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June 13, 2023

**-VIA ELECTRONIC FILING -**

Adam Teitzman  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

**Re: Docket No. 20220165-EI**  
**Petition by Florida Power & Light Company for Approval of Refund and Rate**  
**Reduction Resulting from Implementation of Inflation Reduction Act**

Dear Mr. Teitzman:

Pursuant to Commission Order No. PSC-2022-0433-EI issued December 21, 2022, in the above-referenced Docket (“Order 0433”), Florida Power & Light Company (“FPL”) hereby files an updated calculation of the impact of the Inflation Reduction Act (or “IRA”) on its 2023 revenue requirement.

On September 23, 2022, FPL filed a Petition for Limited Proceeding To Approve Refund and Rate Reduction Resulting from Implementation of Inflation Reduction Act.<sup>1</sup> In Order 0433, the Commission approved a one-time \$35.7 million refund, which reflects the IRA’s impact on FPL’s 2022 revenue requirements. That refund was flowed back to customers through FPL’s Capacity Clause Factors. Order 0433 also approved a permanent rate reduction of \$69.7 million commencing January 1, 2023, which reflects the calculation of the IRA’s impact on FPL’s 2023 revenue requirements based on information available at the time FPL filed its Amended Petition. The Commission approved the estimated 2023 impact calculation and required FPL to file updated information within 90 days of filing its 2023 Forecast Earnings Surveillance Report.

Based on updated information, FPL calculates that the 2023 revenue requirement impact is about \$73.7 million, or about \$3.9 million higher than originally estimated. FPL proposes that,

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<sup>1</sup> FPL amended its Petition on November 14, 2022 to make an upward adjustment to the requested refund amount.

until base rates are next reset in a general base rate proceeding, the \$3.9 million incremental annual impact be flowed back to customers as reductions to its Capacity Clause Factors.<sup>2</sup>

FPL's updated 2023 revenue requirement impact calculation includes the following:

- Attachment 1 FPL's 2023 Forecasted Earnings Surveillance Report;
- Attachment 2 FPL's Pro Forma 2023 FESR (excluding the impacts of the Inflation Reduction Act);
- Attachment 3 2023 Differences in Rate Base and Net Operating Income;
- Attachment 4 2023 Differences in Capital Structure; and
- Attachment 5 2023 Projected Jurisdictional Adjusted Revenue Requirement Impact

A courtesy copy of this filing is being provided to the parties of record in Docket No. 20210015-EI. Please feel free to contact me with any questions at (561) 304-5795.

Sincerely,

s/ Maria Jose Moncada  
Maria Jose Moncada

Attachments

cc: Parties of record (with attachments)

:21365487

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<sup>2</sup> FPL's 2024 Capacity Clause Factors would be reduced by the incremental savings for January 2023 through December 2024 (about \$7.8 million, plus interest for 2023). Thereafter, the annual Capacity Clause Factors would be reduced by \$3.9 million, until FPL's base rates are next reset in a general base rate proceeding.

**CERTIFICATE OF SERVICE**  
**Docket 20220165-EI**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished  
by electronic service on this 13th day of June 2023 to the following:

Suzanne Brownless  
Division of Legal Services  
**Florida Public Service Commission**  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850  
sbrownle@psc.state.fl.us

Walt Trierweiler  
Charles J. Rehwinkel  
**Office of Public Counsel**  
c/o The Florida Legislature  
111 West Madison St., Room 812  
Tallahassee, FL 32399-1400  
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rehwinkel.charles@leg.state.fl.us

*s/ Maria Jose Moncada*  
Maria Jose Moncada

# **ATTACHMENT 1**

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

**SCHEDULE 1  
PAGE 1 OF 1**

**Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2023**

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$5,148,354 (A)	(\$610,524) (B)	\$4,537,830
AVERAGE RATE BASE	\$66,955,680	(\$5,283,769)	\$61,671,911
AVERAGE RATE OF RETURN	7.69%		7.36%

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

AVERAGE CAPITAL STRUCTURE  
(FPSC ADJUSTED BASIS)

LOW	6.37%
MIDPOINT	6.87%
HIGH	7.37%

II. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.64 (SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.50 (SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.67% (SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	68.34% (SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	37.95% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.45% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.80% (FPSC ADJUSTED BASIS)

