competitive bid and directs the PSC to consider fuel diversity and reliability in determining the need for a proposed power plant.

State law requires the PSC to establish conservation goals to reduce the growth rates of weather-sensitive peak demand, to reduce and control the growth rate of electricity consumption, and to reduce the consumption of scarce resources such as fossil fuels. In addition, the PSC is to establish goals for demand-side energy resources and investments in generation, transmission and distribution efficiency. Once the PSC has established the goals, utilities subject to the statutes, i.e., all IOUs and two of the state's largest municipal electric utilities, are required to develop and implement cost-effective programs to achieve the goals. The PSC must review the demand-side management goals no fewer than every five years.

Under solar base rate adjustments approved for major electric utilities by the PSC, Duke Energy Florida LLC may construct or acquire 700 MW of solar generation between 2018 and 2022, limited to a cumulative annual total of 350 MW by 2019, 525 MW by 2020 and 700 MW by 2022. In addition, Tampa Electric Co. was authorized to implement a solar base rate adjustment mechanism that allows the company to install and receive cost recovery for up to 600 MW of photovoltaic solar generation. Florida Power & Light Co. base rate increases approved in 2016 are associated with the annual addition of up to 300 MW of new solar generation in each year 2017 through 2020, and the company is permitted to carry forward any unused megawatts to subsequent years.

Florida does not have a formal integrated resource planning process in place for gas utilities. (Section updated 4/29/21)

Renewable energy

Florida does not have a renewable portfolio standard. A 2012 law repealed Florida's previous legislative mandate to establish a renewable portfolio standard. The 2012 legislation requires the PSC in its evaluation of an electric utility's 10-year generation site plan to consider: the amount of renewable energy the utility currently produces or purchases; the amount of renewable energy the utility plans to produce or purchase over the 10-year planning horizon and the means by which the production or purchases will be achieved; and the utility's indication of how the production and purchase of renewable energy affect its present and future capacity and energy needs. The above provisions concerning renewable energy are to be considered by the PSC in the context of each company's 10-year generation site plan.

Several of the state's electric utilities have announced plans to build large, universal-scale solar generating facilities over the next few years.

A multiyear settlement approved by the PSC in 2017 authorizes Tampa Electric Co., or TEC, to install up to 600 MW of solar capacity additions over the years 2018 through 2021. The agreement specified the earliest dates of any rate change associated with the solar capacity additions and the maximum incremental annualized revenue requirement under the SoBRA: Sept. 1, 2018, 150 MW at \$30.6 million; Jan. 1, 2019, 250 MW at \$50.9 million; Jan. 1, 2020, 150 MW at \$30.6 million; and Jan. 1, 2021, 50 MW at \$10.2 million. Thus, the maximum cumulative revenue requirement for the installation of the 600 MW of capacity would be \$122.3 million by Jan. 1, 2021. The total installed capital cost of a project eligible for cost recovery through a SoBRA may not exceed \$1,500/kWac.

In May 2018, the PSC approved TEC's first proposal calling for 145 MW of new generation and on Oct. 29, 2018, the FPSC approved TEC's second tranche for an incremental 260 MW. In October 2019, the PSC approved TEC's third SoBRA covering two solar projects that total 150 MW. The additional revenue requirement for the two projects is \$26.5 million. And on Nov. 3, 2020, the PSC approved the fourth phase of TEC's solar construction plans, covering a single project of 60 MW and a revenue requirement of \$7.5 million. The related revenue requirements are recovered through an expedited recovery mechanism.

Another settlement approved by the PSC in 2017 specifies that Duke Energy Florida LLC, or DEF, may construct or acquire 700 MW of solar generation between 2018 and 2022, limited to a cumulative annual total of 350 MW by 2019, 525 MW by 2020 and 700 MW by 2022. In April 2019, the PSC approved cost recovery for DEF's first group of solar projects, the Hamilton Solar Power Plant and the Columbia Solar Power Plant, with total generating capacity of almost 150 MW. In July 2019, the PSC approved three more solar projects — the Trenton, the Lake Placid and the DeBary projects — all currently online. On Feb. 2, 2021, the PSC approved five additional DEF solar projects totaling 374 MW in its third and last group of project requests under the SoBRA. The total revenue requirement for the projects was \$62.5 million. The related costs may be recovered outside of a full base rate case.

