

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida  
Power & Light Company.

DOCKET NO. 20250011-EI  
ORDER NO. PSC-2025-0298-PHO-EI  
ISSUED: August 7, 2025

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), Chairman Mike La Rosa, as Prehearing Officer, conducted a Prehearing Conference in this docket on July 25, 2025, in Tallahassee, Florida.

APPEARANCES:

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On behalf of Florida Power & Light Company (FPL).

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On behalf of Office of Public Counsel (OPC).

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On behalf of Americans for Affordable Clean Energy, Inc. (AACE), Circle K Stores, Inc. (Circle K), RaceTrac, Inc. (RaceTrac), and Wawa, Inc. (Wawa) – (Fuel Retailers)

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On behalf of Electrify America, LLC (Electrify America).

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On behalf of EVgo Services, LLC (EVgo).

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On behalf of Federal Executive Agencies (FEA).

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Florida 32301

On behalf of Florida Energy for Innovation Association (FEIA).

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On behalf of Florida Industrial Power Users Group (FIPUG).

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ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson  
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On behalf of Florida Retail Federation (FRF).

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Earthjustice, 4500 Biscayne Blvd., Suite 201, Miami, Florida 33137

On behalf of Florida Rising, Inc. (Florida Rising), League of United Latin  
American Citizens Florida, Inc. (LULAC) and Environmental Confederation of  
Southwest Florida (ECOSWF) - (FEL).

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Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A., 1300  
Thomaswood Drive, Tallahassee, Florida 32308

On behalf of Floridians Against Increased Rates, Inc. (FAIR).

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3425 Bannerman Road, Unit 105, No. 414, Tallahassee, Florida 32312

On behalf of Southern Alliance for Clean Energy (SACE).

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Oakwood Drive, Suite 500, Winston-Salem, North Carolina 27103

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On behalf of Walmart Inc. (Walmart).

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ALEXANDER W. JUDD, ESQUIRE, Duane Morris, LLP, 100 Pearl Street, 13<sup>th</sup>  
Floor, Hartford, Connecticut 06103

On behalf of Armstrong World Industries, Inc. (AWI).

SHAW P. STILLER and TIMOTHY SPARKS, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850  
On behalf of the Florida Public Service Commission (Staff).

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Advisor to the Florida Public Service Commission.

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Florida Public Service Commission General Counsel.

## **I. CASE BACKGROUND**

On February 28, 2025, Florida Power & Light Company (FPL) filed its Petition for Base Rate Increase, minimum filing requirements, and supporting direct testimony. FPL provides service to approximately six million customer accounts in 43 counties. In compliance with Section 366.06(3), Florida Statutes (F.S.), the Florida Public Service Commission (Commission) will conduct an administrative hearing on FPL's petition on August 11 through August 22, 2025.

## **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

## **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapters 120 and 366, F.S. This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

## **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has

been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

## **V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties and staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. The witness' summary of their testimony be no longer than 5 minutes. If a witness has filed both direct and rebuttal testimonies, he or she will receive 5 minutes for direct and 5 minutes for rebuttal.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness' direct testimony is adverse to its interests.

## **VI. ORDER OF WITNESSES**

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Armando Pimentel	FPL	12, 128
John J. Reed	FPL	12, 128
+Eduardo De Varona <i>Adcpted by Michael Jarro</i>	FPL	12, 21, 33-34, 39, 55-56, 94, 103-105
Thomas Broad	FPL	12, 54
Dan DeBoer	FPL	12, 31, 54
+Dawn Nichols	FPL	12, 29, 46, 73, 94, 127
+Andrew W. Whitley	FPL	23-27, 99-100, 105
Arne Olson	FPL	25
+Tim Oliver	FPL	26-27, 30-32, 39, 110-112

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
+Jessica Buttress	FPL	64-65
+Ned W. Allis	FPL	13-15
+Keith Ferguson	FPL	15-19, 21, 66, 74, 76
+Liz Fuentes	FPL	20-22, 24, 31, 35, 37-38, 40-47, 50-63, 68, 71-72, 75, 78-79, 83-87, 129
Ina Laney	FPL	7-9, 11, 31, 35, 37-43, 46, 52-53, 67, 69-71, 73, 75-80, 82-84, 117-118, 121, 125
James M. Coyne	FPL	48-49
Scott Bores	FPL	9, 12, 24, 44-45, 48-50, 118, 121, 123, 125-126, 128
Tara DuBose	FPL	10, 88-91
Nicholas L Phillips	FPL	89
Tiffany C. Cohen	FPL	10-12, 51, 93-99, 101-105, 110-111, 113-117, 128
Roger D. Colton	OPC	128
Timothy J. Devlin	OPC	2, 118
James R. Dauphinais	OPC	23, 25-27, 35, 37, 41
William Dunkel	OPC	13-19, 37, 41, 76
Daniel J. Lawton	OPC	44-45, 48-50
Jacob M. Thomas	OPC	10-11, 51-53
Helmuth W. Schultz, III	OPC	8-9, 20-23, 26-27, 35-37, 39-46, 50-55, 67, 69-71, 73, 75-76, 78-79, 83-87, 121
David Fialkov	Fuel Retailers	1, 110-112
Jigar J. Shah	Electrify America	111
R. Thomas Beach	EVgo	1(g), 111

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
Alex Beaton	EVgo	1(g), 111-112, 122
Christopher C. Walters	FEA	44-45, 48-50
Brian C. Andrews	FEA	13-14
Michael P. Gorman	FEA	89-93, 105
Matthew P. Smith	FEA	89-93
Robert Provine	FEIA	1, 105-106
David Loomis	FEIA	105-106
Fletcher Mangum	FEIA	105
Mohamed Ahmed	FEIA	105-106
Jeffry Pollock	FIPUG	1d, 48-50, 81, 89-91, 93, 95-97, 99-100, 104-106, 121, 125-126, 128
Jonathan Ly	FIPUG	1d, 89-90, 92, 99-100
Tony Georgis	FRF	1, 26, 89-90, 92-93, 95-100, 102, 116, 118, 121
Karl Rábago	FEL	10, 23, 25-27, 41, 48-50, 82, 89-93, 105-108, 111, 118, 121, 128
MacKenzie Marcelin	FEL	1c, 12, 99-100, 102, 127-128
Becky Ayech	FEL	1b, 12
Mari Corugedo	FEL	1a, 12
Frederick M. Bryant	FAIR	1, 48-50, 87
Nancy H. Watkins	FAIR	1
Lisa V. Perry	Walmart	48-50, 89, 100, 105-106, 128
Steve W. Chriss	Walmart	111
Angela L. Calhoun	Staff	12

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
Kathryn Guan	Staff	2, 10-11
<u>Rebuttal</u>		
Danielle S. Powers	FPL	128
James M. Coyne	FPL	48-49
Tara DuBose	FPL	10, 88-91
Nicholas L. Phillips	FPL	89
Tiffany C. Cohen	FPL	10, 93, 102, 104-105, 111
Ina Laney	FPL	7-9, 35, 37-43, 52-53, 67, 69-71, 75, 78-84, 125-126
Scott R. Bores	FPL	9, 12, 24, 44-45, 48-50, 118, 121, 123, 125-126, 128
Arne Olson	FPL	25
David Loomis	FEIA	105

## VII. BASIC POSITIONS

**FPL:** FPL is currently operating under a rate settlement approved by this Commission by Order No. PSC-2021-0446A-S-EI,<sup>1</sup> issued December 2, 2021 (“the 2021 Rate Settlement”). Among other settlement terms, FPL agreed not to file for additional general base rate increases for a period of at least four years, even though its revenue requirements were projected to – and did – increase substantially. The terms that allowed FPL to “stay out” included base rate increases in 2022 and 2023, a solar base rate adjustment mechanism that authorized FPL to seek limited cost recovery for solar installations that entered service in 2024 and 2025, a strong capital structure reflecting its long-standing equity ratio, a reasonable return on common equity (“ROE”), a flexible non-cash mechanism and a storm cost recovery mechanism. This set of core terms enabled FPL to continue to provide customers safe and reliable power despite significant business and economic challenges during the period.

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<sup>1</sup> As amended by Order PSC-2021-0446A-S-EI and supplemented by PSC-2024-0078-FOF-EI (“Order 2024-0078”).



The fourth year of the 2021 Rate Settlement is nearing its end. FPL is requesting approval of another thoughtfully composed four-year rate plan modeled after the series of previously approved multi-year plans that have served customers exceptionally well.

### **FPL's Four-Year Rate Plan**

*Success under the 2021 Rate Settlement.* FPL's rate request seeks to continue the track record of success, and the policies and strategies on which that success has been built. The Company's accomplishments under the 2021 Rate Settlement are emblematic of how a constructive multi-year rate plan leads to the creation of customer value. Over the 2021 Rate Settlement period:

- FPL *further* lowered O&M costs compared to the already low-cost position it had attained by 2021;
- In 2024, its typical residential bill was the lowest in the Southeast and 32% below the national average;
- In terms of reliability, FPL achieved its best-ever transmission and distribution System Average Interruption Duration Index in back-to-back years in 2023 and 2024;
- FPL's fossil and solar generation fleet performance has been best-in-class in terms of forced outages between 2021 and 2023,<sup>2</sup> which has resulted in greater availability of efficient generating capacity for customers;
- Between 2021 and 2024, FPL's nuclear fleet performed at a high capacity factor that produced over \$3.4 billion in fuel savings compared to fossil generation. These cost savings are passed directly to FPL customers through lower fuel charges; and
- FPL has been recognized for outstanding customer satisfaction by independent national surveys.

FPL realized these achievements during a period characterized by historic inflation and significant increases in interest rates and unanticipated, significant population growth in Florida. The financial strength, stability, and flexibility afforded by the 2021 Rate Settlement enabled FPL to continue to make investments and manage its business in ways that, as outlined above, benefitted customers in both the near- and long-term. FPL must continue to make smart,

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<sup>2</sup> Data for 2023 was the most current information available at the time FPL filed its Petition on February 28, 2025.

long-term capital investments to maintain its excellent service, while keeping customer bills low.

*The Next Four Years.* Continued growth and the need for additional generation are among the principal drivers of FPL's increased revenue requirements. FPL projects to add 335,000 more customers through the end of 2029. To meet this new growth and maintain operational reliability, FPL must invest in generation, transmission, and distribution. Each of FPL's new customers deserves the same outstanding reliability and low bills that existing customers have long experienced.

FPL's proposal in this case is designed to meet those objectives and, to that end, contains elements common to prior rate orders that have proven beneficial to customers. The four-year rate plan consists of: (i) rates and charges sufficient to generate additional total annual revenues of (a) \$1,545 million to be effective January 1, 2026 and (b) \$927 million to be effective January 1, 2027;<sup>3</sup> (ii) a Solar and Battery Base Rate Adjustment ("SoBRA") mechanism that authorizes FPL to recover costs associated with the installation and operation of solar generation and battery storage facilities in 2028 and 2029 upon a demonstration of a resource or economic need; (iv) a non-cash mechanism that accelerates the flowback of certain deferred tax liabilities (or "DTL") to customers (the mechanism is referred to herein as the Tax Adjustment Mechanism or "TAM"), which would operate in a similar manner to the non-cash mechanisms that were integral to FPL's prior multi-year rate settlements; (v) a storm cost recovery mechanism modeled after terms previously approved as part of various FPL rate settlements, updated to reflect changes in costs; and (vi) a mechanism to address potential changes to tax laws.

FPL also proposes to maintain its long-standing equity ratio and requests approval of an ROE range of +/- 100 basis points based on an 11.90% midpoint to set rates and for all other regulatory purposes. In addition, FPL requests approval of its 2025 Depreciation and Dismantlement Studies pursuant to Rules 25-6.0436 and 25-6.04364, F.A.C., authority to establish capital recovery schedules associated with early-retired plant and authority to invest in a long-duration battery pilot that will advance FPL's efforts to optimize its fleet for the benefit of customers. The 2026 and 2027 revenue requirement calculations reflect the costs associated with these requests.

The Four-Year Rate Plan once again offers customers base rate stability until at least January 2030 and is expected to produce a typical 1,000-kWh residential customer bill that will remain below the national average. The four-year period of regulatory certainty also will allow FPL management and employees to focus on

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<sup>3</sup> FPL has identified adjustments that result in recalculated revenue requirements for 2026 and 2027 of \$1,550.6 million and \$931.5 million, respectively. However, FPL is not increasing its revenue requirement request.

continuing to improve the Company's service and realizing further operational efficiencies, rather than devoting significant resources to more frequent base rate cases.

### **Projected Test Years**

As stated above, FPL will continue to make smart, long-term capital investments to maintain and improve upon its excellent service. FPL's resource needs are continuing to grow in the near term. To examine its needs, FPL employed a widely accepted model that analyzes hourly profiles under a vast range of load and generation conditions across numerous scenarios. The Company evaluated the model results and determined it will install cost-effective solar generation and battery storage facilities that provide reliable capacity and energy.

The 2026 and 2027 Projected Test Years assume application of existing favorable tax treatment for these resource selections. FPL is electing production tax credits ("PTC") for its solar generation, and it will receive investment tax credits ("ITC") for battery storage facilities. FPL also is electing beneficial accounting treatment that flows the full amount of the ITCs to customers in the year the batteries enter service rather than over the life of the assets. This election will provide an immediate benefit to customers by reducing revenue requirements for the first year of operations.

#### *2026 Projected Test Year*

The main drivers of FPL's need for an increase in 2026 are:

- (1) capital investment initiatives that support system growth, maintain reliability, and ensure regulatory compliance;
- (2) the impact of amortizing surplus depreciation in 2023;
- (3) change in the weighted average cost of capital;
- (4) impact of having amortized unprotected excess accumulated deferred income taxes ("ADIT") amounts that will not be available in 2026;
- (5) the O&M impact of inflation and customer growth;
- (6) increased depreciation expense resulting from FPL's 2025 Depreciation Study; and
- (7) an increase in the annual dismantlement accrual resulting from FPL's 2025 Dismantlement Study.

The projected growth in base revenue requirements is partially offset by:

(8) tax credits under the Inflation Reduction Act;

(9) revenue growth; and

(10) productivity gains.

Based on FPL's investments in capital improvements and the other drivers listed above, the total resulting base revenue deficiency in 2026 is \$1,545 million. Absent a rate increase in 2026, FPL's projected earned ROE falls to 8.84%, which is well below the bottom end of FPL's current authorized ROE range as well as the ROE proposed herein.

*2027 Projected Test Year*

A 2027 base rate adjustment is needed to address a significant increase in revenue requirements primarily due to additional investments in new projects initiated for the benefit of customers. The increase also reflects the annualization of revenue requirements for projects that entered service in 2026 but were not covered fully by the requested 2026 base rate increase. The primary drivers of this increase are:

(1) capital investments in generation, system growth, reliability, and the replacement of FPL's 30-year-old customer information system;

(2) an increase due to the net effect of ITCs associated with battery storage projects, partially offset by the incremental PTCs associated with solar investments;

(3) a slight increase in the weighted average cost of capital; and

(4) the impact of inflation and customer growth.

The increase in base revenue requirements is partially offset by revenue growth.

FPL's requested 2027 base rate increase is \$927 million after accounting for its 2026 request. FPL projects that its earned ROE would fall to 7.34% without the requested rate relief for both the 2026 Projected Test Year and 2027 Projected Test Year. Even with FPL's requested base adjustment for the 2026 Projected Test Year, FPL's jurisdictional adjusted ROE for the 2027 Projected Test Year is projected to fall 171 basis points without the relief requested for the 2027 Projected Test Year.

### **Return on Equity and Capital Structure**

Fundamental to FPL's value proposition is the maintenance of a strong credit rating and balance sheet that support the execution of its capital programs, manage its liquidity needs and provide the flexibility to respond rapidly to unexpected changes in the external environment. There is no reason to make a major change to the underpinnings of FPL's financial policies after a long history of demonstrated success in delivering best-in-class customer value.

To that end, FPL proposes a continuation of the successful policies of the past, updated to reflect today's market conditions. Specifically, FPL seeks the continued use of its historical capital structure of 59.6% equity based on investor sources. FPL also requests that the Commission authorize an ROE range of 10.9% to 12.9%, with a midpoint of 11.9%. This range is reasonable and is consistent with capital market conditions.

### **Solar and Battery Base Rate Adjustments**

FPL proposes the SoBRA Mechanism as an efficient process for recovery of costs for solar generation and battery storage projects that enter service in 2028 and 2029 as well as the impacts of concluding the one-year ITC flow-through accounting for battery storage facilities placed in-service in the previous year. Modeled after previously approved base rate adjustment provisions, FPL would be authorized to build solar generation and battery storage projects in 2028 and 2029 and recover its costs through a SoBRA by demonstrating either an economic need or a resource need for the projects.

The process associated with implementing the SoBRAs requested under FPL's current proposal will be largely the same as those previously approved. FPL will demonstrate the need (or needs) at the time it makes its final true-up filing in the Fuel and Purchased Power Cost Recovery Clause Docket the year prior to the projects' expected in-service date (the "SoBRA Proceeding"). In the SoBRA Proceeding, FPL must also submit for approval the calculation of: (a) the revenue requirements associated with the generation and associated facilities to be installed during the in-service year, together with the impact of the conclusion of any ITC flowthrough in the previous year; and (b) the appropriate percentage increase in base rates needed to collect the estimated revenue requirements. The application of the SoBRA mechanism is set forth in detail in FPL witness Bores's Exhibit SRB-7.

### **Tax Adjustment Mechanism**

The TAM proposed by FPL is a non-cash accounting mechanism that accelerates the recording of deferred tax benefits over the four-year rate period by reversing certain unprotected DTLs. Like predecessor non-cash mechanisms approved by

the Commission,<sup>4</sup> FPL will use the TAM to respond to changes in its underlying revenues and expenses in order to avoid additional general base rate increases and maintain its ROE within the authorized range during the four-year rate period. Absent approval of the TAM, FPL anticipates that it will need to seek additional rate relief in both 2028 and 2029. The DTL amount needed to support the four-year plan must therefore be sufficient to afford FPL the opportunity to achieve the mid-point ROE in the plan's last two years, which FPL calculates to be \$1.717 billion. Accordingly, FPL proposes to utilize \$1.717 billion of its tax repairs and mixed service DTLs as the amount available for use under the TAM ("TAM Amount").

FPL requests approval to recognize a TAM regulatory liability and an offsetting TAM regulatory asset as of January 1, 2026. The regulatory liability represents the full amount of the deferred tax expense benefit projected to be provided to customers over the proposed four-year rate plan. The offsetting regulatory asset represents the amount of deferred taxes that will be recovered in future periods over the average remaining life of the underlying assets. FPL requests approval to commence amortization upon the recognition of the regulatory asset.

FPL proposes that the TAM be subject to the same fundamental limitations imposed on the RSAM approved in the 2021 Rate Settlement. To that end, FPL requests authority to use TAM flexibly at its discretion from 2026 through 2029. For any 12-month period reflected in the Company's earnings surveillance reports:

- FPL may not debit or credit an amount that would result in an ROE greater than the top of the authorized range;
- FPL *must* debit or credit at least the amount necessary to maintain an ROE of at least the bottom of the authorized range;
- FPL cannot credit (*i.e.*, decrease) operating income tax expense that would cause the TAM Amount to be reduced below \$0; and
- FPL may not debit (*i.e.*, increase) operating income tax expense at any time during the four-year period that would cause the TAM Amount to exceed \$1.717 billion.

### **Tax Reform**

FPL's revenue requirement calculations for the 2026 and 2027 Projected Test Years are based on tax law in effect as of the time FPL filed its Petition. President Trump has signed into law the One Big Beautiful Bill. If timing

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<sup>4</sup> E.g., the Reserve Surplus Amortization Mechanism (or "RSAM") approved as part of the 2021 Rate Settlement.

permits, FPL will quantify the impacts on FPL's base revenue requirements, if any, so that the Commission may address the impacts when it resolves FPL's base rate request. If timing does not permit, FPL will address the impact, if any, of the recently enacted tax law and any other tax law change in a separate docket. Additional details regarding the procedure and calculations are set forth in Exhibit SRB-8 filed with the testimony of FPL witness Bores.

### **Depreciation and Dismantlement**

FPL's current depreciation rates and dismantlement accruals reflect what was approved by the Commission in the 2021 Rate Settlement. In this proceeding, FPL seeks approval of an updated 2025 Depreciation Study and an updated 2025 Dismantlement Study included as Exhibits NWA-1 and NWA-2 to the testimony of FPL witness Allis. FPL has made company adjustments to its proposed 2026 and 2027 revenue requirements reflecting the updated results of these studies. If the Commission makes any adjustments to FPL's updated studies, it should recognize the effects of any adjustments on the rate relief granted.

### **Capital Recovery Schedules**

FPL has retired or will retire certain assets that are not yet fully depreciated. Pursuant to Rule 25-6.0436, F.A.C. and consistent with Commission practice, FPL requests approval of capital recovery schedules pursuant to which the remaining investment for those retired assets would be recovered over a 10-year period. Specifically, FPL requests capital recovery schedules for the following assets: (i) FPL's old 500 kV transmission infrastructure retired in 2024, as well as the continued retirement and cost of removal associated with the 2025 through 2027 portion of the rebuild project;<sup>5</sup> (ii) the early retired investment associated with Plant Daniel Units 1 and 2; and (iii) the early retirement of FPL's Customer Information System and its integrated applications. Exhibit KF-3 to the testimony of FPL witness Ferguson provides a detailed list of the assets for which FPL seeks capital recovery, along with the associated amortization, and delineates between base and clause recovery.

### **Storm Cost Recovery Mechanism**

FPL requests approval to continue to recover prudently incurred storm costs under the framework approved in its 2021 Rate Settlement, adjusted modestly to move closer toward better reflecting the storm restoration costs experienced over the past eight years. Under the proposed storm cost recovery mechanism, if FPL incurs storm costs related to a named storm, it may begin collecting an interim

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<sup>5</sup> As part of the 2021 Rate Settlement, the Commission approved the establishment of a regulatory asset for the estimated remaining unrecovered investment and cost of removal for the 500 kV transmission-related retirements during years 2024 and 2025. Amortization of the remaining unrecovered regulatory asset balance was to be addressed in this base rate proceeding.

charge based on an amount up to \$5 per 1,000 kWh on monthly residential bills (roughly \$500 million annually) beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed that amount in any one year, the Company may request that the Commission increase the \$5 per 1,000 kWh accordingly, with the period of recovery of the additional amount to be determined by the Commission.

Like its predecessors, the storm cost recovery mechanism proposed here also would be used to replenish the Company's storm reserve in the event it was fully depleted by storm costs. The Company's storm reserve replenishment amount under this proposal is increased to \$300 million to reflect more closely FPL's restoration experience in recent years.

### **Large Load Contract Service**

FPL has proposed new Large Load Contract Service ("LLCS") rate schedules and an associated LLCS Service Agreement for customers with new or incremental demand of 50 MW or more and a load factor of 85% or higher. To service customer demand of this magnitude, FPL must make significant investments in new generation and transmission capacity that is not needed to serve the general body of customers. As such, FPL has proactively developed the LLCS tariffs to ensure it can provide safe and reliable service to the LLCS customers while protecting the general body of customers. These customer protections include but are not limited to: minimum terms consistent with the life of the incremental generation resources to be installed to serve the LLCS customers; an Incremental Generation Charge to recover incremental generation costs; minimum demand charges; performance security; and early termination fees. The protective measures included in the LLCS tariffs and Service Agreement are designed to protect the general body of customers from costs that would not have otherwise been incurred and are not needed to serve the general body of customers.

### **Customer Bills Under FPL's Four-Year Plan Will Remain Low**

FPL projects that even with the requested 2026 base rate increase, typical bills for January 2026 would be 20% less in real terms than in 2006. Under FPL's proposed four-year rate plan, the five-year compound annual growth rate of the typical 1,000 kilowatt-hour residential bill increase through the end of the four-year rate proposal on December 31, 2029, is projected to be approximately 2.5% for peninsular Florida customers and approximately 1.1% for Northwest Florida customers. These levels of proposed annual increases are far lower than the projected consumer price index over the same period. Further, assuming other utilities experience bill increases at their historical rates of increase, typical residential bills for customers would remain 25% below the projected national average.



FPL's commercial and industrial ("CI") customers' bills will likewise remain significantly below the national average and below many other Florida electric utilities even with the proposed increases. The increase CI customers are projected to experience will vary depending on each rate schedule's current level of parity. Under FPL's proposal, the typical CI bill will increase between 1% and 5% for peninsular Florida customers and between 0% and 4% for Northwest Florida customers.<sup>6</sup>

### **Conclusion**

FPL has consistently delivered residential customer bills that have been well below the national average and among the lowest in Florida. At the same time, it has delivered improvements in reliability, customer service and emissions. Like the successful plans of the past, the four-year rate plan FPL proposes in this proceeding will allow the Company to continue focusing on ways to improve its operations and performance to better meet customer needs rather than devoting resources and focusing efforts on rate cases year after year. FPL's proposal is expected to result in typical bills that are well below the national average, and it should be approved by the Commission.

**OPC:** FPL's newest "four-year plan," unveiled on February 28, 2025, requests Commission permission to raise rates in both 2026 and 2027, and to establish a mechanism that would, if approved, result in additional rate increases in both 2028 and 2029. If all of FPL's requests in this docket are approved by the Commission, FPL's current customers will be required to pay an additional \$9.819 billion, over and above their current rates, during the next four years. Additionally, future customers will have to repay \$1.717 billion (with interest) of Federal income taxes through higher rates that past customers have already paid once. Yet, FPL also claims that one of the major benefits to customers of the "four-year plan" is the rate stability that the plan will allegedly provide. Rate stability is not the same as bill stability. The purported "rate stability" benefit to customers is illusory. Even if the Commission approved every aspect of FPL's "four-year plan" as filed, customers' bills could still fluctuate wildly during the next four years due to a number of reasons such as storm damage, natural gas prices, inflation, etc. In addition to those ever-present concerns that could impact customer bills, there are a number of additional contemporary issues that have introduced additional uncertainty into this case, including, but not limited to, the following:

- Are Investment Tax Credits and Production Tax Credits related to renewable resources going away? If so, when? What impact could that

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<sup>6</sup> Based on the General Service, General Service Demand, and General Service Large Demand 1 and 2 rate classes, which encompass 94% of FPL's CI customers.

have on the cost-effectiveness, as claimed by FPL, of the requested 2026-2029 solar and battery additions?

- Will FPL's general body of ratepayers be the sole beneficiaries of the firm capacity represented by FPL's pending acquisition of the Vandolah Generation Facility ("Vandolah")? How many of FPL's requested 2026-2029 resource additions will be offset by the Vandolah acquisition?
- Will federal trade tariffs impact FPL's expenses in 2026? 2027? 2028? 2029?
- What is the future of the federal Low-Income Home Energy Assistance Program ("LIHEAP")?
- What impact will hyperscale datacenters have on FPL's resource adequacy planning? How will these large load datacenter's demand, water and infrastructure requirements, and operations impact the surrounding communities and general body of FPL's customers?
- What are the impacts of FPL's novel E3 stochastic loss of load analysis framework on FPL's customers? What is the impact of the resulting CapEx plan upon customers?

FPL's shareholders, and not FPL's customers, must bear the responsibility and risk of this uncertainty. FPL controls when it seeks rate increases, not FPL's customers. Even though the term of the Company's settlement agreement that resolved the 2021 rate case ends on December 31, 2025, FPL is not required to seek a rate increase effective January 1, 2025, but has chosen to do so despite earning well over the current, Commission-approved midpoint return on equity ("ROE") for the last four years. Additionally, FPL, and not FPL's customers, controls how much of a base rate increase it pursues. The Commission must incorporate these realities into its decision-making when determining who should bear the pending significant uncertainty risks present in this case.

OPC will systematically demonstrate that FPL has not met its burden of proof to justify the \$9.819 billion of additional rates it is requesting to collect from customers. One of many areas where FPL cannot meet its burden of proof is FPL's requested 11.9% midpoint ROE, which is 110 basis points above FPL's current midpoint ROE and 217 basis points – or about \$2 billion dollars in annual revenue requirements - above the national average.

Additionally, OPC will demonstrate that, despite FPL's drastic reduction in planned 2026 solar additions since the FPL's 2024 Ten-Year Site Plan was filed, more reductions to FPL's planned 2026-2027 resource additions are required. Further, FPL's requested Solar Base Rate Adjustment Mechanism ("SoBRA")

additions for 2028 and 2029 are premature and not ripe for Commission decision. OPC will demonstrate that the tax credits, which allegedly make these investments cost-effective, are in jeopardy in light of the enactment of the “One Big, Beautiful Bill Act,” (“OBBA”) and the issuance of the July 7, 2025, Presidential Executive Order entitled, “Ending Market Distorting Subsidies for Unreliable, Foreign-Controlled Energy Sources.” The Commission must not ignore the potential direct impact that these developments will have on this case. Additionally, OPC will show that the Company’s shift in resource adequacy planning methodology is materially flawed in several ways.

OPC also strongly objects to FPL’s proposed Tax Adjustment Mechanism (“TAM”), which would, for the first time in Commission history, permit a utility to take actual, customer money that FPL has already collected from customers for a particular purpose (Federal income taxes), allow the Company to use those dollars for an alternative purpose (shareholder dividend payments through achieved earnings of a 12.9% ROE), and then re-collect, with carrying costs, that money AGAIN from future customers who will receive no benefit from FPL’s use of the TAM over the 2026-2029 time period. The approval of the TAM would shatter several different traditional ratemaking principles and has no statutory basis. The Commission must unequivocally reject the proposed TAM.

OPC will also demonstrate that customers have been paying property taxes, insurance, and a return for large amounts of Plant Held For Future Use (“PHFU”) land for decades without receiving one electron of benefit. Other parcels of excessive PHFU land include property with either no specific purpose or a vaguely worded purpose associated with an ambiguous future in-service date. Considering that FPL has become the 7<sup>th</sup> largest private landowner in the State of Florida by stockpiling land at customer expense, FPL cannot satisfy its burden to prove that much of the land it has stockpiled deserves PHFU accounting treatment.

These are just a few of the extravagant requests contained in FPL’s unenforceable “four-year plan,” which OPC will bring to the Commission’s attention through expert witness testimony and cross-examination. In today’s tough economic climate, FPL’s customers are already under great financial pressure, and any amount of a rate increase will have a significant impact on them. Now, more than ever, the Commission must acknowledge that unreasonable and imprudent costs are driving unfair, unjust, unreasonable, and thus unaffordable bills. Over 12 million Florida residents and businesses will be directly impacted by the decisions made in this docket, and OPC is committed to ensuring that those customers pay no more than the law allows. In light of all of the excess contained in FPL’s filed rate case, there is much work to be done.

## **FUEL**

**RETAILERS:** The Fuel Intervenors sought intervention in this matter for three purposes. First, the individual fuel retailer companies that are members of AACE are electric retail customers of FPL, and individually and collectively they seek to ensure that the retail rates and charges of FPL to them as large electric users are fairly and reasonable set. Fuel Retailers support the Office of the Public Counsel (“OPC”) and other parties who are better positioned to advocate positions that will result in fair, just, and reasonable rates through the setting of an more appropriate debt/equity ratio below that requested by FPL, a reasonable return on equity as proposed by OPC, the removal of certain inappropriate and unnecessary assets from rate base, and the removal of certain expenses that are unnecessary for FPL’s provisioning of safe and efficient electric service.

Second, the Fuel Retailers, as providers of electric vehicle (“EV”) charging services to the public, have a special interest in the Electric Vehicle Charging Infrastructure Rider GSD-1EV (Sheet No. 8.106) and Electric Vehicle Charging Infrastructure Rider GSLD-1EV (Sheet No. 8.311), as these tariff services facilitate the deployment of EV charging stations by the Fuel Retailers and other businesses whose business purpose is to support the traveling public by providing different kinds fueling options and services. In this regard, the Fuel Retailers are uniquely positioned to address the EV charging issues in this proceeding. Specifically, the Fuel Retailers request that the GSD-IEV and GSLD-1EV pilot tariffs be made permanent with rates and charges set in a manner that facilitates the growth and deployment of EV charging stations for the public consistent with the directives of Florida law.

Third, the Fuel Retailers request that the Commission deny the request to make permanent the FPL public EV Charging Pilot Program, the Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936), as continuation of this program, even at the proposed rate increase, violates the cross subsidization prohibition set forth in section 366.94, F.S. (Chapter 2024-186, Laws of Florida). And even if the program were over its lifetime to recover its costs, which is unproven as proposed, thus far to date and for the foreseeable future monopoly ratepayers will be subsidizing this service. Given that public EV charging is a competitive business, monopoly ratepayers should not be called upon to subsidize or otherwise support this service which has nothing to do with FPL’s core business of delivering retail electric service to homes and business, especially when the private sector is offering this service. The best way for FPL to support public EV charging services is for the GSD-IEV and GSLD-1EV rates to be set in a manner that permits the continued growth of this service, which is a much more appropriate public policy that does not adversely impact monopoly ratepayers. Consistent with this public policy, the Fuel Retailers support the proposal for FPL to establish a “make ready” program for third-party electric vehicle charging stations, which is also a much more appropriate public policy for the support the growth and deployment of public EV charging stations. This make ready

program can be funded by the elimination of the Residential Electric Vehicle Charging Service pilot and rider programs, the Commercial Electric Vehicle Charging Services program, and the \$5 million EV slush fund proposed by FPL.

## **ELECTRIFY**

**AMERICA:** The Commission should not approve FPL's proposal to make permanent the Electric Vehicle Charging Infrastructure Rider to GSD-1EV ("GSD-1EV") the Electric Vehicle Charging Infrastructure Rider to GSLD-1EV ("GSLD-1EV"), and the Utility-owned Public Charging Electric Vehicles ("UEV Tariff") without modifications. Electrify America recommends that the Commission should direct FPL to modify the language in the Demand sections in both the GSD-1EV and GSLD-1EV riders to increase the number of hours used to calculate the billed demand for each rider from 75 to 150 hours per month. With respect to the UEV Tariff, Electrify America recommends that the Commission not approve any pricing below \$0.50/kWh for customers charging their electric vehicles at FPL-owned fast charging stations.

**EVGO:** The Commission should adopt changes to Florida Power & Light Company's ("the Company" or "FPL") proposed tariffs, expenditures, and programs meant to support the deployment of electric vehicle ("EV") charging infrastructure. The Commission should take this opportunity to ensure FPL's tariffs, expenditures, and programs align with best practices across the nation, in order to encourage private investment in EV charging infrastructure in FPL's territory.

EVgo is participating in this proceeding to provide the Commission with the perspective of one of the nation's leading public fast charging providers. EVgo has more than 1,100 fast charging stations across over 40 states, and partners with leading businesses across the U.S., including retailers, grocery stores, restaurants, shopping centers, gas stations, rideshare operators, and autonomous vehicle companies. Under its owner-operator business model, EVgo develops, finances, owns, and operates its fast-charging network. It installs the public direct current fast chargers ("DCFC") at no cost to the site host partner, maintains the customer relationship with the EV driver, and is responsible for operations and maintenance of its EV charging network.

EVgo will argue that a number of FPL's proposed tariffs relating to EV charging are not just and reasonable. EVgo's testimony has demonstrated that there are better, proven methods of deploying FPL's limited capital to support the development of public EV charging for the benefit of its ratepayers. FPL's proposal before the Commission is not aligned with best practices across the nation and fails to leverage private market investment and expertise.

Therefore, the Commission should adopt the following changes to FPL's tariff proposals related to the deployment and support of EV charging:

- First, the Commission should reject FPL’s proposal to expand the scope of its Commercial EV Charging Services (“CEVCS”) pilot program.
- Second, the Commission should only approve FPL’s proposal to make its CEVCS pilot program permanent with modifications. Specifically, the Commission should adopt changes to the proposal that instruct FPL to offer commercial customers a “make-ready” program similar to the one approved in Duke Energy’s recent multi-year settlement.<sup>7</sup>
- Third, the Commission should modify the General Service Demand (GSD-1EV) and General Service Large Demand (GSLD-1EV) riders that better focuses the benefits of the program on early-stage EV charging stations.
- Fourth, the Commission should reject FPL’s proposed pricing for its Utility-owned Public Charging (UEV) tariff and increase the pricing to be more aligned with the current market for EV fast-charging in Florida and with the utility’s stated costs to provide service at company-owned fast-charging stations.

**FEA:** FEA recommends Florida Power & Light Company’s (“FPL” or “the Company”) be awarded a return on equity (“ROE”) of 9.50% which is the midpoint of the range produced by all of FEA’s models, rather than the Company’s recommendation of 59.90%. It is FEA’s position that the Company’s current reasonable range Market ROE is 9.00% to 10.00%. the Company’s proposed equity ratio of 59.60% is significantly higher than the average equity ratio for the proxy group used to estimate the cost of equity for the Company. However, the proxy group that the Company uses has an average common equity ratio of 38.4% (including short-term debt) and 42.6% (excluding short-term debt).

FEA does not take an explicit position on adjusting the Company’s proposed capital structure. However, because of the Company’s significantly higher equity ratio relative to the proxy group, a more reasonable range applicable to the company would be the lower-half of FEA’s overall recommended range. If the Commission should authorize the Company its requested equity ratio of 59.60%, a ROE in the lower half of the range such as 9.00 to 9.50% would be warranted.

The Commission should not allow the Company’s flotation cost adjustment. It is flawed and there is no basis to verify the reasonableness or appropriateness of the 9-basis point adjustment. Flotation costs, if incurred, are more appropriately recovered as an expense through the cost of service rather than as a ROE adjustment, which ensures that only prudently incurred costs are allocated fairly across the Company’s operations.