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

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1 SYSTEM PER BOOKS	\$77,709,581	\$20,316,308	\$57,393,273	\$963,764	\$6,369,167	\$653,711	\$65,379,916	\$3,914,539	\$69,294,454
2 JURISDICTIONAL PER BOOKS	74,878,232	16,139,533	58,738,699	924,062	6,077,387	616,651	66,356,799	598,881	66,955,680
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS		(5,514,893)	5,514,893				5,514,893		5,514,893
4 CAPITALIZED EXECUTIVE COMPENSATION	(57,930)		(57,930)				(57,930)		(57,930)
5 ENVIRONMENTAL	(1,680,566)	(623,947)	(1,056,618)				(1,056,618)		(1,056,618)
6 FUEL AND CAPACITY	(144,422)	(15,234)	(129,188)				(129,188)		(129,188)
7 LOAD CONTROL	(39,691)	(16,206)	(23,485)				(23,485)		(23,485)
8 ASSET RETIREMENT OBLIGATION	(122,577)	5,167,608	(5,290,185)				(5,290,185)		(5,290,185)
9 CAPITAL LEASES	(110,047)	(57,405)	(52,642)				(52,642)		(52,642)
10 NORTH ESCAMBIA FUTURE PLANT USE				(10,789)			(10,789)		(10,789)
11 STORM PROTECTION CLAUSE	(2,263,983)	(62,601)	(2,201,382)		(514,608)		(2,715,990)		(2,715,990)
12 CONSTRUCTION WORK IN PROGRESS					(2,804,015)		(2,804,015)		(2,804,015)
13 CWIP - CAPACITY ECCR & ECRC PROJECTS					(211,010)		(211,010)		(211,010)
14 ACCOUNTS RECEIVABLE - ASSOC COS								(228,461)	(228,461)
15 JOBBING ACCOUNTS								7,504	7,504
16 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(1,693,067)	(1,693,067)
17 NUCLEAR COST RECOVERY								241,631	241,631
18 DEFERRED DEBITS & CREDITS – CLAUSES								(118,459)	(118,459)
19 CEDAR BAY TRANSACTION								(129,738)	(129,738)
20 ICL TRANSACTION								(120,449)	(120,449)
21 POLE ATTACHMENTS RENTS RECEIVABLE								(34,195)	(34,195)
22 MARGIN CALL CASH COLLATERAL								519	519
23 PREPAYMENTS - ECCR								(1,632)	(1,632)
24 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(8,661)	(8,661)
25 STORM DEFICIENCY RECOVERY								(467,159)	(467,159)
26 TEMPORARY CASH INVESTMENTS								(34)	(34)
27 ACCUM DEFERRED RETIREMENT BENEFITS								13,695	13,695
28 ACCUM. PROV. - PROPERTY & STORM INSURANCE								(2,738)	(2,738)
29 ASSET RETIREMENT OBLIGATION								5,290,185	5,290,185
30 SJRPP CAPACITY/ECRC								(37,114)	(37,114)
31 EARLY RETIRED ASSETS								(1,166,540)	(1,166,540)
32 INTEREST & DIV RECEIVABLE								(576)	(576)
33 CARE TO SHARE LIABILITY								120	120
34 DEFERRED TRANSMISSION CREDIT								8,361	8,361
35 TOTAL FPSC ADJUSTMENTS	(4,419,216)	(1,122,678)	(3,296,537)	(10,789)	(3,529,632)		(6,836,959)	1,553,190	(5,283,769)
36 FPSC ADJUSTED	70,459,016	15,016,854	55,442,162	913,273	2,547,754	616,651	59,519,840	2,152,071	61,671,911

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

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1 SYSTEM PER BOOKS	\$18,181,140	\$5,326,212	\$1,578,278	\$3,193,703	\$1,886,393	\$1,012,075	(\$685)	\$12,995,975	\$5,185,165
2 JURISDICTIONAL PER BOOKS	17,590,288	5,133,169	1,531,706	3,103,944	1,858,361	972,150	(685)	12,598,646	4,991,642
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(252,957)	(185,716)	(30,237)	(7,831)	(195)	(7,344)		(231,324)	(21,633)
4 CONSERVATION COST RECOVERY	(62,966)		(47,052)	(12,456)	(1,007)	(621)		(61,136)	(1,830)
5 ENVIRONMENTAL COST RECOVERY	(374,590)		(28,907)	(125,059)	(172)	(55,874)	0	(210,011)	(164,579)
6 FUEL COST REC RETAIL	(5,074,122)	(4,934,270)	(14)		(29)	(35,435)		(4,969,748)	(104,374)
7 STORM PROTECTION COST RECOVERY	(368,152)		(74,153)	(58,309)	(166)	(59,693)		(192,322)	(175,830)
8 STORM DEFICIENCY RECOVERY	(1,113,833)		(40,800)	(1,073,033)				(1,113,833)	
9 FRANCHISE REVENUE & EXPENSE	(676,882)				(676,394)	(124)		(676,518)	(364)
10 GROSS RECEIPTS TAX AND RAF	(394,523)		(12,623)		(383,228)	337		(395,515)	992
11 MISCELLANEOUS O&M EXPENSES			(780)			198		(582)	582
12 AVIATION - EXPENSES			(194)			49		(145)	145
13 EXECUTIVE COMPENSATION			(52,015)			13,183		(38,831)	38,831
14 INTEREST TAX DEFICIENCIES			(67)			17		(50)	50
15 INTEREST SYNCHRONIZATION						25,803		25,803	(25,803)
16 TOTAL FPSC ADJUSTMENTS	(8,318,024)	(5,119,986)	(286,843)	(1,276,687)	(1,061,192)	(119,504)	0	(7,864,212)	(453,812)
17 FPSC ADJUSTED	\$9,272,264	\$13,183	\$1,244,863	\$1,827,257	\$797,169	\$852,647	(\$685)	\$4,734,434	\$4,537,830

