BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition by Florida Power & Light Company for Rate Unification and for Base Rate Increase	DOCKET NO. 20210015-EI

FLORIDIANS AGAINST INCREASED RATES, INC.'S PRE-HEARING STATEMENT

Floridians Against Increased Rates, Inc. ("FAIR"), pursuant to the Orders Establishing Procedure in this docket, Order PSC-2021-0116-PCO-EI (issued March 24, 2021), Order PSC-2021-0120-PCO-EI (issued April 1, 2021), Order PSC-2021-0120A-PCO-EI (issued April 8, 2021), and PSC-2021-0233-PCO-EI (issued June 28, 2021), hereby submits its Prehearing Statement.

APPEARANCES:

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On behalf of Floridians Against Increased Rates, Inc.:

1. ALL KNOWN WITNESSES:

Witness	**Subject Matter**	**Issues**
Breandan Mac Mathuna	Cost of capital; ROE; equity ratio	65-73, 107

Timothy J. Devlin	Depreciation; Reserve Surplus Amortization Mechanism; proper standards for ratemaking	2, 29, 30, 130
John Thomas Herndon	FAIR's purposes and standing; appropriate standards for ratemaking and revenue determination; ROE and equity ratio; public interest considerations in setting rates, particularly while Florida is emerging from the COVID-19 pandemic.	9, 10, 29, 70-72, 107, 122-127, H
Nancy H. Watkins	FAIR's membership; FAIR's purposes; standing	9, 10

FAIR also reserves its right to cross-examine all witnesses and to rely upon the prefiled testimony of witnesses in this docket, as well as testimony on their cross-examination.

2. ALL KNOWN EXHIBITS:

FAIR will introduce the following exhibits sponsored by its witnesses. FAIR further reserves its right to introduce exhibits through cross-examination of other parties' witnesses.

Witness	**Proffered by**	**Exhibit No.**	**Description**	**Issues**
Mac Mathuna	FAIR	BTM-1	Professional Qualifications of Breandan T. Mac Mathuna	65-73
	FAIR	BTM-2	DCF Model Analysis	65-73
	FAIR	BTM-3	Sensitivity DCF Analysis	65-73
	FAIR	BTM-4	Market-to-Book Ratios	65-73
	FAIR	BTM-5	Modifications to Exhibit JMC-5.2	65-73

	FAIR	BTM-6	Common Equity Ratio Analysis	65-73
	FAIR	BTM-7.1	Credit Metrics ROE 8.56%	65-73
	FAIR	BTM-7.2	Credit Metrics ROE 8.56% Eq. Ratio 55.4%	65-73
	FAIR	BTM-7.3	Credit Metrics ROE 11.50% Eq. Ratio 55.4%	65-73
	FAIR	BTM-7.4	Credit Metrics ROE 8.56% Eq. Ratio 55.4% COD+0.28%	65-73
	FAIR	BTM-8.1	Data Verification Workpapers	65-73
	FAIR	BTM-8.2	Other Workpapers	65-73
Devlin	FAIR	TJD-1	Résumé of Timothy J. Devlin	2, 29, 130
	FAIR	TJD-2	Comparison of Authorized ROE to Achieved ROE, 2017-2021 (YTD)	2, 29, 30, 130
	FAIR	TJD-3	FPL's Past Use of the RSAM, 2017-2021 (YTD)	2, 29, 30, 130
	FAIR	TJD-4	Effects of RSAM on FPL's Revenue Requirements, 2017-2020	2, 29, 30, 130
	FAIR	TJD-5	Effects of RSAM on Future FPL Revenue Requirements, 2022-2025	2, 29, 30, 130
Herndon	FAIR	JTH-1	Résumé of John Thomas Herndon	
	FAIR	JTH-2	PSC Rate Case History Report	107
	FAIR	JTH-3	FAIR's Articles of Incorporation	9, 10
	FAIR	JTH-4	FAIR's Membership Application	9, 10
	FAIR	JTH-5	FPL's Proposed Rate Increases, Annually and Cumulative 2022-2025	107
Watkins	FAIR	NHW-1	Résumé of Nancy H. Watkins	9, 10
	FAIR	NHW-2	FAIR's Articles of Incorporation	9, 10