Pursuant to a settlement approved by the PSC in 2016, Florida Power & Light Co., or FP&L, may add up to 300 MW of new solar generation from 2017 through 2020. The company is permitted to carry forward any unused megawatts to subsequent years. The facilities must be in service before Dec. 31, 2021, and the associated revenue requirement may be recovered outside of a base rate case (see the [Alternative regulation](#) section).

Investor-owned utilities in Florida must offer net metering to any owner of a distributed generation system of 2 MW or less. Eligible technologies include solar photovoltaic, wind, geothermal, solar thermal, biomass, hydroelectric, tidal, wave and combined heat and power facilities. There is no limit on the total capacity of all net-metered systems. Excess generation is credited back to customers at the retail electricity rate. Credits may be carried over monthly, but at the end of the yearly billing cycle, any leftover credits are paid at the avoided cost rate. Net meter aggregation is not allowed.

On March 11, 2020, the Florida Legislature enacted legislation requiring the Florida Department of Transportation, in consultation with the PSC and the Office of Energy in the Florida Department of Agriculture and Consumer Services, to coordinate, develop and recommend a master plan for the development of electric vehicle, or EV, charging station infrastructure along the state highway system. A workshop was held Oct. 21, 2020, to gather data from stakeholders in

support of the Master Plan. Fifteen entities with roles in the EV charging supply chain filed pre-workshop comments with the PSC, as well as took part in the workshop. Commission staff have also worked with the Florida Department of Transportation and the Office of Energy to develop the required analysis. The plan is due to the governor, the president of the Senate and the speaker of the House of Representatives by July 1, 2021. (Section updated 4/29/21)

Emissions Requirements

An executive order issued in 2007 by then-Gov. Charlie Crist required utilities to reduce greenhouse gas emissions to no more than 2000 levels by 2017, to no greater than 1990 levels by 2025, and to no more than 20% of 1990 levels by 2050. However, with the election of Republican Gov. Rick Scott in 2010, the order had no force of law, and neither Gov. Scott nor his successor Republican Ron DeSantis have issued an analogous executive order.

In 2015, the U.S. Environmental Protection Agency, or EPA, released the final version of its Clean Power Plan, or CPP. The CPP called for a nationwide 32% reduction versus 2005 levels in the domestic power sector's carbon dioxide emissions by 2030.

For Florida, which was among the 27 states that challenged the rule in court, the plan required a 38% reduction in carbon emissions from a 2012 baseline. In February 2016, the U.S. Supreme Court stayed the rule, pending the outcome of a review by the U.S. Court of Appeals for the District of Columbia Circuit, or D.C. Circuit. The stay prevented the CPP from becoming effective until the D.C. Circuit issued a ruling on the merits, and the Supreme Court took action on any subsequent appeals from that ruling.

In 2017, as directed by then-President Donald Trump, the EPA Administrator began the formal process of reversing the Clean Power Plan.

In June 2019, the EPA released its final Affordable Clean Energy, or ACE, rule, which was to replace the CPP. The ACE rule focused on CO₂ emissions and efficiency improvements at existing coal-fired power plants. According to the EPA, the regulation would cut about 11 million short tons of CO₂ from existing coal-fired generators by 2030. However, on Jan. 19, 2021, the U.S. Court of Appeals for the D.C. Circuit struck down the ACE rule, reopening efforts to regulate greenhouse gas emission from the electric generation sector. (Section updated 4/29/21)

Reliability Issues

The utilities maintain reserves that are funded through base rates for extraordinary storm costs. Actual expenditures in excess of the amounts reserved are addressed on a case-by-case basis (see the [Accounting](#) section). State law also permits Florida utilities, subject to PSC approval, to securitize storm damage restoration costs (see the [Securitization](#) section).