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

SCHEDULE 3  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS PRORATA	ADJUSTMENTS SPECIFIC	ADJUSTED RETAIL	RATIO	LOWPOINT COST RATE	WEIGHTED COST	MIDPOINT COST RATE	WEIGHTED COST	HIGHPOINT COST RATE	WEIGHTED COST
LONG TERM DEBT	\$21,562,569	\$20,829,397	(\$1,579,343)	(\$61,303)	\$19,188,750	31.11%	4.35%	1.35%	4.35%	1.35%	4.35%	1.35%
SHORT TERM DEBT	\$1,389,568	\$1,342,298	(\$102,077)	\$0	\$1,240,221	2.01%	5.35%	0.11%	5.35%	0.11%	5.35%	0.11%
PREFERRED STOCK	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	\$33,761,109	\$32,613,231	(\$2,480,762)	\$8,361	\$30,140,830	48.87%	9.80%	4.79%	10.80%	5.28%	11.80%	5.77%
CUSTOMER DEPOSITS	\$531,285	\$531,811	(\$40,442)	\$0	\$491,369	0.80%	2.15%	0.02%	2.15%	0.02%	2.15%	0.02%
DEFERRED INCOME TAX	\$7,815,540	\$7,549,403	(\$570,217)	(\$51,147)	\$6,928,039	11.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	\$3,184,752	\$3,076,414	(\$233,951)	\$0	\$2,842,463	4.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	\$1,049,632	\$1,013,127	(\$69,157)	(\$103,730)	\$840,240	1.36%	7.68%	0.10%	8.29%	0.11%	8.90%	0.12%
TOTAL	<u>\$69,294,454</u>	<u>\$66,955,680</u>	<u>(\$5,075,950)</u>	<u>(\$207,819)</u>	<u>\$61,671,911</u>	<u>100.00%</u>		<u>6.37%</u>		<u>6.87%</u>		<u>7.37%</u>

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

SCHEDULE 4  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
YEAR: 2023

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$5,249,242
AFUDC - DEBT	36,488
INCOME TAXES	969,438
TOTAL	<u>\$6,255,168</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	1,108,349
TIE WITH AFUDC	<u>5.64</u>

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$5,249,242
AFUDC - EQUITY	(125,873)
INCOME TAXES	969,438
TOTAL	<u>\$6,092,807</u>
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$1,108,349
TIE WITHOUT AFUDC	<u>5.50</u>

**C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON**

AFUDC - DEBT	\$36,488
X (1-INCOME TAX RATE)	0.7466
SUBTOTAL	<u>\$27,240</u>
AFUDC - EQUITY	125,873
TOTAL	<u>\$153,113</u>
NET INCOME AVAILABLE TO COMMON	<u>\$4,177,381</u>
PERCENT AFUDC TO AVAILABLE NET INCOME	<u>3.67%</u>

**D. PERCENT INTERNALLY GENERATED FUNDS**

NET INCOME	\$4,177,381
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(2,500,000)
AFUDC (DEBT & OTHER)	(162,360)
DEPRECIATION & AMORTIZATION	3,193,703
DEFERRED INC TAXES & INVESTMENT CREDITS	23,384
CLAUSE OVER/UNDER RECOVERY	968,988
OTHER SOURCES/USES OF FUNDS	(685)
TOTAL	<u>\$5,700,410</u>
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$8,341,705
PERCENT INTERNALLY GENERATED FUNDS	68.34%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$19,188,750
SHORT TERM DEBT	1,240,221
PREFERRED STOCK	0
COMMON EQUITY	30,140,830
TOTAL	<u>\$50,569,801</u>
% LONG TERM DEBT TO TOTAL	37.95%
% SHORT TERM DEBT TO TOTAL	2.45%

**G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**

	FPSC ADJUSTED
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	7.36%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.35%
SHORT TERM DEBT	0.11%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.11%
SUBTOTAL	<u>1.59%</u>
TOTAL	<u>5.77%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.87%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>11.80%</u>

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT  
 FORECAST ASSUMPTIONS

Company: Florida Power & Light Company and Subsidiaries, excluding Florida City Gas  
 YEAR: 2023

FORECASTED ASSUMPTIONS:

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	5,184,891	5,113,455
COMMERCIAL	650,714	641,613
INDUSTRIAL	14,859	14,094
OTHER	7,071	6,662
<b>TOTAL</b>	<b>5,857,535</b>	<b>5,775,824</b>

  

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	67,828,757	69,347,790
COMMERCIAL	50,819,003	51,850,920
INDUSTRIAL	4,756,787	4,713,988
OTHER	552,236	537,194
<b>TOTAL</b>	<b>123,956,783</b>	<b>126,449,892</b>

(1) 2023 forecasted retail billed sales  
 (2) 2022 actual retail billed sales

OTHER MAJOR FORECASTED ASSUMPTIONS:

- A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):
- 1. CONSUMER PRICE INDEX (CPI) 2.9%
  - 2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR 3.6%
  - 3. PRODUCER PRICE INDEX (PPI) - ALL GOODS 2.4%
  - 4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIAL 2.5%
  - 5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOC 2.4%
- B. CAPITAL OVERHEAD RATES
- 1. PENSION & WELFARE 3.6%
  - 2. PAYROLL TAXES & INSURANCE 7.3%
- C. OTHER CORPORATE ASSUMPTIONS
- INTEREST RATES -
- 1) 30 DAY COMMERCIAL PAPER 5.1%
  - 2) LONG TERM DEBT 5.2%
- DEPRECIATION RESERVE SURPLUS AMORTIZATION (\$508,251)
- D. ICL BASE REVENUE REQUIREMENTS COLLECTED THROUGH THE CAPACITY CLAUSE ARE REFLECTED AS BASE REVENUES HEREIN.