	FAIR	NHW-3	FAIR's Membership Roster as of June 15, 2021 (REDACTED)	9, 10
	FAIR	NHW-4	Sample Form of FAIR's Membership Application (Paper)	9, 10
	FAIR	NHW-5	Sample Form of FAIR's Membership Application (Electronic)	9, 10

3. <u>STATEMENT OF BASIC POSITION</u>:

This case is before the Commission because of the expiration of the 2016 settlement between FPL and some consumer parties, not because FPL needs any additional revenues. In fact, FPL has consistently earned <u>at the maximum</u> of its authorized ROE range – 11.60 percent, which is 100 basis points above the midpoint of 10.60 percent – for the past three years, i.e., in each and every month since June 2018, including throughout the COVID-19 pandemic. FPL also earned at or near the maximum of its authorized ROE range, i.e., close to 100 basis points greater than its approved ROE, from the inception of the current settlement in January 2017 until June 2018.

As in any general rate case, the ultimate question to be addressed by the Commission in this proceeding is what the fair, just, and reasonable rates to be charged by FPL following the conclusion of the case. This question can be more formally stated as "What amount of revenues does Florida Power & Light Company ("FPL") <u>***need***</u> in order to provide safe, adequate, and reliable service, to recover its legitimate costs of providing such service, and to have an opportunity to earn a fair and reasonable return on its reasonable and prudent investment in assets used and useful in providing such service.?" The evidence in this case shows that the answer to this question is that ***FPL does not need any increase at all*** in order to: (a) recover all of its legitimate costs, including a reasonable return on prudent investment provided through a reasonable and prudent capital structure; and (b) provide safe, adequate, and reliable service. Moreover, the evidence shows that FPL can provide safe, adequate, and reliable service while recovering all of its reasonable costs ***and*** earning a reasonable return on its equity investment – of approximately 11.5 percent before income taxes (8.56 percent after taxes), while ***reducing*** its total annual base rate revenues by approximately $120 million per year in 2022.

With the lower federal corporate income tax rate now in effect, FPL's requested after-tax return on equity (ROE) of 11.5 percent (including its "performance adder") equates to a before-tax return greater than 15 percent. This is excessive and unjustified:

- ► relative to current capital market conditions (in which the benchmark "risk-free" rate, i.e., the 30-year U.S. Treasury Bond rate, is currently close to 2.00 percent);
- ► relative to the minimal risks that FPL faces as the monopoly provider of a necessity – electric service – pursuant to regulation by the Florida Public Service Commission under applicable Florida Statutes; and
- ► relative to the current national average ROEs approved by state utility regulatory authorities in the United States.

In particular, the fact that FPL recovers approximately 45 percent of its total jurisdictional operating expenses (equivalent to nearly 33 percent of its total jurisdictional operating revenues) through "cost recovery clauses" and direct pass-through charges greatly reduces the risks that FPL faces, further demonstrating that FPL's requested 11.5 percent ROE (including its "performance incentive") is unreasonable and overreaching. Additionally, FPL's requested ROE is excessive relative to the risks that FPL faces and the returns on other low-risk investments in current capital markets. Witnesses for FAIR, the Citizens, and the Federal Executive Agencies, who represent the United States Military Services, support ROEs between 8.56 percent and 9.40 percent. Applying the ROE and equity ratio recommended by FAIR's expert witness indicates that FPL can provide safe and reliable service, and raise all needed capital, with no rate increase at all and, in fact, with a rate decrease of approximately $120 million in 2022. Similarly, the Citizens' witnesses present evidence that show that FPL can provide safe and reliable service with a rate decrease of approximately $70 million per year in 2022. FPL's requested 50-basis-point performance incentive adder to its ROE is not cost-based and wholly unnecessary for FPL to provide safe, adequate, and reliable service, and provides no incentive whatsoever for FPL to do anything in 2022 or thereafter. Accordingly, the Commission should reject this overreaching proposal.

Additionally, FPL's capital structure relies on an unnecessarily high amount of higher-cost equity capital, indeed a proportionate amount – 59.6 percent - that is significantly greater than that employed by FPL's parent company, NextEra Energy, and by the utilities in the proxy group of FPL's own cost of capital witness.