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<sup>7</sup> Duke Energy, *Charger Installation Credits*, available at <https://www.duke-energy.com/business/products/ev-complete/charger-prep-credit> (last visited July 14, 2025).

FEA also proposes several adjustments to the Company's proposed depreciation rates. The Company's proposed rate adjustments would result in a \$170.64 million increase to its depreciation expense based on plant balances as of December 31, 2025. FEA adjustments include a recommendation to: 1) increase the lifespan/retirement date of the Scherer Plant past 2035 to at least 2047 for a total of 60 years plant in service; 2) increase the Steam Plant depreciation rates in accordance with assuming a 2047 lifespan for the Scherer Plant; 3) make adjustments to certain depreciation expenses by a total of \$14.22 million as captured in FEA Exhibit BCA-2.

FEA supports and recommends a 4 Coincident Peak (CP) production and transmission allocator and opposes the Company's proposal to increase the energy classification of production capacity from 1/13th energy, which has been used in past rate cases, to 25% in this case. A 4 CP with a 1/13th energy classification better allocates capacity costs based on cost causation principles and is fair and reasonable to all rate classes. The Commission should use the 2026 and the 2027 Revenue Deficiency based on Matthew Smith's and Michael Gorman's testimonies and the Company's proposed gradual allocation of class limits resulting in no class receiving an increase greater than 1.5 times the system average increase, and no rate class receiving a decrease. The Commission should reject any recommendation for production capacity costs being allocated using a 12 CP and energy/capacity allocation method that allocates the costs of all nuclear and solar plants to energy cost and all gas plant and battery storage facilities to demand. The Commission should also reject the Company's current recommendation of 12CP and 25% allocation methodology. The Commission should instead use its approved methodology for allocating production plant cost using 1/13th energy for production resources coupled with 4CP for capacity to more accurately align with how the Company's resource portfolio is designed and how costs are incurred in order to provide reliable service to all its rate classes.

The Company is proposing two new Commercial and Industrial (C&I) rate schedules, Large Load Contract Service – 1 (LLCS-1) and Large Load Contract Service -2 (LLCS-2) for future customers with projected new or incremental load of 25 MW or more, and a load factor of 85% or more. To recover the shared total system costs from these customers, the base, demand, and non-fuel energy charges for the new rate schedules LLCS-1 and LLCS-2 will all initially be set at unit cost equivalents for the GSLD(T)-3 rate class at parity for transmission costs and weighted for fixed production costs to appropriately recognize the incremental generation above and beyond the total system fixed production that will be deployed to serve these customers. The Proposal by the Company to implement these rates is generally reasonable, however the pricing of these rates and the impact on customers should be investigated by the Commission and should be adjusted by imposing a five (5) year termination notice on the minimum term contract rather than the Company's proposed two (2) year termination notice

which would allow the Company to look for any alternative markets. The Commission should also allow all interested parties to comment on the “incremental cost” used to price load under these rate schedules if and when new large customer loads are added to the Company system.

**FEIA: OVERVIEW**

FEIA is a not-for-profit association whose members are comprised of companies developing large data centers in Florida, and their affiliates that are current electric customers of FPL. FEIA was formed to represent its members’ interests before the Commission and other Florida governmental entities to ensure that the data center industry has access to fair, just, reasonable, and non-discriminatory electricity rates. FEIA has intervened in this proceeding because FPL proposes to adopt a new Large Load Contract Service (“LLCS”) Tariff that imposes exorbitant electric rates and overly burdensome contract terms and conditions on large data centers. In addition to being inconsistent with fundamental cost-of-service principles, if approved in its current form, the LLCS Tariff would stifle Florida’s ability to attract data center investment and bar the state from achieving the significant economic benefits that data centers generate, including high-wage job creation, expanded tax base, and infrastructure development. The Commission has all of the regulatory tools and authority in this docket to reform the proposed LLCS Tariff to allow FPL to recover its cost of service without saddling hyperscale data center customers with disproportionate charges and oppressive terms and conditions for service that are inconsistent with national benchmarks. Deferring consideration of the LLCS Tariff to some future proceeding is unnecessary, and will lead to prolonged regulatory uncertainty that will stifle the development of data centers in the state, causing Florida to lose immediate investment opportunities to states with clearer and more predictable regulatory environments.

**BACKGROUND**

Data centers require a reliable and cost-effective electric power source to operate their computer servers and other essential infrastructure. Electricity is the single largest operating expense for large-scale data centers, often comprising up to 60% of total operating costs. FEIA members have sought to obtain electric service from FPL for their data centers since early 2024. FEIA members were initially attracted to develop data center projects in FPL’s service area because of the reasonable rates under FPL’s GSLD-3 Tariff, and the overall reliability of FPL’s electric service.

Up until the filing of its rate increase petition on February 28, 2025, FPL had maintained that large data center projects were eligible for electric service under FPL’s GSLD-3 Tariff. However, when FPL filed its rate case it announced that large data centers would no longer be eligible for its GSLD-3 Tariff, and instead



would be required to take service under the rates, terms, and conditions of FPL's proposed Large Load Contract Service ("LLCS") Tariffs—LLCS-1 and LLCS-2. FEIA will present competent substantial evidence in this proceeding showing that the proposed LLCS Tariff subjects large data center customers to excessive rates and overly burdensome and discriminatory contractual terms which, if approved, would directly undermine Florida's ability to attract and retain data center investment.

#### LLCS TARIFF DEFICIENCIES

*Excessive Rates.* Under its LLCS-1 Tariff, FPL proposes charging data center customers an all-in electric price of approximately 10.16 cents per kWh, which is more than 69% higher than would be charged under its current GSLD-3 Tariff and substantially exceeds the price of electricity in other states that are competing with Florida for data center development. The rates of the proposed LLCS-2 Tariff have yet to be defined, which creates additional and substantial regulatory uncertainty.

The primary factor contributing to the excessive LLCS rates is FPL's introduction of a new rate element, the Incremental Generation Charge ("IGC"), which is supposed to cover the cost of new battery storage buildout that would be required to satisfy the new LLCS load. FPL uses a revenue requirements analysis to justify the IGC that has two basic flaws. First, FPL's revenue requirement model takes the highest annual revenue requirement to serve the expected LLCS load (the "peak" year) over a 20-year period and assumes that same revenue requirement for every year over the 20-year term even though revenue requirements are significantly lower in other years. This "peak year" revenue requirements approach results in recovery of revenue through the IGC that exceeds what would be produced under a levelized or time-weighted average, and thus overstates the revenue requirement relative to FPL's actual long-term costs.

Second, FPL's revenue requirements model is based on installing 6.1 gigawatts (GW) of battery capacity to serve 3 GW of projected LLCS load. Basing its revenue requirements on a 2:1 battery-to-load ratio effectively doubles the infrastructure assumed necessary to serve the data center load and inflates the capital cost basis used in the IGC calculations. This overspecification leads to significantly higher revenue requirements when compared to a more appropriately sized system.

After correcting the "peak year" and "overspecification" modelling flaws, FPL's own revenue requirements model shows that the IGC should be lowered from \$28.07/kW/month to \$10.20/kW/month. This, in turn, reduces the all-in LLCS-1 electricity rate from 10.16 cents/kWh to approximately 7.28 cents/kWh, which is in line with the electric rates in major data center markets in competitor states.

If left uncorrected, FPL's proposed LLCS rates would impose disproportionate costs on low-risk, high-volume data center customers, violating core cost-of-service principles and deterring investment in Florida. Moreover, the proposed LLCS rates far exceed the electric rates in other states that are competing with Florida for data center development. FPL's revenue requirements model, after adjustment to address the deficiencies described above, demonstrates that FPL can serve data centers at rates which are competitive with other states without burdening, or requiring any subsidies from, the general body of ratepayers.

*Onerous Terms and Conditions of Service.* In addition to substantially higher rates, the proposed LLCS Tariff would impose burdensome contractual terms and conditions on large load customers that are unnecessary and not customary in other competitor states. Specifically, FPL initially proposed that applicants for service under the LLCS Tariff must: (i) execute a LLCS Service Agreement ("LSA") with a minimum term of 20 years, (ii) enter into complex and multi-billion dollar service and security agreements in a compressed and unrealistic six-month time frame after acceptance of FPL's system and engineering studies, (iii) agree to "take or pay" 90% of their contracted load, and (iv) post excessive security guarantees that are not commercially viable. That discriminatory structure deviates from standard national practices and falls far short of Florida's statutory requirement that rate structures are to be fair, reasonable, and non-discriminatory.

*Potential Lost Economic Development Opportunities.* Data centers are designed to support the substantial computational demands of the artificial intelligence ("AI") industry and other advanced technology industries that the State of Florida seeks to attract as part of its long-term economic strategy. They are estimated to bring billions of dollars in economic development opportunities to the state and elevate Florida's standing in the national AI and technology economy. The proposed LLCS Tariff's disproportionately high rates and overly burdensome contract structure are out of line with the large load rates, terms, and requirements of electricity providers in other states. Because electricity pricing is the primary factor in data center site selection, if the LLCS Tariff is approved in its current form, developers will not develop data centers in FPL's territory. This would severely jeopardize, if not eliminate, Florida's standing in the national AI and technology economy, and threaten job creation, tax revenue, infrastructure development, and long-term digital resilience.

#### FPL'S RECENT PROPOSALS

In the rebuttal testimony of FPL witness Cohen, FPL has attempted to address some, but not all, of FEIA's concerns. For example, FPL proposes to lower the IGC from \$28.07/kW/month to \$12.07/kW/month. However, FPL simultaneously proposes to effectively double the demand charge for a LLCS-1 customer from \$7.01/kW to \$14.08/kW, which results in continued overstatement of total rates.

FPL witness Cohen also proposes to reduce the minimum take-or-pay requirements for LLCS customers from 90% of contracted load to 70%. FPL's proposals to reduce the ICG and lower the minimum take-or-pay requirements better align with cost of service and are constructive steps in the right direction. However, these adjustments only address parts of a broader proposed rate structure. Data centers and other large customers evaluate the total electricity costs holistically, considering not just the rate, but also terms and conditions of the electric service itself that are needed to remain competitive. FEIA believes that even with the adjustments FPL recently proposed, top tier data center operators are likely to consider FPL's territory a "no-go" zone when compared to data center tariffs in other states. That assessment will continue until the LLCS rate and contractual conditions of service are materially amended.

#### FEIA'S PROPOSALS

Accordingly, FEIA respectfully recommends that the Commission amend the proposed LLCS Tariff as follows:

- **Final Rate:** Set the all-in LLCS-1 rate, including the IGC, at a level that is comparable to FPL's proposed GSLD-3 rate, reflecting data centers' low cost-to-serve, high load factor, and credit strength.
- **ICG Performance Security:** Eliminate redundant IGC collateral for customers executing LLCS Service Agreements that meet FPL's creditworthiness requirements. If the customer does not meet FPL's creditworthiness standards, then the ICG Performance Security should be set at an amount reflecting FPL's actual generation costs.
- **Contract Term:** Reduce the minimum term from 20 years to a base of 12 years with optional 5-year extensions at the customer's discretion.
- **Engineering Acceptance Period:** Extend the period commencing on the date of completion of the Engineering Study, during which the LLCS Service Agreement and other relevant FPL contracts must be executed, from 6 months to 18 months.

The rates and streamlined contractual structure FEIA proposes would preserve FPL's ability to recover prudent costs, maintain system integrity, and protect the general body of rate payers while ensuring Florida remains competitive for large-scale digital infrastructure investment.

Finally, FEIA respectfully requests that the Commission act promptly to resolve the LLCS Tariff issue in the present rate case. Deferring consideration of the LLCS Tariff to some later proceeding is unnecessary, and will lead to prolonged regulatory uncertainty, effectively halting Florida's ability to compete for data center investment and forfeiting billions in economic growth, high-wage jobs, and critical infrastructure development.

**FIPUG:**

**OVERVIEW**

Florida Power and Light Company's ("FPL") filed total rate case request is overstated, as the company seeks to cumulatively increase customer rates by nearly ten billion dollars (\$10,000,000,000) over the next four years. A host of reductions, often referred to as "adjustments" in this proceeding, are in order and should act to reduce FPL's rate case request to less than fifty percent (50%) of FPL's rate case request. These reductions will be supported by testimony and evidence from the intervening parties, FPL concessions, FPL's failure to carry its burden of proof on certain issues, and argument.

**RATE DESIGN**

FIPUG supports the allocation of production and transmission plant using the Four Coincident Peak (4 CP) approach. Put simply, FPL is a summer peaking utility and the peak demands routinely occur during the four hottest months: June, July, August, and September. Importantly, the Commission recently approved the 4 CP method in Tampa Electric Company's (TECO) most recently litigated rate case. Like FPL, TECO has a diverse mix of generation resources, including solar and battery energy storage systems. The 4 CP method better reflects cost causation in relation to FPL's peak demands and ensures that the rate class which actually causes costs pays for those costs. The 4 CP approach, or a variation of it, is supported in this case by FIPUG, the Federal Executive Agencies and the Florida Retail Federation.

**VALUE OF INTERRUPTIBLE SERVICE**

Many FIPUG members receive electricity from FPL and use the Commercial-Industrial Load Control (CILC) rates and Commercial-Industrial Demand Reduction (CDR) rider. In exchange for agreeing to be interrupted during times of critical peak need, CILC and CDR customers receive payments for providing interruptible service ("interruptible credits") on their monthly bill, which helps them manage their energy costs and remain competitive in their respective businesses. FPL has proposed a 29% reduction in the payments in the CDR and CILC payments that have been previously negotiated and approved by the Commission. FIPUG opposes this steep reduction in the payments.

These CDR and CILC customers who agree to have their power disrupted during times of critical peak demand provide FPL with 900 MW of demand response that FPL can quickly deploy during generation capacity emergencies (and other critical events as stated in the tariffs) to avoid firm load shed. As FPL projects significant load growth and has become increasingly dependent on more rate-base intensive intermittent solar resources, which elevate the risk of outages, demand response is becoming a much more critical resource.

FPL has avoided installing 900 MW of capacity due to the CILC/CDR demand response programs. Furthermore, FPL's production capacity costs have increased by 40.7% since FPL's 2021 rate case.

Accordingly, reducing rather than raising the CILC/CDR credit sends the wrong message to large users who agree to be interrupted during times of critical peak demand. The Commission should not decrease the CILC and CDR credits, but instead increase them by approximately the same rate at which FPL's production plant has increased since the last rate case. FIPUG expert witness Jonathan Ly recommends raising the CILC/CDR credits by 40.7%, from \$8.76 to \$12.32 per kW. In rebuttal, FPL witness Whitley acknowledged that, even under the pricing mechanism used by FPL, raising the interruptible credits to \$9.24 per kW would be cost effective.<sup>[1]</sup> The CILC/CDR credits should be increased, not decreased.

### **CONTRIBUTION IN AID OF CONSTRUCTION (CIAC)**

The Commission should deny FPL's proposed modifications to the CIAC tariff because FPL has not demonstrated any specific instance or increased risk of cost-shifting among its existing customer base, which includes customers with loads of up to 50 MW. Further, 15 MW is too low of a threshold, and it does not address the crux of the problem that FPL may be required to make significant investments, such as tapping high-voltage transmission lines, to serve prospective customers with very large (50 MW and higher) loads. Finally, FPL has not demonstrated any connection between the 15 MW and the \$25 million spend. In any event, the CIAC should apply to all customers. To address the risks of projected new very large loads, the CIAC policy should apply to increases in load of 50 MW or more that require FPL to spend at least \$25 million, and the repayment period should be extended to five years after the load-ramp period.

### **LARGE LOAD CONTRACT SERVICE (LLCS) TARIFF**

The LLCS tariffs should not be approved until after the Commission conducts a rulemaking proceeding with workshops to establish standard terms and conditions for serving new very large loads. In the interim, the LLCS-1 tariff should be modified using a cost-based GSLD-3 rate design coupled with more stringent terms and conditions (e.g., longer contract term, minimum monthly demand charge payments, early termination fees, and posting and maintaining reasonable credit support) proposed for LLCS customers. This would mitigate the impact on FPL's existing customers over the long term. As FPL is not projecting to serve more than 3.1 GW of new very large loads, LLCS-2 should not be approved at this time.

## **CAPITAL STRUCTURE**

FIPUG urges the Commission to adjust FPL's capital structure so that its equity is more in line with the capital structure that this Commission recently approved in the litigated TECO rate case and the DEF rate case settlement agreement. Specifically, the Commission awarded 54% equity in the TECO rate case and 53% equity in the DEF rate case. The national average of a group of 16 integrated investor-owned utilities that credit rating agency Moody's rated as A companies, in line with FPL's Moody's credit rating, is 53.2%. FPL has the highest equity ratio of any investor-owned utility in the nation, 59.6%. Equity is the most-costly method of financing rate base. No competent, substantial evidence proves that lowering FPL's equity in its capital structure will materially impact FPL's access to capital or its credit ratings.

## **RETURN ON EQUITY**

The Commission should award FPL a Return on Equity (ROE) in line with other recent ROE decisions this Commission has made and that other regulatory commissions throughout the country have recently made. FPL's requested Return on Equity (ROE) of 11.9% is 110 basis points, or approximately \$1.152 billion dollars per year higher than the 10.8% percent ROE agreed to by all the parties as a result of FPL's 2021 Settlement Agreement with a host of intervenors. The nationwide average for vertically-integrated electric investor-owned utilities in rate case decisions during 2024 and through May of 2025 is 9.81%, over 200 basis points less or approximately \$2.188 billion dollars less than FPL's ROE request. The Commission recently approved a ROE for Tampa Electric Company of 10.5%, and a ROE for Duke Energy Florida, Inc. of 10.3%. The ROE approved and set for FPL in this case should not outpace these ROE figures.

## **SUMMARY**

Industrial customers are a small percentage of FPL's customers, but play an important role in the social fabric of FPL's service territory, providing jobs, paying significant taxes to the local, state, and federal government, and supporting the local communities in which they operate and conduct business. It is important for these businesses to be healthy and competitive. The Florida legislature recently provided clear guidance on the state's energy forth policy and the important role of economic growth plays. Specifically, the legislature stated in pertinent part that "The purpose of the state's energy policy is to ensure an adequate, reliable, and cost-effective supply of energy for the state in a manner that promotes the health and welfare of the public, and economic growth." (Emphasis added). See, section 377.601(1), Florida Statutes.

While a rate case involves scores of substantive issues for the Commission's decision, two issues have particular importance to the large commercial and

industrial customers, including many FIPUG members: 1) the 4 CP rate design methodology recently adopted in the Tampa Electric Company rate case, as it more fairly allocates costs to the cost causers; and 2) the amount of compensation FPL pays to customers who agree to have their electricity interrupted during times of critical peak load (CILC and CDR credits), an amount that should be increased in this case.

**FRF:** Florida Power and Light Company's ("FPL") requested base rate increases for the 2026 and 2027 test years are excessive, not in the public interest, and should not be approved as filed. FRF generally supports the positions and adjustments proposed in the testimonies filed by the Office of Public Counsel ("OPC") unless otherwise noted. FRF notes that among the many drivers of the proposed FPL increases, the dominant factor concerns new and planned rate base additions that are in turn dominated by FPL's proposed continued investment in Solar Photovoltaic ("PV") installations and accelerated investment in battery energy storage systems ("BESS"). There are compelling reasons for the Commission to take a measured view of the FPL proposals and direct the utility to adopt a more sensible and less costly approach.

First, and most obviously, FPL's over-aggressive investment in large scale solar PV, which has largely avoided Commission scrutiny thus far by FPL's limiting solar projects to 74.5 MWs, has created material operational concerns in the form of a shifting net peak that effectively eviscerates the firm capacity value of solar in those hours. This new circumstance reverberates throughout the FPL rate filing. FPL slashed its previously planned solar investments for the test years in half, accelerated battery storage investments to cover a newly discovered near term reliability gap, and abandoned its historic resource planning process for a stochastic loss of load probability model that its witnesses cannot explain and that misapplied FPL tariff provisions concerning its curtailable service riders (i.e., the FPL consultant's stochastic model inaccurately depicts the FPL system). The revenue requirement implications of the solar and battery investments are extreme. FPL proposes to mitigate those ramifications in the short term (i.e., the two test years) by maximizing the use of available federal tax credits in the test years (particularly proposing to amortize battery investment tax credits in a single year). This approach still leaves FPL consumers with excessive rate increases in the test years, and has them looking down the barrel of large, essentially guaranteed, rate increases immediately thereafter. To make matters more complicated, recent federal legislation guts the future availability of those credits and a subsequent Presidential Executive Order aims to eliminate the credits even faster if possible.

Second, the Cost of Service Study that FPL relies upon for its proposed allocation of revenue increases among the customer classes contains material errors that significantly skew the study results and FPL's revenue allocation proposals. FRF witness Tony Georgis details the nature of those errors, the corrections needed,

and explains the appropriate way to allocate any approved revenue increases under the circumstances.

Finally, FPL proposes to slash the incentive credit offered to existing and new non-firm service customers participating in the commercial/industrial CILC/CDR program by 30%. There is no basis whatsoever for that proposal, which FPL ties to an arbitrary criterion that is applied to no other DSM program, and is contradicted in any event by its own testimony and analysis showing that these programs are far more important to the FPL system and far more cost-effective than ever, even at a substantially higher credit level. FRF witness Georgis addresses this issue and explains that the credits should be increased rather than decreased. Notably, Florida Industrial Power Users Group (“FIPUG”) witness Jonathan Ly also addresses this issue and concludes that the credits should be increased by an even greater amount than Mr. Georgis proposes.

**FEL:** Florida Power & Light Company (“FPL”) is seeking an almost \$10 billion base rate increase from 2026-2029, which it claims is needed largely to cover critical capital investments to its system. In reality, if FPL simply had an industry-normal capital structure and return on equity, it could realize every capital investment proposed in this case without raising base rates by a cent. Instead, FPL seeks an eye-popping 11.9% return on equity midpoint, plus an outrageous, customer-funded mechanism designed to all-but-guarantee FPL’s actual earnings will consistently top out at the 12.9% maximum of its +/- 100 basis point range over the four-year term. Benignly dubbed the Tax Adjustment Mechanism (“TAM”), this novel scheme takes tax benefits paid for and owed to its customers and redeploys them as a slush fund to maximize its return on equity (“ROE”). And once FPL exhausts this pool of misappropriated customer cash over the next four years, FPL’s customers will get to pay tens of millions of dollars a year for decades to repay FPL for the usage of their own money. FPL’s filing is replete with further proposals to maximize its earnings no matter the impact to its customers. In sum, the rate case should be rejected in its entirety.

FPL’s customers already pay some of the highest electricity bills in the nation, pushing many of their customers, including FEL’s members, to the breaking point. Although the Florida Public Service Commission (“PSC”) cannot control the price of rent, health care, or insurance, it can significantly impact the price and affordability of electricity for more than half of all Floridians by holding FPL accountable to rates that are fair, just, and reasonable, and ensuring that FPL meets its burden to show that all expenses and planned capital expenditures are prudent and reasonable. FEL believes FPL cannot meet this burden. FPL appears to be rushing 522 MW of batteries into service in Northwest Florida this year in order to sell all of the associated investment tax credits (“ITCs”) as a gift to their shareholders. Consequently, in the first test year in 2026, and for the entire remaining life of the batteries, it will be as if those roughly \$125 million of ITCs never existed from a ratepayer perspective. Remarkably, not only does FPL



propose to commandeer the total value of those ITCs, but to do so while still bound to the base rate freeze of its 2021 settlement agreement—the capital expense plan for which does not authorize the 2025 batteries. FPL’s end-of-the-year ITC grab results in a nearly instant revenue cliff at the beginning of 2026, which FPL artfully masks by rushing even more batteries into service in the test year and immediately selling off the associated ITCs to artificially suppress the revenue impact of the 2025 additions. Rinse and repeat for each successive wave of batteries in FPL’s case, taking all ITCs in the first year to hide the “flipback” of the previous year’s batteries (which, having exhausted their own ITCs the year before are now in a revenue impact hangover in their second year and beyond). Meanwhile the sum total “support” for the nearly 4 GW of batteries FPL is throwing at rate base is a consultant-generated capacity analysis based on a stochastic loss of load probability methodology (“SLOLP”).

In rebuttal testimony, FPL produced a SLOLP for 2026 showing FPL to be one of, if not the most, unreliable utilities in the nation, with a loss of load expectation (“LOLE”) of 0.92, more than nine times its, and the industry’s, standard of 0.1. FPL says not to worry—it will have some batteries coming on-line that year that will lower the LOLE below 0.92, but it has done no calculation to quantifying how much. Shouldn’t FPL check such an alarming result to see if it is meeting its reliability criteria? As it stands, based on the only analysis presented by FPL, it is almost as likely as not that it will experience rolling blackouts in 2026 from lack of generation. FPL could also experience them in 2025, as there is not much to distinguish FPL’s 2025 system from its 2026 system—except for having even fewer generation resources than it plans to have in 2026. Of course, FPL has not bothered to run any SLOLP analysis on its system in 2025. Ultimately, if FPL actually believes this analysis truly represents the reliability of its system, the Commission is due to impose an ROE penalty on FPL for recklessly allowing its system to become so unreliable.

To be clear, FEL do not believe the SLOLP results and believe they have been skewed with various inputs and outputs, including unrealistically high loads, unrealistic solar production, unrealistic maintenance schedules, and unrealistic forced outage rates. FEL doesn’t think FPL believes them either—if FPL really believed these results, shouldn’t FPL be rushing to secure power purchase agreements and emergency generation onto its system right now for 2026? Instead, FPL’s reaction to the results was to make zero changes to its generation plan – apparently, the results confirmed and provided exactly what FPL was looking for and no additional analysis was needed nor desired.

Without the SLOLP, support for the 2026-2029 batteries in FPL’s plan would largely evaporate. Moreover, FPL’s own analysis shows it would be more economic to continue solar investments, and that based on FPL’s longstanding methodology of traditional reliability indicators, FPL’s system would remain highly reliable, with an essentially infinitesimal loss of load probability

(“LOLP”). But that traditional analysis fails to deliver the results FPL is after in this case. Instead, FPL seeks to add roughly \$5 billion to its rate base every year, roughly one third the size of FPL’s rate base in 2010. In other words, FPL is now building the FPL of 2010 approximately every three years, from the ground up, and its customers are paying for it. To be clear, FPL’s customer count is not increasing by a rate even remotely approximating one-third of its 2010 population per year, as both its historic and forecast customer growth show.

FPL says it is not your average utility—with this much FEL can agree. An average utility would not be seeking the largest rate increase in United States history, doubling the previous record set four years ago by its own last rate case. An average utility would not have an ROE mid-point of 11.9%. An average utility would not have a mechanism to use customer money to ensure an achieved ROE a full 100 points higher, at the 12.9% top of its range for years, and then saddle its customers with paying for that mechanism for a generation to come. An average utility (by definition) would not have some of the highest residential electricity bills in the nation. An average utility would not be growing its rate base to the tune of billions of dollars per year. An average utility would not produce an LOLE analysis showing it to currently be one of the most unreliable utilities in the nation and say, essentially, “don’t worry, we’ve got this,” while using the same study to claim a years-away grid catastrophe if its proposed additions are denied. An average utility would not have the audacity to “commit” to “stay out” and forgo additional rate cases over the next four years—but only if it gets 100% of its ask, without any modifications whatsoever to its petition. As already noted, an average utility, with an average capital structure and ROE, wouldn’t be seeking a rate increase at all under the circumstances of this case. In other words, FPL’s customers would be better off with an average utility, paying an average bill.

This Commission has the statutory authority—and obligation—to provide meaningful relief to over half the state in one fell swoop, simply by approving only the portion of the requested increase for which FPL has met its burden in proving necessary for reliable and affordable electric service. In this case, the proper amount is zero. FEL respectfully ask that this Commission reject the entirety of FPL’s baseless and extravagant requested base rate increases.

**FAIR:**

The overwhelming weight of evidence in this case demonstrates convincingly that ***FPL does not need any base rate increase at all in 2026*** in order to fulfill its statutory mandate to provide safe and reliable service at fair, just, reasonable, and non-discriminatory rates. The Commission should therefore order FPL to reduce its rates by this amount effective January 1, 2026. The evidence further demonstrates that FPL needs at most a base rate increase of approximately \$35 million per year in 2027, following the \$620 million reduction in 2026; thus, if the Commission entertains FPL’s 2027 request, it should grant FPL a base revenue increase of no more than \$35 million per year to be effective in January 2027.

Finally, the Commission should reject FPL's proposed Solar and Battery Base Rate Adjustment proposals for 2028 and 2029. Moreover, the evidence demonstrates convincingly that ***FPL does not need its proposed Tax Adjustment Mechanism (TAM)*** in order to provide safe and reliable service. The Commission should reject FPL's proposed TAM to protect FPL's customers against FPL taking – unnecessarily – still more of the money that its customers have paid in to deferred tax accounts.

FPL has again set a new record for over-reaching rate requests, asking for \$1.545 billion per year in 2026 and an additional \$927 million per year in 2027, plus additional increases in 2028 and 2029 for which FPL has not specified dollar amounts. FPL's 2026 and 2027 requests alone would take approximately \$8.9 billion of its customers' money over the period 2026 through 2029; this shatters FPL's previous record rate request from its 2021 rate case, where it requested \$1.075 billion per year for 2022 plus an additional \$604 million per year for 2023. On comparable terms, FPL's requests in the 2021 rate case totaled more than \$6.2 billion over the four-year period from 2022-2026. FPL's total request in this case, including its requested increases for Solar Base Rate Adjustment ("SoBRA") increases, is approximately \$9.819 billion per year over the 2026-2029 period. FPL ultimately settled its 2021 case (which is still on appeal) for approximately \$4.8 billion 4 in additional base rate revenues, plus SoBRAs, over the 2022-2026 period.

Contrary to FPL's record-breaking request for rate increases in 2026 of \$1.5 billion per year, competent, substantial evidence of record will show that FPL can fulfill its obligation to serve with rates ***reduced*** by \$620 million per year. Objective evidence will further show that FPL's requests in this docket are over-reaching to an egregious degree – asking for the highest rate of return on equity (ROE) in the United States with obvious plans to earn even more through FPL's proposed Tax Adjustment Mechanism (TAM). The Commission should order FPL to withdraw its petition forthwith, but if FPL persists, then the Commission, after considering the evidence, should reduce FPL's total allowed revenues for 2026 by \$620 million per year, reduce its base rates correspondingly, reject FPL's proposed TAM, and reject FPL's additional requests for additional rate increases in 2027, 2028, and 2029.

The Commission has long recognized that its regulation, like that of all utility regulatory bodies in the U.S., is guided by the Regulatory Compact. Stated simply, the Regulatory Compact embodies a fair bargain between utilities and their customers: that in exchange for monopoly status, the utility will provide safe and reliable service to its customers at fair, just, and reasonable rates. Fair, just, and reasonable rates are those that enable the utility to recover all of its operating expenses, recover its reasonable interest expense, and make and recover the costs of all investments that are necessary for the utility to provide safe and reliable service, where the approved rates enable the utility to earn a fair return on its

equity investment. The U.S. Supreme Court has articulated this principle, both as to rates and a fair return, as follows:

A public utility is entitled to such rates as will permit it to earn a return on the value of the property which it employs for the convenience of the public equal to that generally being made at the same time and in the same general part of the country on investments in other business undertakings which are attended by corresponding, risks and uncertainties, but it has no constitutional right to profits such as are realized or anticipated in highly profitable enterprises or speculative ventures.

*Bluefield Waterworks & Improvement Co. v. Pub. Serv. Comm'n*, 262 U.S. 679, 692-93 (1923).

The evidence demonstrates that FPL's requested rate of return on common equity (ROE) is grossly excessive: FPL's requested ROE of 11.90 percent is greater than any ROE approved for a U.S. electric utility in 2023, 2024, or 2025. In fact, and of particular significance, FPL's requested ROE is far greater than any ROE approved for a utility in the southeastern United States since January 2023 – the highest of those being the ROE of 10.5 percent approved by the Commission for Tampa Electric Company in 2024 (also pending on appeal). The vast majority of ROEs approved over the 2023-2025 period are less than 10 percent; the evidence shows that, for vertically integrated electric utilities like FPL, the national average for this period is 9.78 percent. Collectively, the overwhelming weight of objective evidence demonstrates that FPL does not need an ROE any greater than 10.0 percent, and considering the many favorable risk factors working in FPL's favor, particularly including FPL's extraordinarily high equity ratio and extremely favorable revenue certainty afforded by cost recovery clauses, an ROE below the national average is most appropriate.

As a final note regarding ROE, the Commission must recognize that the foregoing real world data demonstrates what comparable utilities in the U.S., and in the southeastern U.S., *need* in order to attract equity capital to support necessary investments. The Commission should also note that three witnesses in this case, FPL's James Coyne, the Public Counsel's Daniel Lawton, and the Federal Executive Agencies' Christopher Walters, have performed financial analyses using the same three models on the same comparison groups or "proxy groups" using the same or nearly the same input data, but their analyses have yielded divergent results: Mr. Lawton and Mr. Walters have recommended ROEs of 9.20 percent and 9.50 percent, respectively, but Mr. Coyne has recommended 11.90 percent. FAIR submits that the real world evidence cited above is the proof of 6 the pudding as to what returns electric utilities – such as FPL here – actually *need* to attract capital sufficient to make the investments that they *need* to provide safe

and reliable service. FPL's request is excessive; the Commission should base its decision on the real world.

The Commission should reject FPL's proposed TAM because it would take money paid in by FPL's customers to enable FPL to earn excessive returns – above its midpoint ROE, at whatever rate is ultimately approved – just as it has used – abused, in FAIR's view – its current RSAM, where the money thus expropriated by FPL would not be available for the benefit of customers in the future. In this way – specifically enabling FPL to earn above a Commission-approved midpoint ROE – the TAM would violate the Regulatory Compact and overcharge FPL's customers. While FPL claims that its TAM is designed to enable it to earn at the midpoint ROE approved by the Commission, FPL also acknowledges that its very similar Reserve Surplus Amortization Mechanism ("RSAM") was also designed to meet the midpoint ROE, *but* FPL was able to use the RSAM to consistently earn an ROE substantially above the approved midpoint. In fact, FPL was able to earn ROEs between 60 and 100 basis points above the approved midpoint ROE from the time the 2021 settlement was implemented, in January 2022, through present day; in most months, FPL actually earned at the very top of its approved range – 100 basis points above the approved midpoint ROE – using the RSAM. The TAM is not a fair, just, or reasonable proposition, and the Commission should reject it.

FAIR's recommendations – to reduce FPL's base revenues and rates by \$620 million per year in 2026, to allow at most a modest \$35 million annual increase in 2027, to reject as excessive FPL's proposed SoBRAs for 2028 and 2029, and to reject FPL's proposed TAM – are fully consistent with the Regulatory Compact. Setting FPL's base revenues and base rates as recommended by FAIR will allow FPL to recover all of its necessary operating and interest costs, recover depreciation on its capital assets, make all necessary investments, and earn a fair ROE in the range of 9.20 percent to 10.0 percent on its rate base. This is the result required by Florida law and 7 longstanding Florida and U.S. regulatory policy.

**SACE:** SACE is non-profit, non-partisan clean energy organization that advocates for transitioning the state to a lower cost, lower risk, clean and equitable energy future. SACE supports cost-effective utility investments that scale up solar power development, battery storage deployment, electric vehicle ("EV") infrastructure, and energy efficiency implementation. Florida Power and Light Company's ("FPL") investment in utility-scale solar power has helped make Florida a leader in solar development and is providing numerous benefits to customers that include: placing downward pressure on rates over time; insulating customers from volatile fossil fuel price spikes; economic development and job creation; and reducing carbon pollution from the electricity sector. FPL's continued investment in solar power in its rate plan is reasonable and prudent – including the Solar Base Rate Adjustment (SOBRA) investments in 2028 and 2029. The SOBRA

mechanism has a proven track record of developing significant amounts of solar below a predetermined price point.

SACE supports FPL's clean energy investments in battery storage, and its investment in EV infrastructure through its rate plan in this case. Nevertheless, FPL's employment of stochastic loss of load probability modelling represents a divergence in its resource planning approach from past cases and from those approaches customarily used by Florida IOUs, and therefore deserves independent scrutiny outside a base rate proceeding so that the use of such modelling can be evaluated for application future rate cases. FPL's use of this resource planning approach should not have precedential value placed upon it by the Commission until it can be further studied with comment from all stakeholders.

SACE likewise supports FPL's clean energy investments in EV infrastructure through its effort to make its various pilot tariffs permanent. We encourage the Company to invest more significantly in EV infrastructure programs given FPL's relative size and the size of EV programs recently approved by the Commission. EV infrastructure is key to meeting customer needs while delivering billions of dollars of benefit to the state.

SACE supports FPL's clean energy investments in EV infrastructure through its effort to make its various pilot tariffs permanent. We encourage the Company to invest more significantly in EV infrastructure programs given FPL's relative size and the size of EV programs recently approved by the Commission. EV infrastructure is key to meeting customer needs while delivering billions of dollars of benefit to the state. However, these Commission should take steps to ensure that FPL's tariffs do not undercut market-driven private sector investment in EV infrastructure or unduly burden non-participating rate payers.

However, a cleaner, lower cost, lower risk, and more equitable energy future demands that utilities capture their most cost-effective resource, energy efficiency. In this regard, FPL's performance on capturing energy savings through customer energy efficiency programs lags well behind other investor-owned utilities in Florida and nationally.