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

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

\_\_\_\_\_  
 Ina Laney  
 NAME

\_\_\_\_\_  
 Director of Financial Forecasting  
 TITLE

*Ina Laney*  
 SIGNATURE

\_\_\_\_\_  
 3/15/2023  
 DATE

# **ATTACHMENT 2**

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT - PRO FORMA 2023 FESR  
 (\$000'S)

SCHEDULE 1  
 PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
 YEAR: 2023

I. AVERAGE RATE OF RETURN (JURISDICTIONAL)	(1) PER BOOKS	(2) FPSC ADJUSTMENTS	(3) FPSC ADJUSTED
NET OPERATING INCOME	\$5,151,309 (A)	(\$609,642) (B)	\$4,541,666
AVERAGE RATE BASE	\$66,996,475	(\$5,283,722)	\$61,712,753
AVERAGE RATE OF RETURN	7.69%		7.36%

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

AVERAGE CAPITAL STRUCTURE  
(FPSC ADJUSTED BASIS)

LOW	6.37%
MIDPOINT	6.87%
HIGH	7.37%

II. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	5.73	(SYSTEM PER BOOK BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	5.58	(SYSTEM PER BOOK BASIS)
C. AFUDC AS PERCENT OF NET INCOME	3.66%	(SYSTEM PER BOOK BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	69.26%	(SYSTEM PER BOOK BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	38.02%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	2.38%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	11.80%	(FPSC ADJUSTED BASIS)

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT - PRO FORMA 2023 FESR  
AVERAGE RATE OF RETURN  
RATE BASE (\$000's)

SCHEDULE 2  
PAGE 1 OF 2

Company: Florida Power & Light Company and Subsidiaries  
YEAR: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
1 SYSTEM PER BOOKS	\$77,709,581	\$20,316,308	\$57,393,273	\$963,764	\$6,369,167	\$653,711	\$65,379,916	\$3,955,341	\$69,335,257
2 JURISDICTIONAL PER BOOKS	74,878,232	16,098,909	58,779,322	924,062	6,077,387	616,651	66,397,422	599,053	66,996,475
<u>FPSC ADJUSTMENTS:</u>									
3 ACCUM PROV DECOMMISSIONING COSTS		(5,514,893)	5,514,893				5,514,893		5,514,893
4 CAPITALIZED EXECUTIVE COMPENSATION	(57,930)		(57,930)				(57,930)		(57,930)
5 ENVIRONMENTAL	(1,680,566)	(623,947)	(1,056,618)				(1,056,618)		(1,056,618)
6 FUEL AND CAPACITY	(144,422)	(15,234)	(129,188)				(129,188)		(129,188)
7 LOAD CONTROL	(39,691)	(16,206)	(23,485)				(23,485)		(23,485)
8 ASSET RETIREMENT OBLIGATION	(122,577)	5,167,608	(5,290,185)				(5,290,185)		(5,290,185)
9 CAPITAL LEASES	(110,047)	(57,405)	(52,642)				(52,642)		(52,642)
10 NORTH ESCAMBIA FUTURE PLANT USE				(10,789)			(10,789)		(10,789)
11 STORM PROTECTION CLAUSE	(2,263,983)	(62,601)	(2,201,382)		(514,608)		(2,715,990)		(2,715,990)
12 CONSTRUCTION WORK IN PROGRESS					(2,804,015)		(2,804,015)		(2,804,015)
13 CWIP - CAPACITY ECCR & ECRC PROJECTS					(211,010)		(211,010)		(211,010)
14 ACCOUNTS RECEIVABLE - ASSOC COS								(228,462)	(228,462)
15 JOBBING ACCOUNTS								7,504	7,504
16 NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC								(1,693,019)	(1,693,019)
17 NUCLEAR COST RECOVERY								241,631	241,631
18 DEFERRED DEBITS & CREDITS - CLAUSES								(118,459)	(118,459)
19 CEDAR BAY TRANSACTION								(129,738)	(129,738)
20 ICL TRANSACTION								(120,449)	(120,449)
21 POLE ATTACHMENTS RENTS RECEIVABLE								(34,195)	(34,195)
22 MARGIN CALL CASH COLLATERAL								519	519
23 PREPAYMENTS - ECCR								(1,632)	(1,632)
24 PREPAYMENTS - INTEREST ON COMMERCIAL PAPER								(8,661)	(8,661)
25 STORM DEFICIENCY RECOVERY								(467,159)	(467,159)
26 TEMPORARY CASH INVESTMENTS								(34)	(34)
27 ACCUM DEFERRED RETIREMENT BENEFITS								13,695	13,695
28 ACCUM. PROV. - PROPERTY & STORM INSURANCE								(2,738)	(2,738)
29 ASSET RETIREMENT OBLIGATION								5,290,185	5,290,185
30 SJRPP CAPACITY/ECRC								(37,114)	(37,114)
31 EARLY RETIRED ASSETS								(1,166,540)	(1,166,540)
32 INTEREST & DIV RECEIVABLE								(576)	(576)
33 CARE TO SHARE LIABILITY								120	120
34 DEFERRED TRANSMISSION CREDIT								8,361	8,361
35 TOTAL FPSC ADJUSTMENTS	(4,419,216)	(1,122,678)	(3,296,537)	(10,789)	(3,529,632)	0	(6,836,959)	1,553,237	(5,283,722)
36 FPSC ADJUSTED	\$70,459,016	\$14,976,231	\$55,482,785	\$913,273	\$2,547,754	\$616,651	\$59,560,463	\$2,152,290	\$61,712,753