Further, FPL's proposed Reserve Surplus Amortization Mechanism, which FPL abbreviates as "RSAM," is unnecessary, not cost-based, and unfair to FPL's current and future customers. If approved, it would allow FPL to collect excessive depreciation expense amounts through its rates from 2022 through 2025 (or for any period in which it is allowed), almost certainly to allow FPL to earn above the midpoint of its authorized ROE range (whatever that may be approved to be). This has been the norm for FPL for the past three years: in each and every month since June 2018, FPL has earned at the absolute maximum of its authorized ROE range, i.e., at 11.60 percent, even though the PSC approved a midpoint ROE value of 10.60 percent as being fair, just, and reasonable. This has resulted in customers over-paying versus the fair, just, and reasonable rate of return by hundreds of millions of dollars, and there can be no doubt that FPL intends to achieve the same results with its RSAM in the future, if it is approved. The Commission should reject the RSAM outright, but if it is allowed in any form, then the Commission should – FAIR would argue must, in the interests of fairness to customers – limit FPL's ability to use any amount of depreciation reserve surplus to only an amount necessary to achieve the authorized midpoint of FPL's ROE range. This is undeniably fair to FPL, and it would be fair to customers by ensuring that they pay no more than the rates determined by the Commission to be fair, just, and reasonable.

Accordingly, the Commission should require FPL to reduce its base rates as of January 2022 so as to produce revenue requirements $120 million less than projected by FPL. The Commission should reject FPL's subsequent year adjustments, including the

2023 increase and the solar base rate adjustments proposed by FPL for 2024 and 2025. The Commission should also reject FPL's proposed RSAM or limit its use as described and explained above.

4. STATEMENT OF ISSUES AND POSITIONS:

LEGAL

ISSUE 1: **Does the Commission have the statutory authority to grant FPL's requested storm cost recovery mechanism?**

FAIR: **No.**

ISSUE 2: **Does the Commission have the statutory authority to approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)?**

FAIR: **No.**

ISSUE 3: **Does the Commission have the statutory authority to approve FPL's requested Solar Base Rate Adjustment mechanism for 2024 and 2025?**

FAIR: **No.**

ISSUE 4: **Does the Commission have the statutory authority to adjust FPL's authorized return on equity based on FPL's performance?**

FAIR: **No. Performance is not one of the enumerated criteria in the statute, and FPL's proposed "performance incentive" is not an incentive in any way, because it would not reward any specific behavior in the future. Rather, it would simply be baked into FPL's rates until the next rate case.**

ISSUE 5: **Does the Commission have the statutory authority to include non-electric transactions in an asset optimization incentive mechanism?**

FAIR: **No.**

<u>ISSUE 6</u>: **Does the Commission have the statutory authority to grant FPL's requested four year plan?**

FAIR: **No.**

<u>ISSUE 7</u>: **Has CLEO Institute, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?**

FAIR: **No position.**

<u>ISSUE 8</u>: **What impact, if any, does the determination regarding the CLEO Institute Inc.'s associational standing have on its ability to participate in this proceeding?**

FAIR: **No position.**

<u>ISSUE 9</u>: **Has Floridians Against Increased Rates, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?**

FAIR: **Yes. FAIR and FAIR's members satisfy all applicable standing criteria under Chapter 120, Florida Statutes, and under applicable case law, including <u>Agrico</u> and <u>Florida Home Builders</u>. FAIR has more than 600 members, of whom more than 500 are FPL customers, and accordingly, those members' substantial interests will be determined by the Commission in this case. The interests of FAIR and FAIR's members are specifically within the zone of interests to be protected by this general rate case proceeding, and the impacts of the Commission's decision herein are immediate. A substantial number of FAIR's members, roughly 80 percent of FAIR's total of more than 600 members, are FPL customers. FAIR's articles of incorporation clearly articulate that FAIR's purposes include participating in proceedings such as this rate case in order to promote the public welfare by supporting the lowest possible electric service rates for Florida public utilities that are consistent with the utility providing safe and reliable service. Finally, the relief sought – the lowest possible rates consistent with safe and reliable service – is appliable to all of FAIR's members.**

ISSUE 10: **What impact, if any, does the determination regarding Floridians Against Increased Rates, Inc.'s associational standing have on its ability to participate in this proceeding?**

FAIR: **The Commission's final determination that FAIR has standing to participate in this case will be consistent with all applicable provisions of Florida Statutes and with applicable case law. Any determination that FAIR lacks standing to participate would violate Florida law and the due process rights of FAIR and its members.**

ISSUE 11: **Has Florida Rising, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?**