Additionally, the underlying constitutional considerations for setting rates for regulated public utilities are well established. The burden rests on the Company to prove that its proposed rates are equal to that generally being made at the same time, and in the same region of the country, on investments in other businesses that have corresponding risks and uncertainties. It must prove that its current return is not reasonably sufficient to assure confidence in the financial soundness of the utility, and that it is not adequate, under efficient and economical management, to maintain its credit, and enable it to raise the money necessary for the proper discharge of its public duties. The Commission should take care that FPL clearly meets its this burden. In requiring FPL to do so, the Commission

should consider carefully the position of multiple intervenor parties, including OPC, in the appropriate capital structure and return on common equity for the company. SACE's position is that the Company's requested midpoint on ROE is excessive, particularly in light of its use of accounting mechanisms that appear to enable earnings at the top of the allowable earnings range.

**WALMART:** The Commission should authorize an increase in revenue requirement that is minimal and only the amount necessary for FPL to provide reliable service, while still having the opportunity to earn a reasonable return. When examining the Companies' proposed revenue requirement and associated ROE increase, Walmart recommends that the Commission reject FPL's requested 11.90 percent ROE consider: (1) the impact of the resulting revenue requirement on customers; (2) the use of a future test year, which reduces the risk due to regulatory lag; (3) recent rate case ROEs approved by this Commission; and (4) the trend of rate case ROEs that have been approved by state regulatory agencies.

The Commission should reject FPL's proposal to allocate production costs using a 12-month coincident peak ("12CP") and 25% cost basis, and instead should maintain the existing 12CP and 1/13 methodology.

The Commission should reject the Company's proposal to reduce the CDR credit and instead maintain the credit at its current level. Walmart believes this will promote participation and ensure the continued effectiveness of the CDR program.

With respect to the Company's proposal of two new tariffs, Rate LLCS-1 and LLCS-2, for large load customers, Walmart recommends that the Commission increase the eligibility threshold from 25 MW to 75 MW. This will ensure that that Rates LLCS-1 and LLCS-1 are applied only to the types of customers the Company intends for them to apply and not to traditional commercial and industrial ("C&I") customers.

Walmart recommends that the Commission approve FPL's proposal to create permanent GSD-1EV and GSLD-1EV rates, but modify the rates as follows:

- (1) GSD-1EV and GSLD-1EV should be modified from FPL's proposed structure to be two-part rates, with a base charge equivalent to the GSD-1 or GSLD-1 base charge, respectively, and the remaining revenue requirement recovered through the energy charge;
- (2) The revenue requirements for GSD-1 EV and GSLD-1 EV should be set by applying a multiplier to the base rate revenue per kWh for GSD-1 and GSLD-1, respectively, and then multiplying the resulting base rate revenue per kWh by the forecast kWh for each of GSD-1 EV and GSLD-1 EV. Per FPL's

proposed rates in this Docket, the multiplier would be 1.77 for GSD-1EV and 1.84 for GSLD-1EV;

- (3) For the purposes of this Docket, Walmart proposes that GSD-1EV continue to be applicable to loads from 25 kW to 499 kW, and that GSLD-1 EV be uncapped so that loads of 2,000 kW or greater can take service on the schedule; and
- (4) The Commission should require FPL to implement a percentage rate change for the 2027 UEV energy charge equivalent to the percentage change applicable to GSLD-1EV per the Commission's order in this Docket.

**AWI:** AWI has two concerns relative to the issues in this docket. First, the rate applicable to AWI is increasing and will be phased in too quickly at too high a rate. AWI is pursuing solutions with FPL directly on this point, but reserves the right to raise this issue in this proceeding.

Second, AWI owns and operates a manufacturing plant in Pensacola, Florida, that receives electrical service from FPL. The Pensacola plant has experienced an increased number of reliability events – to date in 2025 the plant has experience more reliability events than for the entire calendar year of 2024. AWI is concerned that FPL has not presented an adequate solution to address a sustainable reliability plan going forward. AWI is pursuing solutions with FPL directly on this point, but reserves the right to raise this issue in this proceeding.

**STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

## **VIII. ISSUES AND POSITIONS**

### **LEGAL ISSUES**

**ISSUE 1:** Whether the following persons have standing to intervene in this proceeding:

- a. League of United Latin American Citizens of Florida
- b. Environmental Confederation of Southwest Florida, Inc.
- c. Florida Rising, Inc.
- d. Florida Industrial Power Users Group
- e. Federal Executive Agencies
- f. Southern Alliance for Clean Energy
- g. EVgo Services, LLC
- h. Electrify America, LLC
- i. Florida Retail Federation



- j. Walmart, Inc.**
- k. Florida Energy for Innovation Association**
- l. Floridians Against Increased Rates, Inc.**
- m. Americans for Affordable Clean Energy, Inc.**
- n. Wawa, Inc.**
- o. RaceTrac, Inc.**
- p. Circle K Stores, Inc.**
- q. Armstrong World Industries, Inc.**

**FPL:** No position.

**OPC:** No position.

#### **FUEL**

**RETAILERS:** No position on subparts (a)-(l) and (q). With respect to (m), AACE (n) Wawa, (o) RaceTrac, and (p) Circle K, each of these parties meets the applicable standing requirements for an association ((m) AACE) that represents FPL customers, or as individual electric service customers of FPL, (n) Wawa, (o) RaceTrac, and (p) Circle K, each of whom are also member of AACE.

#### **ELECTRIFY**

**AMERICA:** Electrify America takes no position on the standing of other parties to intervene in this proceeding. With respect to Electrify America's standing, Electrify America timely filed its petition to intervene in this proceeding, and was granted intervention by the Commission. As part of its order, the Commission concluded that Electrify America had adequate standing to intervene based on its review of Commission precedent and the allegations stated in its petition. Electrify America agrees with the Commission's determination that it has standing to intervene in this proceeding.

**EVGO:** EVgo takes a position only to subpart (g), and argues that EVgo Services, LLC has standing to intervene in this proceeding.

EVgo is a commercial ratepayer with many EV charging locations in FPL territory and plans for expansion. EVgo takes service from FPL under tariffs that FPL has proposed to change through this proceeding. The Commission's decision in this case will have real and immediate impacts on EVgo through the rates it sets—rates that this process is designed to ensure are just, reasonable, and non-discriminatory.

**FEA:** a. – d. FEA has no position on these subparts of the issue.

e. FEA has standing to intervene in this case because FEA consists of certain agencies of the United States Government which have offices, facilities, and/or installations in the service area of the Company. The Department of Defense has been delegated authority by the General Services Administration, through

Department of the Air Force counsel, to represent the consumer interest of FEA in these proceedings under 40 U.S.C. §§ 501(c) and 121(d).

In this hearing, the Commission will consider the Company's request for a general base rate increase and approval of its revenue increase. Utility costs represent one of the largest variable expenses of operating federal offices, facilities, and installations on whose behalf intervention is sought herein, and all will be significantly affected by any action the Commission takes in this docket.

Because FEA includes federal offices, facilities, and installations that are the Company ratepayers and will be significantly affected by any action the Commission takes in this docket, FEA has substantial interests that are subject to determination in this docket. Therefore, FEA is entitled to intervene and participate in this proceeding, which will determine the fair, just, and reasonable rates to be charged by the Company to FEA.

FEA meets the three-prong associational standing test<sup>8</sup>. With regard to the first prong, FEA asserts that its agencies are located in the Company's service area and receive service from the Company, for which they are charged the Company's applicable service rates. Therefore, the agencies that FEA represents will be substantially affected by the Commission's determinations in this proceeding concerning the Company's petition for a general base rate increase. Regarding the second prong of the test, the subject matter of the proceeding falls within FEA's general scope of interest and activity. Ensuring that federal tax dollars spent by federal offices, facilities, and installations are spent on fair, just, and reasonable utility rates falls within the purview of FEA's general scope of interest. With respect to the third prong of the test, FEA seeks intervention in this docket to represent the interests of its agencies, as the Company customers, in seeking reliable service and fair, just, and reasonable rates. Therefore, FEA asserts that it meets the requirements for standing in this docket.

f. – q. FEA has no position on these subparts of this issue.

**FEIA:** FEIA was formed to represent its members' interests before the Commission and other Florida governmental entities to ensure that the data center industry has access to fair, just, reasonable, and non-discriminatory electricity rates. As summarized below, FEIA has standing to intervene in this proceeding because FEIA and its members satisfy all applicable standing criteria under Chapter 120, Florida Statutes, and applicable case law.

FEIA members developing data centers are actively seeking to obtain electric service from FPL, and have paid FPL significant sums of money to study the

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<sup>8</sup> Florida Home Builders Association v. Department of Labor and Employment Security, 412 So. 2d 351, 353-54 (Fla. 1982); Farmworker Rights Organization, Inc. v. Department of Health and Rehabilitative Services, 417 So. 2d 753, 754 (Fla. 1st DCA 1982).

design and cost of the facilities needed to supply electric power to their data centers. Under the proposed LLCS Tariff, FEIA members' data centers would be foreclosed from taking electric service under FPL's GSLD-3 Tariff and instead relegated to a new and much more expensive and onerous LLCS rate structure. Moreover, a substantial number of FEIA members are current retail electric customers of FPL whose electric utility bills will be directly impacted as a result of the Commission's decision regarding FPL's proposed base rate increase. Thus, the substantial interests of FEIA members will be directly, immediately, and substantially affected by the Commission's decisions regarding the proposed LLCS Tariff and have standing to intervene in this proceeding. *See Ameristeel Corp. v. Clark*, 691 So. 2d 473, 477 (Fla. 1997); *Agrico Chem. Co. v. Dep't of Env't'l Reg.*, 406 So. 2d 478 (Fla. 2d DCA 1981), *rev. denied*, 415 So. 2d 1359 (Fla. 1982).

In addition, FEIA satisfies the three requirements of "associational standing." *See Fla. Home Builders Ass'n v. Dep't of Labor and Emp. Sec.*, 412 So. 2d 351, 353-54 (Fla. 1982); *Farmworker Rights Org., Inc. v. Dep't of Health & Rehab. Servs.*, 417 So. 2d 753, 754 (Fla. 1st DCA 1982). First, as explained above, FEIA members will be substantially affected by the Commission's decision in this proceeding regarding FPL's proposed rates. Second, intervention in this proceeding fits squarely within FEIA's express purpose to represent its members' interests before the Commission and other agencies to ensure that the data center industry has access to fair, just, reasonable, and non-discriminatory electricity rates. Third, the relief requested--intervention and the assurance of fair, cost-effective, and non-discriminatory rates--will benefit all of FEIA's members. Thus, it is the type of relief that is appropriate for an association to obtain on behalf of its members. FEIA is therefore entitled to intervene to protect its members' substantial interests.

FEIA takes no position regarding the standing of any of the other persons listed in Issue 1.

**FIPUG:** FIPUG has standing to participate in this proceeding. A substantial number of FIPUG members purchase electricity from FPL. They are among the largest FPL customers and consume significant quantities of electricity, often around-the-clock, and require a reliable, affordably-priced supply of electricity to power their operations. FIPUG has been actively participating and representing its members' interests for decades in regulatory and legal proceedings, including FPL rate cases, before the Commission and the Florida Supreme Court. Therefore, FIPUG members have a direct and substantial interest in the issues raised in, and the outcome of, this proceeding.

**FRF:** a. – h. No position.

i. Yes, the Florida Retail Federation has standing to intervene in this proceeding. The Florida Retail Federation is an established association of more than 8,000 members in Florida. Many of FRF's members are retail electric customers of FPL, including the territories previously served by Gulf Power Company. These members purchase electricity from FPL pursuant to various FPL rate schedules that are subject to Commission review and approval and, therefore, have substantial interests that will be affected by the Commission's determinations in this matter. FRF routinely intervenes on behalf of its members in rate-related and other dockets before the Commission, and its intervention in this docket is consistent with FRF's well established scope of activities regarding Commission-jurisdictional matters. FRF's petition to intervene was granted by the Prehearing Officer in Order No. PSC-2025-0130-PCO-EI, issued April 16, 2025. (Georgis)

j. – q. No position.

**FEL:**

a. – c. Yes.

d. – e. No. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

f. No position.

g. – i. No. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

j. Yes.

k. No. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

l. No position.

m.– q. No. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

**FAIR:**

Floridians Against Increased Rates, Inc., has filed testimony and exhibits documenting that it meets all applicable standing criteria of Chapter 120, Florida Statutes, and relevant case law, including *Agrico Chemical Co. v. Dep't of Environmental Regulation*, 406 So. 2d 478 (Fla. 2d DCA 1981), rev. denied, 415 So. 2d 1359 (Fla. 1982). and *Florida Home Builders Ass'n v. Dep't of Labor and Employment Security*, 412 So. 2d 351, 353-54 (Fla. 1982).

**SACE:**

On the question whether each of the above-named parties has standing to intervene in this proceeding, SACE takes no position except with respect to its own standing.

SACE clearly has standing to intervene in this proceeding. The Commission has determined in numerous past cases, including rate cases, before this Commission that SACE has standing, and has determined preliminarily in Order No. PSC-2025-0079-PCO that SACE has alleged sufficient facts in this proceeding to be granted intervenor status. Pursuant to the standard Order Establishing Procedure in this case, Order No. PSC-2025-0075-PCO-0075-PCO-EI, the Commission has taken official notice of all its own final orders, and it is therefore unnecessary for SACE to request or seek their official recognition. Thus, these Final Orders constitute record competent substantial evidence in this proceeding, upon which determinations may be founded, and reasonable inferences can be made.

Final Orders wherein the FPSC has acknowledged or acceded to SACE's standing to intervene in FPSC regulatory matters affecting substantial interests wherein FPL is the petitioner are numerous, and include: 1) Order No. PSC-2024-0505-FOF-EG, issued December 18, 2024, in Docket No. 20240012-EI; 2) Order No. PSC-2021-0446-S-EI, issued December 2, 2021, in Docket No. 20210015-EI, as supplemented by Order No. PSC-2024-0078-FOF-EI, issued March 24, 2024; 3) Order No. PSC-2020-0084-S-EI, issued March 20, 2020, in Docket No. 20190061-EI; and 4) Order No. PSC-16-0032-FOF-EI Issued January 19, 2016, in Docket No. 150196-EI. At no point in any of the above-referenced matters has SACE's obvious standing to intervene been challenged or questioned. Likewise, in this proceeding, no party, including the petitioner, FPL, have questioned SACE's obvious standing to intervene in this matter.

In 2022, in the matter *In re: Review of Storm Protection Plan*, pursuant to Rule 25-6.030, F.A.C., *Florida Power & Light Company*, FPL did oppose SACE's standing. The company argued in that matter that in all prior cases where SACE was granted intervention, the matters dealt with generation, renewable energy sources, conservation, fuel costs, environmental issues, or energy efficiency (the same subjects at issue in this proceeding). Notwithstanding the prior dockets where the Commission determined SACE had standing to participate, FPL argued that SACE should be required to prove it had standing to intervene in the SPP docket. Nevertheless, the pre-hearing officer determined that SACE was permitted to intervene in that case, and it participated fully in that matter through post hearing briefing and issuance of the Final Order. Pursuant to the OEP in this case, Order Number PSC-2022-0389-FOF-EI, issued November 10, 2022, in the FPL SPP matter, is officially recognized and is therefore evidence in this matter.

The numerous instances of SACE having been granted intervenor status involving FPL's petitions for various regulatory relief are, therefore, *de jure*, a part of the record in this proceeding. The most recent FPSC Final Order evidencing this fact was issued a mere three months prior to the pre-hearing officer granting SACE intervention in this matter. The Commission may reasonably, based on these Final Orders, which are a matter of record in this proceeding, together with SACE's assertions in its filings, which are consistent with those in prior cases, draw the

inference that in three short months no radical changes have occurred in SACE's membership or corporate status to alter its intervenor status.

**WALMART:** Walmart has no position as to Issue 1, except as follows: As to Issue 1.i., Florida Retail Federation ("FRF") does have standing because many of its 8,000 members in Florida, including Walmart, are FPL customers. As to Issue 1.j., Walmart does have standing to intervene in this proceeding, as a customer of FPL. Further, as to Issue 1.n to 1.q, to the extent Wawa, Inc., RaceTrac, Inc., Circle K, Inc. and Armstrong World Industries, Inc., are customers of FPL, then they also have standing.

**AWI:** AWI takes no position on the standing of other parties to intervene in this proceeding. AWI was granted intervention by the Commission.

**STAFF:** No position at this time.

**ISSUE 2: Does the Commission have the authority to approve FPL's requested Tax Adjustment Mechanism (TAM)?**

**FPL:** Yes. The Commission has approved substantially similar accounting mechanisms in FPL's last four rate cases. While the TAM is not specifically mentioned in chapter 366, Florida Statutes, FPL's proposed TAM is an accounting mechanism, which is quintessentially the type of thing the Commission routinely considers and decides in the ratemaking process and is, thus, within the Commission's power to consider and approve. *See Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 907 n.2 (Fla. 2023) (noting that to the extent appellants preserved their challenge to the Commission's statutory authority to approve a similar mechanism, the Reserve Surplus Amortization Mechanism, none of the statutory arguments gave the Court reason to set aside the order approving the accounting mechanism).

**OPC:** No. Taxes are collected in rates to meet the actual and legitimate tax obligations of the Federal and State governments. Deferred Tax Liabilities ("DTL") are created due to a timing difference from certain tax preferences granted by Congress and administered by the Internal Revenue Service ("IRS") in the amortization between the tax expense and the amount of income taxes on utilities' books. The government allows for accelerated depreciation rates in earlier years lowering current utility taxes, yet the current utility rates are based on the longer, Commission approved (straight line remaining life) depreciation rates and the associated higher income tax impact. In other words, the higher taxes collected create the DTL which are recorded on the utilities books and are recognized for ratemaking as a source of cost-free capital in Florida. The "protected" DTLs associated with plant are required to be amortized over the life of the asset. The "unprotected" DTLs, non-plant related, have no such IRS restriction. The Tax

Adjustment Mechanism (“TAM”) proposes to use the unprotected DTL funds by accelerated amortization for the sole purpose of increasing earning via Regulatory Asset and Liability accounts.

Section 366.05, Florida Statutes, states that “the Commission shall have the power to prescribe fair and reasonable rates and charges.” Section 366.06(1) and (2), Florida Statutes, provides that after the Commission has investigated and determined “the actual legitimate costs of the property of each utility company, actually used and useful in the public service” only the net investment in such property used and useful in serving the public, less accrued depreciation, shall be used for ratemaking purposes. Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109 (now ASC 740), states that accounting for Income Taxes shall be implemented by each utility in a manner such that the balances of excess and deficient deferred income taxes are properly stated and that the application of SFAS 109 is revenue neutral in the ratemaking process. The Commission uses the mid-point of a range for ROE to set fair, just, and reasonable rates. Since FPL will use the TAM to earn at the top end of the range, like it did with prior RSAMs, authorizing a TAM will result in rates that yield excessive compensation of approximately \$503 million in 2026 and \$541 million in 2027.

Since accelerating amortization of normal (not excess) DTLs with unusual accounting is unprecedented, constitutes double cost recovery, and contradicts the matching principle, the Commission should address the propriety of such a monumental shift in regulatory accounting in a generic docket before seriously considering, if at all, introducing the concept into ratemaking. (Devlin)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No.

**FRF:** Agree with OPC.

**FEL:** No. The TAM impermissibly appropriates customer monies paid toward income tax expense and reallocates them to inflate FPL profits and facilitate overearning.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 3:** **Does the Commission have the authority to approve FPL’s requested Solar Base Rate Adjustment mechanisms in 2028 and 2029?**

**FPL:** Yes. The Commission has approved Solar Base Rate Adjustment (“SoBRA”) mechanisms in FPL’s last two base rate proceedings, as well as for other Florida investor-owned utilities (“IOU”). Likewise, the Commission has previously approved substantially similar Generation Base Rate Adjustment mechanisms. *See Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 907 n.2 (Fla. 2023) (noting that to the extent appellants preserved their challenge to the Commission’s statutory authority to approve a SoBRA mechanisms, none of the statutory arguments gave the Court reason to set aside the order approving the mechanism).

**OPC:** No. The Commission has never before authorized a SoBRA in the absence of a settlement agreement, and there is no reasonable explanation why the Commission should do so now. Additionally, if what FPL Witness Scott Bores says in his rebuttal testimony is true, that “FPL is not asking for recovery of the costs associated with 2028 or 2029 solar and battery facilities in this case,” then there is nothing for the Commission to adjudicate at this point. If FPL truly is seeking to merely “establish the applicable framework that would govern a future limited proceeding,” then this request is premature. There is no reason that the Commission should impose limits on itself now for a future limited proceeding(s) which may or may not occur. Commission Rule 25-6.0431, Florida Administrative Code (F.A.C.) already provides a method for FPL to request a limited proceeding related to rate base additions for which a utility seeks recovery. If FPL can satisfy the Commission’s requirements for a limited proceeding in the future, then it can request that relief as necessary at that time. Legally, the issue of whether to approve a SoBRA mechanism now is premature and not ripe for the Commission’s decision about whether FPL may seek one (or more) limited proceedings in the future.

**FUEL**

**RETAILERS:** No position.



**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No.

**FRF:** Agree with OPC.

**FEL:** Not as currently proposed.

**FAIR:** No.

**SACE:** Yes, there is statutory authority for the approval of a limited scope adjustment for a new generation plant, such as the SoBRA solar projects. Section 366.076(1), Florida Statutes permits the Commission to conduct a limited proceeding to consider any matter that results in a utility rate adjustment; Section 366.076(2), Florida Statutes, allows the Commission to adjust rates to be implemented in years subsequent to the test year. See *Citizens v. Florida Public Serv. Comm'n*, 146 So. 3d 1143, 1157, fn. 7 (Fla. 2014). Further, the Commission has approved similar measures through its prior approvals of settlements utilizing a Generation Base Rate Adjustment Mechanism, and prior instances of a SoBRA mechanism.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 4: Does the Commission have the authority to approve FPL's proposed Storm Cost Recovery mechanism?**

**FPL:** Yes. The Commission has approved Storm Cost Recovery mechanisms in multiple FPL base rate proceedings, as well as for other Florida investor-owned utilities. See *Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 907 n.2 (Fla. 2023) (noting that to the extent appellants preserved their challenge to the Commission's statutory authority to approve a storm cost recovery mechanism, none of the statutory arguments gave the Court reason to set aside the order approving the mechanism).

**OPC:** No, not as proposed. The Commission has authority to allow a tariff to be implemented subject to a full evidentiary hearing. FPL proposes to unlawfully continue the Storm Cost Recovery Mechanism (SCRM) from a prior settlement to allow them to begin collecting a charge based on an amount up to \$5 per 1,000 KWh on a monthly residential bill for a named tropical storm beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed \$5.00/1,000 KWh in any one year, the Company can ask the Commission to allow to defer to subsequent year or years or petition for a higher amount including replenishing the reserve. They also ask to increase their storm reserve to \$300 million. Finally, FPL asks that any storm proceeding not allow for any type of earnings test or measure or consider previous or current base rate earnings.

Unlike the SCRM in the Settlement between the parties, where the parties would agree not to object to a tariff filing up to \$5 per 1,000 KWh for named storms on an interim basis subject to a full evidential hearing on the cost, FPL's proposal in testimony falls short. First, as written, it asks the Commission to preapprove storm costs up to \$5 per 1,000 KWh. Sections 366.06 and 366.07, F.S., provides for rate changes only "after public hearing" where the Commission has investigated and determine "the actual legitimate costs..." finds that rates are insufficient that then the Commission "by order" can "fix the fair and reasonable rates." There is no statutory basis for pre-approval of a rate increase by the Commission.

Second, FPL's proposal as written in testimony does not provide for the protesting of the amount collected and the other trade-offs which is critical to SCRM as provided for in settlements. Also, the interim statute, Section 366.071, F.S., only provides for interim rates based on a showing that utility is earning outside its range of reasonableness which was waived by the parties in settlement. The interim statutory relief only allows recovery to collect rates "sufficient to earn the minimum of the range of rate of return" calculated in accordance with its "required rate of return" based on its last rate proceeding. The Commission cannot waive this statutory provision, assuming the interim rates section were applicable under a storm circumstance. Therefore, the Commission cannot approve any storm recovery mechanism that attempts to contravene this statutory provision or the Commission's and parties' rights to require application of an earnings test and investigation. The Commission cannot preclude an earnings-type review or base any decision on the existing provision in contravention of the provisions under which the SCRM was established through negotiation.

The disposition of a request to recover storm-related costs involves factual and policy determinations, such as the amount to be collected; the issue of whether the amount should be limited by the utility's earnings level; the time period over which any surcharge should be spread; the availability of other funding sources;

and the appropriate level of the storm reserve. Chapter 120, F.S., gives affected parties the right to raise and litigate such issues. In Docket No. 20210015-EI, parties entered a negotiated resolution of such issues as part of a larger global settlement. The settlement expires on December 31, 2025. At that time, parties will again have the right to identify issues, present evidence, cross-examine witnesses, and argue positions on all storm recovery requests. To *limit* the scope of permissible inquiry, and to *prejudge* the amount and time frame of future recovery, applicability of earnings levels to FPL's future requests, and level of reserve to be restored in the form of *predetermined* outcomes in the absence of a stipulation and settlement of those potential issues would be to violate parties' substantive and procedural due process rights.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No.

**FRF:** Agree with OPC.

**FEL:** Not as currently proposed.

**FAIR:** No. FPL has not provided any evidence to support a tariff with the proposed cost and rate provisions of FPL's Storm Cost Recovery Mechanism.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 5: Does the Commission have the authority to approve modification FPL's proposed mechanism for addressing a change in tax law?**

**FPL:** Yes. The Commission has approved a mechanism for addressing changes in tax law in prior FPL base rate proceedings. *See Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 907 n.2 (Fla. 2023) (noting that to the extent appellants preserved their challenge to the Commission's statutory authority to approve a mechanism for addressing changes in tax law, none of the statutory arguments gave the Court reason to set aside the order approving the mechanism).

**OPC:** No. FPL's request for a tax adjustment for a speculative future tax change is premature and thus prohibited based on the Commission's decision in Order No. PSC-2017-0099-PHO-EI as the Commission ruled in identical circumstances in 2017 when speculation was rampant about possible statutory tax rate changes in the absence of passed legislation. As the Commission stated then, and as it stands now, the issue is premature and not ripe for consideration at this time. Should federal tax changes occur in the future, the issue may be addressed at the appropriate time in a separate proceeding.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No.

**FRF:** Agree with OPC.

**FEL:** Not as currently proposed.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 6:** ***EXCLUDED***

**TEST PERIOD AND FORECASTING**

**ISSUE 7:** **Has FPL proven its entitlement to the use of a subsequent projected test year ending December 31, 2027 adjustment to base rates?**

**FPL:** Yes. Without the additional rate adjustment, the Company's ROE is projected to decline more than 100 basis points from the midpoint ROE. (Laney)

**OPC:** No. A subsequent test year is not necessary or good policy. If the test year is chosen appropriately, it should be representative of rates on a going-forward basis, negating the need for another rate adjustment so shortly after the original test year, absent any extraordinary circumstances, which FPL has not shown.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** Electrify America takes no position at this time.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of the Office of Public Counsel ("OPC").

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 8:**     **Is FPL's projected test period appropriate:**  
**a. For the 12 months ending December 31, 2026?**  
**b. For the 12 months ending December 31, 2027?**

**FPL:**            a. Yes. The Company's petition requests an increase in base rates effective January 1, 2026. Accordingly, 2026 is the most appropriate year to evaluate the Company's projected revenue requirements to afford the appropriate match between revenues and revenue requirements for 2026. (Laney)

                    b. Yes. The Company has requested an additional increase in base rates effective January 1, 2027. Accordingly, 2027 is the most appropriate year to evaluate the Company's projected revenue requirements to afford the appropriate match between revenues and revenue requirements for 2027. (Laney)

**OPC:**            a. Yes, FPL's projected test period for the 12 months ending December 31, 2026, is appropriate, with adjustments. (Schultz)

                    b. No, but if the Commission approves otherwise, only with required adjustments. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:**            No position.

**FEA:**             No position.

**FEIA:**            No position.

**FIPUG:**          Adopt position of OPC.

**FRF:**             Agree with OPC.

**FEL:**             a. Yes, although FPL's projections for the test period, as noted below, are not appropriate.

                    b. No.

**FAIR:**            Yes as to 2026, No as to 2027.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 9: Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2026?**

**FPL:** Yes. FPL has a proven financial need for rate relief for periods subsequent to the 2026 Projected Test Year. In each year from 2026 through 2029, FPL's ROE is expected to drop more than 100 basis points, putting it below the bottom of the requested ROE range. (Bores, Laney)

**OPC:** No, but if the Commission approves otherwise, only with required adjustments. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No, nor has FPL proven any financial need for the 2026 test year.

**FAIR:** No.

**SACE:** Yes as to the solar and battery projects proposed in the projected test period ending December 31, 2027, those projects are reasonable and prudent at or below the price points proposed by FPL. With respect to 2028-2029 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves

are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent.

The Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes its SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 10:** **Are FPL's forecasts of Customers, KWH, and KW by revenue and rate class appropriate:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. FPL's forecast of customers, kWh and kW by Rate Schedule and Revenue Class for the 2026 and 2027 projected test years are appropriate. FPL relies on statistically sound forecasting methods and reasonable input assumptions. Consistent with Commission precedent, FPL's forecast assumes normal weather conditions. Additionally, the forecast of customers, kWh, and kW by rate schedule is consistent with the sales and customer forecast by revenue class and reflects the billing determinants specified in each rate schedule. (DuBose, Cohen)

**OPC:** No. At a minimum, FPL's residential forecasts have consistently fallen short of actuals, adjustments are needed for the other customer classes, and FPL's use of a 20-year normal for weather fails to account for increased heating trends in the past 10 years. (Thomas)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.



**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. No, especially as to the kWh sales. FPL continues to underforecast sales because it continues to assert that the “favorable” weather trend (i.e., temperatures continuing to warm exceed “normal” weather) observed over the last several decades (i.e., climate change) is not occurring. Instead of a closer-in-time period, FPL inappropriately still uses a 20-year normalized weather for forecasting, even though this leads FPL to consistently underforecast sales by around 3%, resulting in approximately \$335 million in additional revenue under FPL’s proposed rates. Any final decision must correct this significant error. Other issues, as laid out by OPC’s testimony, should also be addressed.

b. No, especially as to the kWh sales, as stated above. Other issues, as laid out by OPC’s testimony, should also be addressed.

**FAIR:** No as to 2026 and No as to 2027.

**SACE:** No.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 11:** **What are the inflation, customer growth, and other trend factors that should be approved for use in forecasting the projected test years’ budget:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate inflation factor for forecasting the 2026 projected test year budget is a 2.58% increase in the consumer price index (“CPI”) and a 2.12% increase in CPI for the 2027 projected test year budget. The projected CPI increases incorporate assumptions regarding economic recovery and compare reasonably to projections by leading industry experts. The appropriate customer growth and trend factors are those included in the MFRs. These represent reasonable expectations regarding projected customer growth and other trend factors. (Cohen, Laney)

**OPC:** FPL has not proven that the inflation, customer growth, and other trend factors should be approved as filed. (Thomas)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** The inflation, customer growth, and other trend factors should not be approved as filed. The number of projected customers should be increased, and other adjustments may be necessary pending the completion of discovery.

**FAIR:** Agree with OPC that FPL has not proven that the inflation, customer growth, and other trend factors should be approved as filed. FAIR supports the revenue adjustment recommended by OPC's witnesses Thomas and Schultz.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**QUALITY OF SERVICE**

**ISSUE 12:** Is the quality of the electric service provided by FPL adequate?

**FPL:** Yes, it is far better than adequate. FPL has and continues to deliver superior reliability and excellent customer service. FPL's 2023 and 2024 FPSC Transmission and Distribution System Average Interruption Duration Index ("SAIDI") were the best among Florida IOUs. FPL's excellent distribution performance has particularly benefitted FPL's Northwest customers, whose service reliability has improved by 63% since 2018. FPL's Distribution SAIDI performance ranked 59% better than the national average. Achieving these

excellent reliability performance results in 2023 and 2024 demonstrate that our grid modernization and reliability initiatives are effective and beneficial.

The overwhelming majority of the testimony from customers throughout the 10 quality of service hearings was positive related to FPL's quality of service and rate request. Relatively few participants expressed concern with the proposed rate increase. And, of those that did, many acknowledged FPL's exemplary quality of service and superior reliability. In fact, of the more than 400 customers who spoke, only 3 had service-related complaints. (Pimentel, Bores, De Varona, Nichols, Broad, DeBoer, Reed, Cohen)

**OPC:** FPL bears the burden of proving that the quality of FPL's service is adequate. The Commission held several customer service meetings in this matter, and some customers complained that the quality of service they received from FPL was inadequate. Other customers submitted written comments regarding the quality of service they received from FPL. The Commission should bear this testimony in mind.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** Yes.

**FIPUG:** Yes.

**FRF:** No position.

**FEL:** No. As shown at the customer service hearings and in complaints, FPL's service still leaves much to be desired. But more than that, FPL's own analysis, although doubted by FEL, shows FPL to be one of, if not the most, unreliable utility in the nation going into 2026, and FPL should be treated accordingly.

**FAIR:** Yes.

**SACE:** As a quality of service metric, FPL's energy savings (energy efficiency) performance is well below that of other investor-owned utilities, both in Florida and nationally.

**WALMART:** No position.

**AWI:** AWI owns and operates a manufacturing plant in Pensacola, Florida, that receives electrical service from FPL. The Pensacola plant has experienced an increased number of reliability events – to date in 2025 the plant has experience more reliability events than for the entire calendar year of 2024. AWI is concerned that FPL has not presented an adequate solution to address a sustainable reliability plan going forward. AWI is pursuing solutions with FPL directly on this point, but reserves the right to raise this issue in this proceeding.

**STAFF:** No position at this time.

### **DEPRECIATION AND DISMANTLEMENT STUDIES**

**ISSUE 13:** What are the appropriate depreciation parameters and resulting depreciation rates for each depreciable plant account?

**FPL:** Based on FPL's 2025 Depreciation Study, the appropriate depreciation parameters and resulting rates for each production unit, transmission, distribution and general plant account are reflected on FPL's Exhibit NWA-1. (Allis)

**OPC:** The appropriate depreciation parameters and resulting depreciation rates are as shown on Exhibit WWD-8 as presented in OPC Witness Dunkel's testimony. These adjustments reduce FPL's requested test year depreciation expense by \$165,750,241 (this expense level represents an increase to FPL's current depreciation annual amount by \$4,887,403). (Dunkel)

### **FUEL**

**RETAILERS:** No position.

### **ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** Generally, the Company's new depreciation rates resulting in a \$170.64M increase are based on overstated depreciation rates. This includes the Company's early proposed retirement date for the Scherer plant which is unsupported. Environmental regulations are currently uncertain, and Georgia Power is continuing to operate the plant for the foreseeable future. No change should be made to its current 2047 retirement date. The total reductions to the Company's depreciation rates are expressed below:

TABLE 2							
Impact of FEA's Proposed Depreciation Rates and Expense for Steam Production Plant as of December 31, 2025							
Plant	Depreciation Expense (\$ Millions)				Depreciation Rates		
	FPL	FEA	Difference		FPL	FEA	Difference
			Amount	Percent			
Gulf Clean Energy Center	\$ 54.69	\$ 55.24	\$ 0.55	1.01%	5.16%	5.21%	0.05%
Scherer Steam Plant	\$ 28.74	\$ 13.97	\$ (14.77)	-51.40%	7.09%	3.44%	-3.64%
Total Steam	\$ 83.43	\$ 69.21	\$ (14.22)	-17.05%	3.83%	3.18%	-0.65%
Sources: Exhibit BCA-2							

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** As proposed by OPC witness Dunkel, leading to an increase of depreciation expense of \$4,887,403.

**FAIR:** The appropriate depreciation parameters and depreciation rates are those recommended by OPC's witnesses Dunkel and Schultz.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 14:** 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?

**FPL:** The total theoretical reserve imbalance ("TRI") is a net deficit of \$1,912,625,000, which is reflected on Exhibit NWA-1. (Allis)

**OPC:** There is no reserve imbalance which requires any action, other than through the use of the Remaining Life Technique. (Dunkel)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** Comparing FEA's proposed Steam Plant Depreciation rates to the Company's rates for just the Scherer plant results in a \$14.77M reduction. When you combine that with the average net salvage rate used for the Gulf Coast Clean Energy Center results in a final total reduction of \$14.22M.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is a fallout issue based on the resolution of Issue 13.

**FAIR:** The appropriate depreciation parameters and depreciation rates are those recommended by OPC's witnesses Dunkel and Schultz. Any resulting imbalances should be recognized by the Commission in setting FPL's allowed revenue requirements.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 15: What corrective reserve measures should be taken with respect to the imbalances identified in Issue 14, if any?**

**FPL:** The Commission should apply the remaining life technique to address the TRI, and no other corrective reserve measures should be taken. (Allis, Ferguson)

**OPC:** All imbalances should be corrected using the remaining life technique. (Dunkel)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** All imbalances should be corrected using the remaining life technique.

**FAIR:** Any imbalances should be amortized so as to minimize an intergenerational inequity that results from such imbalances.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 16: Should the Commission approve FPL's requested capital recovery schedules and amortization schedules, if any?**

**FPL:** Yes, the Commission should approve the capital recovery schedules reflected on FPL's Exhibit KF-3. (Ferguson)

**OPC:** No. However, FPL has the burden to demonstrate that its requested capital recovery schedules and amortization schedules are reasonable and prudent. (Dunkel)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 17:** What is the appropriate annual accrual and reserve for dismantlement for the 2026 projected test year?