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT - PRO FORMA 2023 FESR  
AVERAGE RATE OF RETURN  
INCOME STATEMENT (\$000's)

SCHEDULE 2  
PAGE 2 OF 2

Company: Florida Power & Light Company and Subsidiaries  
YEAR: 2023

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER O&M	DEPRECIATION AND AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES AND INVESTMENT TAX CREDIT	GAIN LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1 SYSTEM PER BOOKS	\$18,181,133	\$5,326,212	\$1,578,377	\$3,117,079	\$1,886,393	\$1,087,448	(\$685)	\$12,994,824	\$5,186,309
2 JURISDICTIONAL PER BOOKS	17,590,281	5,133,169	1,531,805	3,027,320	1,858,361	1,045,713	(685)	12,595,684	4,994,597
<u>FPSC ADJUSTMENTS:</u>									
3 CAPACITY COST RECOVERY	(252,951)	(185,716)	(30,237)	(7,831)	(195)	(7,343)		(231,322)	(21,629)
4 CONSERVATION COST RECOVERY	(62,966)		(47,052)	(12,456)	(1,007)	(621)		(61,136)	(1,830)
5 ENVIRONMENTAL COST RECOVERY	(374,590)		(28,955)	(125,059)	(172)	(55,862)	0	(210,047)	(164,543)
6 FUEL COST REC RETAIL	(5,074,122)	(4,934,270)	(14)		(29)	(35,435)		(4,969,748)	(104,374)
7 STORM PROTECTION COST RECOVERY	(368,152)		(74,204)	(58,309)	(166)	(59,680)		(192,360)	(175,791)
8 STORM DEFICIENCY RECOVERY	(1,113,833)		(40,800)	(1,073,033)		0		(1,113,833)	
9 FRANCHISE REVENUE & EXPENSE	(676,882)				(676,394)	(124)		(676,518)	(364)
10 GROSS RECEIPTS TAX AND RAF	(394,523)		(12,623)		(383,228)	337		(395,515)	992
11 MISCELLANEOUS O&M EXPENSES			(780)			198		(582)	582
12 AVIATION - EXPENSES			(194)			49		(145)	145
13 EXECUTIVE COMPENSATION			(52,015)			13,183		(38,831)	38,831
14 INTEREST TAX DEFICIENCIES			(67)			17		(50)	50
15 INTEREST SYNCHRONIZATION						25,001		25,001	(25,001)
16 TOTAL FPSC ADJUSTMENTS	(8,318,017)	(5,119,986)	(286,942)	(1,276,687)	(1,061,192)	(120,279)	0	(7,865,087)	(452,930)
17 FPSC ADJUSTED	\$9,272,264	\$13,183	\$1,244,863	\$1,750,633	\$797,169	\$925,434	(\$685)	\$4,730,598	\$4,541,666

FLORIDA PUBLIC SERVICE COMMISSION  
 ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT - PRO FORMA 2023 FESR  
 CAPITAL STRUCTURE (\$000'S)  
 FPSC ADJUSTED BASIS

Company: Florida Power & Light Company and Subsidiaries  
 YEAR: 2023

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO	LOWPOINT		MIDPOINT		HIGHPOINT	
			PRORATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST
LONG TERM DEBT	\$21,563,474	\$20,830,704	(\$1,578,464)	(\$61,303)	\$19,190,937	31.10%	4.35%	1.35%	4.35%	1.35%	4.35%	1.35%
SHORT TERM DEBT	1,343,625	1,297,945	(98,643)	(\$0)	1,199,301	1.94%	5.32%	0.10%	5.32%	0.10%	5.32%	0.10%
PREFERRED STOCK	0	0	0	\$0	0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	33,696,871	32,551,857	(2,474,560)	\$8,361	30,085,659	48.75%	9.80%	4.78%	10.80%	5.27%	11.80%	5.75%
CUSTOMER DEPOSITS	531,307	531,832	(40,419)	(\$0)	491,413	0.80%	2.15%	0.02%	2.15%	0.02%	2.15%	0.02%
DEFERRED INCOME TAX	7,791,833	7,526,658	(568,135)	(\$51,147)	6,907,376	11.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	3,184,886	3,076,608	(233,821)	\$0	2,842,787	4.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS	1,223,260	1,180,871	(81,862)	(\$103,730)	995,279	1.61%	7.68%	0.12%	8.29%	0.13%	8.90%	0.14%
<b>TOTAL</b>	<b>\$69,335,257</b>	<b>\$66,996,475</b>	<b>(\$5,075,903)</b>	<b>(\$207,819)</b>	<b>\$61,712,753</b>	<b>100.00%</b>		<b>6.37%</b>		<b>6.87%</b>		<b>7.37%</b>

FLORIDA PUBLIC SERVICE COMMISSION  
ELECTRIC FORECASTED EARNINGS SURVEILLANCE REPORT - PRO FORMA 2023 FESR  
FINANCIAL INTEGRITY INDICATORS  
(\$000's)

SCHEDULE 4  
PAGE 1 OF 1

Company: Florida Power & Light Company and Subsidiaries  
YEAR: 2023

**A. TIMES INTEREST EARNED WITH AFUDC**

EARNINGS BEFORE INTEREST	\$5,250,373
AFUDC - DEBT	36,488
INCOME TAXES	1,044,826
TOTAL	\$6,331,687
INTEREST CHARGES (BEFORE DEBT AFUDC)	1,105,282
TIE WITH AFUDC	5.73