FAIR: **No position.**

ISSUE 12: **What impact, if any, does the determination regarding Florida Rising, Inc.'s associational standing have on its ability to participate in this proceeding?**

FAIR: **No position.**

***ISSUE 13**: **Has Smart Thermostat Coalition demonstrated individual and/or associational standing to intervene in this proceeding?**

FAIR: **No position.**

***ISSUE 14[1]**: **What impact, if any, does the determination regarding Smart Thermostat's associational standing have on its ability to participate in this proceeding?**

FAIR: **No position.**

TEST PERIOD AND FORECASTING

[1] *Issues 13 and 14 may be dropped after an order granting/denying Smart Thermostat Coalition's Petition to Intervene is issued but are listed here as place-holders.

<u>ISSUE 15</u>: Is FPL's projected test period of the 12 months ending December 31, 2022, appropriate?

FAIR: Yes.

<u>ISSUE 16:</u> Do the facts of this case support the use of a subsequent test year ending December 31, 2023 to adjust base rates?

FAIR: No.

<u>ISSUE 17:</u> Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2022?

FAIR: No.

<u>ISSUE 18:</u> Is FPL's projected test period of the 12 months ending December 31, 2023, appropriate?

FAIR: No.

<u>ISSUE 19</u>: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2022 projected test year appropriate?

FAIR: No.

<u>ISSUE 20</u>: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2023 projected test year appropriate, if applicable?

FAIR: No.

ISSUE 21: **Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2021 prior year and projected 2022 test year appropriate?**

FAIR: **Yes for 2021, no for 2022.**

ISSUE 22: **Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2023 test year appropriate, if applicable?**

FAIR: **No.**

ISSUE 23: **What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2022 test year budget?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 24: **What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2023 test year budget, if applicable?**

FAIR: **Not applicable. Agree with the Office of Public Counsel if applicable.**

QUALITY OF SERVICE

ISSUE 25: **Is the quality of the electric service provided by FPL adequate taking into consideration: a) the efficiency, sufficiency and adequacy of FPL's facilities provided and the services rendered; b) the cost of providing such services; c) the value of such service to the public; d) the ability of the utility to improve such service and facilities; e) energy conservation and the efficient use of alternative energy resources; and f) any other factors the Commission deems relevant.**

FAIR: **FPL's service is adequate.**

DEPRECIATION AND DISMANTLEMENT STUDIES

ISSUE 26: What, if any, are the appropriate capital recovery schedules?

FAIR: Agree with the Office of Public Counsel.

ISSUE 27: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for the accounts and subaccounts related to each production unit?

FAIR: Agree with the Office of Public Counsel.

ISSUE 28: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?

FAIR: Agree with the Office of Public Counsel.

ISSUE 29: If the Commission approves FPL's proposed Reserve Surplus Amortization Mechanism (Issue 130), what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and depreciation rates?

FAIR: The Commission should not approve the RSAM. If it does, then FAIR agrees with the Office of Public Counsel as to these parameters. Devlin, Herndon

ISSUE 30: **Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?**

FAIR: **(Tentative) Agree with FPL that FPL has a theoretical reserve surplus (excluding capital retirement assets) of approximately $1.48 billion. Devlin**

ISSUE 31: **What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 30?**

FAIR: **The Commission should reject FPL's proposed RSAM and flow back the surplus over four years. If the Commission approves any form of the RSAM, it should limit FPL's ability to use any reserve surplus amounts to no more than necessary for FPL to achieve the midpoint of its ROE range. Devlin, Herndon**

ISSUE 32: **What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 33: **Should FPL's currently approved annual dismantlement accrual be revised?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 34: **What, if any, corrective dismantlement reserve measures should be approved?**

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 35</u>: **What is the appropriate annual accrual and reserve for dismantlement**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>RATE BASE</u>

<u>ISSUE 36</u>: **Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 37</u>: **What is the appropriate amount of Plant in Service for the Dania Beach Clean Energy Center Unit 7**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 38</u>: What is the appropriate amount of Plant in Service for the SolarTogether Centers

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 39</u>: What is the appropriate amount of Plant in Service for FPL's Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement approved by Order No. PSC-2016-0560-AS-EI?

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 40</u>: Is the North Florida Resiliency Connection reasonable and prudent?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 41</u>: Are FPL's 2020 through 2023 solar generation additions reasonable and prudent?