**FPL:** The appropriate annual provision for dismantlement is \$92,184,000 (jurisdictional adjusted) for the 2026 projected test year and \$92,208,000 (jurisdictional adjusted) for the 2027 projected test year. The total dismantlement reserve is \$261,173,000 (jurisdictional adjusted) for the 2026 projected test year and \$343,652,000 (jurisdictional adjusted) for the 2027 projected test year. (Ferguson)

**OPC:** For the production plant dismantlement, the appropriate annual accrual amount is \$52,326,838 as shown on Exhibit WWD-5 as filed on July 8, 2025. These adjustments reduce FPL's requested test year dismantlement expense by \$54,099,444. (Dunkel)

**FUEL  
RETAILERS:** No position.

**ELECTRIFY  
AMERICA:** No position.



**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Appropriate annual base rate dismantlement accrual is \$41,869,736, for a total dismantlement accrual of \$51,999,577, as proposed by OPC.

**FAIR:** The appropriate depreciation parameters and depreciation rates to be applied in determining the appropriate dismantlement reserve for the 2026 test year are those recommended by OPC's witnesses Dunkel and Schultz.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 18:** **What corrective dismantlement reserve measures should be approved, if any?**

**FPL:** The Commission should approve FPL's proposed reserve reallocations as reflected in FPL's Exhibit KF-4. FPL has proposed transfers of reserve balances from the units or assets that either had excess reserves or were the furthest from retirement to the units or assets that are closest to retirement or assets with dismantlement activities in progress. In doing so, FPL minimized the calculated incremental dismantlement accrual. (Ferguson)

**OPC:** The OPC has not used any reserve amounts in the Dismantlement Study which are different than filed by FPL. (Dunkel)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** All imbalances should be flowed back over the useful lives of the assets. Additionally, FEL agrees with OPC witness Dunkel that reserves should not be transferred from the units that have the shortest remaining lives.

**FAIR:** Any corrective dismantlement reserve measures should eliminate or minimize any intergenerational inequity resulting from any dismantlement reserve imbalances.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 19:** **What should be the implementation date for new depreciation rates and the provision for dismantlement?**

**FPL:** The implementation date for new depreciation rates, dismantlement accruals and capital recovery schedules should be January 1, 2026. (Ferguson)

**OPC:** The new depreciation and dismantlement rates should be implemented with the change in base rates upon approval of the Commission. (Dunkel)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** The new depreciation and dismantlement rates should be implemented with the change in base rates upon approval of the Commission.

**FAIR:** New depreciation rates and dismantlement provisions should be implemented as of the effective date of any new rates approved by the Commission, e.g., January 2026 if the Commission approves any changes in rates and revenue requirements for 2026.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

### **RATE BASE**

**ISSUE 20:** Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital:

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. All non-utility activities have been appropriately removed from rate base. (Fuentes)

**OPC:** No. FPL has failed to meet its burden of demonstrating that the appropriate adjustments to remove the impact of all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital. OPC is not proposing a specific adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing. (Schultz)

### **FUEL**

**RETAILERS:** No position.

### **ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made all of the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 21:** **Should the Commission approve FPL's proposal to move certain costs from base rates to the Storm Protection Plan Cost Recovery Clause effective January 1, 2026?**

**FPL:** Yes. The realignment of these SPP costs from base to the SPPCRC will result in a net decrease in operating expenses and rate base in 2026 of (\$82,625,000) (jurisdictional) and (\$59,753,000) (jurisdictional), respectively, and in 2027 of (\$100,410,000) (jurisdictional) and (\$78,426,000) (jurisdictional), respectively. (De Varona, Ferguson, Fuentes)

**OPC:** No. FPL has the burden of demonstrating the appropriateness of moving certain costs from base rates to the Storm Protection Plan Cost Recovery Clause effective January 1, 2026. As a general matter, and absent any countervailing consideration that would be to the detriment of customers, OPC favors placing capital items in rate base rather than in cost recovery clauses. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that its proposal to move certain costs from base rates to the Storm Protection Plan Cost Recovery Clause should be approved.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 22:** **Should the Commission approve FPL's proposal to move certain costs from base rates to the Environmental Cost Recovery Clause effective January 1, 2026?**

**FPL:** Yes. The realignment of these costs from base to the ECRC will result in a net decrease in operating expenses and rate base in 2026 of (\$4,378,000) (jurisdictional) and (\$479,000) (jurisdictional), respectively, and in 2027 of (\$4,475,000) (jurisdictional) and (\$508,000) (jurisdictional), respectively. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating the appropriateness of moving certain costs from base rates to the Environmental Cost Recovery Clause effective January 1, 2026. As a general matter, and absent any countervailing consideration that would be to the detriment of customers, OPC favors placing capital items in rate base rather than in cost recovery clauses. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove that these costs should be moved.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** SACE takes no position.

**STAFF:** No position at this time.

**ISSUE 23: Should FPL's 2025 Northwest Florida battery project be approved for the 2026 projected test year?**

**FPL:** Yes. FPL's 2025 Northwest Florida battery facilities add 522 MW of capacity to FPL's Northwest region to address winter peaks in the near-term and FPL's overall system reliability needs in the long-term. (Whitley)

**OPC:** Assuming that FPL is able to meet its burden of proof, FPL's 2025 Northwest Florida battery project should be approved. However, the Commission must recognize that once the project is completed, FPL, under its traditional 20% planning reserve margin resource adequacy criterion, will not need any additional firm capacity until at least Summer 2028. (Dauphinais, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. FEL believes that the 2025 Northwest Florida battery is not a prudent investment and is being rushed into service in order for FPL to be able to sell the ITCs in 2025 and pad their earnings during the freeze of base rates stemming from the 2021 settlement. At a minimum, 2026 rates should be treated as if the ITCs for the 2025 batteries were amortized and available in 2026.

**FAIR:** Agree with OPC.

**SACE:** Yes, however 2026 rates should be treated as if the ITCs for the 2025 batteries were amortized and available in 2026.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 24: How should the Commission treat the impact, if any, of the acquisition from Vandolah Power Company in making any determination in this docket?**

**FPL:** FPL's potential acquisition from Vandolah Power Company has no impact on any determination to be made in this docket. (Bores, Whitley, Fuentes)

**OPC:** Existing customers should receive the full benefit of any prudent acquisition of the unit as soon as practical. Additionally, the Commission should consider the impact of the Vandolah Power Company acquisition on FPL's purported generation resource needs beginning in 2027.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** It should consider the additional generation that will be afforded and offset an even higher amount of the proposed batteries in the 2027 test year (which should be disapproved anyway). Also, any order needs to clarify that the prudence of the acquisition of Vandolah is not at issue in this proceeding and must be proved prudent in another separate proceeding before any cost recovery for the project is allowed.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 25: Should the Commission approve FPL's proposed introduction of a stochastic loss of load probability analysis for resource adequacy planning?**

**FPL:** Yes. (Whitley, Olson)

**OPC:** FPL's proposed introduction of a stochastic loss of load probability analysis for resource adequacy planning should not be approved as filed. OPC Witness Dauphinais details all of the reasons why the Commission in this proceeding should not rely upon the results of E3's stochastic LOLP analysis performed by E3 on FPL's behalf beyond 2026 and 2027 and, for 2026 and 2027, only rely on it to the extent FPL agrees to the conditions recommended by OPC Witness Dauphinais. (Dauphinais)



**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. Unlike conventional loss of load probability analysis, stochastic loss of load probability analysis (SLOLP) relies on outage scenarios that are highly improbable based on FPL's own self-reported forced outage factors for its plants. Based on the SLOLP, FPL would be one of – if not the most – unreliable utilities in the nation, when all other evidence presented in this case indicates the opposite is true. This issue has statewide significance and should be addressed in a uniform workshop or rulemaking applicable to the generation planning of all of the investor-owned utilities in Florida subject to the PSC's jurisdiction prior to its usage in a rate case.

**FAIR:** Not as filed in this proceeding. Agree with OPC that the Commission should not rely on the SLOLP analysis beyond 2027, and if it is to be considered for 2026 and 2027, it must incorporate the recommendations of OPC's witness Dauphinais.

**SACE:** SACE takes no position on the use of the stochastic loss of load probability analysis for resource adequacy planning in the manner FPL has done in this case. However, because its analysis in this case situates FPL differently than other regulated utilities in its resource planning methodology, and the Commission's endorsement, or otherwise, of such a methodology could have precedential statewide effect, the methodology should be investigated and its use going forward determined in a separate docket, such as a rulemaking docket, generic proceeding or workshop, to which all Florida power generating IOUs, or Florida power generating electric utilities, are subject, and allowing all stakeholders an opportunity to provide comment.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 26: Should FPL's proposed solar generation projects be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. These additions, combined with battery storage installations, cost-effectively address FPL's reliability needs and generate significant customer savings. (Oliver, Whitley)

**OPC:** a. No. FPL has the burden of demonstrating that its solar generation projects are reasonable and prudent. All of OPC's proposed solar generation project disallowances for 2026 are encompassed in Witness Dauphinais' testimony and Witness Schultz's HWS Exhibit-2, Schedule B-2, Page 1 of 2. (Dauphinais, Schultz)

b. No. FPL has the burden of demonstrating that its solar generation projects are reasonable and prudent. All of OPC's proposed solar investment disallowances for 2027 are encompassed in Witness Dauphinais' testimony and Witness Schultz's HWS Exhibit-2, Schedule B-2, Page 2 of 2. (Dauphinais, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The solar generation projects for test years 2026 and 2027 should not be approved as proposed.

**FRF:** No. FPL's 2025 Ten Year Site plan substantially scaled back previously planned large scale solar PV investments in a belated reaction to the operational concerns and near term capacity needs directly tied to shifting net peak demand and the declining peak availability of FPL's solar resources. Because of their low summer firm capacity value, incremental solar projects will have negligible value in serving the system net peak in critical summer peaking months and ramping periods. FPL should suspend further solar additions in the test years and focus

instead on how to most cost-effectively address demonstrated capacity needs on the FPL system. (Georgis)

**FEL:** a. Yes, as long as the projects are economic.

b. Yes, as long as the projects are economic (but only if the Commission considers the 2027 projected test year).

**FAIR:** Not as proposed. Any amounts of FPL's proposed solar projects approved by the Commission should be those recommended by OPC's witnesses Dauphinais and Schultz.

**SACE:** Yes, for both projected test years.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position at this time.

**STAFF:** No position at this time.

**ISSUE 27:** **Should FPL's proposed battery storage projects be approved:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** Yes. The proposed battery storage additions will have the ability to quickly discharge energy to FPL's system to address hourly operational requirements. The facilities will also provide year-round capacity to promote system reliability and enable low-cost energy to be stored and delivered when needed. (Oliver, Whitley)

**OPC:** a. Assuming FPL has met its burden of proof and FPL agrees to the Stochastic LOLE analysis conditions recommended by OPC Witness Dauphinais, FPL's proposed 2026 battery storage projects should be approved. (Dauphinais, Schultz)

b. Assuming FPL has met its burden of proof and FPL agrees to the Stochastic LOLE analysis conditions recommended by OPC Witness Dauphinais, FPL's proposed 2027 battery storage projects should be approved. (Dauphinais, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The battery storage projects for test years 2026 and 2027 should not be approved as proposed.

**FRF:** Agree with OPC.

**FEL:** No, without the SLOLP, there is no indicated reliability need for these projects.

**FAIR:** Not as proposed. Agree with OPC that approval of any battery storage projects must be based on the recommendations by OPC witness Dauphinais regarding FPL's SLOLP analysis.

**SACE:** Yes, for both projected test years.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 28:** **Should FPL's proposed generation maintenance capital expense be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. (Broad, DeBoer)

**OPC:** a. No. FPL has the burden of demonstrating that its proposed generation maintenance capital expense in the 2026 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. No. FPL has the burden of demonstrating that its proposed generation maintenance capital expense in the 2027 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No, the expense is excessive.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE takes no position, except with respect to such expense as relate to the addition of FPL's proposed solar generation and battery storage projects, which SACE supports.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 29:** **Should FPL's proposed Customer Information System replacement be approved for the 2027 projected test year?**

**FPL:** Yes. FPL's proposed plans to replace its existing Customer Information System and its integrated systems with a new customer service platform should be approved. The Customer Information System and several of the integrated systems are obsolete. The new platform will ensure FPL can secure itself against new cyber threats, maintain and build on the efficiencies the Company has achieved over the last 30 years, and enable FPL to continue to improve the customer experience. (Nichols)

**OPC:** No. FPL has the burden of demonstrating that its proposed generation maintenance capital expense in the 2027 projected test year should be approved.

OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. This project is excessively expensive and there is no indication it will improve customer service.

**FAIR:** No.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 30:** **Should FPL's proposed long-duration battery pilot program be approved for the 2027 projected test year?**

**FPL:** Yes. (Oliver)

**OPC:** No. FPL has the burden of demonstrating that its battery pilot program should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** No, FPL can rely on the research of others for long-duration battery rather than use ratepayer money to inflate rate base.

**FAIR:** No.

**SACE:** Yes.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 31: What amount of Net Nuclear Fuel should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate amount of Nuclear Fuel is \$745,109,000 (jurisdictional adjusted) for the 2026 projected test year and \$840,565,000 (jurisdictional adjusted) for the 2027 projected test year. (DeBoer, Fuentes, Laney)

**OPC:** a. FPL has the burden of demonstrating that its proposed Net Nuclear Fuel in the 2026 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. FPL has the burden of demonstrating that its proposed Net Nuclear Fuel in the 2027 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 32:** **Should FPL's proposed biogas project upgrade be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. (Oliver)

**OPC:** a. No. FPL has the burden of demonstrating that its proposed biogas project upgrade in the 2026 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. No. FPL has the burden of demonstrating that its proposed biogas project upgrade in the 2027 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.



**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** The Cumulative Present Value Revenue Requirement (“CPVRR”) of this project is predicated upon renewable natural gas prices. The approval of this project should be contingent on the continuation, and the validity, of the credit and credit levels.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of FEL.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 33: Should FPL’s proposed transmission plant additions be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. This investment will provide FPL the ability to continue to maintain a resilient, reliable, and compliant transmission and distribution system. The need for the investment is driven by reliability needs affecting FPL’s T&D system, including the following major drivers: (1) reliability/grid modernization; (2) growth and system expansion; (3) other base rate cost of removal; (4) complying with regulatory agency requirements, and (5) grid servicing/support. (De Varona)

**OPC:** a. No. FPL has the burden of demonstrating that its proposed transmission plant additions in the 2026 projected test year are reasonable and prudent. OPC is not

proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. No. FPL has the burden of demonstrating that its proposed transmission plant additions in the 2027 projected test year are reasonable and prudent. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No, the proposed transmission plant additions are excessive.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 34: Should FPL's proposed distribution plant additions be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. This investment will provide FPL the ability to continue to maintain a resilient, reliable, and compliant transmission and distribution system. The need for the investment is driven by reliability needs affecting FPL's T&D system, including the following major drivers: (1) reliability/grid modernization; (2)

growth and system expansion; (3) other base rate cost of removal; (4) complying with regulatory agency requirements, and (5) grid servicing/support. (De Varona)

**OPC:** a. No. FPL has the burden of demonstrating that its proposed distribution plant additions in the 2026 projected test year reasonable and prudent. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. No. FPL has the burden of demonstrating that its proposed distribution plant additions in the 2027 projected test year reasonable and prudent. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No, the distribution plant additions are excessive.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 35: What amount of Plant in Service should be approved (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Plant in Service is \$86,277,646,000 (jurisdictional adjusted) for the 2026 projected test year and \$93,315,343,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the reduction to plant as recommended by OPC Witnesses Dauphinais and Schultz, 2026 plant should be reduced by \$1,907,813,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 1 of 2. OPC would note that this issue is dependent on the resolution of other issues. (Dauphinais, Schultz)

b. To reflect the reduction to plant as recommended by OPC Witnesses Dauphinais and Schultz, 2027 plant should be reduced by \$3,035,662,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 2 of 2. OPC would note that this issue is dependent on the resolution of other issues. (Dauphinais, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC and see FRF's response to Issue 26.

**FEL:** a. This is largely a fallout issue but should be reduced by approximately \$5 billion from FPL's proposal.

b. The 2027 projected test year should not be approved, but if it is, it should be reduced by the many billions of dollars as reflected by the issues above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 36:** **What action, if any, should the Commission take to adjust the depreciation reserve for costs that are determined by the Commission to be improperly recorded above the line during periods when the Reserve Amount was amortized to the income statement?**

**FPL:** FPL believes it has recorded all costs appropriately either above or below-the-line. However, to the extent the Commission determines that certain costs were improperly recorded above-the-line during the period when the Reserve Amount was in effect, FPL will make the appropriate adjustments to reclassify these costs to below-the-line in 2025. In making the adjustments, the amount would be reflected in the accumulated depreciation reserve as a component of jurisdictional rate base. (Fuentes, Ferguson)

**OPC:** The Commission should not allow the recovery of costs improperly included in the income statement and offset by credits historically amortized from the Reserve Amount to be passed on through higher future rates caused by the restoration of depreciation reserve that increases rate base. FPL has failed to carry its burden to demonstrate that such costs are not included in the rate base. If evidence produced in the hearing indicates that costs associated with below-the-line activities have in past years have been offset by depreciation credits amortized from the RSAM-related Reserve Amount, the debits to the depreciation reserve associated with credits to below the line costs should not be recovered from future customers. The Commission should take measures, including opening an investigation, to protect customers from paying for any improper costs that may, in effect, have been deferred and recovered through the RSAM mechanism. (Schultz)

**FUEL**

**RETAILERS:** No Position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Any corrective action should be structured and implemented to restore FPL's customers to the position they would have been in but for any improper recording of depreciation reserve costs.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 37: What amount of Accumulated Depreciation should be approved (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Accumulated Depreciation is \$17,686,384,000 (jurisdictional adjusted) for the 2026 projected test year and \$19,522,947,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the reduction to accumulated depreciation as recommended by OPC Witnesses Dauphinais, Dunkel, and Schultz, 2026 accumulated depreciation should be reduced by \$931,860,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 1 of 2. (Dauphinais, Dunkel, Schultz)

b. To reflect the reduction to accumulated depreciation as recommended by OPC Witnesses Dauphinais, Dunkel, and Schultz, 2027 accumulated depreciation should be reduced by \$1,153,488,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 2 of 2. (Dauphinais, Dunkel, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is largely a fallout issue and should reflect the adjustments noted above. To the extent that accumulated depreciation is impacted by FPL's years of RSAM usage, its current customers should not be forced to cover the catch up payments.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 38: What amount of Construction Work in Progress should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Construction Work in Progress is \$2,015,371,000 (jurisdictional adjusted) for the 2026 projected test year and \$2,123,941,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. FPL has failed to meet its burden of demonstrating that its proposed CWIP in the 2026 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. FPL has failed to meet its the burden of demonstrating that its proposed CWIP in the 2027 projected test year should be approved. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** \$0.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 39: What amount of Property Held for Future Use should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate amount of Property Held for Future Use is \$1,475,168,000 (jurisdictional adjusted) for the 2026 projected test year and \$1,533,409,000 (jurisdictional adjusted) for the 2027 projected test year. (De Varona, Fuentes, Laney, Oliver)



- OPC:**
- a. To reflect the reduction to PHFU as recommended by OPC witness Schultz, 2026 PHFU should be reduced by \$931,860,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 1 of 2. (Schultz)
  - b. To reflect the reduction to PHFU as recommended by OPC witness Schultz, 2027 PHFU should be reduced by \$1,153,488,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Property Held for Future Use should be reduced by about half to account for FPL's more realistic plans in the near-term.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 40:** What amount of Working Capital should be approved:

- a. For the 2026 projected test year?
- b. For the 2027 projected test year?

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Working Capital is \$2,320,824,000 (jurisdictional adjusted) for the 2026 projected

test year and \$2,497,892,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the adjustments on a total and jurisdictional basis to working capital as recommended by OPC witness Schultz, 2026 working capital should be increased by \$28,629,000 for Plant Daniel and reduced by \$4,400,000 for unamortized rate case expense as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 1 of 2. (Schultz)

b. To reflect the adjustments on a total and jurisdictional basis to working capital as recommended by OPC witness Schultz, 2027 working capital should be increased by \$25,628,000 for Plant Daniel and reduced by \$3,143,000 for unamortized rate case expense as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** \$0.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 41: What amount of rate base should be approved (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of rate base is \$75,147,734,000 (jurisdictional adjusted) for the 2026 projected test year and \$80,788,204,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the reduction to rate base as recommended by OPC witness Schultz, 2026 rate base should be reduced by \$1,125,625,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 1 of 2. OPC notes that this issue is dependent on the resolution of other issues. (Dauphinais, Dunkel, Schultz)

b. To reflect the reduction to rate base recommended by OPC witness Schultz, 2027 rate base should be reduced by \$2,302,079,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule B-1, Page 2 of 2. OPC notes that this issue is dependent on the resolution of other issues. (Dauphinais, Dunkel, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC and see FRF's response to Issue 26.

**FEL:** This is largely a fallout issue and should reflect the adjustments noted above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except that the amount of rate base approved should reflect the addition of the resources supported by SACE in preceding issues.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**COST OF CAPITAL**

**ISSUE 42:** What amount of accumulated deferred taxes should be approved for inclusion in the capital structure:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of accumulated deferred taxes included in capital structure for the 2026 projected test year is \$8,239,001,000 (jurisdictional adjusted) and \$9,059,943,000 (jurisdictional adjusted) for the 2027 projected test year. A proration adjustment to deferred taxes has been included in capital structure in order to comply with treasury regulations when calculating rates using a projected test year. In addition, as reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of FAS 109 deferred income taxes included in capital structure for the 2026 projected test year is \$2,406,828,000 (jurisdictional adjusted) and \$2,414,337,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. The ADIT in the capital structure should be adjusted to the amounts shown in Exhibit HWS-2, Schedule D, D-1. (Schultz)

b. The ADIT in the capital structure should be adjusted to the amounts show in Exhibit HWS-2, Schedule D, D-1. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** Electrify America takes no position at this time.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. \$8,155,439,000, not including the FAS 109 deferred income taxes.

b. \$8,958,600,000, not including the FAS 109 deferred income taxes.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 43:** **What amount and cost rate of the unamortized investment tax credits should be approved for inclusion in the capital structure:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of unamortized investment tax credits and cost rate included in capital structure for the 2026 projected test year is \$750,581,000 (jurisdictional adjusted) and 9.03%, respectively, and \$725,399,000 (jurisdictional adjusted) and 9.06%, respectively, for the 2027 projected test year. The determination of the cost rate should include only the long-term sources of capital, common and preferred stock and long-term debt. (Fuentes, Laney)

**OPC:** a. The appropriate 2026 amount of unamortized ITCs included in the capital structure is \$750.400 million and the cost rate is 7.40%. Other adjustments to ITCs may also be appropriate, based on the evidence adduced at hearing. The unamortized ITCs in the capital structure should be adjusted to the amounts shown in Exhibit HWS-2, Schedule D. (Schultz)

b. The appropriate 2027 amount of unamortized ITCs included in the capital structure is \$725.070 million and the cost rate is 7.42%. Other adjustments to ITCs may also be appropriate, based on the evidence adduced at hearing. The unamortized ITCs in the capital structure should be adjusted to the amounts shown in Exhibit HWS-2, Schedule D. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. \$750,400,000 at 7.40% cost rate, adjusted upwards to account for any new battery projects approved by the Commission with an instruction to amortize the ITCs over a longer time period.

b. \$725,070,000 at 7.42% cost rate, adjusted upwards to account for any new battery projects approved by the Commission with an instruction to amortize the ITCs over a longer time period.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 44:** What amount and cost rate for short-term debt should be approved for inclusion in the capital structure:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for short-term debt for the 2026 projected test year is \$974,622,000 (jurisdictional adjusted) and 3.80%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for short-term debt in the 2027 projected test year is \$1,147,142,000 (jurisdictional adjusted) and 3.79%. (Bores, Fuentes)

- OPC:**
- a. The appropriate cost rate for short-term debt is 3.80% for 2026. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz, Lawton)
  - b. The appropriate cost rate for short-term debt is 3.79% for 2027. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz, Lawton)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** The Company's proposed equity ratio of 59.60% is significantly higher than the equity ratio for the proxy group used to estimate the cost of equity for the Company. The proxy group that the Company uses has an average common equity ratio of 38.4% (including short-term debt) and 42.6% (excluding short-term debt). FEA's position is that the Company's current reasonable range Market ROE is 9.00% to 10.00%. That range accounts for the unsustainable growth rates assumed in the constant growth DCF model and the irrational assumption that Value Line's current beta estimates are reflective of current investor expectations. The results of the constant growth DCF using analysts' growth rates assume an average long-term growth rate of 6.60%, which is approximately 59% higher than the long-term projected GDP growth rate of 4.14%. This is an unsustainable assumption and likely leads to an overstatement in the cost of equity for a low risk regulated utility. Thus, more weight should be given to the sustainable growth and multi-stage models of the DCF. FEA recommends the Commission authorize a ROE of 9.50%, which is the midpoint of the range produced by FEA's models. In addition, because of the Company's significantly higher equity ratio relative to the proxy group, a more reasonable range applicable to the company would be the lower-half of FEA's overall recommended range. If the Commission should authorize the Company its requested equity ratio of 59.60%, a ROE in the lower half of the range such as 9.00 to 9.50% would be warranted.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

- FEL:**
- a. \$946,199,000, at 3.80% cost rate.
  - b. \$1,097,006,000 at 3.79% cost rate.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 45:** **What amount and cost rate for long-term debt should be approved for inclusion in the capital structure:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for long-term debt for the 2026 projected test year is \$24,533,073,000 (jurisdictional adjusted) and 4.64%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for long-term debt in the 2027 projected test year is \$26,300,332,000 (jurisdictional adjusted) and 4.69%. (Bores, Fuentes)

**OPC:** a. The appropriate cost rate for long-term debt is 4.64% for 2026. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz, Lawton)

b. The appropriate cost rate for short-term debt is 4.69% for 2027. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz, Lawton)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.



**FEL:** a. \$23,817,634,000 at 4.64% cost rate, adjusted upwards to account for any decreased equity to debt ratio, and adjusted downwards to account for decreased approved capital spending.

b. \$25,150,873,000 at 4.69% cost rate, adjusted upwards to account for any decreased equity to debt ratio, and adjusted downwards to account for decreased approved capital spending.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 46:** **What amount and cost rate for customer deposits should be approved for inclusion in the capital structure:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for customer deposits for the 2026 test year is \$614,520,000 (jurisdictional adjusted) and 2.15%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for customer deposits for the 2027 projected test year is \$650,822,000 (jurisdictional adjusted) and 2.15%. (Fuentes, Laney, Nichols)

**OPC:** a. Per OPC adjustments, the appropriate amount of 2026 customer deposits is \$614.374 million, after adjustments to reconcile the capital structure to rate base. The appropriate cost rate for customer deposit is 2.15%. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz)

b. Per OPC adjustments, the appropriate amount of 2027 customer deposits is \$650,527 million, after adjustments to reconcile the capital structure to rate base. The appropriate cost rate for customer deposit is 2.15%. The amount and cost rate are shown on Exhibit HWS-2, Schedule D. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. \$614,374,000 at 2.15% cost rate, adjusted upwards to account for higher number of new customers than FPL projects.

b. \$650,527,000 at 2.15% cost rate, adjusted upwards to account for higher number of new customers than FPL projects.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 47:** **Has FPL made the appropriate adjustments to remove all non-utility activities from the Common Equity balance:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. All non-utility activities have been appropriately removed from Common Equity balances. (Fuentes)

**OPC:** a. No. FPL has the burden of demonstrating that the appropriate adjustments to remove all non-utility activities from the Common Equity balance. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. No. FPL has the burden of demonstrating that the appropriate adjustments to remove all non-utility activities from the Common Equity balance. OPC is not

proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 48:** What equity ratio should be approved for use in the capital structure for ratemaking purposes:

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** FPL's equity ratio should remain at 59.6% based on investor sources. FPL has maintained its equity ratio at this level for more than 25 years, and this has been an important underpinning of the overall financial strength that has served customers well. (Bores, Coyne)

**OPC:** a. A more appropriate equity ratio would be 55% for the 2026 projected test year. FPL has a bloated 59.6% equity ratio request in this case and customers would be better off with a lower equity ratio in the capital structure. The FPL

proxy group average equity ratio is approximately 51.80% which is more risky in financial terms than FPL's requested 59.6% equity ratio. Rather than adjusting FPL's proposed hypothetical capital structure of 59.6% equity, OPC witness recommends using a financial risk adjustment to be applied to the ROE which assumes an authorized capital structure of 55% equity. Applying a financial risk adjustment to the ROE which assumes a 55% equity ratio aligns FPL's financial risk with FPL's comparable proxy group of utilities. (Lawton)

b. A more appropriate equity ratio would be 55% for the 2027 projected test year. FPL has a bloated 59.6% equity ratio request in this case and customers would be better off with a lower equity ratio in the capital structure. The FPL proxy group average equity ratio is approximately 51.80% which is more risky in financial terms than FPL's requested 59.6% equity ratio. Rather than adjusting FPL's proposed hypothetical capital structure of 59.6% equity, OPC witness recommends using a financial risk adjustment to be applied to the ROE which assumes an authorized capital structure of 55% equity. Applying a financial risk adjustment to the ROE which assumes a 55% equity ratio a FPL's financial risk with FPL's comparable proxy group of utilities. (Lawton)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** The Company's proposed equity ratio of 59.60% is significantly higher than the equity ratio for the proxy group used to estimate the cost of equity for the Company. The proxy group that the Company uses has an average common equity ratio of 38.4% (including short-term debt) and 42.6% (excluding short-term debt). FEA's position is that the Company's current reasonable range Market ROE is 9.00% to 10.00%. That range accounts for the unsustainable growth rates assumed in the constant growth DCF model and the irrational assumption that Value Line's current beta estimates are reflective of current investor expectations. The results of the constant growth DCF using analysts' growth rates assume an average long-term growth rate of 6.60%, which is approximately 59% higher than the long-term projected GDP growth rate of 4.14%. This is an unsustainable assumption and likely leads to an overstatement in the cost of equity for a low risk regulated utility. Thus, more weight should be given to the sustainable growth and multi-stage models of the DCF. FEA recommends the Commission authorize a ROE of 9.50%, which is the midpoint of the range produced by FEA's models. In addition, because of the Company's significantly higher equity ratio relative to the proxy group, a more reasonable range applicable to the company would be the lower-half of FEA's overall recommended range. If the Commission should

authorize the Company its requested equity ratio of 59.60%, a ROE in the lower half of the range such as 9.00 to 9.50% would be warranted.

**FEIA:** No position.

**FIPUG:** FPL has not demonstrated that it requires a higher equity ratio than either Duke Energy Florida, which is 53% equity, or Tampa Electric Company, which is 54% Equity. The equity ratio of integrated investor-owned utilities awarded an "A" credit rating by Moody's Ratings ranges from a high of 56.1% to a low of 50%. The average of sixteen (16) Moody's A rated companies is 53.2%. FPL's equity ratio is the highest in the nation at 59.6%, and should be brought more in line with the other two Florida investor-owned utilities whose equity ratios were recently approved by this Commission, or alternatively, the national average of Moody's highly ranked integrated investor-owned utility companies, namely 53.2% equity.

**FRF:** Agree with OPC.

**FEL:** 50.52% equity to 49.48% debt.

**FAIR:** Evaluated independently, the appropriate equity ratio for FPL is 55.0 percent, with an ROE of 9.60 percent. If the Commission approves FPL's current and proposed equity ratio of 59.6 percent, then the Commission should set FPL's ROE at 9.20 percent to reflect the lower financial risk profile provided by the higher equity ratio.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of the Florida Industrial Power Users Group ("FIPUG"). (Direct Testimony of Jeffry Pollock ("Pollock Direct"), p. 16, line 15 to p. 17, line 3, regarding equity ratios of Duke Energy Florida, LLC ("DEF") at 54% and Tampa Electric Company ("TECO") at 54%).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 49:** **What return on equity (ROE) should be approved for use in establishing FPL's revenue requirements:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** The Commission should authorize 11.9% as the return on common equity. Granting FPL's requested return on equity will appropriately take into account FPL's unique risk profile and the Company's commitment to a strong financial

position. The requested rate also addresses the risk of the Company's proposed multi-year stay-out. Granting FPL's requested return on common equity is critical to maintaining FPL's financial strength and flexibility and will help FPL attract capital necessary to make continued investments and serve its customers on reasonable terms. (Coyne, Bores)

**OPC:** The appropriate ROE is 9.20%. FPL's requested 11.9 % ROE and a 59.6% equity ratio is extravagant and excessive under current market conditions. Both interest rates and awarded ROEs have remained low since 2022. The Discount Cash Flow (DCF) method checked by the Capital Asset Pricing Model (CAPM) produced a 9.6% ROE. Rather than adjusting FPL's proposed hypothetical capital structure of 59.6% equity, OPC witness recommends using a financial risk adjustment of 40-basis points applied to the ROE which assumes an authorized capital structure of 55% equity. With the proposed financial risk adjustment to account for an assumed capital structure of 55% to align with the comparable FPL's electric proxy groups, the appropriate ROE for FPL is 9.20%. (Lawton)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** The Company's current reasonable range Market ROE is 9.00% to 10.00%. That range accounts for the unsustainable growth rates assumed in the constant growth DCF model and the irrational assumption that Value Line's current beta estimates are reflective of current investor expectations. The results of the constant growth DCF using analysts' growth rates assume an average long-term growth rate of 6.60%, which is approximately 59% higher than the long-term projected GDP growth rate of 4.14%. This is an unsustainable assumption and likely leads to an overstatement in the cost of equity for a low risk regulated utility. Thus, more weight should be given to the sustainable growth and multi-stage models of the DCF. FEA recommends the Commission authorize a ROE of 9.50%, which is the midpoint of the range produced by FEA's models. In addition, because of the Company's significantly higher equity ratio relative to the proxy group, a more reasonable range applicable to the company would be the lower-half of FEA's overall recommended range. If the Commission should authorize the Company its requested equity ratio of 59.60%, a ROE in the lower half of the range such as 9.00 to 9.50% would be warranted.

The Company's recommendation of 11.90% and proposed common equity ratio of 59.60% overstates the cost of capital for a low-risk, rate-regulated electric utility, resulting in a ROR that is one of the highest in the United States and risks

exceeding reasonable benchmarks and risks violating the *Hope* and *Bluefield* standards, which require rates to be just and reasonable for both investors and ratepayers.

The Company's flotation cost adjustment is flawed and there is no basis to verify the reasonableness or appropriateness of the 9-basis point adjustment. Flotation costs, if incurred, are more appropriately recovered as an expense through the cost of service rather than as a ROE adjustment, which ensures that only prudently incurred costs are allocated fairly across the Company's operations.

**FEIA:** No position.

**FIPUG:** FPL has not demonstrated that it needs a higher ROE than was recently approved for Tampa Electric Company, a rate of 10.5%, or Duke Energy Florida, Inc. 10.3%. The national average of return on equity for integrated electric companies from 2023, 2024, and through May of 2025 was 9.81%.

**FRF:** Agree with OPC.

**FEL:** 9.60%. However, to the extent that the Commission accepts FPL's SLOLP modeling, including its 0.92 LOLE result for 2026—over nine times the accepted planning standard—the Commission should reduce FPL's ROE by 50 basis points, to 9.10%, as a penalty for allowing its system to develop such significant unreliability.

**FAIR:** If the Commission approves FPL's proposed equity ratio of 59.60 percent, the Commission should approve an ROE of 9.20 percent for both 2026 and 2027. If the Commission sets a different equity ratio, e.g., 55.0 percent, then the ROE should reflect that change, i.e., to 9.60 percent if the equity ratio is 55.0 percent.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart recommends that the Commission reject the 11.90% ROE requested by FPL. (Direct Testimony of Lisa V. Perry ("Perry Direct"), p. 8, line 13 to p. 16, line 6). The Commission should adopt an ROE within the ranges recommended by Intervenor witnesses Rabago (9.6%, Direct Testimony of Karl Rabago ("Rabago Direct"), p. 13, lines 18-19), Bryant (below 10%, Direct Testimony of Frederick M. Bryant ("Bryant Direct"), p. 23, lines 8-10), Walters (9.50%, Direct Testimony of Christopher C. Walters, p. 2, lines 16-17), Pollock (9.81%, Pollock Direct, p. 13, lines 7-10) and Lawton (9.20%, Direct Testimony of Daniel J. Lawton ("Lawton Direct"), p. 8, lines 23-26).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 50: What capital structure and weighted average cost of capital should be approved for use in establishing FPL's revenue requirements (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The associated components, amounts and cost rates are reflected on FPL witness Fuentes's Exhibit LF-12 for the 2026 projected test year and 2027 projected test year. Based on those amounts, the appropriate after-tax weighted average cost of capital for the 2026 projected test year is 7.63% and 7.64% for the 2027 projected test year. (Bores, Fuentes)

**OPC:** a. The weighted average cost of capital for 2026 is 6.24% as shown on Exhibit HWS-2, Schedule D. Pursuant to the standards set forth in Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679 (1923) ("Bluefield") and Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944) ("Hope") that financial integrity should be sufficient to attract capital on reasonable terms under a variety of market and economic conditions, FPL will maintain its financial integrity under OPC's recommended capital structure of 9.20% equity return with a 59.6% equity capital structure with a 6.24% overall rate of return. (Lawton, Schultz)

b. The weighted average cost of capital for 2027 is 6.24% as shown on Exhibit HWS-2, Schedule D. Pursuant to the standards set forth in Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia, 262 U.S. 679 (1923) ("Bluefield") and Federal Power Commission v. Hope Natural Gas Co., 320 U.S. 591 (1944) ("Hope") that financial integrity should be sufficient to attract capital on reasonable terms under a variety of market and economic conditions, FPL will maintain its financial integrity under OPC's recommended capital structure of 9.20% equity return with a 59.6% equity capital structure with a 6.24% overall rate of return. (Lawton, Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** The Company's proposed equity ratio of 59.60% is significantly higher than the equity ratio for the proxy group used to estimate the cost of equity for the Company. The proxy group that the Company uses has an average common equity ratio of 38.4% (including short-term debt) and 42.6% (excluding short-term debt). The Company's recommendation of 11.90% and proposed common equity ratio of



59.60% overstates the cost of capital for a low-risk, rate-regulated electric utility, resulting in a ROR that is one of the highest in the United States and risks exceeding reasonable benchmarks and risks violating the *Hope* and *Bluefield* standards, which require rates to be just and reasonable for both investors and ratepayers. FEA does not take an explicit position on adjusting the Company's proposed capital structure. However, if the Company is granted an equity ratio of 59.90%, then a ROE of between 9.00% to 9.50% is warranted.