**B. TIMES INTEREST EARNED WITHOUT AFUDC**

EARNINGS BEFORE INTEREST	\$5,250,373
AFUDC - EQUITY	(125,873)
INCOME TAXES	1,044,826
TOTAL	\$6,169,326
INTEREST CHARGES (BEFORE DEBT AFUDC)	\$1,105,282
TIE WITHOUT AFUDC	5.58

**C. PERCENT OF AFUDC TO NET INCOME AVAILABLE TO COMMON**

AFUDC - DEBT	\$36,488
X (1-INCOME TAX RATE)	0.7466
SUBTOTAL	\$27,240
AFUDC - EQUITY	125,873
TOTAL	\$153,113
NET INCOME AVAILABLE TO COMMON	\$4,181,580
PERCENT AFUDC TO AVAILABLE NET INCOME	3.66%

**D. PERCENT INTERNALLY GENERATED FUNDS**

NET INCOME	\$4,181,580
PREFERRED DIVIDENDS	0
COMMON DIVIDENDS	(2,558,477)
AFUDC (DEBT & OTHER)	(162,360)
DEPRECIATION & AMORTIZATION	3,117,079
DEFERRED INC TAXES & INVESTMENT CREDITS	230,896
CLAUSE OVER/UNDER RECOVERY	969,095
OTHER SOURCES/USES OF FUNDS	(685)
TOTAL	\$5,777,127
CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC DEBT & EQUITY)	\$8,341,705
PERCENT INTERNALLY GENERATED FUNDS	69.26%

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

RECONCILED AVERAGE RETAIL AMOUNTS:	
LONG TERM DEBT	\$19,190,937
SHORT TERM DEBT	1,199,301
PREFERRED STOCK	0
COMMON EQUITY	30,085,659
TOTAL	\$50,475,898
% LONG TERM DEBT TO TOTAL	38.02%
% SHORT TERM DEBT TO TOTAL	2.38%

**G. AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY**

	FPSC ADJUSTED
AVERAGE JURISDICTIONAL EARNED RATE OF RETURN	7.36%
LESS: RECONCILED AVERAGE RETAIL WEIGHTED COST RATES:	
LONG TERM DEBT	1.35%
SHORT TERM DEBT	0.10%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST (MIDPOINT)	0.13%
SUBTOTAL	1.61%
TOTAL	5.75%
DIVIDED BY COMMON EQUITY RATIO	48.75%
JURISDICTIONAL RETURN ON COMMON EQUITY	11.80%

Company: Florida Power & Light Company and Subsidiaries  
 YEAR: 2023

**FORECASTED ASSUMPTIONS:**

CUSTOMERS	FORECASTED YEAR	PRIOR YEAR
RESIDENTIAL	5,184,891	5,113,455
COMMERCIAL	650,714	641,613
INDUSTRIAL	14,859	14,094
OTHER	7,071	6,662
<b>TOTAL</b>	<b>5,857,535</b>	<b>5,775,824</b>

  

MWH SALES	FORECASTED YEAR (1)	PRIOR YEAR (2)
RESIDENTIAL	67,828,757	69,347,790
COMMERCIAL	50,819,003	51,850,920
INDUSTRIAL	4,756,787	4,713,988
OTHER	552,236	537,194
<b>TOTAL</b>	<b>123,956,783</b>	<b>126,449,892</b>

(1) 2023 forecasted retail billed sales  
 (2) 2022 actual retail billed sales

**OTHER MAJOR FORECASTED ASSUMPTIONS:**

A. INFLATION FACTORS (ANNUAL RATE OF CHANGE):

1. CONSUMER PRICE INDEX (CPI)	2.9%
2. GROSS DOMESTIC PRODUCT (GDP) DEFLATOR	3.6%
3. PRODUCER PRICE INDEX (PPI) - ALL GOODS	2.4%
4. PRODUCER PRICE INDEX (PPI) - INTERMEDIATE MATERIAL	2.5%
5. PRODUCER PRICE INDEX (PPI) - FINISHED PRODUCT GOOD	2.4%

B. CAPITAL OVERHEAD RATES

1. PENSION & WELFARE	3.6%
2. PAYROLL TAXES & INSURANCE	7.3%

C. OTHER CORPORATE ASSUMPTIONS

INTEREST RATES -

1) 30 DAY COMMERCIAL PAPER	5.1%
2) LONG TERM DEBT	5.2%

DEPRECIATION RESERVE SURPLUS AMORTIZATION (\$584,874)

D. ICL BASE REVENUE REQUIREMENTS COLLECTED THROUGH THE CAPACITY CLAUSE ARE REFLECTED AS BASE REVENUES HEREIN.

I AM THE PERSON RESPONSIBLE FOR PREPARATION OF THIS DOCUMENT AND I AM AWARE THAT SECTION 837.06, FLORIDA STATUTES, PROVIDES:

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

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 TITLE

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 DATE

# **ATTACHMENT 3**

Differences in Rate Base and Net Operating Income  
(\$000's)