FAIR: Agree with the Office of Public Counsel.

ISSUE 42: **Are FPL's 938 MW Northwest combustion turbine additions in 2022 reasonable and prudent?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 43: **Are FPL's combined cycle generation upgrade projects reasonable and prudent?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 44: **Are FPL's proposed 469 MW of battery storage projects reasonable and prudent?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 45: **Should the Commission approve FPL's proposed hydrogen storage project?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 46: **Is FPL's proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), reasonable and prudent?**

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 47: **Is FPL's conversion of Plant Crist Units 4-7 from coal to gas reasonable and prudent?**

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSU 48</u>: **Is FPL's proposed early retirement of the Plant Scherer Unit 4 and related transactions reasonable and prudent?**

FAIR: **No. FPL has not established that any of the transactions related to the proposed retirement of Plant Scherer Unit 4 are reasonable and prudent. Specifically, the Consummation Payments made to cover JEA financial obligations associated with Scherer 4 should not be recovered from FPL retail customers.**

<u>ISSUE 49</u>: **What is the appropriate ratemaking treatment for Consummation Payments made to JEA?**

FAIR: **The Consummation Payments made to cover JEA financial obligations associated with Scherer 4 should not be recovered from FPL retail customers.**

<u>ISSUE 50</u>: **What is the appropriate level of Plant in Service (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 51</u>: **What is the appropriate level of Accumulated Depreciation (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 52</u>: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 53</u>: Are FPL's proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 54</u>: What is the appropriate level of Construction Work in Progress to be included in rate base

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 55: **Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 56: **What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 57: **What is the appropriate level of Property Held for Future Use**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 58</u>: **What is the appropriate level of fossil fuel inventories**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 59</u>: **Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 60:</u> **What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 61</u>: **Should the unbilled revenues be included in working capital**

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 62</u>: **What is the appropriate methodology for calculating FPL's Working Capital**

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 63</u>: **What is the appropriate level of Working Capital (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 64: **What is the appropriate level of rate base (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

COST OF CAPITAL

ISSUE 65: **What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure**

A. For the 2022 projected test year?

FAIR: **The appropriate amount of accumulated deferred taxes, including both Deferred Income Taxes and FAS 109 Deferred Taxes, for 2022 is $9,267,599,000, and the cost rate is 0.0%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate amount of accumulated deferred taxes, including both Deferred Income Taxes and FAS 109 Deferred Taxes, for 2023 is $9,669,720,000, and the cost rate is 0.0%. Mac Mathuna**

ISSUE 66: **What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure**

A. For the 2022 projected test year?

FAIR: **The appropriate amount of unamortized investment tax credits for 2022 is $1,049,226,000, and the cost rate is 6.350%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate amount of unamortized investment tax credits for 2023 is $1,208,920,000, and the cost rate is 6.420%. Mac Mathuna**

<u>ISSUE 67</u>: **What is the appropriate amount and cost rate for short-term debt to include in the capital structure**

A. For the 2022 projected test year?

FAIR: **The appropriate amount of short-term debt for 2022 is $654,984,000, and the cost rate is 0.940%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate amount of short-term debt for 2023 is $751,215,000, and the cost rate is 0.970%. Mac Mathuna**

<u>ISSUE 68</u>: **What is the appropriate amount and cost rate for long-term debt to include in the capital structure**

A. For the 2022 projected test year?

FAIR: **The appropriate amount of long-term debt for 2022 is $19,664,993,000, and the cost rate is 3.610%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate amount of long-term debt for 2023 is $21,175,806,000, and the cost rate is 3.770%. Mac Mathuna**

ISSUE 69: **What is the appropriate amount and cost rate for customer deposits to include in the capital structure**

A. For the 2022 projected test year?

FAIR: **The appropriate amount of customer deposits for 2022 is $455,339,000, and the cost rate is 2.030%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate amount of customer deposits for 2023 is $490,827,000, and the cost rate is 2.040%. Mac Mathuna**

ISSUE 70: **What is the appropriate equity ratio to use in the capital structure for ratemaking purposes**

A. For the 2022 projected test year?

FAIR: **The appropriate equity ratio to use in the capital structure for 2022 is 55.4 percent of investor-supplied funds. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the appropriate equity ratio to use in the capital structure for 2023 is 55.4 percent of investor-supplied funds. Mac Mathuna**