**FEIA:** No position.

**FIPUG:** The results from a material reduction in FPL's equity in its capital structure and a material reduction in its return on equity should be used to make a significant adjustment to FPL's rate relief request.

**FRF:** Agree with OPC.

**FEL:** This is a fallout issue, but the weighted average cost of capital should not exceed 6.14%.

**FAIR:** Agree with OPC.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of FIPUG. (Pollock Direct, p. 16, line 15 to p. 17, line 3, regarding equity ratios of DEF at 54% and TECO at 54%).

**AWI:** No position.

**STAFF:** No position at this time.

### **NET OPERATING INCOME**

**ISSUE 51:** Has FPL correctly calculated the annual revenues at current rates:

- a. For the 2026 projected test year?
- b. For the 2027 projected test year?

**FPL:** The appropriate amount of Annual Revenues is \$9,641,439,000 (jurisdictional adjusted) for the 2026 projected test year and \$9,711,780,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Cohen)

**OPC:** a. No. The correct revenues from sales should be at least \$9,774,471,000. (Schultz, Thomas).

b. No. The correct revenues from sales should be at least \$9,862,255,000. (Schultz, Thomas).

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No, annual revenues need to be adjusted to reflect more accurate forecasting (*see, e.g.,* FEL position on FPL's kWh sales forecasting).

**FAIR:** No as to both 2026 and 2027. Agree with OPC as to the correct values.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 52: What projected amounts of Other Operating Revenues should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Other Operating Revenues is \$246,272,000 (jurisdictional adjusted) for the 2026 projected test year and \$286,413,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. No. The correct other operating revenues should be at least \$241,646,000. (Schultz).

b. No. The correct other operating revenues should be at least \$279,711,000. (Schultz).

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Other operating revenues should be adjusted to remove the minimum bill for residential customers.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 53:** What amount of Total Operating Revenues should be approved:

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Total Operating Revenues is \$9,887,711,000 (jurisdictional adjusted) for the 2026 projected test year and \$9,998,194,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the recommended increase in Base Revenues from Retail Sales by OPC witness Thomas and recommended decrease for lease revenue by OPC Witness Schultz, the 2026 Total Operating Revenues should be at least

\$10,016,117,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C, Page 1 of 2. (Schultz, Thomas)

b. To reflect the recommended increase in Base Revenues from Retail Sales by OPC witness Thomas and recommended decrease for lease revenue by OPC Witness Schultz, the 2027 Total Operating Revenues should be at least \$10,141,966,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C, Page 2 of 2. (Schultz, Thomas)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is largely a fallout issue based on the resolution of the above issues, and should reflect the adjustments above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except that the amount of FPL's total operating revenues approved should include an amount needed to effectively and efficiently operate the solar and battery storage resources added.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 54: What amount of generation O&M expense should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Including the adjustments to O&M expenses associated with the Plant Daniel and Nuclear Fuel adjustments reflected on FPL witness Fuentes's Exhibit LF-12, FPL's generation O&M expenses below (jurisdictional adjusted) for the 2026 project test year are appropriate.

Steam - \$59,133,696 (Broad, Fuentes)

Nuclear – \$287, 924,815 (DeBoer, Fuentes)

Other – \$160,350,459 (Broad, Fuentes)

Solar – \$35,897,121 (Broad)

Other Renewable – \$1,922,868 (Broad)

Including the adjustments to O&M expenses associated with the Plant Daniel and Nuclear Fuel adjustments reflected on FPL witness Fuentes's Exhibit LF-12, FPL's generation O&M expenses below (jurisdictional adjusted) for the 2027 project test year are appropriate.

Steam - \$55,976,345 (Broad, Fuentes)

Nuclear – \$299,303,226 (DeBoer, Fuentes)

Other – \$164,739,910 (Broad, Fuentes)

Solar – \$42,797,002 (Broad)

Other Renewable – \$1,776,540 (Broad)

**OPC:** a. To reflect the reduction to planned generation maintenance as recommended by OPC witness Schultz, 2026 generation O&M expense should be reduced by at least \$10,927,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)

b. To reflect the reduction to planned generation maintenance as recommended by OPC witness Schultz, 2027 generation O&M expense should be reduced by at least \$9,902,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. Should be adjusted downward to reflect the adjustments as proposed by OPC and the removal of the 2025-2026 battery projects from rate base.

b. Should be adjusted downward to reflect the adjustments as proposed by OPC and the removal of the 2025-2027 battery projects from rate base.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except that the amount of FPL's generation O&M expense approved should include an amount needed to effectively and efficiently operate and maintain the solar and battery storage resources added.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 55:** What amount of FPL's transmission O&M expense should be approved:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** FPL's transmission O&M expense of \$38,536,056 (jurisdictional adjusted) for the 2026 projected test year is appropriate. FPL's transmission O&M expense of \$41,832,744 (jurisdictional adjusted) for the 2027 projected test year is appropriate. (De Varona, Fuentes)

**OPC:** a. To reflect the reduction to planned transmission maintenance as recommended by OPC witness Schultz, 2026 generation O&M expense should be reduced by at least \$10,566,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C-1, Page 1 of 2 (Schultz)

b. To reflect the reduction to planned transmission maintenance as recommended by OPC witness Schultz, 2027 generation O&M expense should be reduced by at least \$13,379,000 on a total and jurisdictional basis as reflected on Exhibit HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Agree with OPC.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 56: What amount of FPL's distribution O&M expense should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** FPL's distribution O&M expense of \$184,179,392 (jurisdictional adjusted) for the 2026 projected test year is appropriate. FPL's distribution O&M expense of \$186,985,406 (jurisdictional adjusted) for the 2027 projected test year is appropriate. (De Varona, Fuentes)

**OPC:** a. No position.

b. No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No position.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 57: Should the Commission approve FPL's proposal to move certain costs from base rates to the Fuel Adjustment Clause effective January 1, 2026?**

**FPL:** Yes. Per Rule 25-6.065, Florida Administrative Code, the Company is required to pay net metering customers for any unused energy credits at the end of each calendar year. These payments are the functional equivalent to payments made to qualifying facilities for the purchase of power, which are recovered through FPL's Capacity Cost Recovery Clause ("CCR Clause"). Therefore, annual payments to net metering customers for the 2026 and 2027 projected test years of \$700,000 (jurisdictional) for each period should be recovered through the CCR Clause instead of base rates. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating the appropriateness of moving certain costs from base rates to the Fuel Adjustment Clause effective January 1, 2026.

**FUEL**

**RETAILERS:** No position.



**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove that these costs should be moved.

**FAIR:** No.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 58:** **Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** Yes. FPL has made the appropriate test year adjustments to remove fuel revenues and expenses recoverable through the Fuel Adjustment Clause. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that it appropriately removed fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 59:** **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 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. FPL has made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Energy Conservation Cost Recovery Clause. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that it appropriately removed conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 60:** **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 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. FPL has made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that if appropriately removed capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 61:** **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 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. FPL has made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that it appropriately removed environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 62:** **Has FPL made the appropriate adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Yes. FPL has made the appropriate 2026 and 2027 projected test year adjustments to remove Storm Protection Plan revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that it appropriately removed storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE adopts the position of OPC.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 63:** **Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** No adjustments are necessary to remove non-utility activities from operating revenues or operating expenses because these amounts were forecasted below-the-line and not included in FPL's forecasted net operating income for either the 2026 or 2027 projected test years. (Fuentes)

**OPC:** No. FPL has the burden of demonstrating that it appropriately removed all non-utility activities from operating revenues and operating expenses.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** No. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all non-utility activities from operating revenues and operating expenses.

**FAIR:** No as to both 2026 and 2027.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 64: What amount of incentive compensation should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The amount of incentive compensation expense included in the 2026 and 2027 projected test years is \$62,462,787 (jurisdictional adjusted) and \$66,388,280 (jurisdictional adjusted), respectively. These amounts are the remaining portion of non-executive stock-based incentive compensation and one hundred percent of non-executive cash incentive compensation O&M expense. One hundred percent of the 2026 and 2027 projected test year level of executive incentive compensation has been removed from O&M expense. (Buttress)

**OPC:** a. None. As reflected in Exhibit-2, Schedule C-1, Page 1 of 2, and Schedule C-5, incentive compensation of \$87,478,000 for 2026 should be removed.

b. None. As reflected in Exhibit-2, Schedule C-1, Page 1 of 2, and Schedule C-5, incentive compensation of \$93,063,000 for 2027 should be removed.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Incentive compensation should be drastically reduced, if not eliminated, as it is essentially automatic and goals frequently target increasing shareholder value rather than customer value. Customers should only pay for measures that benefit customers.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 65:** **What amount of salaries and benefits expense, including incentive compensation, should be approved:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** One hundred percent of the 2026 and 2027 projected test year level of salaries and employee benefits expense is appropriate, and reflects portions of executive and non-executive incentive compensation already excluded. The reasonableness of salary and benefit expense is demonstrated in a number of ways, including comparison of FPL's salaries, annual pay increase program, and non-executive variable incentive pay to the relevant comparative market; FPL's salary cost and efficiency to those of similar utilities; and the relative value of benefits programs to other utility and general industry companies. (Buttress)

**OPC:** a. The amount of salaries and benefits expense, including incentive compensation, that should be approved would be the Company's requested MFR amount reduced by the proposed adjustments in Issue 64 and the additional adjustments for



payroll, SERP, and pension & benefits adjustments reflected in Exhibit-2, Schedule C-1, Page 1 of 2.

b. The amount of salaries and benefits expense, including incentive compensation, that should be approved would be the Company's requested MFR amount reduced by the proposed adjustments in Issue 64 and the additional adjustments for payroll, SERP, and pension & benefits adjustments reflected in Exhibit-2, Schedule C-1, Page 2 of 2.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Salaries and benefits for top paid and executive positions are excessive and should be reduced.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 66:**     **Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:**             No adjustments are required to be made to FPL's forecasted operating revenues or operating expenses for the effects of transactions with affiliated companies for either the 2026 projected test year or 2027 projected test year. (Ferguson)

**OPC:**             FPL has the burden of demonstrating that it has made the appropriate test year adjustments to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:**           No position.

**FEA:**             No position.

**FEIA:**            No position.

**FIPUG:**          Adopt position of OPC.

**FRF:**             Agree with OPC.

**FEL:**             Adopt OPC position.

**FAIR:**            Agree with OPC.

**SACE:**           SACE takes no position.

**WALMART:** No position.

**AWI:**             No position.

**STAFF:**          No position at this time.

**ISSUE 67: Should any adjustments be made to Directors and Officers Liability Insurance expense:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** No. The Directors and Officers Liability Insurance is an essential and prudent cost necessary to attract and retain executive talent that historically has been included within FPL's cost of service. (Laney)

**OPC:** a. Yes. As reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2, the Commission should reduce Directors and Officers Liability Insurance expense by \$4,638,000 consistent with Commission precedent that allocates the cost evenly between shareholders and ratepayers. (Schultz)

b. Yes. As reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2, the Commission should reduce Directors and Officers Liability Insurance expense by \$5,010,000 consistent with Commission precedent that allocates the cost evenly between shareholders and ratepayers. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Yes, should not be allowed to be charged to ratepayers and should be disapproved.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 68: What amount of Economic Development expense should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate amount of Economic Development expense is \$8,508,635 for the 2026 projected test year (jurisdictional adjusted) and \$8,382,011 (jurisdictional adjusted) for the 2027 projected test year. These amounts have been adjusted to reflect the removal of 5% of FPL's total amount of projected eligible economic development expenses pursuant to Rule 25-6.0426, Recovery of Economic Development Expenses. (Fuentes)

**OPC:** a. FPL has failed to demonstrate that it has projected the appropriate amount of Economic Development expense in the 2026 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. FPL has failed to demonstrate that it has projected the appropriate amount of Economic Development expense in the 2027 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** \$0.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 69:** **Should any adjustments be made to Property Insurance expense:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** No adjustments are required to be made to FPL's forecasted Property Insurance expenses for either the 2026 projected test year or 2027 projected test year. (Laney)

**OPC:** a. Yes. As reflected on HWS Exhibit-2, Schedule C-7, the Property Insurance expense should be reduced by \$3,702,000. (Schultz)

b. Yes. As reflected on HWS Exhibit-2, Schedule C-7, the Property Insurance expense should be reduced by \$3,702,000. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 70:** **Should any adjustments be made to Liability Insurance expense:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** No adjustments are required to be made to FPL's forecasted Liability Insurance expenses for either the 2026 projected test year or 2027 projected test year. (Laney)

**OPC:** a. Yes. As reflected on HWS Exhibit-2, Schedule C-7, the Liability Insurance expense should be reduced by \$10,475,000. (Schultz)

b. Yes. As reflected on HWS Exhibit-2, Schedule C-7, the Liability Insurance expense should be reduced by \$11,156,000. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 71: Should any adjustments be made to Injuries and Damages expense:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** No adjustments are required to be made to FPL's forecasted Injuries and Damages expenses for either the 2026 projected test year or 2027 projected test year. (Fuentes, Laney)

**OPC:** a. Yes. As reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2, the Commission should reduce Injuries and Damages expense by \$27,773,000. (Schultz)

b. Yes. As reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2, the Commission should reduce Injuries and Damages expense by \$3,858,000. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Yes, Injuries and Damages expense should be reduced per testimony of OPC witnesses.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 72:** **What amount and amortization period for Rate Case Expense should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate amount of FPL's rate case expense is \$5,028,614, and the appropriate amortization period is four years. (Fuentes)

**OPC:** a. None. As reflected in Exhibit-2, Schedule C-1, Page 1 of 2, rate case expense of \$1,257,000 for 2026 should be removed.

b. None. As reflected in Exhibit-2, Schedule C-1, Page 2 of 2, rate case expense of \$1,257,000 for 2027 should be removed.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** \$0, as this rate case was not necessary and was only for shareholders, so ratepayers should not be required to reimburse these expenses.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.



**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 73:** **What amount of uncollectible expense and bad debt rate should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate amount of uncollectible expense is \$20,242,000 for the 2026 projected test year and \$19,362,000 for the 2027 projected test year. The appropriate bad debt rate is 0.124% for the 2026 projected test year and 0.122% for the 2027 projected test year. (Laney, Nichols)

**OPC:** a. As reflected on HWS Exhibit-2, Schedule C-11, the Commission should reduce uncollectible expense by \$2,121,000 consistent with the 3-year average level from 2021 to 2024 and increase uncollectible expense by \$146,000 associated with OPC's recommended revenue adjustment. Further, the Company's bad debt rate of .124% should be reduced to .110%. (Schultz)

b. As reflected on HWS Exhibit-2, Schedule C-11, the Commission should reduce uncollectible expense by \$1,915,000 consistent with the 3-year average level from 2021 to 2024 and increase uncollectible expense by \$146,000 associated with OPC's recommended revenue adjustment. Further, the Company's bad debt rate of .122% should be reduced to .110%. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 74:** What expense accruals for end of life materials and supplies should be approved:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** FPL's proposed accruals for Nuclear End of Life ("EOL") Material and Supplies ("M&S") and Last Core Nuclear Fuel for both the 2026 projected test year and 2027 projected test year are in accordance with Commission Order No. PSC-2021-0232-PAA-EI. The appropriate amount of expense accruals for the 2026 test year for the EOL M&S and last core nuclear fuel is \$1,576,000 and \$3,411,000 (jurisdictional adjusted), respectively. The appropriate amount of expense accruals for the 2027 projected test year for the EOL M&S and last core nuclear fuel is \$1,576,000 and \$3,411,000 (jurisdictional adjusted), respectively. (Ferguson)

**OPC:** FPL has the burden of demonstrating that its expense accruals for end-of-life materials and supplies are reasonable and prudent and that the costs are properly recorded in its books and records and reflected in the MFRs.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 75: What amount of O&M Expense should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of O&M Expense is \$1,326,223,000 (jurisdictional adjusted) for the 2026 projected test year and \$1,355,185,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. As reflected on HWS Exhibit 2, Schedule C, Page 1 of 2, the amount of non-fuel O&M expenses are \$1,003,803,000 which captures the proposed adjustments in previous issues and the additional adjustments for Plant Daniel and dues as reflected in Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)

b. As reflected on HWS Exhibit 2, Schedule C, Page 2 of 2, the amount of non-fuel O&M expenses are \$1,334,947,000 which captures the proposed adjustments in previous issues and the additional adjustments for Plant Daniel and dues as reflected in Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is largely a fallout issue and should reflect the adjustments above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except that the amount of O&M Expense approves should allow for the effective and efficient operation and maintenance of the solar and battery resources approved.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 76:** **What amount of depreciation, amortization, and dismantlement expense should be approved (Fallout Issue):**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of depreciation, amortization and dismantlement expense is \$3,103,347,000 (jurisdictional adjusted) for the 2026 projected test year and \$3,351,922,000 (jurisdictional adjusted) for the 2027 projected test year. (Ferguson, Laney)

**OPC:** a. In 2026, to reflect the reduction to depreciation, amortization, and dismantlement expense as recommended by OPC witness Dauphinais, Dunkel, and Schultz, in Exhibit HWS-2, Schedule C, Page 1 of 2, which amounts to a reduction from FPL's requested test year of (248,793). (Schultz)

b. In 2027, to reflect the reduction to depreciation, amortization, and dismantlement expense as recommended by OPC witness Dauphinais, Dunkel, and Schultz, in Exhibit HWS-2, Schedule C, Page 2 of 2, which amounts to a reduction from FPL's requested test year of (291,631). (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is largely a fallout issue and should reflect the adjustments above.

**FAIR:** Agree with OPC that the Commission should approve the amounts of depreciation, amortization, and dismantlement expense that result from applying the parameters and rates recommended by OPC's witnesses Schultz and Dunkel.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of OPC.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 77:** What amount of (gain)/loss on disposal of utility property should be approved:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** The appropriate amount of (Gain)/Loss on Disposal of Plant is (\$420,000) (jurisdictional adjusted) for the 2026 projected test year and (\$33,000) (jurisdictional adjusted) for the 2027 projected test year. (Laney)

**OPC:** a. Because of the potential for the sale of certain PHFU properties, the Company's gain amount in its MFRs could be understated. FPL has the burden of demonstrating that its proposed (gain)/loss on disposal of utility property in the 2026 projected test year is appropriate. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. Because of the potential for the selling certain PHFU properties, the Company's gain amount in its MFRs could be understated. FPL has the burden of demonstrating that its proposed (gain)/loss on disposal of utility property in the 2027 projected test year is appropriate. OPC is not proposing an adjustment prior

to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 78: What amount of Property Taxes should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** Including the adjustment to Property Taxes associated with the Plant Daniel adjustment reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Property Taxes is \$870,377,000 (jurisdictional adjusted) for the 2026 projected test year and \$910,154,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. To reflect the adjustments on a total and jurisdictional basis to property taxes as recommended by OPC witness Schultz, the Company's 2026 property taxes of

\$993,972,000 should be reduced by \$28,249,000 as reflected on Exhibit HWS Exhibit-2, Schedule C-16. (Schultz)

b. To reflect the adjustments on a total and jurisdictional basis to property taxes as recommended by OPC witness Schultz, the Company's 2027 property taxes of \$1,053,060,000 should be reduced by \$42,577,000 as reflected on Exhibit HWS Exhibit-2, Schedule C-16. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 79: What amount of Taxes Other Than Income Taxes should be approved:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Taxes Other Than Income Taxes is \$900,687,000 (jurisdictional adjusted) for the 2026 projected test year and \$940,856,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. The amount of Taxes Other Than Income (TOTI) that should be approved would be the Company's requested MFR amount reduced by the proposed adjustments in Issue 78 and the additional adjustments for payroll tax and Plant Daniel adjustments reflected in HWS Exhibit-2, Schedule C-2, Page 1 of 2. Accordingly, the amount of TOTI should be \$863,495,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)

b. The amount of Taxes Other Than Income (TOTI) that should be approved would be the Company's requested MFR amount reduced by the proposed adjustments in Issue 78 and the additional adjustments for payroll tax and Plant Daniel adjustments reflected in HWS Exhibit-2, Schedule C-2, Page 2 of 2. Accordingly, the amount of TOTI should be \$888,606,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.



**ISSUE 80:**    **What amount of Production Tax Credits should be approved and what is the proper accounting treatment:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:**            The appropriate amount of Solar PTCs is \$359,749,642 (jurisdictional adjusted) for the 2026 projected test year and \$413,046,567 (jurisdictional adjusted) for the 2027 projected test year. PTCs are recorded as a reduction in operating income tax expense and an increase in Accumulated Deferred Income Taxes. (Laney)

The appropriate amount of Hydrogen PTCs is \$7,152,065 (jurisdictional adjusted) for the 2026 projected test year and \$7,641,519 (jurisdictional adjusted) for the 2027 projected test year. Hydrogen PTCs are recorded as a reduction of Taxes Other Than Income Taxes and an increase in Intercompany Accounts Receivable. (Laney)

**OPC:**            a. OPC could not verify whether the Company included in its filing the appropriate adjustments to the provision for income tax expense related to Production Tax Credits. To the extent the Company did include them in their filing, OPC realizes corresponding adjustments for PTCs would be warranted for the proposed solar investment disallowances. It remains to be seen the impact that the One Big, Beautiful Bill Act or the U.S. Treasury guidance will have on the eligibility of PTCs. However, FPL has the burden of proving the appropriateness of the Production Tax Credits proposed in the 2026 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. OPC could not verify whether the Company included in its filing the appropriate adjustments to the provision for income tax expense related to Production Tax Credits. To the extent the Company did include them in their filing, OPC realizes corresponding adjustments for PTCs would be warranted for the proposed solar investment disallowances. It remains to be seen the impact that the One Big, Beautiful Bill Act or the U.S. Treasury guidance will have on the eligibility of PTCs. However, FPL has the burden of proving the appropriateness of the Production Tax Credits proposed in the 2027 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:**            No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** The projected PTCs should be used each year that they are generated to lower the revenue requirement by lowering FPL's tax burden, and should not be sold or transferred at any discount. Under FPL's as-filed plan, usage of the ITCs and PTCs would exceed FPL's 75% cap for tax credits as a percent of total tax burden. Because the Commission should reject FPL's proposed batteries, and in any case it does authorize any battery additions, should mandate normalization of associated ITCs, FPL should have no reason to sell off PTCs.

**FAIR:** Agree with OPC. The ultimate answer to this issue will likely depend on U.S. Treasury guidance expected to be issued on August 18.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 81:** **Is it prudent for FPL to sell the PTCs and ITCs to one or more third parties? If so, what is the appropriate discount rate associated with FPL's transfers of Investment Tax Credits and Production Tax Credits?**

**FPL:** Yes. As reflected on Exhibit IL-6 to FPL witness Laney's direct testimony, the cumulative jurisdictional revenue requirements benefit of selling ITCs and PTCs to third parties is \$39 million by 2027. The appropriate discount rate to sell excess ITCs to third parties is 8%. The appropriate discount rate to sell excess PTCs to third parties is 5%. (Laney)

**OPC:** FPL has the burden of demonstrating the reasonableness and prudence of the sale of PTCs and ITCs. An adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Yes. However, FPL should not recover any internal costs to effectuate the transfer of ITCs and PTCs and any recoverable external costs should not exceed 5% of the value. Further, the Commission should review each transaction for prudence after the transfers have been made, and FPL retains the burden of proof that any transfer costs exceeding 5% of the value are prudent and reasonable.

**FRF:** Agree with OPC.

**FEL:** No. FPL should not sell the ITCs to one or more third parties that cause ratepayers to lose that value.

**FAIR:** No, at least not on the basis of any evidence presented in this case. As stated, FAIR takes the position that FPL should not sell ITCs to third parties because prudence has not and probably cannot be evaluated. This issue cannot be addressed without either (a) the details of any proposed transactions or (b) details regarding relevant market conditions and variables affecting the value of ITCs and specific details as to any limits or criteria that would be applied to any such transactions, e.g., knowledge of the approximate value of ITCs and an express order by the Commission as to the minimum price that FPL at which could sell the ITCs.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 82:**    **What amount of the Investment Tax Credits, pursuant to the Inflation Reduction Act, should be approved and what is the proper accounting treatment:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:**            The appropriate amount of ITCs is \$563,833,359 (jurisdictional adjusted) for the 2026 projected test year and \$350,110,997 (jurisdictional adjusted) for the 2027 projected test year. At the time they are generated, ITCs are recorded as a reduction in operating income tax expense and an increase in Accumulated Deferred Income Taxes. (Laney)

**OPC:**            a. OPC could not verify whether the Company included in its filing the appropriate adjustments to the provision for income tax expense related to Investment Tax Credits. To the extent the Company did include them in their filing, OPC realizes corresponding adjustments for ITCs would be warranted for the proposed solar investment disallowances. It remains to be seen the impact that the “One Big, Beautiful Bill Act” or the U.S. Treasury guidance will have on the eligibility of ITCs. However, FPL has the burden of demonstrating that its Investment Tax Credits proposed in the 2026 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

b. OPC could not verify whether the Company included in its filing the appropriate adjustments to the provision for income tax expense related to Investment Tax Credits. To the extent the Company did include them in their filing, OPC realizes corresponding adjustments for ITCs would be warranted for the proposed solar investment disallowances. It remains to be seen the impact that the “One Big, Beautiful Bill Act” or the U.S. Treasury guidance will have on the eligibility of ITCs. However, FPL has the burden of demonstrating that its Investment Tax Credits proposed in the 2027 projected test year. OPC is not proposing an adjustment prior to hearing, but an adjustment may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:**            No position.

**FEA:**             No position.

**FEIA:**            No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** The total amount of ITCs should be adjusted downward to reflect the disapproval of several of the battery projects, and any remaining ITCs should be amortized over life of the battery.

**FAIR:** Agree with OPC. The ultimate answer to this issue will likely depend on U.S. Treasury guidance expected to be issued on August 18.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 83:** **What amount of Income Tax expense should be approved:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Income Tax expense is \$19,308,000 (jurisdictional adjusted) for the 2026 projected test year and \$29,110,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:** a. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of income tax expense should be \$252,454,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)

b. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of income tax expense should be \$334,720,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** Adopt OPC position.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 84: What amount of Total Operating Expenses should be approved (Fallout Issue):**

- a. For the 2026 projected test year?**
- b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Total Operating Expenses is \$5,310,528,000 (jurisdictional adjusted) for the 2026 projected test year and \$5,677,039,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

**OPC:**

- a. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of total operating expenses should be \$4,982,642,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)
- b. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of total operating expenses should be \$5,316,979,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 85: What amount of Net Operating Income should be approved (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Net Operating Income is \$4,577,183,000 (jurisdictional adjusted) for the 2026 projected test year and \$4,321,154,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes)

**OPC:** a. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of net operating income should be \$5,033,474,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 1 of 2. (Schultz)

b. This issue is dependent on the resolution of other issues. Based on the testimony of OPC witnesses, the amount of net operating income should be \$4,824,987,000 as reflected on HWS Exhibit-2, Schedule C-1, Page 2 of 2. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** Agree with OPC.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**REVENUE REQUIREMENTS**

**ISSUE 86:** What revenue expansion factor and net operating income multiplier, including the appropriate elements and rates, should be approved:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** The revenue expansion factor and net operating income multiplier for the 2026 and 2027 projected test years are 0.74563 and 1.34115, respectively. (Fuentes)



- OPC:**
- a. This issue is dependent on the resolution of Issue 73. As reflected in HWS Exhibit-2, Schedule A-1, Page 1 of 2, the revenue expansion factor and net income multiplier should be 74.573% and 1.34097, respectively. (Schultz)
  - b. This issue is dependent on the resolution of Issue 73. As reflected in HWS Exhibit-2, Schedule A-1, Page 2 of 2, the revenue expansion factor and net income multiplier should be 74.573% and 1.34097, respectively. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** Adopt OPC position.

**FAIR:** For both 2026 and 2027, the correct revenue expansion factor is 74.573 percent, and the correct NOI Multiplier is 1.34097.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 87:** **What amount of annual operating revenue increase or decrease should be approved (Fallout Issue):**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** FPL is not proposing the Commission establish a base revenue increase higher than what is reflected in its petition: \$1,544,780,000 for 2026 and \$927,534,000

for 2027. However, as reflected on FPL witness Fuentes's Exhibit LF-12, the annual operating revenue increase is \$1,550,550,000 for the 2026 projected test year and \$931,503,000 for the 2027 projected test year. (Fuentes)

**OPC:** a. This issue is dependent on the resolution of other issues. As reflected in HWS Exhibit-2, Schedule A, Page 1 of 2, there is a revenue sufficiency of (\$620,492,000). (Schultz)

b. This issue is dependent on the resolution of other issues. As reflected in HWS Exhibit-2, Schedule A, Page 2 of 2, there is a revenue deficiency of \$35,196,000. (Schultz)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** Agree with OPC.

**FEL:** a. A revenue decrease, as proposed by OPC witness Schultz, but further decreased to reflect the disapproval of the proposed battery projects and other disallowances, should be approved.

b. \$0. If FPL wishes to increase rates in 2027, it should refile a case closer in time.

**FAIR:** The Commission should order FPL to reduce its total revenue requirements for 2026 by \$620.492 million per year. The Commission should reject FPL's request for increased rates in 2027, but if the Commission decides issues for 2027, then the appropriate increase for 2027 (following the recommended \$620 million decrease in 2026) is \$35.196 million per year.

**SACE:** SACE takes no position at this time, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**COST OF SERVICE AND RATE DESIGN ISSUES**

**ISSUE 88:** Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate:  
a. For the 2026 projected test year?  
b. For the 2027 projected test year?

**FPL:** Yes, the jurisdictional separation of costs and revenues between the wholesale and retail jurisdictions filed by FPL is appropriate. The separation factors filed by FPL were developed consistent with the Commission guidance in prior rate cases and the instructions provided in MFR E-1, as well as with the method used in the Company's surveillance reports. (DuBose)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC. [No position.]

**FRF:** Agree with OPC. [No position.]

**FEL:** No position.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 89:** **What is the appropriate methodology to allocate production costs to the rate classes:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate method to allocate production costs to the rate classes is the 12CP and 25% method filed by FPL because: (1) it recognizes that FPL's generation portfolio has evolved, and the 25% energy allocation best reflects the addition of significant amounts of solar on the system; (2) the type of generation unit selected is influenced by both demand and energy use throughout the year, and these choices drive the level of total capital, operation, and maintenance costs; (3) it reflects the influence of the summer reserve margin criterion; and (4) it recognizes that capacity must be available throughout the year to meet FPL's winter reserve margin and Loss of Load Probability standard. (DuBose, Phillips)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** Generally, the Company's capacity allocation component should be based on the Company's four-month peak period or a 4CP, 1/13th energy production plant allocation factor should be used rather than a 12CP, 25% energy production plant allocator. The effect of the Company's proposed use of a 12CP allocator, for a utility with a 4CP peak period, is a mismatch between cost causation and cost allocation, resulting in production and transmission capacity costs being under allocated to low load factor rate classes relative to the capacity cost needed to provide reliable firm service, and over allocates capacity cost to high load factor classes relative to the capacity cost needed to provide reliable firm service.

The Company develops a capacity allocation based on a 12 CP when its system load profile clearly shows that its peak season occurs during only a 4-month period.

a. Our proposed Class allocation tables limiting less than 1.5x for 2026 are below:

	<b>Florida Power &amp; Light Company CCOSS</b>					<b>FEA Revised CCOSS</b>			
<b>Rate Class</b>	<b>Revenue</b>	<b>Revenue</b>	<b>Percent</b>	<b>Increase</b>		<b>Revenue</b>	<b>Revenue</b>	<b>Percent</b>	<b>Increase</b>
<b>Class</b>	<b>Revenues</b>	<b>Deficiency/</b>	<b>Difference</b>	<b>Index</b>		<b>Revenues</b>	<b>Deficiency/</b>	<b>Difference</b>	<b>Index</b>
<b>(1)</b>	<b>(2)</b>	<b>(Excess)</b>	<b>(3)</b>	<b>(4)</b>		<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>
CILC-1D	\$110.5	\$41.7	37.7%	2.4		\$110.5	\$28.9	26.2%	1.7
CILC-1G	5.1	1.4	27.3%	1.7		5.1	1.0	19.3%	1.2
CILC-1T	47.6	17.5	36.8%	2.4		47.6	7.6	16.0%	1.0
GS(T)-1	746.4	(0.1)	0.0%	0.0		746.6	29.4	3.9%	0.3
GSCU-1	2.4	(0.1)	-5.2%	-0.3		2.4	(0.4)	-15.4%	-1.0
GSD(T)-1	1,762.1	482.1	27.4%	1.8		1,762.0	455.2	25.8%	1.7
GSLD(T)-1	557.9	198.6	35.6%	2.3		557.8	165.6	29.7%	1.9
GSLD(T)-2	180.6	79.0	43.8%	2.8		180.6	64.3	35.6%	2.3
GSLD(T)-3	33.0	9.7	29.4%	1.9		32.9	6.1	18.5%	1.2
MET	4.4	0.5	11.4%	0.7		4.4	0.2	3.8%	0.2
OS-2	2.1	1.2	54.7%	3.5		2.1	1.1	51.8%	3.3
RS(T)-1	6,229.8	700.1	11.2%	0.7		6,230.0	776.8	12.5%	0.8
SL/OL-1	191.1	16.3	8.5%	0.5		191.1	12.8	6.7%	0.4
SL-1M	1.6	0.2	12.8%	0.8		1.6	(0.0)	-1.0%	-0.1
SL-2	1.9	0.1	7.6%	0.5		1.9	(0.1)	-4.9%	-0.3
SL-2M	0.6	(0.1)	-13.5%	-0.9		0.6	(0.1)	-21.0%	-1.3
SST-DST	0.2	(0.1)	-61.9%	-4.0		0.2	(0.1)	-62.2%	-4.0
SST-TST	\$7.3	(\$3.3)	-44.6%	-2.9		\$7.3	(\$3.3)	-45.2%	-2.9
<b>System Total</b>	<b>\$9,884.8</b>	<b>\$1,544.8</b>	<b>15.6%</b>	<b>1.0</b>		<b>\$9,884.8</b>	<b>\$1,544.8</b>	<b>15.6%</b>	<b>1.0</b>

Sources:  
(2) & (3) Exhibit TD-3 Target RR at Proposed Rate.  
(4) Column (3)/ Column (2).  
(5) & (9) Percent Difference, for each class/System Total Increase.  
(6) Exhibit MPS-1, tab Revised 2026 COS Present Rates.  
(7) Exhibit MPS-1, tab Revised 2026 COS Proposed Rates.  
(8) Column (7)/Column (6).