Rate Base, 13 Month Average, FESR Schedule 2, Page 1 of 2	2023 FESR	2023 Pro Forma FESR	Difference	Reference
<b>Total System Per Books Rate Base</b>	<b>\$69,294,454</b>	<b>\$69,335,257</b>	<b>(\$40,802)</b>	Attachments 1 & 2, col. (9), Line 1
<b>Less:</b>				
Non-Jurisdictional Rate Base	\$2,338,774	\$2,338,781	(\$7)	Attachments 1 & 2, col. (9), Line 2 - Line 1
FPSC Adjustments	\$5,283,769	\$5,283,722	\$47	Attachments 1 & 2, col. (9), Line 35
<b>Jurisdictional Adjusted Rate Base</b>	<b>\$61,671,911</b>	<b>\$61,712,753</b>	<b>(\$40,842)</b>	<b>Attachments 1 &amp; 2, col. (9), Line 36</b>

Net Operating Income ("NOI"), FESR Schedule 2, Page 2 of 2	2023 FESR	2023 Pro Forma FESR	Difference	Reference
Operating Revenues	\$18,181,140	\$18,181,133	\$7	
Operation & Maintenance Expense	\$6,904,490	\$6,904,589	(\$99)	
Depreciation & Amortization Expense	\$3,193,703	\$3,117,079	\$76,624	
Taxes Other Than Income Taxes	\$1,886,393	\$1,886,393	\$0	
Operating Income Taxes and ITC	\$1,012,075	\$1,087,448	(\$75,374)	Note [1]
Gain/Loss on Disposition of Utility Plant	(\$685)	(\$685)	\$0	
<b>Total System Per Books NOI</b>	<b>\$5,185,165</b>	<b>\$5,186,309</b>	<b>(\$1,144)</b>	Attachments 1 & 2, col. (9), Line 1
<b>Less:</b>				
Non-Jurisdictional NOI	\$193,523	\$191,712	\$1,811	Attachments 1 & 2, col. (9), Line 2 - Line 1
FPSC Adjustments	\$453,812	\$452,930	\$882	Attachments 1 & 2, col. (9), Line 16
<b>Jurisdictional Adjusted NOI</b>	<b>\$4,537,830</b>	<b>\$4,541,666</b>	<b>(\$3,836)</b>	<b>Attachments 1 &amp; 2, col. (9), Line 17</b>

Note [1]	2023 FESR vs. 2023 Pro Forma FESR	Reference
<b>Operating Income Taxes and ITC Detail</b>		
<b>Operating Income Taxes and ITC Detail - System Per Books</b>		
Production Tax Credits	(\$63,709)	
Tax Expense on Depreciation Reserve Surplus Amortization Impact	(\$19,421)	
ITC Amortization Reversal	\$8,900	
State Tax Expense/Other	(\$1,143)	
<b>Total Operating Income Taxes and ITC Detail - System Per Books</b>	<b>(\$75,374)</b>	Difference Attachments 1 & 2, col. (6), Line 1 Attachment 5, Line 13
Non-Jurisdictional Operating Income Taxes and ITC	\$1,811	Difference Attachments 1 & 2, Col. (6), Line 2 - Line 1
FPSC Adjustments Operating Income Taxes and ITC	\$775	Difference Attachments 1 & 2, Col. (6), Line 16
<b>Non-Jurisdictional and FPSC Adjustments Operating Income Taxes</b>	<b>\$2,586</b>	Attachment 5, Line 14
<b>Operating Income Taxes and ITC Detail - Jurisdictional Adjusted</b>	<b>(\$72,787)</b>	Difference Attachments 1 & 2, Col. (6), Line 17 Attachment 5, Line 20

# **ATTACHMENT 4**

Differences in Capital Structure  
((\$000's))

Capital Structure, FESR Schedule 3	2023 FESR						2023 Pro Forma FESR						Difference: 2023 FESR vs. 2023 Pro Forma FESR					
	System Per Book	Retail Per Book	Adjusted Retail	Ratio	Cost Rate	Weighted Cost	System Per Book	Retail Per Book	Adjusted Retail	Ratio	Cost Rate	Weighted Cost	System Per Book	Retail Per Book	Adjusted Retail	Ratio	Cost Rate	Weighted Cost
13-Month Average																		
Long-Term Debt	\$21,562,569	\$20,829,397	\$19,188,750	31.11%	4.35%	1.35%	\$21,563,474	\$20,830,704	\$19,190,937	31.10%	4.35%	1.35%	(\$905)	(\$1,308)	(\$2,187)	0.02%	0.00%	0.001%
Short-Term Debt	\$1,389,568	\$1,342,298	\$1,240,221	2.01%	5.35%	0.11%	\$1,343,625	\$1,297,945	\$1,199,301	1.94%	5.32%	0.10%	\$45,944	\$44,354	\$40,920	0.07%	0.03%	0.004%
Preferred Stock	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0.00%	0.00%	0.00%	\$0	\$0	\$0	0.00%	0.00%	0.000%
Common Equity	\$33,761,109	\$32,613,231	\$30,140,830	48.87%	10.80%	5.28%	\$33,696,871	\$32,551,857	\$30,085,659	48.75%	10.80%	5.27%	\$64,237	\$61,373	\$55,171	0.12%	0.00%	0.013%
Customer Deposits	\$531,285	\$531,811	\$491,369	0.80%	2.15%	0.02%	\$531,307	\$531,832	\$491,413	0.80%	2.15%	0.02%	(\$22)	(\$21)	(\$45)	0.00%	0.00%	0.000%
Deferred Income Taxes	\$7,815,540	\$7,549,403	\$6,928,039	11.23%	0.00%	0.00%	\$7,791,833	\$7,526,658	\$6,907,376	11.19%	0.00%	0.00%	\$23,707	\$22,745	\$20,663	0.04%	0.00%	0.000%
FAS 109 Deferred Income Tax	\$3,184,752	\$3,076,414	\$2,842,463	4.61%	0.00%	0.00%	\$3,184,886	\$3,076,608	\$2,842,787	4.61%	0.00%	0.00%	(\$134)	(\$194)	(\$324)	0.00%	0.00%	0.000%
Investment Tax Credits	\$1,049,632	\$1,013,127	\$840,240	1.36%	8.29%	0.11%	\$1,223,260	\$1,180,871	\$995,279	1.61%	8.29%	0.13%	(\$173,629)	(\$167,745)	(\$155,039)	-0.25%	0.00%	-0.021%
<b>Total</b>	<b>\$69,294,454</b>	<b>\$66,955,680</b>	<b>\$61,671,911</b>	<b>100.00%</b>		<b>6.87%</b>	<b>\$69,335,257</b>	<b>\$66,996,475</b>	<b>\$61,712,753</b>	<b>100.00%</b>		<b>6.87%</b>	<b>(\$40,802)</b>	<b>(\$40,795)</b>	<b>(\$40,842)</b>	<b>0.00%</b>		<b>-0.003%</b>