ISSUE 71: **Should FPL's request for a 50 basis point performance incentive to the authorized return on equity be approved?**

FAIR: **No. FPL's proposed performance incentive is not an incentive in any way whatsoever, because it provides no incentive for FPL, or any employees of FPL, to do anything to earn it. Rather, as proposed by FPL, it would simply be baked into FPL's rates until the next rate case. Herndon**

ISSUE 72: **What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement**

A. For the 2022 projected test year?

FAIR: **8.56 percent. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, 8.56 percent. Mac Mathuna**

ISSUE 73: **What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement? (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **5.19%. Mac Mathuna**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **5.28%. Mac Mathuna**

NET OPERATING INCOME

ISSUE 74: **What are the appropriate projected amounts of Other Operating Revenues**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 75: **Has FPL appropriately accounted for SolarTogether Program subscription charges?**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 76: **What is the appropriate level of Total Operating Revenues**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**
B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 77: **Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 78</u>: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 79</u>: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

<u>ISSUE 80</u>: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 81: **Has FPL made the appropriate adjustments to remove all revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 82: **Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 83: **What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 84</u>: **What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 85</u>: **Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 86</u>: **What is the appropriate level of generation overhaul expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 87: **What is the appropriate amount of FPL's production plant O&M expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 88: **What is the appropriate amount of FPL's transmission O&M expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 89: **What is the appropriate amount of FPL's distribution O&M expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 90: **What is the appropriate annual storm damage accrual and storm damage reserve**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 91: **What is the appropriate amount of Other Post Employment Benefits expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

ISSUE 92: **What is the appropriate amount of Salaries and Employee Benefits expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 93</u>: **What is the appropriate amount of Incentive Compensation Expense to include in O&M expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 94</u>: **What is the appropriate amount of Pension Expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 95</u>: **Should an adjustment be made to the amount of the Directors and Officers Liability Insurance expense that FPL included in the 2022 and, if applicable, 2023 projected test year(s)?**

FAIR: **Agree with the Office of Public Counsel.**

<u>ISSUE 96</u>: **What is the appropriate amount and amortization period for Rate Case Expense**

A. For the 2022 projected test year?

FAIR: **Agree with the Office of Public Counsel.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 97: What is the appropriate amount of uncollectible expense and bad debt rate

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 98: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 99: What is the appropriate level of O&M Expense (Fallout Issue)

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 100: What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 101: What is the appropriate level of Taxes Other Than Income (Fallout Issue)

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 102: What is the appropriate level of Income Taxes

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 103: What is the appropriate level of (Gain)/Loss on Disposal of utility property

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 104: What is the appropriate level of Total Operating Expenses? (Fallout Issue)

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

ISSUE 105: What is the appropriate level of Net Operating Income (Fallout Issue)

A. For the 2022 projected test year?

FAIR: Agree with the Office of Public Counsel.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Agree with the Office of Public Counsel.

REVENUE REQUIREMENTS

ISSUE 106: **What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL**

A. For the 2022 projected test year?

FAIR: **The appropriate revenue expansion factor is 0.74665, and the appropriate NOI multiplier is 1.33950.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **The appropriate revenue expansion factor is 0.74665, and the appropriate NOI multiplier is 1.33950.**

ISSUE 107: **What is the appropriate annual operating revenue increase or decrease (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **FPL's annual operating revenues should be decreased by $121 million in 2022. Mac Mathuna; Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No increase or decrease for 2023.**

COST OF SERVICE AND RATE DESIGN ISSUES

ISSUE 108: **Should FPL's proposal for a consolidated cost of service and unified tariffs and rates for FPL and the former Gulf Power Company's customers be approved?**

FAIR: **FAIR does not oppose the ultimate unification of rates for the customers of FPL and the former Gulf Power Company. The rate**

decreases advocated by FAIR and other parties should be allocated among all classes and customers so as to move all toward parity.

ISSUE 109: Should the proposed transition rider charges and transition rider credits for the years 2022 through 2026 be approved?

FAIR: No position.

ISSUE 110: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

A. For the 2022 projected test year?

FAIR: No position.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: No position.

ISSUE 111: What is the appropriate methodology to allocate production, transmission, and distribution costs to the rate classes?

A. For the 2022 projected test year?

FAIR: No position.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: No position.