**Table 3**  
**FEA Cost of Service and Proposed Revenue Spread**  
**2026 Test Year**

<u>Class Description</u>	<u>Current Revenues<sup>1</sup></u>	<u>Increase to Cost of Service<sup>2</sup></u>		<u>FEA Proposed Increase<sup>3</sup></u>		<u>Index</u>
	(1)	(2)	(3)	(4)	(5)	(6)
CILC-1D	\$ 108,286	\$ 28,895	26.68%	\$ 26,090	24.09%	1.50
CILC-1G	5,050	994	19.67%	1,066	21.10%	1.31
CILC-1T	46,915	7,589	16.18%	8,241	17.57%	1.09
GS(T)-1	727,953	29,374	4.04%	38,434	5.28%	0.33
GSCU-1	2,403	(375)	-15.62%	-	0.00%	-
GSD(T)-1	1,726,181	455,156	26.37%	415,895	24.09%	1.50
GSLD(T)-1	546,455	165,553	30.30%	131,660	24.09%	1.50
GSLD(T)-2	176,685	64,251	36.36%	42,569	24.09%	1.50
GSLD(T)-3	32,160	6,083	18.91%	6,540	20.34%	1.27
MET	4,368	167	3.83%	222	5.08%	0.32
OS-2	2,031	1,105	54.39%	489	24.09%	1.50
RS(T)-1	6,038,411	776,807	12.86%	858,337	14.21%	0.88
SL/OL-1	189,177	12,820	6.78%	15,237	8.05%	0.50
SL-1M	1,552	(16)	-1.05%	-	0.00%	-
SL-2	1,851	(92)	-4.98%	-	0.00%	-
SL-2M	564	(120)	-21.33%	-	0.00%	-
SST-DST	181	(114)	-63.18%	-	0.00%	-
SST-TST	7,229	(3,295)	-45.58%	-	0.00%	-
	<u>\$ 9,617,453</u>	<u>\$ 1,544,780</u>	<u>16.06%</u>	<u>\$ 1,544,780</u>	<u>16.06%</u>	<u>1.00</u>

Sources:  
<sup>1</sup>MFR No. E-1 (Volume I), Attachment 1, 2026 at Present Rates  
<sup>2</sup>Exhibit MPS-1  
<sup>3</sup>Limited the increase to a maximum of 1.5 x system average and no decreases.

b. Our proposed Class allocation tables limiting less than 1.5x for 2027 are below:

**Table 4**  
**FEA Cost of Service and Proposed Revenue Spread**  
**2027 Test Year**

<u>Class Description</u>	<u>Current Revenues<sup>1</sup></u>	<u>Increase to Cost of Service<sup>2</sup></u>		<u>FEA Proposed Increase</u>		<u>Index</u>
	(1)	(2)	(3)	(4)	(5)	(6)
CILC-1D	\$ 108,514	\$ 39,303	36.22%	\$ 39,588	36.48%	1.43
CILC-1G	5,054	1,459	28.87%	1,471	29.11%	1.14
CILC-1T	47,272	12,766	27.00%	12,881	27.25%	1.07
GS(T)-1	734,758	95,706	13.03%	97,306	13.24%	0.52
GSCU-1	2,403	(176)	-7.30%	-	0.00%	-
GSD(T)-1	1,745,395	625,018	35.81%	629,584	36.07%	1.41
GSLD(T)-1	546,417	218,248	39.94%	209,057	38.26%	1.50
GSLD(T)-2	177,543	82,981	46.74%	67,927	38.26%	1.50
GSLD(T)-3	32,398	9,720	30.00%	9,801	30.25%	1.19
MET	4,389	543	12.38%	553	12.60%	0.49
OS-2	2,037	1,172	57.51%	780	38.26%	1.50
RS(T)-1	6,102,909	1,353,837	22.18%	1,368,201	22.42%	0.88
SL/OL-1	193,585	39,980	20.65%	40,430	20.88%	0.82
SL-1M	1,653	68	4.09%	71	4.29%	0.17
SL-2	1,832	94	5.11%	97	5.31%	0.21
SL-2M	601	(85)	-14.09%	-	0.00%	-
SST-DST	181	(108)	-59.68%	-	0.00%	-
SST-TST	7,262	(2,778)	-38.25%	-	0.00%	-
	<u>\$ 9,714,204</u>	<u>\$ 2,477,747</u>	<u>25.51%</u>	<u>\$ 2,477,747</u>	<u>25.51%</u>	<u>1.00</u>

Sources:  
<sup>1</sup>MFR No. E-1 (Volume I), Attachment 1, 2027 at Present Rates  
<sup>2</sup>Exhibit MPS-2  
<sup>3</sup>Limited the increase to a maximum of 1.5 x system average and no decreases.

<b>TABLE 2</b> <b>Comparison of Proposed Target Equalized Revenue Requirements</b> <b>By Rate Class 12CP Production/Transmission Allocator VS 4CP</b> <b>For Test Year 2027</b> <b>(\$M)</b>								
Rate Class	Florida Power & Light Company CCOSS				FEA Revised CCOSS			
	Achieved Revenues	Deficiency/ (Excess)	Percent Difference	Increase Index	Achieved Revenues	Deficiency/ (Excess)	Percent Difference	Increase Index
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
CILC-1D	\$110.8	\$53.0	47.8%	1.9	\$110.8	\$39.3	35.5%	1.4
CILC-1G	5.2	1.9	36.8%	1.5	5.2	1.5	28.3%	1.1
CILC-1T	48.0	23.4	48.8%	2.0	48.0	12.8	26.6%	1.1
GS(T)-1	754.1	64.0	8.5%	0.3	754.3	95.7	12.7%	0.5
GSCU-1	2.4	0.1	3.7%	0.1	2.4	(0.2)	-7.2%	-0.3
GSD(T)-1	1,783.2	653.8	36.7%	1.5	1,783.2	625.0	35.1%	1.4
GSLD(T)-1	558.4	253.4	45.4%	1.8	558.3	218.2	39.1%	1.6
GSLD(T)-2	181.7	98.6	54.3%	2.2	181.6	83.0	45.7%	1.8
GSLD(T)-3	33.2	13.6	41.0%	1.7	33.2	9.7	29.3%	1.2
MET	4.5	0.9	20.3%	0.8	4.5	0.5	12.2%	0.5
OS-2	2.1	1.2	57.8%	2.3	2.1	1.2	54.8%	2.2
RS(T)-1	6,302.2	1,272.7	20.2%	0.8	6,302.4	1,353.8	21.5%	0.9
SL/OL-1	195.6	43.3	22.1%	0.9	195.6	40.0	20.4%	0.8
SL-1M	1.7	0.3	18.8%	0.8	1.7	0.1	4.0%	0.2
SL-2	1.9	0.3	18.3%	0.7	1.9	0.1	5.0%	0.2
SL-2M	0.6	(0.0)	-5.8%	-0.2	0.6	(0.1)	-13.9%	-0.6
SST-DST	0.2	(0.1)	-58.4%	-2.4	0.2	(0.1)	-58.8%	-2.4
SST-TST	\$7.3	(\$2.7)	-37.1%	-1.5	\$7.3	(\$2.8)	-37.9%	-1.5
<b>System Total</b>	<b>\$9,993.2</b>	<b>\$2,477.7</b>	<b>24.8%</b>	<b>1.0</b>	<b>\$9,993.2</b>	<b>\$2,477.7</b>	<b>24.8%</b>	<b>1.0</b>
Sources:								
(2) & (3) Exhibit TD-3 Target RR at Proposed Rate.								
(4) Column (3)/ Column (2).								
(5) & (9) Percent Difference, for each class/System Total Increase.								
(6) Exhibit MPS-2, tab Revised 2027 COS Present Rates.								
(7) Exhibit MPS-2, tab Revised 2027 COS Proposed Rates.								
(8) Column (7)/Column (6).								

**FEIA:** No position.

**FIPUG:** The 4 CP method should be used to allocate production plant and related costs to retail rate classes for both test years. FPL is a summer peaking utility and the months of June, July, August and September are the months with the highest peaks. The 4 CP approach more accurately assigns costs to the cost causer than other approaches and is a fairer way to allocate production costs. The 4 CP enhances economic development, a legislatively-stated goal of the state's energy policy. For this and other reasons, the Commission recently adopted 4 CP in the Tampa Electric Rate case and should likewise adopt 4 CP in this case.

**FRF:** Production costs should be allocated using a 4 Coincident Peak ("CP") allocation method adjusted to reflect the customer class's contribution to the net peak demand in summer months. FPL's sudden shift this year in its resource investments for the test years to substantially scale back large scale solar PV additions while accelerating battery energy storage system ("BESS") installations unequivocally demonstrates that its production costs are dictated by the measures required to satisfy peak demand, and it is inarguable that that weather sensitive summer peak loads are driving that need. The 4CP allocation method better reflects the system conditions that are dictating how FPL is investing in and

managing its system. Moreover, while FPL has made significant investments in solar projects in recent years, FPL estimates that its solar energy output will only account for 12% of its total generation energy production in 2025.<sup>9</sup> FPL's proposal to change from its current method, which allocates production costs based on a 12CP and 1/13<sup>th</sup> Average Demand ("AD"), to a method which allocates production costs based on a 12CP and 25% AD is inconsistent with the very system conditions that are described by its witnesses in this case. The production allocation method applied in this case needs to track the reliability need to better align with actual cost causation, which makes the 4CP method the appropriate approach in this case.

Finally, FPL's Cost of Service Study incorrectly treats non-firm load associated with customer load enrolled in the CILC and CDR program as firm, which results in an overallocation of production costs to FPL's non-firm interruptible customers. FPL's study adds back CILC/CDR incentive payments as additional revenues to the participating customer classes as a form of offset to the basic allocation mistake, but that approach falls far short of correcting that error. While the current CILC/CDR credit levels are the product of prior negotiated rate settlements, they are evaluated and based on FPL's avoided costs rather than embedded costs. There is a significant gap between the firm production costs assigned to non-firm loads under FPL's method, the embedded cost benefits associated with non-firm loads that are captured but un-stated in the cost of service study (i.e., the hundreds of megawatts of generating capacity not built due to the lesser quality of service accepted by non-firm loads), and the marginal cost based credits. This is a fundamental correction that must be made to the cost of service study before its results can be relied upon for revenue allocation purposes. (Georgis)

**FEL:** 12CP and an allocator assigning nuclear and solar to energy and other production plant to capacity, although FPL's 12CP and 25% AD methodology is a well-supported compromise.

**FAIR:** No position.

**SACE:** SACE adopts the position of FPL.

**WALMART:** Walmart recommends that the Commission maintain the existing 12CP and 1/13 methodology. (Perry Direct, , p. 4, lines 3 through 6).

**AWI:** No position.

**STAFF:** No position at this time.

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<sup>9</sup> See Schedule 6.2 to the FPL 2025 Ten Year Site Plan.



**ISSUE 90: What is the appropriate methodology to allocate transmission costs to the rate classes:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate method to allocate transmission plant-related costs to rate classes is the 12CP method filed by FPL. The transmission system is designed and built to provide capacity needs for all twelve months of the year and corresponds with FPL's methods for allocating costs to its wholesale production formula rate customers and wholesale transmission customers under FERC jurisdiction. (DuBose, Phillips)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** FEA recommends a 4CP allocation method for transmission costs. The Commission should reject any recommendation for production capacity costs being allocated using a 12 CP and energy/capacity allocation method that allocates the costs of all nuclear and solar plants to energy cost and all gas plant and battery storage facilities to demand. The Commission should also reject the Company's current recommendation. The Commission should instead use its approved methodology for allocating production plant cost using 1/13th energy for production resources coupled with 4CP for capacity to more accurately align with how the Company's resource portfolio is designed and how costs are incurred in order to provide reliable service to all its rate classes.

**FEIA:** No position.

**FIPUG:** The 4 CP method should be used to allocate production plant and related costs to retail rate classes for both test years. FPL is a summer peaking utility and the months of June, July, August and September are the months with the highest peaks. The 4 CP approach more accurately assigns costs to the cost causer than other approaches and is a fairer way to allocate production costs. The 4 CP enhances economic development, a legislatively-stated goal of the state's energy policy. For this and other reasons, the Commission recently adopted 4 CP in the Tampa Electric Rate case and should likewise adopt 4 CP in this case.

**FRF:** Transmission costs should be allocated using a 4CP allocation method adjusted to reflect each customer class's contribution to the net peak demand in summer months. Transmission systems are constructed to meet system peak demands. (Georgis)

**FEL:** 12CP

**FAIR:** No position.

**SACE:** SACE adopts the position of FPL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 91:** What is the appropriate methodology to allocate distribution costs to the rate classes:

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** The appropriate method to allocate distribution plant costs is that filed by FPL. FPL's allocation method reflects FPL's distribution planning operations. Meters, pull-offs, and service drops are driven by the number of customers and therefore classified as customer-related. All other distribution plant is planned based on customer demand and is classified as demand-related. (DuBose, Phillips)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** FEA recommends a 4CP allocation method for transmission costs. The Commission should reject any recommendation for production capacity costs being allocated using a 12 CP and energy/capacity allocation method that allocates the costs of all nuclear and solar plants to energy cost and all gas plant and battery storage facilities to demand. The Commission should also reject the Company's current recommendation. The Commission should instead use its

approved methodology for allocating production plant cost using 1/13th energy for production resources coupled with 4CP for capacity to more accurately align with how the Company's resource portfolio is designed and how costs are incurred in order to provide reliable service to all its rate classes.

**FEIA:** No position.

**FIPUG:** Distribution network costs booked to Federal Energy Regulatory Commission (FERC) Account Nos. 364, 365, 366, 367 and 368 should be classified as both demand and customer-related, consistent with the central roles of the distribution network to provide access to a safe, delivery-ready power grid (i.e., a customer-related cost); and meet customers' peak electrical power needs (i.e., a demand-related cost). The Commission should require FPL to conduct a study to quantify the customer-related portion of distribution network costs using the minimum distribution system methodology or other similar approaches and file this study in its next rate case.

**FRF:** Agree with FIPUG.

**FEL:** As proposed by FPL.

**FAIR:** No position.

**SACE:** SACE adopts the position of FPL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 92:** **What is the appropriate methodology to allocate other costs to the rate classes that are not addressed in Issues 89 through 91?**

**FPL:** The appropriate method to allocate other costs not addressed in issues 89 through 91 to the rate classes is that filed by FPL. FPL's recommended cost allocation methodologies for the COSS were based on FPL's current and proposed generation portfolio, how FPL plans and operates its system and how costs are recorded and accounted for in its books and records. (DuBose)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY****AMERICA:** No position.**EVGO:** No position.**FEA:** FEA recommends allocators be assigned to match the manner in which costs are incurred, whether those be demand, energy, customer, and/or direct assignment when applicable.**FEIA:** No position.**FIPUG:** The following rate base components should be allocated as follows:

Over-Recovery of ECCR Revenues	4CP Demand
Over-Recovery of CPR Revenues	4CP Demand
Storm Maintenance	T&D Plant
Over-Recovery of Storm Protection Plan Revenues	T&D Plant
ITC Gross-Up Regulatory Liability	Production Plant
Losses from Disposition of Plant	Net Plant
Other Taxes	Net Plant
Deferred Gains for Future Use	Plant Held for Future Use
Interest on Long-Term Debt	Rate Base
Rate Case Expenses	Total Revenue
Revenue Taxes	Total Revenue

The following Net Operating Income items should be allocated as follows:

Amortization of ITC	Production Plant
Rent from Electric Property	Plant in Service
Leased Property Depreciation Expense	Plant in Service
Accretion Expense – Asset Retirement Obligation	
Regulatory Debit	Plant in Service
Unbilled Revenues	Total Revenues
Regulatory Commission Expenses	Total Revenues

**FRF:** FPL inconsistently treats certain O&M expenses in its COSS. FPL allocates each production O&M supervisory and engineering expense account (e.g., FERC Account 500 or 510) to demand and energy-related costs based on the portion of labor costs in all other O&M expense accounts within the production account grouping and divided by the total O&M expenses in that grouping. This allocation method is inconsistent with the NARUC Electric Utility Cost Allocation Manual and is internally inconsistent within FPL's COSS. This error results in nearly \$170 million in O&M expenses incorrectly being classified as energy-related rather than demand-related in FPL's COSS. (Georgis)

**FEL:** Some of the O&M and general plant allocators should be assigning additional costs on an energy basis, although FPL's proposed methodology is a well-supported compromise.

**FAIR:** No position.

**SACE:** SACE adopts the position of FPL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 93:** **How should any change in revenue requirement approved by the Commission be allocated to the customer classes:**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The increase should be allocated as shown in MFR E-8. FPL followed Commission guidance and limited revenue increases to each class to no more than 150% of the system average increase in total revenue including clauses. The result is all classes are moved closer to parity to the greatest extent possible. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** FEA class allocation Recommends that no class receives more than a 1.5x increase.

**FEIA:** No position.

**FIPUG:** Any base revenue changes should be allocated to customer classes to move each class closer to cost (or parity) using the results of FIPUG's revised class cost-of-service

study. Further, to prevent rate shock, no class should receive a rate reduction and no class should receive an increase higher than 1.5 times the system average increase.

Further, the system average increase should be measured using current base revenues because only base revenues are subject to change in this matter. The clauses are separately set in other proceedings where gradualism is not considered.

Regardless of how the system average increase is measured, the interruptible credits are not base revenues in the traditional sense. They are recovered in the Energy Conservation Cost Recovery Clause (ECCR). The only reason that FPL included the interruptible credits as revenues in FPL's class cost-of-service study is because FPL allocates costs to the CILC/CDR customers as though they are receiving firm service. Thus, it is appropriate to restate the CILC/CDR revenues consistent with the assumption that they receive firm service.

Further, as the Commission's primary concern is with the impact on a customer's bill, the system average increase should be measured relative to sales (*i.e.*, base rates plus adjustment clause) revenues, not total operating revenues as FPL proposes.

**FRF:** Because of the serious deficiencies in FPL's COSS, using the COSS to precisely assign rate increases to certain classes is insufficient to ensure just and reasonable rates. FRF accordingly recommends that any approved increase in revenues be allocated among customer classes on an equal percentage basis. The Commission should establish a tolerance band of +/- 15% of rate parity within the COSS to allocate a system average rate increase to customer classes falling within that band. Further, in applying the fundamental principle of gradualism, the Commission should require the basic metric be that no customer class receives an increase of more than 150% of the system average rate base rate increase. (Georgis)

**FEL:** As indicated by the cost of service methodology, without modifications based on gradualism.

**FAIR:** Tentative position: The decreases recommended by OPC, FAIR, and other parties representing customers' interests should probably be allocated to rate classes in the same way that the increases allowed under the 2021 Settlement were allocated to the rate classes in Docket No. 20210015-EI.

**SACE:** Any changes in revenue requirement approved by the Commission should be allocated across customer classes in a manner that preserves the relative burdens of each customer class in FPL's current proposal, without modifications based on gradualism.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 94:** What are the appropriate service charges (initial connection, reconnection, connection of existing service, field visit, and temporary/construction service) (Sheet Nos. 4.020-4.030):

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** The appropriate service charges effective January 1, 2026, and January 1, 2027 are listed below. (Nichols, Cohen, De Varona)

	Effective Jan. 1, 2026	Effective Jan. 1, 2027
Initial Service Connect / Disconnect New Premise	\$12.00	\$13.00
Service Connect / Disconnect Existing Premise	\$8.00	\$9.00
Field Visit	\$28.00	\$28.00
Reconnect for Non-Payment	\$4.00	\$4.00
Late Payment	Greater of \$5 or 1.5% applied to any past due unpaid balance of all accounts	Greater of \$5 or 1.5% applied to any past due unpaid balance of all accounts
Return Payment	\$25 if < or = \$50; \$30 if > \$50 < or = \$300; \$40 if > \$300 < or = \$800; 5% if > \$800	\$25 if < or = \$50; \$30 if > \$50 < or = \$300; \$40 if > \$300 < or = \$800; 5% if > \$800
Unauthorized Use of Energy	Reimbursement of all incremental expenses	Reimbursement of all incremental expenses
Meter Tampering Charge (non-demand)	\$500.00	\$500.00
Meter Tampering Charge (demand)	\$2,500.00	\$2,500.00
Temporary Service-Overhead Charge	\$626.89	\$640.05
Temporary Service-Underground Charge	\$501.71	\$512.25
Service Appointment for Customer Installations	N/A	\$471.91

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC. [No position.]

**FRF:** a. No position.  
b. Agree with OPC. [No position.]

**FEL:** As proposed by FPL, although reconnection of existing service fees should be eliminated for those that were disconnected for nonpayment.

**FAIR:** No position.

**SACE:** SACE adopts the position of FEL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 95:** **What are the appropriate base charges (Fallout Issue):**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** The appropriate base charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.



**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** FIPUG does not oppose FPL's proposed GSLD rate design, which applies an equal percentage increase to all of the charges.

**FRF:** Base charges should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** The customer charge for residential customers as proposed by FPL is appropriate, but no minimum bill should be approved.

**FAIR:** No position.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 96: What are the appropriate demand charges (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate demand charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** FIPUG does not oppose FPL's proposed GSLD rate design, which applies an equal percentage increase to all of the charges.

**FRF:** Demand charges should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** Tentative position: The demand charges to implement the decrease recommended by OPC, FAIR, and other parties representing customers' interests should probably be designed and allocated to rate classes in the same way that the rate increases allowed under the 2021 Settlement were designed and allocated to the rate classes in Docket No. 20210015-EI.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 97:** **What are the appropriate energy charges (Fallout Issue):**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** The appropriate energy charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** FIPUG does not oppose FPL's proposed GSLD rate design, which applies an equal percentage increase to all of the charges.

**FRF:** Energy charges should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** Tentative position: The energy charges to implement the decrease recommended in 2026 by OPC, FAIR, and other parties representing customers' interests should probably be designed and allocated to rate classes in the same way that the rate increases allowed under the 2021 Settlement were designed and allocated to the rate classes in Docket No. 20210015-EI.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 98:** What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Sheet Nos. 8.750-8.765) (Fallout Issue):

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** Standby and Supplemental Services rate schedule charges should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** Tentative position: The charges to implement the decrease recommended in 2026 by OPC, FAIR, and other parties representing customers' interests should probably be designed and allocated to rate classes in the same way that the rate increases allowed under the 2021 Settlement were designed and allocated to the rate classes in Docket No. 20210015-EI.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** Walmart adopts the position of FIPUG.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 99:** **What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Sheet Nos. 8.650-8.659) (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Whitley, Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** FIPUG does not oppose FPL's proposed CILC rate design. The CILC credit should increase to \$12.32 per kW, which is based on the increase of FPL's increase in production plant in service since the last FPL rate case. FPL recognizes that these CILC credits enable FPL to avoid installing additional, costly production plant/generating units. The increase in the credit is less than what is largely serving as FPL's best generating option at this point, solar energy assets supported by a battery energy storage system.

**FRF:** The CILC rate should incorporate a credit of \$9.63/kW-month, which is a 10% increase from the current credit of \$8.76/kW-month. (Georgis)

**FEL:** This is a fallout issue and should reflect the adjustments above, except for the credit built into the rate schedule, which should be reduced commensurate to the credit level adopted in issue 100.

**FAIR:** No position.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** Walmart adopts the position of FIPUG.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 100:** What is the appropriate credit and monthly administrative fee for the Commercial/Industrial Demand Reduction (CDR) Rider rate schedule (Sheet Nos. 8.680-8.685):

a. For the 2026 projected test year?

b. For the 2027 projected test year?

**FPL:** The appropriate monthly credit for the Commercial/ Industrial Demand Reduction (CDR) Rider rate schedule for the 2026 and 2027 projected test years is \$6.22/kW. (Whitley)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** FIPUG does not oppose the monthly administrative fee. The appropriate credit is \$12.32 per kW. The CDR credit should increase to \$12.32 per kW, which is based on the increase of FPL's increase in production plant in service since the last FPL rate case. FPL recognizes that these CILC credits enable FPL to avoid installing additional, costly production plant/generating units. The increase in the credit is less than what is largely serving as FPL's best generating option at this point, solar generating assets supported by battery energy storage system.

**FRF:** The CDR credit should be set at \$9.63/kW-month, which is a 10% increase from the current credit of \$8.76/kW-month. (Georgis)

**FEL:** \$0. There is very little evidence that this program helps the general body of ratepayers. However, at a minimum, FPL's proposed credits should be adopted.

**FAIR:** No position.

**SACE:** SACE adopts the position of FEL.

**WALMART:** Walmart recommends that the Commission reject the Company's proposal to reduce the CDR credit and instead, at a minimum, maintain the credit at its current level. (Perry Direct, p. 28, lines 3-8).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 101:** **What are the appropriate Lighting Service rate schedule charges (Fallout Issue):**

**a. For the 2026 projected test year?**

**b. For the 2027 projected test year?**

**FPL:** The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position.

**FEL:** This is a fallout issue and should reflect the adjustments above.

**FAIR:** No position.

**SACE:** SACE takes no position, except as this issue may be affected by SACE's positions above.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 102: What is the appropriate minimum monthly bill for Residential Service and General Service Non-Demand?**

**FPL:** The appropriate minimum monthly bill for Residential Service and General Service Non-Demand is \$30. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position with respect to Residential Service. General Service Non-Demand charges should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** The customer charge.

**FAIR:** Agree with FEL.

**SACE:** SACE takes the position that no minimum bill above and beyond the customer charge should be imposed on Residential Service and General Service Non-Demand customers.

**WALMART:** W No position.

**AWI:** No position.

**STAFF:** No position at this time.



**ISSUE 103:** Should the Commission approve the proposed tariff modifications for temporarily relocating facilities to accommodate existing customers' electrical installations and the associated disconnection and reconnection of service to enable such installations (Tariff Sheet No. 6.031, Section 4.7 and Tariff Sheet No. 6.040, Section 5.3)?

**FPL:** Yes. The Commission should approve the proposed tariff modifications for temporarily relocating facilities to accommodate existing customers' electrical installations and the associated disconnection and reconnection of service to enable such installations. (De Varona, Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position.

**FEL:** No. It remains FPL's burden to prove at hearing that the Commission should approve the proposed tariff modifications.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 104:** Should the Commission approve, deny, or approve with modifications the proposed modification to the Contribution-in-Aid-of-Construction (CIAC) tariff (Sheet No. 6.199)?

- a. Should the modifications apply only to nongovernmental Applicants?
- b. What interest rate, if any, should FPL be required to pay on a refundable CIAC?

**FPL:** The Commission should approve, as proposed by FPL, the modification to the Contribution-in-Aid-of-Construction (CIAC) tariff (Sheet No. 6.199). (Cohen, De Varona)

- a. Yes. The proposed CIAC tariff modification is applicable only to non-governmental applicants given the complexities and limitations that governmental entities may have with funding CIAC obligations. Additionally, governmental entities carry less financial risk to FPL's general body of customers by virtue of having a taxpayer base to support their financing needs. (Cohen, De Varona)
- b. FPL will provide the customer with interest along with the monthly refunds for the amount that is equal to the total estimated work order job cost less the required CIAC amount. The interest will be based on the current balance of the customers' refund at the annual rate of 3%, which is consistent with the non-residential customer deposit rate defined in Rule 25-6.097, Customer Deposits. Interest would be paid monthly as a bill credit starting with the in-service date of the new or upgraded facilities for a period not to exceed five years, which is consistent with FPL's proposed refund period for monthly base energy and demand charges. (Cohen, De Varona)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The Commission should deny FPL's proposed modifications to the CIAC tariff because FPL has not demonstrated any specific instance or increased risk of cost-

shifting among its existing customer base, which includes customers with loads of up to 50 MW. Further, 15 MW is too low of a threshold, and it does not address the crux of the problem that FPL may be required to make significant investments to serve prospective customers with very large (50 MW and higher) loads. Finally, FPL has not demonstrated any connection between the 15 MW and the \$25 million spend.

a. No, the modifications should apply to all FPL customers, including governmental entities, quasi-governmental entities, public-private partnerships, and future space facilities or magnetic testing facilities that may be forthcoming, etc. Applying the modifications to all customers avoid undue discrimination and arguments about qualifying as a governmental entity.

b. As the new policy would shift all of the cost recovery risk to the customer, the customer should be compensated at no less than FPL's weighted average cost of capital.

**FRF:** Agree with FIPUG.

**FEL:** The Commission should approve FPL's CIAC tariff modifications.

**FAIR:** No position.

**SACE:** SACE adopts the position of FPL.

**WALMART:** Walmart adopts the position of FIPUG (Pollock, p. 18, lines 5-8; p. 62, lines 1-5).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 105:** Should the Commission approve, deny, or approve with modifications the proposed new Large Load Contract Service tariffs, LLCS-1 and LLCS-2 (Sheet Nos. 8.950-8.956) and LLCS Service Agreement (Sheet Nos. 9.960-9.983) and associated terms and conditions (e.g., minimum MW demand and load factor, contract term, minimum demand charge payments, credit support, early termination fees)?

**FPL:** The Commission should approve the proposed new Large Load Contract Service ("LLCS") tariffs, LLCS-1 and LLCS-2, as revised per Exhibit TCC-9, and the LLCS Service Agreement and associated terms and conditions, for customers with new or incremental demand of 50 MW or more and a load factor of 85% or higher. In order to serve customers of this magnitude, FPL will need to make significant investments in new generation and transmission capacity that is not

needed to serve the existing general body of customers. (Whitley, Cohen, De Varona)

**OPC:** No.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** Generally, the Company's proposal to implement the rates now is reasonable, however, pricing terms of the rates, and the impact of the Company's cost to provide in-service to visiting customers should be investigated at the time it starts to serve new customers in future periods.

The Company's proposed minimum term contract of 20 years is reasonable; however, the Commission should impose a five-year termination notice on this agreement, rather than the two-year termination notice proposed by the Company.

The Commission should allow all interested parties to review and comment on "incremental cost" used to price load under these rates schedule if and when new large customer loads are added to the Company system.

**FEIA:** As explained in detail in FEIA's Statement of Basic Position, FPL's proposed LLCS Tariffs, LLCS-1 and LLCS-2, subject large data center customers to excessive rates and overly burdensome and discriminatory contractual terms. In addition to being inconsistent with fundamental cost-causation principles, if approved in its current form, the LLCS Tariffs would significantly threaten Florida's ability to attract and retain data center investment. Thus, the Commission should only approve the proposed new LLCS Tariffs with the following modifications:

**Set the All-In LLCS Rate, Including the IGC, at a Level Comparable to FPL's Proposed GSLD-3 Rate:** The primary factor contributing to the excessive LLCS rate is FPL's introduction of a new rate element, the IGC, which is supposed to cover the cost of new battery storage buildout that would be required to satisfy the new LLCS load. FPL uses a revenue requirements model to justify the IGC that has two basic flaws. First, it takes the highest annual revenue requirement to serve expected LLCS load (the "peak" year) over a 20-year period and assumes that same revenue requirement for every year over the 20-year term even though revenue requirements are significantly lower in other years. This "peak year"

approach results in recovery of revenue through the IGC that exceeds what would be produced under a levelized or time-weighted average, and thus overstates the revenue requirement relative to FPL's actual long-term costs.

Second, FPL's revenue requirements model is based on installing 6.1 gigawatts (GW) of battery capacity to serve 3 GW of projected LLCS load. Basing its revenue requirements on a 2:1 battery-to-load ratio effectively doubles the infrastructure assumed necessary to serve the data center load and inflates the capital cost basis used in the IGC calculations. This overspecification leads to significantly higher revenue requirement when compared to a more appropriately sized system.

After correcting the "peak year" and "overspecification" modelling flaws, FPL's own revenue requirements model shows that the IGC should be lowered from \$28.07/kW/month to \$10.20/kW/month, which would bring the all-in LLCS-1 rate down from 10.16 cents/kWh to approximately 7.28 cents/kWh, which is in line with the electric rates in major data center markets in competitor states. In other words, FPL's revenue requirements model, after adjustment to address the deficiencies described above, demonstrates that FPL can serve data centers at rates which are competitive with other states without burdening, or requiring subsidies from, the general body of ratepayers.

In the rebuttal testimony of FPL witness Cohen, FPL has attempted to address some but not all of FEIA's concerns with respect to rates and charges. For example, FPL proposes to lower the IGC from \$28.07/kW/month to \$12.07/kW/month. However, FPL simultaneously proposes to effectively double the demand charge for an LLCS customer from \$7.01/kW to \$14.08/kW, which continues to causes the rate to be overstated. FPL witness Cohen also proposes to reduce the minimum take-or-pay requirements for LLCS customers from 90% of contracted load to 70%. FPL's proposals to reduce the IGC and lower the minimum take-or-pay requirements better align with cost of service and are constructive steps in the right direction. However, these adjustments only address parts of a broader proposed rate structure. The LLCS rate is still higher than the rates paid by other similarly situated customers and would impose disproportionate costs on low-risk, high-volume data center customers. To ensure that the LLCS rates are fair, cost-based, and non-discriminatory, the all-in LLCS rate should be set at a level comparable to FPL's proposed GSLD-3 rate, reflecting data centers' low cost-to-serve, high load factor, and credit strength.

**Eliminate the Redundant IGC Performance Security for Creditworthy Customers:** The requirement that LLCS customers post

upfront security amounting to 100% of expected IGC revenues over a 20-year contract is excessive and results in over-collateralization that is not commercially viable. Thus, the redundant IGC collateral requirement should be eliminated for customers who meet FPL's stated creditworthiness requirements. If the customer executing the LLCS Service Agreement does not meet FPL's creditworthiness standards, then the IGC Performance Security should be set at an amount reflecting FPL's actual generation costs, not total IGC revenues.

**Reduce the Minimum 20-Year Contract Term to 12 Years:** The proposed minimum 20-year LLCS Service Agreement term is unreasonably long as compared with industry standards and accepted market practice. The minimum contract term should be reduced from 20 years to a base of 12 years with two optional 5-year extensions at the customer's discretion. This would provide FPL with planning certainty while preserving customer flexibility.

**Engineering Acceptance Period:** Requiring LLCS customers to complete execution of the LLCS Service Agreement and other relevant FPL contracts within six months of accepting FPL's formal engineering study is neither practical nor commercially viable. The development of a data center involves the negotiation of numerous, complex, multi-billion dollar contracts which simply cannot be completed within such a compressed time period. The LLCS Service Agreement and other relevant FPL contracts should be executed within 18 months from acceptance of FPL's formal engineering study.

Without the above modifications, the LLCS Tariff would result in excessive rates and overly burdensome contractual terms that are contrary to industry norms and will stifle Florida's ability to attract data center investment, barring the state from achieving the significant economic benefits that data centers generate.

**FIPUG:** The Commission should modify the LLCS-1 tariff using a cost-based GSLD-3 rate design coupled with more stringent terms and conditions (e.g., longer contract term, minimum monthly demand charge payments, early termination fees, and posting and maintaining reasonable credit support) proposed for LLCS customers. This would mitigate the impact on FPL's existing customers over the long term. As FPL is not projecting to serve more than 3 GW, reduced to 1 GW in FPL rebuttal testimony, of new very large loads, LLCS-2 should not be approved at this time.

The Commission should order FPL to file for a limited rate case proceeding when it has more certainty that new customers of 50 MW or more have contractually committed to taking electrical service from FPL. Further, existing large load customers of FPL should not be adversely affected by the new LLCS tariffs,

which FPL has changed materially during this proceeding in its rebuttal testimony, and may very well change further during or after this rate case. “Grandfathering” a term which generally means not applying new conditions to existing customers. Its use is an accepted mechanism to hold harmless potentially adversely affected parties who are existing and creditworthy FPL customers. Thus, the Commission should “grandfather” FPL’s existing large load customers and not apply the new LLCS tariffs to existing customers who may subsequently fall within the parameters of the new LLCS tariff.

**FRF:** No position.

**FEL:** The Commission should approve FPL’s proposed new Large Load Contract Service tariffs as originally proposed—not as amended on rebuttal. FPL’s rebuttal amendments weaken protections for FPL’s existing body of customers and should be rejected.

**FAIR:** The Commission should not approve the LLCS tariffs as filed. FAIR will endeavor to take a substantive position on any modifications based on all evidence adduced at hearing.

**SACE:** SACE adopts the position of FEL.

**WALMART:** Walmart recommends that Rates LLCS-1 and LLCS-2 be applied only to those types of customers to whom the Company intends them to apply, and not to traditional C&I customers, and Walmart recommends increasing the eligibility threshold from 25 MW to 75 MW. (Perry Direct, p. 32, lines 16-22).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 106:** **Should the LLCS tariffs contain an Incremental Generation Charge? If yes, how should the Incremental Generation Charges for the LLCS-1 and LLCS-2 tariffs be derived and how often should they be updated?**

**FPL:** Yes. The Commission should approve Incremental Generation Charge (“IGC”) contained in the LLCS tariffs. The stated rate for the IGC under the LLCS-1 tariff should be approved as filed in Exhibit TCC-9. The formula for the IGC under the LLCS-2 tariff should be approved as filed in Exhibit TCC-9. In order to serve a customer with load of 50 MW or more and a load factor of 85 percent or more, FPL will need to make significant investments in new incremental generation capacity that, but for the customer’s request for service, would not otherwise be incurred or needed to serve the general body of customers. The IGC is cost-based and designed to recover the incremental costs from the cost causer to ensure that

the general body of customers are not subsidizing these incremental generation costs. This \$/kW charge should be reset in subsequent rate proceedings based on the actual type, characteristics, costs, size, location, and in-service date of the generation assets installed to serve the LLCs customer's load. (Whitley, Cohen)

**OPC:** No.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** FEIA agrees that the rates under the proposed LLCs-1 and LLCs-2 Tariffs can properly contain an Incremental Generation Charge ("IGC") provided that it is derived from accurate modeling of FPL's cost to serve data centers, which as shown in the testimony of FEIA Witnesses Ahmed and Loomis results in an IGC in the amount of \$10.20/kW/month. Once established, the IGC should be implemented, reviewed and, if needed, updated on a non-discriminatory basis in future rate cases consistent with the Commission's long-standing practice of gradualism, and taking into account system benefits from large load customers with high load factors.

**FIPUG:** No. Incremental pricing is contrary to long-standing ratemaking practices for full-service customers and is unduly discriminatory.

**FRF:** No position.

**FEL:** Yes, the Incremental Generation Charge should be derived as originally proposed by FPL, based on 6.1 GW of battery electric storage for every 3 GW of data center load to be revisited at the next rate case.

**FAIR:** No position at this time as to whether the LLCs tariffs should include an Incremental Generation Charge. If the tariffs are to include an Incremental Generation Charge, FAIR will endeavor to take substantive positions on the derivation and timing of updates to such Charges.

**SACE:** SACE takes no position.

**WALMART:** Walmart adopts the position of FIPUG.



**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 107:** ***EXCLUDED***

**ISSUE 108:** ***EXCLUDED***

**ISSUE 109:** ***EXCLUDED***

**ISSUE 110:** **Should the Commission approve, deny, or approve with modifications the proposed new Residential Electric Vehicle Charging Service Rider, RS-2EV (Sheet No. 8.215) and associated service agreement (Sheet Nos. 9.846-9.848) and close the existing Residential Electric Vehicle Charging Service pilot program, RS-1EV (Sheet No. 8.213) to new customers?**

**FPL:** Yes. The Commission should approve the proposed new Residential Electric Vehicle Charging Service Rider, RS-2EV (Sheet No. 8.215) and associated service agreement (Sheet Nos. 9.846-9.848) and close the existing Residential Electric Vehicle Charging Service pilot program, RS-1EV (Sheet No. 8.213) to new customers as filed in MFR E-14 as of end of 2025, as well as approve the update to the current RS-1EV EV Home pricing for existing customers through 2029. (Oliver, Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** The Commission should not approve the proposed new program and should close the existing program. The third party marketplace provides many options for acquiring EV home charging equipment. Like with stoves, water heaters, and other home electric appliances, FPL's regulated monopoly electric service does not need to be in a competitive business that is more than adequately being served by the marketplace. If FPL wants to be in this business, it should be done outside of its regulated utility without any subsidization by monopoly electric customers. The proposed funding for this should be utilized to establish a make ready program for third party electric vehicle charging stations that would be similar to that which the Commission approved last year for Duke Energy Florida.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC. [No position.]