To promote strengthening of Florida's electric infrastructure and to reduce the frequency and length of outages following the intense 2004 and 2005 hurricane seasons, the PSC adopted extensive storm hardening initiatives, such as wooden pole inspection and replacement. The PSC ordered investor-owned utilities, or IOUs, to file updated storm hardening plans for PSC review every three years. In October 2017, the PSC opened a proceeding to review electric utility storm preparedness and restoration actions and to identify potential areas where infrastructure damage, outages and recovery time for customers could be minimized in the future. Utilities suggested improvements such as targeted undergrounding projects for certain lateral circuits, possible legislation to require inspections and hardening of non-electric utility poles, and additional coordination and communication regarding vegetation outside of the utilities' rights of way. In addition, IOUs are required to file Annual Distribution Service Reliability Reports to track adjusted performance that excludes events such as planned outages for maintenance, generation disturbances, transmission disturbances, wildfires and extreme acts of nature such as tornadoes and hurricanes. The report was later expanded to include status reports on the various storm hardening and preparedness initiatives required by the PSC.

In June 2019, Gov. Ron DeSantis signed into law legislation establishing a Storm Protection Plan Cost Recovery Clause, or SPPCRC. The law allows utilities to seek more timely recovery of storm hardening investments outside a general rate case. The law requires utilities to submit to the PSC a 10-year plan explaining “the systematic approach the utility will follow to achieve the objectives of reducing restoration costs and outage times associated with extreme weather events and enhancing reliability.” Such grid hardening activities include burying transmission and distribution lines as well as vegetation management. The PSC in June 2019 opened a rulemaking to implement the legislation.

During 2020, Gulf Power Co., or GP; Florida Power & Light Co., or FP&L; Duke Energy Florida LLC, or DEF; and Tampa Electric Co., or TEC, entered into settlements related to their storm protection plan and cost recovery proceedings.

The TEC settlement resolved all matters with respect to its SPPCRC docket. The PSC also approved the TEC Motion so that a \$15 million base rate reduction could be implemented concurrently with the implementation of TEC’s new SPPCRC cost recovery factors that were to be effective the first billing cycle of January 2021.

The PSC in October 2020 approved settlements pertaining to DEF’s and FP&L’s SPPCRC dockets resolving all outstanding issues as well. DEF had requested recovery of nearly \$10 million through the SPPCRC in 2021, which was projected SPP-related costs. (Section updated 4/29/21)

Rate structure

The PSC has required the elimination of declining block rates for electric utilities and has established an inverted residential rate structure for Florida Power & Light Co., or FP&L, Duke Energy Florida LLC, or DEF, and Tampa Electric Co., or TEC.

The major electric utilities offer optional time-of-day rates to commercial customers.

FP&L, DEF, TEC and Gulf Power Co. offer negotiated contract rates for attracting or retaining significant commercial and industrial load. To be eligible, the customer must be at risk, i.e., have an alternative to taking power from the incumbent utility, either by relocating, not locating in the territory or installing self-generation. The individual contracts are considered confidential and are not subject to prior PSC approval; however, the commission may review any contract for prudence prior to allowing the shortfall in revenue from tariffed rates to be recovered from ratepayers in general.

Florida first enacted net metering legislation in 2008, with the PSC laying out the groundwork for investor-owned utilities, or IOUs, to allow net metering. Municipal utilities and co-ops are also required to offer net metering, though the stipulations are not clear; though the PSC has no direct authority over them, these entities are required to file an annual report to the PSC. Several municipal and co-op utilities voluntarily offered net metering before the official legislation was passed. The following description of the net metering rules applies only to the IOUs in Florida.

Net metering is required to be offered to any owner of a distributed generation system of 2 MW or less. Eligible technologies include solar PV, wind, geothermal, solar thermal, biomass, hydroelectric, tidal, wave and combined heat and power generation. There is no limit on the total capacity of all net-metered systems. Excess generation is credited back to customers at the retail electricity rate. Credits may be carried over monthly, but at the end of the yearly billing cycle, any leftover credits are paid at the avoided cost rate. Net meter aggregation is not allowed. (Section updated 4/29/21).

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