ISSUE 112: How should the change in revenue requirement be allocated to the customer classes?

A. For the 2022 projected test year?

FAIR: The rate decreases advocated by FAIR and other parties should be allocated among all classes and customers so as to move all toward parity.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: Any rate decrease approved for 2023 should be allocated among all classes and customers so as to move all toward parity.

<u>ISSUE 113</u>: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, late payment charge, meter tampering)

A. For the 2022 projected test year?

FAIR: No position.

B. If applicable, for the 2023 subsequent projected test year?

FAIR: No position.

<u>ISSUE 114</u>: Should FPL's proposed revisions to the underground electric distribution tariffs for residential subdivisions and commercial customers be approved?

FAIR: No position.

<u>ISSUE 115</u>: Should FPL's proposal to eliminate the Governmental Adjustment Factor (GAF) waiver (Tariff Sheet No. 6.300) be approved?

FAIR: No position.

ISSUE 116: **Should FPL retain the existing Gulf Power Real-Time Pricing (RTP) rate for customers and expand it to be offered for customers in the combined FPL and Gulf Power systems?**

FAIR: **No position.**

ISSUE 117: **Should FPL's proposed new Economic Development Rider (Original Tariff Sheet Nos. 8.802 – 8.802-1) be approved?**

FAIR: **No position.**

ISSUE 118: **Should FPL's proposal to increase the cap from 300 to 1,000 megawatts and from 50 to 75 contracts for the Commercial/Industrial Service Rider (CISR) be approved?**

FAIR: **No position.**

ISSUE 119: **Should FPL's proposal to cancel Gulf's Community Solar (CS) rider be approved?**

FAIR: **No position.**

ISSUE 120: **What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2022?**

FAIR: **No position.**

ISSUE 121: **Should FPL's proposal to add a maximum demand charge to the commercial/industrial time-of-use rate schedules be approved?**

FAIR: **No position.**

<u>ISSUE 122</u>: What are the appropriate base charges (formerly customer charges)(Fallout Issue)

A. For the 2022 projected test year?

FAIR: **No existing rates should be increased. Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

<u>ISSUE 123</u>: What are the appropriate demand charges (Fallout Issue)

A. For the 2022 projected test year?

FAIR: **No existing rates should be increased. Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

<u>ISSUE 124</u>: What are the appropriate energy charges (Fallout Issue)

A. For the 2022 projected test year?

FAIR: **No existing rates should be increased. Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

<u>ISSUE 125</u>: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Fallout Issue)

A. For the 2022 projected test year?

FAIR: **No existing rates should be increased. Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

ISSUE 126: **What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Fallout Issue)**

A. For the 2022 projected test year?

FAIR: **No existing rates should be increased. Herndon**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

ISSUE 127: **What are the appropriate lighting rate charges (Fallout Issue)**

A. For the 2022 projected test year? Herndon

FAIR: **No existing rates should be increased.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **No existing rates should be increased.**

ISSUE 128: **Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?**

FAIR: **Yes, administrative authority to approve Commission-approved rates and charges is appropriate, but such administrative authority should**

not extend to any substantive changes in any terms or conditions of any tariffs.

ISSUE 129: **What are the effective dates of FPL's proposed rates and charges?**

A. For the 2022 projected test year?

FAIR: **The first day of the first billing cycle of 2022.**

B. If applicable, for the 2023 subsequent projected test year?

FAIR: **If applicable, the first day of the first billing cycle of 2023.**

OTHER ISSUES

ISSUE 130: **Should the Commission approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)?**

FAIR: **No. If, however, the Commission approves any form of a Reserve Surplus Amortization Mechanism, the Commission should only allow FPL to use any available amounts of depreciation surplus to achieve the midpoint of FPL's authorized ROE range. Devlin, Herndon**

ISSUE 131: **Should the Commission approve FPL's request for variable capital recovery for retired assets such that the total amortization over the four year period ended December 31, 2025 is equal to the sum of the amortization expense for 2022-2025?**

FAIR: **No.**

ISSUE 132: **Should the Commission approve FPL's requested asset optimization incentive mechanism?**

FAIR: **No.**

ISSUE 133: Should the Commission approve FPL's requested Solar Base Rate Adjustment mechanisms in 2024 and 2025 for a total of 1,788 MW?

FAIR: No.

ISSUE 134: Should the Commission approve FPL's requested Storm Cost Recovery mechanism?