**FRF:** No position.

**FEL:** Commission should approve with modifications to ensure that there are no subsidies in the initial years from the general body of ratepayers.

**FAIR:** No position.

**SACE:** Generally, SACE supports utility measures that expand EV infrastructure and make available resources to EV owners for convenient charging, and supports the Residential Electric Vehicle Charging Service Rider to the extent that subsidization by the general body of ratepayers is minimized, and to the extent that FPL refrains from developing proprietary chargers and software, and instead draws from existing markets for these resources.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 111:** Should the Commission approve, deny, or approve with modifications FPL's proposal to make the following riders or pilot programs permanent: Supplemental Power Services (Sheet No. 8.845), Solar Power Facilities (Sheet Nos. 8.939-8.940), Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943), Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106), Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), and Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936)?

**FPL:** The Commission should approve FPL's proposal to make the following riders or pilot programs permanent: Supplemental Power Services (Sheet No. 8.845), Solar Power Facilities (Sheet Nos. 8.939-8.940), Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943), Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106), Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), and Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936). (Oliver, Cohen)

**OPC:** No position.

## **FUEL**

**RETAILERS:** No Position on Supplemental Power Services (Sheet No. 8.845) and Solar Power Facilities (Sheet Nos. 8.939-8.940). With respect to Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943), this program should be terminated and certainly not expanded as the private sector is better positioned to meet the needs of this market; monopoly ratepayers should not subsidize this service. The proposed funding for this should be utilized to establish a make ready program for third party electric vehicle charging stations that would be similar to that which the Commission approved last year for Duke Energy Florida. For the Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106) and Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), these programs should be made permanent and at rates that support the continued deployment of private sector funding of public EV charging infrastructure. The Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936) should not be made permanent and should be terminated since it violates section 366.094 and because the private sector is better equipped to meet the needs of the traveling public through the well-established vehicle fueling stations that exists across this state. If the FPL public charging is allowed to be continued, the requested kWh rate increase from \$0.30 to \$0.35 should be rejected and a true market rate should be set, at least at \$0.50 per kWh.

## **ELECTRIFY**

**AMERICA:** Electrify America takes no position at this time on the Supplemental Power Services (Sheet No. 8.845), the Solar Power Facilities (Sheet Nos. 8.939-8.940), or the Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943). With respect to the Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106), the Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), and the Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936), the Commission should approve FPL's proposal with the following modifications:

Regarding the Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106) and the Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), the Commission should only approve such riders if FPL modifies the language in the Demand sections in both Sheet No. 8.106 and Sheet No. 8.311 to increase the number of hours used to calculate the billed demand for each rider from 75 to 150 hours per month. Electrify America's Direct Testimony of Jigar J. Shah at 4, line 6 through 5, line 9.

With respect to the Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936), Commission should not approve any pricing below \$0.50/kWh for customers charging their electric vehicles at FPL-owned fast charging stations.

Electrify America’s Direct Testimony of Jigar J. Shah at 12, line 18 through p. 13, line 9.

**EVGO:** The Commission should reject FPL’s proposal to increase the Utility-owned Public Charging Electric Vehicles price from \$0.30 per kWh to \$0.35 per kWh, and instead require an increase to \$0.50 per kWh at minimum.

The Commission should reject FPL’s proposal to expand the CEVCS program beyond fleet vehicles, and should not make the CEVCS pilot permanent as proposed. Instead, the Commission should modify the CEVCS pilot to require FPL to offer commercial customers a complementary “make-ready” program with an annual budget of at least \$5 million. This program would provide incentives of at least \$50,000 per stall for DCFC at publicly-accessible locations, consistent with the testimony of EVgo witness Beaton and following the steps of other utilities in implementing make-ready programs, including Duke Energy Florida. The Commission may fund the program by diverting funding from the Company’s other proposals, such as the utility-owned infrastructure expenditures in the CEVCS proposal and the proposed EV Technology and Software funding. In the alternative, if the Commission declines to include a make-ready program in the CEVCS pilot, it should not approve making the CEVCS program permanent, nor expanding the program beyond fleet vehicles, as FPL requested.

The Commission should make the GSD-1EV and GSLD-1EV pilots permanent with the modifications identified in EVgo’s testimony of R. Thomas Beach.

EVgo takes no position as to the Supplemental Power Services or the Solar Power Facilities pilots.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC. [No position.]

**FRF:** No position.

**FEL:** Approve with modifications. Generally, FPL should not be allowed to rate base electric vehicle chargers or rooftop solar (there is a competitive market), and rates for all electric vehicle charging should ensure that there are no subsidies from the general body of ratepayers.

**FAIR:** No position.

**SACE:** SACE supports the continuation of each of these programs, and with respect to the demand limiter tariffs and the utility owned EV charging station tariff, SACE is in general alignment with the position of Electrify America.

Additionally, SACE supports FPL in deploying and owning EV infrastructure to enhance EV charging accessibility, which in turn promotes personal EV ownership and fleet EV adoption. However, the kWh rates FPL charges customers for using company-owned chargers must not undercut those of the private sector or provide FPL a market advantage. Doing so will undermine the private sector and discourage investment, which runs counter to the stated intent of FPL's charging station and demand limiter tariffs.

SACE is deferential to EVgo and Electrify America with respect to the tariff details, as those entities represent the private sector companies the tariffs are aimed to support, and are best positioned to determine what does or does not constitute a fair market rate. SACE recognizes that Electrify America and EVgo have raised substantive issues with FPL's proposed demand limiter tariffs and proposed Public Charging EV tariffs and therefore adopts the positions of Electrify America with respect to those tariffs.

SACE also supports, generally, the concept of a "make ready" program, which if adopted should include the following features:

- It should be simple for customers to understand and access;
- It should significantly reduce the customer's charger installation costs and risks to incentivize investments;
- It should be clear as to what costs are borne by the utility (e.g. behind the meter), and which costs belong to the customer; and
- It should be variable based on whether utility upgrades are needed, the type of charger installed (Level 2 vs. DCFC), the use case (public, workplace, residential), and the revenue the utility expects to generate from the charger over its 7-year lifespan.

Notwithstanding FPL's assertions, a make-ready program can be designed to minimize any risk that customers bear the cost of stranded assets, as Duke Energy has done with its Charger Prep program.

**WALMART:** Walmart recommends that the Commission approve FPL's proposal to create permanent GSD-1EV and GSLD-1EV rates, but modify the rates as follows:

- (1) GSD-1EV and GSLD-1EV should be modified from FPL's proposed structure to be two-part rates, with a base charge equivalent to the GSD-1 or GSLD-1

base charge, respectively, and the remaining revenue requirement recovered through the energy charge;

- (2) The revenue requirements for GSD-1 EV and GSLD-1 EV should be set by applying a multiplier to the base rate revenue per kWh for GSD-1 and GSLD-1, respectively, and then multiplying the resulting base rate revenue per kWh by the forecast kWh for each of GSD-1 EV and GSLD-1 EV. Per FPL's proposed rates in this Docket, the multiplier would be 1.77 for GSD-1EV and 1.84 for GSLD-1EV;
- (3) For the purposes of this Docket, Walmart proposes that GSD-1 EV continue to be applicable to loads from 25 kW to 499 kW, and that GSLD-1 EV be uncapped so that loads of 2,000 kW or greater can take service on the schedule; and
- (4) The Commission should require FPL to implement a percentage rate change for the 2027 UEV energy charge equivalent to the percentage change applicable to GSLD-1EV per the Commission's order in this Docket. (Direct Testimony of Steve W. Chriss ("Chriss Direct"), p. 5, line 9 to p. 6, line 6).

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 112: Should FPL's proposal regarding investing in EV technology and software be approved, approved with modifications, or rejected?**

**FPL:** Yes. The Commission should approve FPL's continuing efforts to invest in EV technology and software. This investment will provide benefits to all FPL customers by ensuring the Company best understands the impact of EV loads on the grid through utilizing vehicle telematics, enhancing the FPL EVolution app, and exploring the benefits of enhanced security and reliability to the charging network. (Oliver)

**OPC:** The Commission should reject this proposal to the extent that it requires subsidization by the general body of ratepayers.

**FUEL**

**RETAILERS:** No. FPL does not need to be wasting monopoly ratepayer money to educate itself on services and technology that the public sector is better positioned to serve and that it does not need to be in. If FPL wants to learn more about this industry, it can do so at stockholder expense, not ratepayers. To better help the deployment of EV charging, the proposed \$5 million here should be utilized to establish a make ready program for

third party electric vehicle charging stations that would be similar to that which the Commission approved last year for Duke Energy Florida.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** FPL's proposal to spend \$5 million of ratepayer funds on EV technology and software may be better allocated to fund a "make-ready" component of the CEVCS pilot. FPL should be required to use funds from its company-owned EV charging customers to cover the EV technology and software expenditure.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** Rejected. There is a competitive market for EV technology.

**FAIR:** No position.

**SACE:** FPLs investments, if any, in EV technology and software should be supportive of the existing market for such resources, and should not undercut current and emerging market participants by sequestering its captive body of customers from that marketplace.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 113:** Should the Commission approve the proposed cancellation of the following tariffs currently closed to new customers? Curtailable Service (CS-3, CST-3) (Sheet Nos. 8.542-8.548); Existing Facility Economic Development Rider (Sheet No. 8.900); Business Incentive Rider (Sheet Nos. 8.901-8.904)?

**FPL:** Yes. The Commission should approve the cancellation of the following tariffs currently closed to new customers: Curtailable Service (CS-3, CST-3) (Sheet Nos. 8.542-8.548); Existing Facility Economic Development Rider (Sheet No. 8.900); Business Incentive Rider (Sheet Nos. 8.901-8.904) as there are no customers on any of these rate schedules. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position.

**FEL:** Yes.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 114:** Should the Commission approve the proposal to close the Street Lighting (SL-1), Outdoor Service (OS-I/II), Outdoor Lighting (OL-1) to new customers and to cancel the tariffs by December 31, 2029?

**FPL:** Yes. The Commission should approve the proposal to close the Street Lighting (SL-1), Outdoor Service (OS-I/II), Outdoor Lighting (OL-1) to new customers and to cancel the tariffs by December 31, 2029. (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.



**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position.

**FEL:** No position.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 115:** Should the Commission approve the proposed modifications to the Economic Development Rider (Sheet Nos. 8.800-8.801) and Large Economic Development Rider (Sheet Nos. 8.802-8.802.1)?

**FPL:** Yes, the Commission should approve the proposed modifications to the Economic Development Rider (Sheet Nos. 8.800-8.801) and Large Economic Development Rider (Sheet Nos. 8.802-8.802.1). (Cohen)

**OPC:** No position.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** No position.

**FEL:** No.

**FAIR:** No position.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 116:** Should the Commission approve tariffs reflecting Commission-approved rates and charges:  
a. For the 2026 projected test year?  
b. For the 2027 projected test year?

**FPL:** Yes. The Commission should approve tariffs reflecting the Commission's approved rates and charges effective January 1, 2026 and January 1, 2027. (Cohen)

**OPC:** At this point, FPL has not proven the reasonableness and prudence of the proposed tariffs, nor has the Commission approved any changes in rates or charges. Changes to the tariffs may be required based on evidence adduced at hearing.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** Not without modifying the LLCs Tariffs as described by FEIA in its Statement of Basic Position and in its position on Issue No. 105.

**FIPUG:** No position.

**FRF:** Agree with OPC with respect to revenue requirement. Rates and charges reflected in tariffs should be set consistent with the cost and revenue allocation principles outlined in FRF witness Tony Georgis' testimony in this proceeding. (Georgis)

**FEL:** Yes, the Commission should approve tariffs reflecting Commission-approved rates and charges.

**FAIR:** Yes.

**SACE:** Yes.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 117:** **What are the effective dates of the Commission-approved rates and charges:**  
**a. For the 2026 projected test year?**  
**b. For the 2027 projected test year?**

**FPL:** The effective dates for FPL's proposed rates and charges are as follows:

- Projected Test Year: January 1, 2026
- Projected Test Year: January 1, 2027
- 2028 and 2029 SoBRA: concurrent with the in-service date of the projects

(Laney, Cohen)

**OPC:** a. No change in rates and charges is appropriate for 2026.

b. The effective dates for FPL's proposed rates and charges as adjusted by OPC's recommendations should be after January 1, 2027.

**FUEL**

**RETAILERS:** a. January 1, 2026.

b. January 1, 2027.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** No position.

**FEL:** a. For 2026, the effective date should be the first day of the first billing cycle of January 2026.

b. For 2027, if the Commission rejects FEL's position that the 2027 test year should be rejected, the effective date should be the first day of the first billing cycle of January 2027.

**FAIR:** a. If any changes are approved for 2026, the effective date should be the first day of the first billing cycle of January 2026.

b. If any changes are approved for 2027, the effective date should be the first day of the first billing cycle of January 2027.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**OTHER ISSUES**

**ISSUE 118:** Should the Commission approve, deny, or approve with modification FPL's requested Tax Adjustment Mechanism (TAM)? If the Commission approves the TAM with modifications, what modifications should be made?

**FPL:** The Commission should approve, without modification, FPL's requested TAM. The TAM is an essential element of the proposed four-year rate plan. Similar non-cash mechanisms have been used effectively by FPL for many years. The TAM enables FPL to avoid filing for additional rate increases to be effective in

2028 and 2029, thereby allowing customers to avoid general rate increases in those years and allowing FPL to focus on finding ways to improve its efficiency and the value it provides to customers. (Bores, Laney)

**OPC:** No. Taxes are collected in rates to meet the actual and legitimate tax obligation of the Federal and State government on the utilities' properties. Deferred Tax Liabilities ("DTL") are created due to a timing difference from certain tax preference grant by Congress and administered by the Internal Revenue Service ("IRS") in the amortization between the tax expense and the amount of income taxes on utilities books. The government allows for accelerated depreciation rates in earlier year lowering current utility taxes, yet the current utility rates are based on the longer Commission approved (straight line remaining life) depreciation rates and the associated higher income tax impact. In other words, the higher taxes collected create the DTL which are recorded on the utilities books and are recognized for ratemaking as a source of cost-free capital in Florida. The "protected" DTL associated with plant are required to be amortized over the life of the asset. The "unprotected" DTL, non-plant related, have no such IRS restriction. The Tax Adjustment Mechanism ("TAM") proposes to use the unprotected DTL funds by accelerated amortization for the sole purpose of increasing earning via Regulatory Asset and Liability accounts.

Section 366.05, Florida Statutes, states that "the Commission shall have the power to prescribe fair and reasonable rates and charges." Section 366.06(1) and (2), Florida Statutes, provides that after the Commission had investigated and determined "the actual legitimate costs of the property of each utility company, actually used and useful in the public service" only the net investment in such property used and useful in serving the public, less accrued depreciation, shall be used for ratemaking purposes. Rule 25-14.013, F.A.C., Accounting for Deferred Income Taxes Under SFAS 109 (now ASC 740), states that accounting for Income Taxes shall be implemented by each utility in a manner such that the balances of excess and deficient deferred income taxes are properly stated and that the application of SFAS 109 is revenue neutral in the ratemaking process. The Commission uses the mid-point of a range for ROE to set fair, just, and reasonable rates. Since FPL will use the TAM to earn at the top end of the range, like the actual implementation of prior RSAMs, authorizing a TAM will result in rates that yield excessive compensation of approximately \$503 million in 2026 and \$541 million in 2027. This excess compensation is unnecessary to attract needed capital or maintain financial viability and only benefits FPL shareholders.

Since accelerating amortization of normal (not excess) DTLs with unusual accounting is unprecedented, constitutes double cost recovery, and contradicts the matching principle, the Commission should address the propriety of such a monumental shift in regulatory accounting in a generic docket.

If the TAM is approved, then the ROE should be further reduced by 50 basis points to reflect the lower risk provided to FPL by the TAM's virtual guarantee of achieve a reasonable rate of return. Further, the use of the TAM, if approved, should be limited to 2028 and 2029, if needed at all. Since the TAM is funded by the income taxes paid by ratepayers, they should be the primary beneficiaries. Additionally, if the TAM is approved over OPC's objection, the Commission should annually amortize \$200 million (for a total of \$800 million for four years) of the proposed TAM amount of \$1.717 billion to offset the revenue requirements in 2026 and 2027. The Commission should also limit the use of the balance remaining in 2028 and 2029 (approximately \$917 million), to no greater than the point halfway between the bottom of the ROE range and the midpoint ROE. Also, FPL should not be permitted to credit back to the DTL balance and should only be permitted to debit entries, with corresponding credits to income tax expense. (Devlin)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The TAM should not be approved as proposed. Should the TAM be approved it should only be used to increase FPL's earned rate of return to no more than the midpoint of its authorized ROE band.

**FRF:** The Commission should deny the TAM as not in the public interest. The TAM vehicle is only warranted, if at all, in the context of a four year base rate commitment by FPL, which it has not made. Additionally, the near term uncertainty in FPL's revenue and sales as well as resource needs calls into question the wisdom of approving a four year plan not supported by the parties. Thus, if the Commission does approve the TAM, it should direct that the TAM expire at the end of the proposed term of the rate plan (i.e., year-end 2027). (Georgis)

**FEL:** Deny. The TAM is simply a mechanism to take customer money and instead of returning it to customers, use it to essentially guarantee that FPL will earn at the top of its range for the four-year period by providing a fund that FPL can deposit surplus cash (i.e., dollars) earnings into when it is overearning, and then use it as an accounting mechanism to draw down from when it is below the top of its range

to earn at the top of its range. This is, by FPL's own admission, an attempt to replicate the functions of the RSAM into the future. No other utility in the nation uses accounting mechanisms in this fashion, and FPL should not be the exception. These mechanisms have not provided value to customers, who see their bills continue to increase. Although FPL says it is for use in 2028-2029, as proposed by FPL, FPL can immediately start using it at the beginning of 2026, and if the Commission does not give FPL 100% of its ask (for example, awarding an ROE of 11.89%, but 100% of everything else FPL has asked for), FPL could come back in 2027 for an additional rate increase to take effect in 2028, without breaking its assurances and have been using the TAM to earn at 12.89% the entire time.

**FAIR:** The Commission should deny FPL's proposed Tax Adjustment Mechanism (TAM).

**SACE:** SACE adopts the position of FEL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 119:** *EXCLUDED*

**ISSUE 120:** *EXCLUDED*

**ISSUE 121:** **Should the Commission approve, deny, or approve with modification FPL's requested Solar Base Rate Adjustment mechanisms in 2028 and 2029? If the Commission approves the Solar Rate base Adjustment mechanisms in 2028 and 2029 with modifications, what modifications should be made?**

**FPL:** Yes. Approval of the SoBRA mechanism will permit FPL to petition to adjust base rates to recover the cost of new cost-effective solar and battery storage facilities that enter commercial operation in 2028 and 2029. The SoBRA process is transparent, requires FPL to demonstrate a resource or economic need for the facilities, and will be based on updated analyses. The SoBRA mechanism is a core element of FPL's four-year rate plan and should be approved as set forth in SRB-7. (Bores, Laney)

**OPC:** No. The Commission should decline to employ any rate mechanisms beyond the 2027 forecasted test year. As that Commission noted as one reaches farther into

the future, predictions and projections of future economic conditions become less certain and more subject to the vagaries of changing variables. See, PSC-10-0153-FOF-EI at page 10. In addition, the Commission has expressed concerns that a SoBRA type mechanism does not afford them the level of economic oversight as can be done in a traditional rate case proceeding. Id. Any potential benefits of a SoBRA mechanism do not outweigh the risks to customers. Additionally, as argued in Issue 3, the decision to approve a SoBRA mechanism is premature and not ripe for the Commission's review. The Commission should not limit its scope of review in advance of a potential future company request. In 2028 or 2029, the Company can file a rate case or a limited proceeding if economic conditions, if necessary. As OPC Witness Schultz testified, the Company's 2028 and 2029 SoBRA mechanism requests are dependent on the IRA of 2022 provisions for PTCs and ITCs in future years. The Company has acknowledged in the discovery process that while preparing the current filing, no consideration was given to the possibility of the current administration and Congress cancelling the solar production tax credits available under current law. Since the filing of Mr. Schultz's testimony, whether FPL will still qualify for all of the production tax credits has become much more uncertain. Thus, FPL has not provided justification for the Commission's pre-approval of its 2028 and 2029 SoBRA mechanism requests, especially in light of recent tax law developments. (Schultz)

**FUEL****RETAILERS:** No position.**ELECTRIFY****AMERICA:** No position.**EVGO:** No position.**FEA:** No position.**FEIA:** No position.**FIPUG:** In light of the known changes in tax laws phasing out the clean energy tax credits for certain renewable resources, it is premature to approve FPL's Solar Base Rate Adjustment mechanisms in 2028 and 2029. No action should be taken at this time, but a limited proceeding may be pursued.**FRF:** The Commission should deny FPL's requested Solar Base Rate Adjustment mechanisms in 2028 and 2029. FPL's existing solar PV investments have created a resource planning and operational issue due to the intermittent nature of solar PV generation that is not dispatchable and cannot be counted on to meet system peak demands. FPL has not demonstrated that it is just and reasonable or in the public interest to approve additional solar PV generation recovery. (Georgis)



**FEL:** Deny.

**FAIR:** The Commission should deny FPL's requested Solar Base Rate Adjustment mechanisms for both 2028 and 2029.

**SACE:** SACE generally supports, in concept, the use of Solar Base Rate Adjustment mechanisms. The Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes its SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 122:** *EXCLUDED*

**ISSUE 123:** **Should the Commission approve, deny, or approve with modifications FPL's proposed Storm Cost Recovery mechanism? If approved or modified, should FPL's requested storm surcharge cap increase from \$4 to \$5 be approved?**

**FPL:** Yes. The Commission should approve, without modification, FPL's proposed Storm Cost Recovery mechanism as set forth in Exhibit SRB-5. FPL's requested storm surcharge cap increase from \$4 to \$5 should be approved. FPL proposes to continue to have access to the storm cost recovery framework prescribed by previous Rate Settlements since 2010. (Bores)

**OPC:** No. The storm cost recovery mechanism as proposed by FPL should not be approved. FPL proposes to continue the Storm Cost Recovery Mechanism (SCRM) to allow them to begin collecting a charge based on an amount up to \$5 per 1,000 KWh on a monthly residential bill for a named tropical storm beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed \$5.00/1,000 KWh in any one year, the Company can ask the Commission to allow to defer to subsequent year or years or petition for a higher amount including replenishing the reserve. They also ask to increase their storm reserve to \$300 million. Finally, FPL asks that any storm proceeding not allow for any type of earnings test or measure or consider previous or current base rate earnings.

Under Section 366.06, Florida Statutes, a tariff for recovery of storm costs can go into effect within 60 days if consent is not withheld by the Commission subject to refund and a full Section 120.57 evidentiary hearing on the tariff. Thus, a SCRM is unnecessary.

Unlike the SCRM in the Settlement between the parties, where the parties would agree not to object to a tariff filing up to \$5 per 1,000 KWh for named storms on an interim basis subject to a full evidential hearing on the cost, FPL's proposal in testimony falls short. First, as written, it asks the Commission to preapprove storm costs up to \$5 per 1,000 KWh. Sections 366.06 and 366.07, F.S., provides for rate changes only "after public hearing" where the Commission has investigated and determine "the actual legitimate costs..." finds that rates are insufficient that then the Commission "by order" can "fix the fair and reasonable rates." There is no statutory basis for pre-approval of a rate increase by the Commission.

Second, FPL's proposal as written in testimony does not provide for the protesting of the amount collected and the other trade-offs which is critical to SCRM as provided for in settlements. Under a tariff filing proceeding, parties are allowed to challenge recovery of all the costs including an earnings review under the proposed terms of the tariff.

Also, the interim statute, section 366.071, F.S., only provides for interim rates based on a showing that utility is earning outside its range of reasonableness which was waived by the parties in settlement. The interim statutory relief only allows recovery to collect rates "sufficient to earn the minimum of the range of rate of return" calculated in accordance with its "required rate of return" based on its last rate proceeding. The Commission cannot waive this statutory provision, assuming the interim rates section were applicable under a storm circumstance. Therefore, the Commission cannot approve any storm recovery mechanism that attempts to contravene this statutory provision or the Commission and parties rights to require application of an earning test and investigation. The Commission cannot preclude an earnings-type review or base any decision on the existing provision in contravention of the provisions under which the SCRM was established through negotiation.

The disposition of a request to recover storm-related costs involves factual and policy determinations, such as the amount to be collected; the issue of whether the amount should be limited by the utility's earnings level other funding sources; the time period over which any surcharge should be spread; and the appropriate level of the storm reserve. Chapter 120, F.S., gives affected parties the right to raise and litigate such issues. In Docket No. 20210015-EI, parties entered a negotiated resolution of such issues as part of a larger global settlement. The settlement expires on December 31, 2025. At that time, parties will again have the right to identify issues, present evidence, cross-examine witnesses, and argue positions on

all storm recovery requests. To limit the scope of permissible inquiry, and to prejudice the amount and time frame of future recovery, applicability of earnings levels to FPL's future requests, and level of reserve to be restored in the form of predetermined outcomes in the absence of a stipulation and settlement of those potential issues would be to violate parties' substantive and procedural due process rights.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The Storm Cost Recovery mechanism, something negotiated in a prior settlement agreement, should be modified or paused for a number of reasons. FPL and its corporate parent, NextEra Energy, have sufficient credit facilities to address storm damage costs. Additionally, given the billions of dollars being spent on storm protection and activities to harden its electric system, storm costs should decline in the future. Finally, structural changes are being considered for emergency management which may result in the Federal Emergency Management Agency and/or the State of Florida Division of Emergency Management playing a critical role in overseeing, and possibly financing, the restoration of critical infrastructure that is used for the public good, which should include electric infrastructure.

**FRF:** No position.

**FEL:** Deny.

**FAIR:** The Commission should deny FPL's proposed Storm Cost Recovery mechanism as proposed. If approved, the Commission should deny FPL's request to increase the cap on the storm surcharge from \$4 to \$5, and the maximum Storm Reserve should be \$220 million.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 124:** *EXCLUDED*

**ISSUE 125:** How should the Commission proceed, regarding Issues 18, 19, 30, 34, 70, 71, 92, 101, and 109 if there are changes to the Inflation Reduction Act (IRA) regarding investment tax credits (ITCs) and production tax credits (PTCs) during the pendency of this docket?

**FPL:** The Investment Tax Credits and Production Tax credits FPL has accounted for in its forecast have not been impacted by newly enacted tax legislation. (Bores, Laney)

**OPC:** The Commission must closely monitor the impacts of the “One Big, Beautiful Bill Act,” the associated Executive Order issued on July 7, 2025, and the impending IRS guidance due on or about August 18, 2025. The Commission must consider the reasonableness and prudence of FPL’s proposed resource additions, particularly the proposed 2026-2029 solar additions, in light of this evolving law.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Adopt position of OPC.

**FRF:** The enactment of the One Big Beautiful Bill Act on July 4, 2025, calls into question the claimed cost-effectiveness (“CPVRR”) analyses performed by FPL in this proceeding to justify its proposed investments in battery storage and solar PV generation in the test years. The Commission should require FPL to submit additional testimony and analysis and allow intervenors to conduct discovery and file responsive testimony to the extent that this will impact rates.

**FEL:** Commission should take such changes into account in its decision, although it appears that the PTCs and ITCs at issue in this docket may possibly be safe from change.

**FAIR:** At this time, this appears to be a legal issue – i.e., as to the impacts of changes in law that may occur during the pendency of this docket. Therefore, if there are changes to the IRA regarding ITCs and PTCs during the pendency of this docket, the Commission should provide all parties with the opportunity to brief the issues, consistent with the fundamental requirements of Chapter 120, Florida Statutes.

**SACE:** SACE adopts the position of FAIR.

**WALMART:**

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 126:** **Should the Commission approve, deny, or approve with modification FPL’s proposed mechanism for addressing a change in tax law? If the Commission approves the proposed mechanism for addressing a change in tax law with modifications, what modifications should be made?**

**FPL:** The Commission should approve, without modification, FPL’s proposed mechanism for addressing a change in tax law. FPL proposes a mechanism that will allow FPL to adjust base rates in the event tax laws change during or after the conclusion of this proceeding. Following enactment, FPL would calculate the impact of the change in tax law by comparing revenue requirements with and without the change, and submit the calculation of the rate adjustment needed to ensure rates reflect the new law. (Bores)

**OPC:** No. The Commission cannot even lawfully entertain the proposal under commission precedent. Furthermore, where there is no pending legislation, any proposal is premature and speculative. However, the Commission should consider any and all changes to tax laws that have passed Congress and been signed into law prior to the hearing dates.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No. FPL's proposed mechanism for addressing changes in tax laws is no longer required because, with the adoption of the OBBBA, changes in tax laws are known and measurable. Accordingly, FPL should be allowed to revise its MFRs as necessary to reflect the tax law changes, if any, that may affect test-year revenue requirements. Further, FPL should immediately reassess the cost-effectiveness of planned solar and BESS projects for which construction will not have commenced by 7/4/26 and projects are not placed in service before 12/31/27.

**FRF:** Agree with OPC.

**FEL:** Deny. Parties should be able to petition the Commission regarding over earning or under earning based on tax law changes, which will be easier to detect if no mechanisms like the TAM are approved.

**FAIR:** The Commission should deny FPL's proposed mechanism for addressing a change in tax law.

**SACE:** SACE adopts the position of FEL.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 127A: How should the Commission consider FPL's performance pursuant to Sections 366.80-83 and 403.519, Florida Statutes, when establishing rates?**

**FPL:** The Commission should consider FPL's resource analyses to determine whether they are consistent with established goals. FPL's resource planning assumes 100% achievement of its DSM and energy efficiency goals, which are approved by the Commission consistent with the Florida Energy Efficiency and Conservation Act. In addition, FPL has demonstrated a commitment to meet its DSM goals. It has overachieved with respect to some metrics, and on an overall basis has achieved more than 90% of the Commission-approved energy efficiency goals over the 2021-2024 period. (Whitley, Nichols)

**OPC:** The Commission should consider FPL's performance pursuant to sections 366.80-83 and 403.519, Florida Statutes, before establishing fair, just, and reasonable rates in this docket.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** No position.

**FRF:** Agree with OPC.

**FEL:** FPL has failed to meet the majority of its goals (2020-2024) (although has met some of the most important ones regarding residential GWh goals), which were already some of the lowest in the nation. The Commission should consider an ROE adjustment downward to penalize FPL for its poor performance.

**FAIR:** The Commission should consider FPL's performance relative to whether FPL has achieved its approved Energy Conservation Goals, and whether FPL has contributed appropriately to meeting the overall energy conservation and efficiency policies and associated energy conservation policy goals established by the Florida Legislature.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 127B: Can the Commission enforce FPL's commitment not to request any other permanent general base rate increases effective prior to January 1, 2030, as proposed in FPL's four-year plan?**

**FPL:** Yes. The Commission has approved multi-rate plans that included a commitment by FPL not to request any other permanent general base rate increases effective during the rate period. The Commission's legal authority to enforce a stay-out commitment is no different in the context of FPL's current proposed four-year rate plan.

**OPC:** No. The Commission has already determined that a utility's commitment not to request a general base rate increase, in the absence of a settlement agreement, is unenforceable due to the language of section 366.06, Florida Statutes.<sup>10</sup> There exists no reasonable explanation for deviation from this precedent. FPL's unenforceable "commitment" must not be considered by the Commission.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** [No position provided.]

**FEIA:** No position.

**FIPUG:** No. The Commission does not have jurisdiction to enforce such a commitment.

**FRF:** Agree with OPC.

**FEL:** No, it cannot, therefore no part of FPL's proposal for a four-year plan should be approved on that basis.

**FAIR:** FAIR opposes FPL's proposed four-year revenue plan. Subject to that position, FAIR agrees with OPC that the Commission has determined that it lacks the authority to enforce a utility's commitment not to request a general base rate increase except where such commitment is embodied as a provision of an approved settlement agreement.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

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<sup>10</sup> PSC Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU, p. 5, *In re: Petition for rate increase by Florida City Gas*.



**ISSUE 128: What considerations should the Commission give the affordability of customer bills and how does FPL's rate increase impact ratepayers in this proceeding?**

**FPL:** This Commission can consider the "affordability" of bills in this proceeding, but it may do so only within the confines of its "fair, just, and reasonable" rates standard in Section 366.06(1), F.S. Furthermore, pursuant to Section 366.041(1), F.S., the Commission has the discretion to consider the "efficiency, sufficiency, and adequacy of the facilities provided and the services rendered," the ability of the utility to improve service and facilities, energy conservation, and the efficient use of alternative energy resources. In order to effectuate a determination of fair, just, and reasonable, the Commission could consider a number of factors, including: whether proposed projects are needed to provide adequate and reliable service; whether costs are reasonable and prudent; whether projects will be used and useful in the time rates are charged; whether operations and planning are cost-effective; activities contribute to the security and reliability of Florida's energy grid; utility's FEECA performance; whether the rate of return is reasonable in light of legal standards and the evidence presented; the cost of providing service to the rate class; and value of service.

FPL's typical residential bill is 32 percent below the national average. Additionally, FPL's bill is lowest among the largest twenty utilities as ranked by number of customers and 36% below that average. Assuming other utilities experience bill increases at only their historical rates of increase, typical residential bills for customers would remain 25 percent below the projected national average. Even with the proposed increases, FPL's bills will remain significantly below the national average and below many other Florida electric utilities. In addition, FPL's proposed rates are affordable when evaluated against historical trends, regional and national benchmarks, and customer income data. (Bores, Reed, Powers, Cohen, Pimentel)

**OPC:** OPC Witness Colton details many concerns regarding affordability issues faced by FPL's residential and business customers, and he provides vital context for many of FPL's assertions in this case regarding the impact that these increases will have on FPL's approximately 12 million customers. The Commission must consider these affordability concerns when setting fair, just, and reasonable rates in this proceeding. (Colton)

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** The Commission should consider affordability for all customer classes, namely, residential, commercial, and industrial. FIPUG, comprised of large users of electricity, works to ensure that rates for its members and others similarly situated businesses have affordable rates and reliable electricity to enable large load businesses to succeed and be competitive in local, state, national and international markets.

**FRF:** No position.

**FEL:** The Commission should recognize its obligation to set fair, just, and reasonable rates. Already, those rates have led FPL's residential customers to have some of the least affordable electricity bills in the nation.

**FAIR:** The Commission should always consider affordability of customer bills as an inherent aspect of the public interest.

**SACE:** SACE takes no position.

**WALMART:** The Commission should thoroughly and carefully consider the impact on customers in examining the requested revenue requirement and ROE, in addition to all other facets of this case, to ensure that any increase in FPL's rates is only the minimum amount necessary to provide adequate and reliable service, while also providing an opportunity to earn a reasonable return. (Perry Direct, p. 5, lines 1 - 6).

**AWI:** As a general comment on rate increases, the rate applicable to AWI is increasing and will be phased in too quickly at too high a rate. AWI is pursuing solutions with FPL directly on this point, but reserves the right to raise this issue in this proceeding.

**STAFF:** No position at this time.

**ISSUE 129:** 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?

**FPL:** FPL has no objection to making such a filing. (Fuentes)

**OPC:** Yes.

**FUEL**

**RETAILERS:** No position.

**ELECTRIFY**

**AMERICA:** No position.

**EVGO:** No position.

**FEA:** [No position provided.]

**FEIA:** No position.

**FIPUG:** Yes.

**FRF:** Agree with OPC.

**FEL:** No, because the Commission should reject FPL's petition to increase rates. However, should the Commission approve any part of FPL's petition, then yes.

**FAIR:** Yes.

**SACE:** SACE takes no position.

**WALMART:** No position.

**AWI:** No position.

**STAFF:** No position at this time.

**ISSUE 130: Should this docket be closed?**

**FPL:** Yes.

**OPC:** No, not at this time.

**FUEL**

**RETAILERS:** No, not until all actions are concluded, including any appeals.

**ELECTRIFY**

**AMERICA:** This docket should not be closed without an order from the Commission addressing the legal and factual issues identified in this document.

**EVGO:** No position.

**FEA:** No position.

**FEIA:** No position.

**FIPUG:** Yes.

**FRF:** No position.

**FEL:** Yes, after the Commission rejects FPL's proposal to increase rates.

**FAIR:** When a final order has been issued and no further opportunities for appealing such order exist, this docket should be closed.

**SACE:** No, pending the issuance of a final unappealable order of the Commission and the resolution of any other matters that the Commission directs to be resolved following its decision.

**WALMART:** No position.

**AWI:** This docket should not be closed without an order from the Commission addressing the legal and factual issues identified in this document.