[1]

[2]

Note [1] See Attachment 5, Line 26

Note [2] See Attachment 5, Line 27

# **ATTACHMENT 5**

**2023 Projected Jurisdictional Adjusted Revenue Requirement Impact**

Inflation Reduction Act - Change in 2023 Jurisdictional Adjusted Revenue Requirement	2023	Ref.
1 Production Tax Credits	(85,338,119)	Line 22
2 ITC Amortization Removal	11,921,120	Line 23
3 State Tax Expense/Other	1,932,623	Line 24
4 ITC Capital Structure Impact	(2,170,368)	Line 28
<b>5 Total Change in 2023 Jurisdictional Adjusted Revenue Requirement</b>	<b>(73,654,744)</b>	
<b>6 Change in 2023 Jurisdictional Adjusted Revenue Requirement - Original estimate in Amended Petition filed November 14, 2022 in Docket No. 20220165-EI</b>	<b>(69,743,460)</b>	
<b>7 Incremental Change in 2023 Jurisdictional Adjusted Revenue Requirement</b>	<b>(3,911,284)</b>	Line 5 - Line 6
<b>I. Operating Income Tax Expense</b>		
<b>8 Change in <u>Per Book</u> Tax Expense due to:</b>	<b>2023</b>	
9 Tax Expense on Depreciation Reserve Surplus Amortization Impact	(19,420,718)	
10 Production Tax Credits	(63,709,173)	
11 ITC Amortization Removal	8,899,712	
12 State Tax Expense/Other	(1,143,328)	
<b>13 Change in <u>Per Book</u> Tax Expense</b>	<b>(75,373,506)</b>	Attachment 3, Note [1]
<b>14 Non-Jurisdictional and FPSC Adjustments Variance <sup>1</sup></b>	<b>2,586,128</b>	Attachment 3, Note [1]
<b>15 Change in <u>FPSC Adjusted</u> Tax Expense due to:</b>		
16 Tax Expense on Depreciation Reserve Surplus Amortization Impact	(19,420,718)	Line 9
17 Production Tax Credits	(63,709,173)	Line 10
18 ITC Amortization Removal	8,899,712	Line 11
19 State Tax Expense/Other	1,442,800	Line 12 + Line 14
<b>20 Change in <u>FPSC Adjusted</u> Tax Expense</b>	<b>(72,787,378)</b>	Attachment 3, Note [1]
<b>21 Revenue Requirement - FPSC Adjusted Operating Income Tax Expense, excl. Surplus <sup>2</sup></b>		
22 Production Tax Credits	(85,338,119)	Line 17 / 0.74655
23 ITC Amortization Removal	11,921,120	Line 18 / 0.74655
24 State Tax Expense/Other	1,932,623	Line 19 / 0.74655
<b>25 Revenue Requirement - FPSC Adjusted Operating Income Tax Expense, excl. Surplus</b>	<b>(71,484,376)</b>	Sum Lines 22 through 24

**Notes:**

1. 2023 FESR vs. 2023 Pro Forma FESR variance in Non-Jurisdictional and FPSC Adjustments associated with operating income taxes and ITC. Variance attributed to non-jurisdictional allocation of Production Tax Credits and to interest synchronization adjustment due to changes in capital structure.
2. Change in jurisdictional adjusted tax expense grossed up for taxes. Excludes impact of depreciation reserve surplus amortization.

<b>II. Investment Tax Credits and Accumulated Deferred Income Tax Liability</b>		
26 2023 Pro Forma FESR Adjusted Retail Rate Base	\$61,712,753,300	Attachment 4, Note [1]
27 Change in Weighted Average Cost of Capital	-0.003%	Attachment 4, Note [2]
<b>28 ITC Capital Structure Impact</b>	<b>(2,170,368)</b>	<b>(Line 26 * Line 27) / 0.74655</b>