FAIR: Agree with the Office of Public Counsel.

ISSUE 135: Should the Commission approve FPL's proposal for addressing a change in tax law, if any, that occurs during or after the pendency of this proceeding?

FAIR: No.

ISSUE 136: Should the Commission authorize FPL to accelerate unprotected accumulated excess deferred income tax amortization in the incremental amounts of $81 million in 2024 and $81 million in 2025 or for other amounts in the years 2022 through 2025?

FAIR: No.

ISSUE 137: Should the Commission approve FPL's requested four year plan?

FAIR: No.

ISSUE 138: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

FAIR: Yes.

ISSUE 139: Should this docket be closed?

FAIR: Yes. When the Commission's final order in this case has become final by operation of law, with no further opportunities for appeal thereof, this docket should be closed.

CONTESTED ISSUES

OPC
ISSUE A: Has FPL proven any financial need for single-issue rate relief in 2024 and 2025, based upon only the additional costs associated with FPL's request for Solar Base Rate Adjustments in 2024 and 2025, and with no offsets for anticipated load and revenue growth forecast to occur in 20214 and 2025?

FAIR: No.

CLEO/VOTE SOLAR
ISSUE B: Did FPL consider all reasonable, cost-effective alternatives to its proposed investments?

FAIR: No.

ISSUE C: Do FPL's proposed investments ensure adequate fuel diversity and fuel supply reliability of the electric grid?

FAIR: No.

ISSUE D: Are FPL's T&D capital expenditures for growth reasonable and prudent?

FAIR: No.

ISSUE E: Are FPL's T&D capital expenditures for reliability/grid modernization reasonable and prudent?

FAIR: No.

ISSUE F: In consideration of FPL's performance pursuant to ss. 366.80-366.83 and 403.519, F.S., should there be any adjustments to FPL's rates, per F.S. 366.82?

FAIR: No.

ISSUE G: Does FPL make or give any undue or unreasonable preference or advantage to any person or locality, or subject the same to any undue or unreasonable prejudice or disadvantage in any respect, in violation of F.S. 366.03?

FAIR: Probably.

ISSUE H: Has FPL established fair, just and reasonable rates and charges, taking into consideration the cost of providing service to the class, as well as the rate history, value of service, and experience of FPL; the consumption and load characteristics of the various classes of customers; and public acceptance of rate structures, in compliance with F.S. 366.05(1)(a), 366.06(1) and (2)?

FAIR: No. FPL's rates have consistently been, and continue to be, unfair, unjust, and unreasonable because they are much higher than are warranted by FPL's cost of providing safe and reliable service.

FIPUG
ISSUE I: Are the proposed SOBRA additions in years 2024 and 2025 piecemeal ratemaking?

FAIR: Yes.

ISSUE J: If so, how should the proposed SOBRA additions in years 2024 and 2025 be addressed?

FAIR: **FPL's requests for SOBRA treatment for generating facilities to be brought on line in 2024 and 2025 should be rejected for the same reasons that the Commission has previously rejected subsequent year increases. If FPL can demonstrate that it needs additional revenues in 2024 in order to provide safe and reliable service, to cover all of its reasonable and prudent O&M costs, and to have an opportunity to earn a reasonable return on its reasonable and prudent investments, it can file a general rate case seeking sufficient revenues to carry out its responsibilities to customers to provide safe and reliable service at the lowest possible cost.**

WALMART
ISSUE K: **If the Commission determines that it will not approve unified rates for FPL and Gulf, should Gulf's legacy customers be provided access to FPL's Commercial/Industrial Demand Reduction Rider (CDR)?**

FAIR: **Yes.**

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

FAIR has the following pending requests or claims for confidentiality:

1. FAIR's First Request for Confidential Classification, filed June 18, 2021.
2. FAIR's Second Request for Confidential Classification, filed June 21, 2021.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

FAIR does not expect to challenge the qualifications of any witness to testify, although the FRF reserves all rights to question witnesses as to their qualifications as related to the credibility and weight to be accorded their testimony.

9. SEQUESTRATION OF WITNESSES:

FAIR takes no position on the sequestration of witnesses in this proceeding.

10. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the FAIR cannot comply.

Respectfully submitted this 14th day of July, 2021.

/s/Robert Scheffel Wright

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 14th day of July, 2021, to the following:

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