**STAFF:** No position at this time.

## **IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
John J. Reed	FPL	JJR-1	Résumé of John J. Reed
John J. Reed	FPL	JJR-2	Expert Testimony of John J. Reed
John J. Reed	FPL	JJR-3	Situational Assessment Rankings
John J. Reed	FPL	JJR-4	Cost Efficiency Rankings
John J. Reed	FPL	JJR-5	Operational Metrics
John J. Reed	FPL	JJR-6	Rate Level Comparison

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
John J. Reed	FPL	JJR-7	Benchmarking Workpapers
John J. Reed	FPL	JJR-8	Consumer Price Index and Producer Price Index
John J. Reed	FPL	JJR-9	Average Weekly Electric Utility Employee Earnings
John J. Reed	FPL	JJR-10	Handy-Whitman Construction Cost Indices
John J. Reed	FPL	JJR-11	Annual Non-Fuel O&M Savings per Customer
John J. Reed	FPL	JJR-12	2021-2023 Combined Situational Assessment and Cost Efficiency Rankings
John J. Reed	FPL	JJR-13	2023 Assessment and Efficiency Tables
John J. Reed	FPL	JJR-14	Emissions Comparison
John J. Reed	FPL	JJR-15	Rate Level and Reliability Comparison
Eduardo De Varona	FPL	EDV-1 <sup>11</sup>	List of MFRs Co-Sponsored by Eduardo De Varona
Eduardo De Varona	FPL	EDV-2	FPL FPSC T&D SAIDI
Eduardo De Varona	FPL	EDV-3	FPL FPSC Distribution MAIFie
Eduardo De Varona	FPL	EDV-4	National & Regional Distribution SAIDI Benchmarking
Eduardo De Varona	FPL	EDV-5	AFS Avoided/Actual Customer Interruptions
Thomas Broad	FPL	TB-1	List of MFRs Sponsored or Co-sponsored by Thomas Broad
Thomas Broad	FPL	TB-2	FPL Fossil and Renewable Fleet MW Capability and Technology Changes

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<sup>11</sup> Testimony and Exhibits adopted by Michael Jarro on August 6, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Thomas Broad	FPL	TB-3 <sup>12</sup>	FPL Fleet Performance vs. Industry
Thomas Broad	FPL	TB-4	FPL vs. Industry Benchmark Comparisons
Thomas Broad	FPL	TB-5	FPL Fossil/Solar Fleet Heat Rate Comparison
Thomas Broad	FPL	TB-6	Cumulative Benefits from FPL's Modernized Fleet
Thomas Broad	FPL	TB-7	CC & PV Plant Level O&M \$/kW Comparisons
Dan DeBoer	FPL	DD-1	List of MFRs Sponsored or Co-sponsored by Dan DeBoer
Dan DeBoer	FPL	DD-2	NRC Performance Indicators
Dan DeBoer	FPL	DD-3	NRC Inspection Findings
Dan DeBoer	FPL	DD-4	NRC Regulatory Status
Dan DeBoer	FPL	DD-5	Nuclear Performance Metrics
Dawn Nichols	FPL	DN-1	List of MFRs Sponsored or Co-Sponsored by Dawn Nichols
Dawn Nichols	FPL	DN-2	FPL Customer Service Awards and Recognitions
Dawn Nichols	FPL	DN-3	Florida Public Service Commission Logged Complaints
Andrew W. Whitley	FPL	AWW-1	Summary of FPL Resource Adequacy Study (Prepared by E3)
Andrew W. Whitley	FPL	AWW-2	Load Forecasts Used in the Current Analyses
Andrew W. Whitley	FPL	AWW-3	Fuel Cost Forecasts Used in the Current Analyses
Andrew W. Whitley	FPL	AWW-4	CO2 Compliance Cost Forecast Used in the Current Analyses

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<sup>12</sup> Exhibit TB-3 and TB-4 corrected on April 29, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Andrew W. Whitley	FPL	AWW-5 <sup>13</sup>	Economic Analysis Results for the Combined 2026 and 2027 Solar and Battery Additions
Andrew W. Whitley	FPL	AWW-6	Economic Analysis Results for the Combined 2028 and 2029 Solar and Battery Additions
Andrew W. Whitley	FPL	AWW-7	With Programs and Without Programs Resource Plans for CDR and CILC Incentive Payment Analysis
Andrew W. Whitley	FPL	AWW-8	Analysis of the Current and Proposed Monthly Incentive Levels for the CDR & CILC Programs
Tim Oliver	FPL	TO-1	List of MFRs Sponsored or Co-sponsored by Tim Oliver
Tim Oliver	FPL	TO-2	2026 and 2027 Solar Project Details
Tim Oliver	FPL	TO-3	Layout of Major Equipment Components for Solar Energy Centers
Tim Oliver	FPL	TO-4 <sup>14</sup>	2026 and 2027 Battery Storage Project Details
Tim Oliver	FPL	TO-5	Layout of Major Equipment Components for Battery Storage
Tim Oliver	FPL	TO-6	Property Held for Future Use
Jessica Buttress	FPL	JB-1	List of MFRs Sponsored or Co-Sponsored by Jessica Buttress
Jessica Buttress	FPL	JB-2	Total Salaries & Wages
Jessica Buttress	FPL	JB-3	Merit Pay Program Awards
Jessica Buttress	FPL	JB-4	Total Benefit Program

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<sup>13</sup> Corrected exhibits AWW-5 and AWW-6 filed July 1, 2025.

<sup>14</sup> Corrected TO-4 filed July 15, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jessica Buttress	FPL	JB-5	Average Medical Plan Expense Per Employee
Jessica Buttress	FPL	JB-6	Pension & 401(k) Employee Savings Plan
Ned W. Allis	FPL	NWA-1	2025 Depreciation Study
Ned W. Allis Keith Ferguson	FPL	NWA-2	2025 Dismantlement Study
Ned W. Allis	FPL	NWA-3	Schedules 1A and 1B
Ned W. Allis	FPL	NWA-4	List of Cases in which Ned W. Allis has Submitted Testimony
Keith Ferguson	FPL	KF-1	List of MFRs Sponsored or Co-Sponsored by Keith Ferguson
Keith Ferguson	FPL	KF-2	Impacts to Depreciation Expense using the 2025 Depreciation Study Rates by Year for Base vs. Clause for 2026 and 2027
Keith Ferguson	FPL	KF-3	Summary of Capital Recovery Schedules for 2026 and 2027 –Base Rates vs. Clause
Keith Ferguson	FPL	KF-4	Proposed Dismantlement Company Adjustments for Base vs. Clause
Keith Ferguson Ned W. Allis	FPL	KF-5	SPPCRC Cost of Removal and Retirements
Keith Ferguson	FPL	KF-6	2025 Cost Allocation Manual
Keith Ferguson	FPL	KF-7	Affiliate Charges Based on Billing Methodology for the 2026 Projected Test Year
Liz Fuentes	FPL	LF-1	List of MFRs Sponsored or Co-Sponsored by Liz Fuentes
Liz Fuentes	FPL	LF-2	MFR A-1 for the 2026 and 2027 Projected Test Year



<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Liz Fuentes	FPL	LF-3	List of Proposed Company Adjustments for the 2026 and 2027 Projected Test Year
Liz Fuentes	FPL	LF-4	2026 and 2027 ROE Calculation Without Rate Adjustment
Liz Fuentes	FPL	LF-5	ADIT Proration Adjustment to Capital Structure for 2026 and 2027 Projected Test Year
Liz Fuentes	FPL	LF-6	2026 and 2027 Plant Daniel Costs and Expenses
Ina Laney	FPL	IL-1	List of MFRs Sponsored or Co-sponsored by Ina Laney
Ina Laney	FPL	IL-2	FPL Annual Budget Planning Process Guideline
Ina Laney	FPL	IL-3	MFR F-5 Forecasting Flowchart and Models
Ina Laney	FPL	IL-4	MFR F-8 Major Forecast Assumptions
Ina Laney	FPL	IL-5	FERC Uniform System of Accounts Changes
Ina Laney	FPL	IL-6	Tax Credit Transfer Cumulative Revenue Requirements Impact
Ina Laney	FPL	IL-7	Drivers of the Increase in Revenue Requirements 2023-2026
Ina Laney	FPL	IL-8	FPL's Adjusted O&M Benchmark
Ina Laney	FPL	IL-9	Tax Credit Rates
Ina Laney	FPL	IL-10	Capital Investments Inflation Impact
Ina Laney	FPL	IL-11	Drivers of the Increase in Revenue Requirements 2026-2027
Ina Laney	FPL	IL-12 <sup>15</sup>	Tax Adjustment Mechanism Accounting

<sup>15</sup> Corrected exhibit filed April 29, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Ina Laney	FPL	IL-13 <sup>16</sup>	Tax Adjustment Mechanism Amount
James M. Coyne	FPL	JMC-1	Educational and professional background
James M. Coyne	FPL	JMC-2	Comprehensive Summary of ROE Results
James M. Coyne	FPL	JMC-3	Proxy Group Screening Analysis
James M. Coyne	FPL	JMC-4	Constant Growth DCF Analysis
James M. Coyne	FPL	JMC-5.1	Market Risk Premium
James M. Coyne	FPL	JMC-5.2	CAPM Analysis
James M. Coyne	FPL	JMC-6	Risk Premium Analysis
James M. Coyne	FPL	JMC-7	Expected Earnings Analysis
James M. Coyne	FPL	JMC-8	Capital Expenditures Analysis
James M. Coyne	FPL	JMC-9	Regulatory Risk Assessment
James M. Coyne	FPL	JMC-10	Flotation Cost Analysis
James M. Coyne	FPL	JMC-11	Capital Structure Analysis
Scott R. Bores	FPL	SRB-1	List of MFRs Sponsored or Co-sponsored by Scott R. Bores
Scott R. Bores	FPL	SRB-2	Regional Comparison: Key Performance Metrics
Scott R. Bores	FPL	SRB-3	Supply Chain Cost Increases
Scott R. Bores	FPL	SRB-4	Annual Average Number of Storms by Decade
Scott R. Bores	FPL	SRB-5	Storm Cost Recovery Mechanism
Scott R. Bores	FPL	SRB-6	Non-Fuel O&M per Retail MWh

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<sup>16</sup> Corrected exhibit filed April 29, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Scott R. Bores Ina Laney Tim Oliver Liz Fuentes Tiffany C. Cohen	FPL	SRB-7	Solar and Battery Base Rate Adjustment Mechanism
Scott R. Bores	FPL	SRB-8	Mechanism To Address Potential Tax Law Changes
Tara DuBose	FPL	TD-1	List of MFRs Sponsored or Co-Sponsored by Tara DuBose
Tara DuBose	FPL	TD-2	Rates of Return and Parity at Present Rates
Tara DuBose	FPL	TD-3	Equalized Revenue Requirements at Proposed Rate of Return
Tara DuBose	FPL	TD-4	Load Research Details
Tara DuBose	FPL	TD-5	Separation Process for Stratified Contracts
Tiffany C. Cohen	FPL	TCC-1	List of MFRs Sponsored or Co-Sponsored by Tiffany C. Cohen
Tiffany C. Cohen	FPL	TCC-2	Typical Bill Projections
Tiffany C. Cohen	FPL	TCC-3	National Bill Comparisons
Tiffany C. Cohen	FPL	TCC-4	FPL's Load Forecasting Process for 2026-2029
Tiffany C. Cohen	FPL	TCC-5	Parity of Major Rate Classes
Tiffany C. Cohen	FPL	TCC-6	Summary of Proposed Rate Structure for Major Rate Schedules
Roger D. Colton	OPC	RDC-1	Summary Vitae of Roger Colton
Roger D. Colton	OPC	RDC-2	FPL Districts by Zip Code
Roger D. Colton	OPC	RDC-3	Bill-to-Income Ratios at Existing/Proposed Rates and Median Usage
Roger D. Colton	OPC	RDC-4	Bill-to-Income Ratios at Existing/Proposed Rates and Mean Usage

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Roger D. Colton	OPC	RDC-5	Composite Discovery Responses
Timothy J. Devlin	OPC	TJD-1	Resume of Timothy J. Devlin
Timothy J. Devlin	OPC	TJD-2	Comparison of Authorized Midpoint ROE to Achieved ROE
Timothy J. Devlin	OPC	TJD-3	Dividends and Retained Earnings
Timothy J. Devlin	OPC	TJD-4	Customer Impact of Earning Above Midpoint
Timothy J. Devlin	OPC	TJD-5	Approximate Effect of the Amortization of \$200 Million of Unprotected Deferred Tax Liability (DTL) on Customer Rates for 2026 & 2027
James R. Dauphinais	OPC	JRD-1	FPL Capacity Need under Traditional 20% PRM Resource Adequacy Criterion
James R. Dauphinais	OPC	JRD-2	NERC EOP-011-4 – Emergency Operations Reliability Standard
James R. Dauphinais	OPC	JRD-3	Relevant excerpts from NERC 2024 Long-Term Reliability Assessment
James R. Dauphinais	OPC	JRD-4	Relevant excerpts from 2024-2034 SERC Annual Long-Term Reliability Assessment Report
James R. Dauphinais	OPC	JRD-5	Estimated Stochastic LOLP Analysis Results for “TYP Portfolio + 1,400 MW of Storage” adjusted to reflect FPL’s Proposed Pre-Summer 2027 Resource Additions
James R. Dauphinais	OPC	JRD-6	Estimated Stochastic LOLP Analysis Results without FPL’s 2026 and 2027 Proposed Solar Generation Additions
James R. Dauphinais	OPC	JRD-7	Estimated Stochastic LOLP Analysis Results without FPL’s 2027 Proposed Solar Generation Additions

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
James R. Dauphinais	OPC	JRD-8	Excerpts from FPL 2025 Ten-Year Site Plan
James R. Dauphinais	OPC	JRD-9	FPL Discovery Responses cited to by Mr. Dauphinais
William Dunkel	OPC	WWD-1	Qualifications
William Dunkel	OPC	WWD-2	FPL's Responses to OPC Interrogatories and PODs
William Dunkel	OPC	WWD-3	Federal Reserve Family
William Dunkel	OPC	WWD-4	Federal Reserve Statistical Release
William Dunkel	OPC	WWD-5 <sup>17</sup>	OPC Dismantlement Study
William Dunkel	OPC	WWD-6	FPL's Responses to Staff
William Dunkel	OPC	WWD-7	No Reserve Transfer
William Dunkel	OPC	WWD-8	OPC Depreciation Rates
Daniel J. Lawton	OPC	DJL-1 <sup>18</sup>	Background and Qualifications
Daniel J. Lawton	OPC	DJL-2	FPL's Monthly Equity Returns
Daniel J. Lawton	OPC	DJL-3	Federal Reserve Press Releases and Economic Projections
Daniel J. Lawton	OPC	DJL-4	Government Bond Yields January 2021 – April 2025
Daniel J. Lawton	OPC	DJL-5	Comparable Electric Group Financial Data
Daniel J. Lawton	OPC	DJL-6	Comparable Group Prices and Dividend Yield
Daniel J. Lawton	OPC	DJL-7	Comparable Group Growth Rate Estimates
Daniel J. Lawton	OPC	DJL-8	Constant Growth DCF

<sup>17</sup> Corrected by errata July 8, 2025.<sup>18</sup> Corrected by errata July 21, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Daniel J. Lawton	OPC	DJL-9 <sup>19</sup>	Comparable Group Two-Stage Growth DCF
Daniel J. Lawton	OPC	DJL-10	CAPM and ECAPM for Comparable Group
Daniel J. Lawton	OPC	DJL-11	Risk Premium Estimates
Daniel J. Lawton	OPC	DJL-12	Capital Structure FPL
Daniel J. Lawton	OPC	DJL-13	Cost of Equity Estimates Employing FPL Comparable Risk Group
Jacob M. Thomas	OPC	JMT-1	Resume of Jacob M. Thomas
Jacob M. Thomas	OPC	JMT-2	Summary of Customer & Energy Load Forecast Adjustments
Jacob M. Thomas	OPC	JMT-3	Summary of Revenue Adjustments
Jacob M. Thomas	OPC	JMT-4	Summary of Discovery Responses Used in Testimony
Helmuth W. Schultz, III	OPC	HWS-1	Qualifications of Helmuth W. Schultz, III
Helmuth W. Schultz, III	OPC	HWS-2	Revenue Requirement
Helmuth W. Schultz, III	OPC	HWS-3	Plant Held for Future Use
Helmuth W. Schultz, III	OPC	HWS-4	Plant Held for Future Use
Helmuth W. Schultz, III	OPC	HWS-5	Plant Held for Future Use
Helmuth W. Schultz, III	OPC	HWS-6	Construction Work in Progress
Helmuth W. Schultz, III	OPC	HWS-7	Composite Discovery Responses
Jigar J. Shah	Electrify America	JJS-1	Compiled discovery responses used in Electrify America's Direct Testimony filed in this proceeding on June 9, 2025.

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<sup>19</sup> Corrected by errata July 21, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jigar J. Shah	Electrify America	JJS-2	Electrify America's calculations used to support its recommendations regarding the GSD-1EV, GSLD-1EV, and Utility-owned Public Charging Electric Vehicles rates.
Jigar J. Shah	Electrify America	JJS-3	Florida Power & Light Company's 2024 Public Electric Vehicle Optional Pilot Tariffs Report and EVolution Pilot Program Summary.
R. Thomas Beach	EVgo	RTB-1	CV of R. Thomas Beach
R. Thomas Beach	EVgo	RTB-2	Selected Discovery Responses from FPL
Alex Beaton	EVgo	AB-1	CV of Alex Beaton
Noah Garcia	EVgo	NG-1 <sup>20</sup>	CV of Noah Garcia
Christopher C. Walters	FEA	CCW-1	Electric Utilities (Valuation Metrics)
Christopher C. Walters	FEA	CCW-2	Proxy Group
Christopher C. Walters	FEA	CCW-3	Consensus Analysts' Growth Rates
Christopher C. Walters	FEA	CCW-4	Constant Growth DCF Model – (Consensus Analysts Growth Rates)
Christopher C. Walters	FEA	CCW-5	Payout Ratios
Christopher C. Walters	FEA	CCW-6	Sustainable Growth Rate
Christopher C. Walters	FEA	CCW-7	Constant Growth DCF Model – (Sustainable Growth Rate)
Christopher C. Walters	FEA	CCW-8	Multi-Stage Growth DCF Model
Christopher C. Walters	FEA	CCW-9	Common Stock Market/Book Ratio
Christopher C. Walters	FEA	CCW-10	Equity Risk Premium – Treasury Bond

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<sup>20</sup> Testimony and Exhibit adopted by Alex Beaton on July 7, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Christopher C. Walters	FEA	CCW-11	Equity Risk Premium – Utility Bond
Christopher C. Walters	FEA	CCW-12	Bond Yield Spreads
Christopher C. Walters	FEA	CCW-13	Treasury and Utility Bond Yields
Christopher C. Walters	FEA	CCW-14	Beta Analysis
Christopher C. Walters	FEA	CCW-15	CAPM Return
Brian C. Andrews	FEA	BCA-1	FEA’s Proposed Steam Production Plant Depreciation Rates
Brian C. Andrews	FEA	BCA-2	Comparison of FEA and FPL Steam Production Plant Depreciation Rates
Brian C. Andrews	FEA	BCA-3	FPL’s Response to the Office of Public Counsel’s 9th Set of Interrogatories, No. 264
Brian C. Andrews	FEA	BCA-4	FPL’s Response to FEA’s 3rd Set of Interrogatories, No. 7
Matthew P. Smith	FEA	MPS-1	2026 Revised CCOS
Matthew P. Smith	FEA	MPS-2	2027 Revised CCOS
Matthew P. Smith	FEA	MPS-3	Renewable Resources Nameplate and Accredited Capacity
Robert Provine	FEIA	RP-1	Curriculum Vitae of Robert Provine
David Loomis	FEIA	DGL-1	Curriculum Vitae of David Loomis
David Loomis	FEIA	DGL-2	GSLD-3-Current & GSLD-3, LLCS-1 Proposed Rates
David Loomis	FEIA	DGL-3	Contractual Comparison: FPL GSLD-3 vs LLCS-1
David Loomis	FEIA	DGL-4	Data Center Market Contract Lengths
David Loomis	FEIA	DGL-5	Entergy Louisiana Additional Facilities Charge



<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
David Loomis	FEIA	DGL-6	Electricity Rates Across Data Center Markets vs FPL
Fletcher Mangum	FEIA	FM-1	Curriculum Vitae of Fletcher Mangum
Mohamed Ahmed	FEIA	MH-1	Curriculum Vitae of Mohamed Ahmed
Mohamed Ahmed	FEIA	MH-2	Current & GSLD-3, LLCS-1 Proposed Rates
Mohamed Ahmed	FEIA	MH-3	Data Center Load Profiles and FPL Load Factor Increase
Mohamed Ahmed	FEIA	MH-4	Entergy Louisiana Additional Facilities Charge Structure
Jeffry Pollock	FIPUG	JP-1	Authorized Return on Equity for Vertically Integrated Electric Investor-Owned Utilities in Rate Cases Decided in 2023 Through May 2025
Jeffry Pollock	FIPUG	JP-2	Authorized Common Equity Ratio for Vertically Integrated Electric Investor-Owned Utilities With “A” Moody’s Ratings
Jeffry Pollock	FIPUG	JP-3	Monthly Peak Demands as a Percent of the Annual System Peak Demand
Jeffry Pollock	FIPUG	JP-4 <sup>21</sup>	Summary of FIPUG’s Revised Class Cost-of-Service Study Results at Present Rates
Jeffry Pollock	FIPUG	JP-5	FPL Proposed Class Revenue Allocation Forecast Test Year Ending December 31, 2026
Jeffry Pollock	FIPUG	JP-6 <sup>22</sup>	FIPUG’s Recommended Class Revenue Allocation Forecast Test Year Ending December 31, 2026

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<sup>21</sup> Corrected by errata July 14, 2025.

<sup>22</sup> Corrected by errata July 14, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jeffry Pollock	FIPUG	JP-7	Size Thresholds Applicable to Very Large Load Customers
Jonathan Ly	FIPUG	JL-1	Derivation of 4CP Allocation Factors
Jonathan Ly	FIPUG	JL-2	Derivation of Firm Load 4CP Allocation Factors
Jonathan Ly	FIPUG	JL-3 <sup>23</sup>	FIPUG's Revised Class Cost-of-Service Study
Tony Georgis	FRF	TMG-1	Resume and Record of Testimony of Tony Georgis
Tony Georgis	FRF	TMG-2	CDR and CILC Embedded Cost Value
Tony Georgis	FRF	TMG-3	Compiled Data Request Responses of Florida Power & Light Company
Tony Georgis	FRF	TMG-4	Excerpts from Florida Power and Light Company's 2024 and 2025 Ten Year Site Plans
Tony Georgis	FRF	TMG-5	Excerpts from National Association of Regulatory Utility Commissioners Electric Utility Cost Allocation Manual
Karl Rábago	FEL	KRR-1	Karl R. Rábago Resume
Karl Rábago	FEL	KRR-2	Prior Testimony by Karl R. Rábago
Karl Rábago	FEL	KRR-3	NCLC Utility Rate Design - FL
Karl Rábago	FEL	KRR-4	MFR No. E-1 2026 KRR COS
Karl Rábago	FEL	KRR-5	Extracting Profits from the Public
MacKenzie Marcelin	FEL	MM-1	MacKenzie Marcelin Resume
MacKenzie Marcelin	FEL	MM-2	MM - Calculations
MacKenzie Marcelin	FEL	MM-3	FPL's Answers to FEL's First RFA

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<sup>23</sup> Corrected by errata July 14, 2025.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
MacKenzie Marcelin	FEL	MM-4	NextEra Energy, Inc. – Climate Change 2023
MacKenzie Marcelin	FEL	MM-5	NextEra Energy, Inc. Sustainability Report 2024
Becky Ayech	FEL	BA-1	ECOSWF Articles of Incorporation
Frederick M. Bryant	FAIR	FMB-1	Florida PSC document titled “REVENUE REDUCTIONS AND INCREASES ORDERED BY THE FLORIDA PUBLIC SERVICE COMMISSION FOR CERTAIN INVESTOR-OWNED ELECTRIC AND NATURAL GAS UTILITIES, UTILITIES FROM 1960 TO PRESENT (All Utilities from 1968 to Present)
Frederick M. Bryant	FAIR	FMB-2	Articles of Incorporation of Floridians Against Increased Rates, Inc.
Frederick M. Bryant	FAIR	FMB-3	FPL’s Proposed Rate Increases Over 2026-2029
Frederick M. Bryant	FAIR	FMB-4	S&P Global Insight Reported Authorized Returns on Equity and Equity Ratios, Updated 6/3/2024
Frederick M. Bryant	FAIR	FMB-5	Edison Rate Review 2024 Q4, Section II. Average Awarded ROE and Section III. Average Requested ROE
Frederick M. Bryant	FAIR	FMB-6	FPL’s Achieved ROEs by Month, January 2022-March 2025 (from FPL’s Earnings Surveillance Reports filed with the PSC)
Nancy H. Watkins	FAIR	NHW-1	Résumé of Nancy H. Watkins
Nancy H. Watkins	FAIR	NHW-2	Articles of Incorporations of Floridians Against Increased Rates, Inc.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Nancy H. Watkins	FAIR	NHW-3	Membership Roster of Floridians Against Increased Rates, Inc. as of June 6, 2025
Nancy H. Watkins	FAIR	NHW-4	Sample Form of FAIR Membership Application (Electronic)
Lisa V. Perry	Walmart	LVP-1	Witness Qualifications Statements
Lisa V. Perry	Walmart	LVP-2	Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2023 to Present
Lisa V. Perry	Walmart	LVP-3.1	Impact of FPL's Current Return on Equity vs. FPL's Proposed Return on Equity - Year 2026
Lisa V. Perry	Walmart	LVP-3.2	Impact of FPL's Current Return on Equity vs. FPL's Proposed Return on Equity - Year 2027
Lisa V. Perry	Walmart	LVP-4.1	Impact of FPL's Proposed Increase in Return on Equity vs. National Average for Vertically Integrated Utilities, 2023 to Present - Year 2026
Lisa V. Perry	Walmart	LVP-4.2	Impact of FPL's Proposed Increase in Return on Equity vs. National Average for Vertically Integrated Utilities, 2023 to Present - Year 2027
Steve W. Chriss	Walmart	SWC-1	Witness Qualifications Statement
Steve W. Chriss	Walmart	SWC-2	FPL Proposed Revenue per kWh, 2026 and 2027 Projected Test Years
Steve W. Chriss	Walmart	SWC-3	FPL Proposed FSLD-1EV Realized Cost per kWh, 2026 and 2027 Projected Test Years
Steve W. Chriss	Walmart	SWC-4	Derivation of Walmart Proposed FSLD-1EV Rates, FPL Proposed Revenue Requirement, 2026 and 2027 Projected Test Years

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Steve W. Chriss	Walmart	SWC-5	Walmart Proposed GSLD-1EV Realized Cost per kWh, 2026 and 2027 Test Years
Angela L. Calhoun	Staff	ALC-1	Summary of Service Complaints
Angela L. Calhoun	Staff	ALC-2	Summary of Billing Complaints
Angela L. Calhoun	Staff	ALC-3	Summary of Courtesy Call/Warm Transfer
Kathryn Guan	Staff	KG-1	Auditor's Report of FPL
<u>Rebuttal</u>			
Eduardo De Varona	FPL	EDV-6	List of PHFU (Power Delivery T&D)
Eduardo De Varona	FPL	EDV-7	FPL's Response to OPC's First Set of Interrogatories No. 56
Andrew W. Whitley	FPL	AWW-9	2024 CPVRR Analysis for Northwest Florida Battery
Arne Olson	FPL	AO-1	Résumé of Arne Olson
Arne Olson	FPL	AO-2	California ISO's History of Energy Emergency Alert Events
Arne Olson	FPL	AO-3	2026 LOLP Analysis
Arne Olson	FPL	AO-4	Corrections to Calculations of Office of Public Counsel Witness Dauphinais.
Tim Oliver	FPL	TO-7	Property Held for Future Use
Tim Oliver	FPL	TO-8	UEV Public Fast Charging Revenues
Jessica Buttress	FPL	JB-7	Job Requisitions as of July 1, 2025
Jessica Buttress	FPL	JB-8	FPL's Corrected Supplemental Response to OPC's First Set of Interrogatories No. 24 and FPL's Corrected Response to OPC's Eleventh Set of Interrogatories No. 328

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jessica Buttress	FPL	JB-9	FPL's Response to OPC's First Request for Production of Documents No. 22 and FPL's Original and Corrected Response to OPC's Eleventh Set of Interrogatories No. 313
Jessica Buttress	FPL	JB-10	FPL's Response to OPC's First Set of Interrogatories No. 19 and FPL's Response to OPC's First Request for Production of Documents No. 37
Keith Ferguson	FPL	KF-8	FPL's Response to OPC's First Request for Production of Documents No. 15
Keith Ferguson	FPL	KF-9	FPL's Response to FEA's Third Set of Interrogatories No. 7
Liz Fuentes	FPL	LF-7	Rate Case Expenses
Liz Fuentes	FPL	LF-8	FPL's Response to OPC's Twelfth Set of Interrogatories No. 334
Liz Fuentes	FPL	LF-9	FPL's Response to OPC's Twelfth Set of Interrogatories No. 335
Liz Fuentes	FPL	LF-10	FPL's response to OPC's Twelfth Set of Interrogatories No. 333
Liz Fuentes Ina Laney Keith Ferguson Tim Oliver	FPL	LF-11	FPL's Notice of Identified Adjustments filed May 23, 2025, and Witness Sponsorship
Liz Fuentes	FPL	LF-12	Recalculated Revenue Requirements for 2026 and 2027 Projected Test Years
James M. Coyne	FPL	JMC-12	Comprehensive Summary of ROE Results
James M. Coyne	FPL	JMC-13	Proxy Group Selection
James M. Coyne	FPL	JMC-14	Constant Growth DCF Analysis

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
James M. Coyne	FPL	JMC-15.1	Market Risk Premium
James M. Coyne	FPL	JMC-15.2	CAPM Analysis
James M. Coyne	FPL	JMC-16	Risk Premium Analysis
James M. Coyne	FPL	JMC-17	Expected Earnings Analysis
James M. Coyne	FPL	JMC-18	Capital Structure Analysis
James M. Coyne	FPL	JMC-19	Weather Analysis
James M. Coyne	FPL	JMC-20	Revised Mr. Lawton CAPM Analysis
Tara DuBose	FPL	TD-6	FPL's Response to FIPUG's Third Set of Interrogatories No. 39
Tara DuBose	FPL	TD-7	FPL's Response to FIPUG's Seventh Set of Interrogatories No. 74
Tara DuBose	FPL	TD-8	FERC Three Peak Ratio Test
Tara DuBose	FPL	TD-9	Analysis of Monthly Peak Demand
Tara DuBose	FPL	TD-10	Solar COSID Allocation Corrections
Nicholas L. Phillips	FPL	NLP-1	Qualification of Nicholas L Phillips
Nicholas L. Phillips	FPL	NLP-2	Numerical example demonstrating why resource characteristics must be considered within cost allocation rather than only considering fixed and variable costs.
Nicholas L. Phillips	FPL	NLP-3	Demonstration of solar resource capacity and energy split within the 12CP and 25% Production Allocator
Tiffany C. Cohen	FPL	TCC-7	FPL's Response to Staff's Sixth Set of Interrogatories No. 121
Tiffany C. Cohen	FPL	TCC-8	FPL's Response to FIPUG's First Set of Interrogatories No. 20
Tiffany C. Cohen	FPL	TCC-9	LLCS Tariff Update

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Tiffany C. Cohen	FPL	TCC-10	FPL's Corrected Response to Staff's First Set of Interrogatories No. 8
Ina Laney	FPL	IL-14	CPVRR Flow-Through vs. Normalization
Ina Laney	FPL	IL-15	RSAM Customer Bill Impact
Scott R. Bores	FPL	SRB-9	Credit Spreads During Market Volatility

**X. PROPOSED STIPULATIONS**

There are no proposed stipulations at this time.

**XI. PENDING MOTIONS**

1. On July 24, 2025, OPC filed a Motion and Notice of Intent to Seek Official Recognition with Exhibits A-N.
2. On July 31, 2025, OPC filed a Second Motion and Notice of Intent to Seek Official Recognition with Exhibits O-R.
3. On August 1, 2025, FEIA filed a Motion for Official Recognition.
4. On August 4, 2025, FEIA filed an Unopposed Motion to allow witnesses Loomis and Ahmed to testify by video conference at final hearing.
5. On August 4, 2025, FAIR filed a Motion for and notice of intent to seek official recognition.
6. On August 4, 2025, Commission staff filed a Notice of intent to seek and Motion for Official Recognition.

**XII. PENDING CONFIDENTIALITY MATTERS**

1. FPL's Request for Confidential Classification of certain information provided in MFRs C-26, C-28 and D-2, filed February 28, 2025.



2. FPL's Request for Confidential Classification of certain information provided in responses to OPC's First Set of Interrogatories, Nos. 44 and 61, and First Request for Production of Documents, No. 49, filed March 14, 2025.
3. FPL's Request for Confidential Classification of certain information provided in responses to OPC's First Set of Interrogatories, Nos. 6 and 60, and First Request for Production of Documents, Nos. 20, 27 and 31, filed March 3, 2025.
4. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Fourth Set of Interrogatories, No. 112, filed April 3, 2025.
5. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Seventh Request for Production of Documents, Nos. 82 and 97, filed April 7, 2025.
6. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Sixth Set of Interrogatories, No. 153, and Sixth Request for Production of Documents, Nos. 67-71, filed April 14, 2025.
7. FPL's Request for Confidential Classification of certain information provided in corrected response to OPC's 1st set of interrogatories, No. 43, filed April 25, 2025.
8. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 3rd set of interrogatories, No. 66 and 3rd request for Production of Documents, Nos. 48 and 51, filed April 28, 2025.
9. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Eleventh Set of Interrogatories, No. 316, filed April 29, 2025.
10. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 1st request for Production of Documents, No. 15, filed April 29, 2025.
11. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 13th Request for Production of Documents, No. 133, filed May 5, 2025.
12. FPL's Request for Confidential Classification of certain information provided in response to Florida Retail Federation's 1st Request for Production of Documents, No. 1, filed May 7, 2025.
13. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC, and ECOSWF's 4th Request for Production of Documents No. 54, filed May 8, 2025.

14. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 14th Request for Production of Documents, No. 135, filed May 13, 2025.
15. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 5th Set of Interrogatories, No. 74 and 5th Request for Production of Documents, Nos. 59 and 60, filed May 19, 2025.
16. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 15th Set of Interrogatories, No. 345, filed May 19, 2025.
17. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 6th Set of Interrogatories, No. 78 and 6th Request for Production of Documents, No.61, filed May 22, 2025.
18. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 1st Request for Production of Documents, No. 27, filed May 28, 2025.
19. FPL's Request for Confidential Classification of certain information provided in its corrected response to FL Rising, LULAC and ECOSWFL's 5th Request for Production of Documents, No.60, filed May 29, 2025.
20. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 8th Request for Production of Documents, No.69, filed May 29, 2025.
21. FPL's Request for Confidential Classification of certain information provided in response to Federal Executive Agencies 5th Request for Production of Documents, Nos. 34-36, filed June 3, 2025.
22. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 17th Request for Production of Documents, No. 142, filed June 5, 2025.
23. FPL's Request for Confidential Classification of certain information provided in response to OPC's 14th Set of Interrogatories, No. 267, filed June 12, 2025.
24. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of OPC witness James R. Dauphinais; filed June 17, 2025.
25. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of FEIA witness Mohamed Ahmed, Ph.D.; filed June 17, 2025.

26. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of FIPUG witness Jonathan Ly; filed June 17, 2025.
27. FPL's Request for Confidential Classification of certain information provided in response to Staff's 12th Request for Production of Documents, No. 60, filed June 19, 2025.
28. FPL's Request for Confidential Classification of certain materials provided pursuant to Audit Control No. 2025-062-1-1, filed June 20, 2025.
29. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 10th Request for Production of Documents, No. 82, filed June 25, 2025.
30. FEA's Request for Confidential Classification of Information Provided in Response to Florida Power and Light's Request for Production of Documents (No. 3), filed June 18, 2025.
31. FEA sent out responses to Staff's First Request for Production of Documents (POD) (No. 3).
32. FEIA's Request for Confidential Classification of Information Provided in Response to Florida Power & Light Company's First Set of Interrogatories (Nos. 1 and 7) and Motion for Temporary Protective Order [DN 04671-2025], filed on June 18, 2025.

### **XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 150 pages and shall be filed at the same time.

#### **XIV. RULINGS**

##### **Contested Issues**

My rulings on the issues identified by the parties as contested prior to the Prehearing Conference are as follows:

##### **Issue 6**

Excluded. This is not a distinct legal issue under the substantive jurisdiction of the Commission on which a vote would be appropriate. The parties can incorporate and argue relevant legal precedent in their post-hearing briefs.

##### **Issue 36**

Included. Objection withdrawn with the addition of the phrase “that are determined by the Commission to be” on line 2 between “costs” and “improperly.”

##### **Issue 81**

Included. Objection withdrawn with the addition of the words “PTCs and” on line 1 between “sell the” and “ITCs.”

##### **Issue 92**

Included. Objection withdrawn.

##### **Issue 104**

Included. Objection withdrawn with the deletion of previous subsection “b.”

##### **Issue 106**

Included. Objection withdrawn.

##### **Issues 107-109**

Excluded. Subsumed in Issue 105.

##### **Issues 119-120**

Excluded. Subsumed in Issue 54.

**Issue 122**

Excluded. The creation of a specific EV program for third-parties is not a requirement under Chapter 366, F.S., or its implementing rules.

**Issue 127B**

Included. Objection withdrawn.

Opening Statements

Opening statements, if any, shall be limited to 20 minutes for FPL, 10 minutes for OPC, FEL, FAIR, and FIPUG, and 5 minutes each for all other intervenors. There shall be no sharing of time between parties.

Virtual Attendance

FEA's June 27, 2025, Request for virtual attendance at the July 25<sup>th</sup> Prehearing Conference was granted.

It is therefore,

ORDERED by Chairman Mike La Rosa, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman Mike La Rosa, as Prehearing Officer, this 7th day of August, 2025.



Mike La Rosa  
Chairman and Prehearing Officer  
Florida Public Service Commission  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.