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March 12, 2021

VIA ELECTRONIC FILING

Adam Teitzman, Commission Clerk
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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

Dear Mr. Teitzman:

Attached for filing on behalf of Florida Power & Light Company ("FPL") in the above-referenced docket are the Direct Testimony and Exhibits of FPL witness Tiffany C. Cohen.

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

(Document 17 of 69)

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Wade Litchfield', written in a cursive style.

R. Wade Litchfield
Vice President & General Counsel
Florida Power & Light Company

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FLORIDA POWER & LIGHT COMPANY
DIRECT TESTIMONY OF TIFFANY C. COHEN
DOCKET NO. 20210015-EI
MARCH 12, 2021

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1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Tiffany C. Cohen, and my business address is Florida Power &
5 Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

6 **Q. By whom are you employed, and what is your position?**

7 A. I am employed by Florida Power & Light Company (“FPL” or the “Company”)
8 as the Senior Director, Regulatory Rates, Cost of Service & Systems.

9 **Q. Please describe your duties and responsibilities in that position.**

10 A. I oversee the load research, cost of service, and rate design departments for all
11 retail electric rates and charges for FPL and Gulf Power Company (“Gulf” or
12 “Gulf Power”). Additionally, I am responsible for proposing and administering
13 the tariff language needed to implement those rates and charges.

14 **Q. Please describe your educational background and professional experience.**

15 A. I hold a Bachelor of Science Degree in Commerce and Business
16 Administration, with a major in Accounting from the University of Alabama. I
17 obtained a Master of Business Administration from the University of New
18 Orleans. I am also a Certified Public Accountant. In 2008, I joined FPL.
19 During my tenure at the Company, I have held various regulatory positions of
20 increasing responsibility, including overseeing the Nuclear Cost Recovery
21 Clause and managing FPL’s Rates and Tariffs department. I assumed my
22 current role in 2017, and in 2019 I assumed responsibility for supervising Gulf
23 Power’s load research, cost of service, and rates and tariffs functions. I am a

1 member of the Edison Electric Institute (“EEI”) Rates and Regulatory Affairs
2 Committee, and I have completed the EEI Advanced Rate Course. Prior to
3 joining FPL, I was employed at Duke Energy for five years, where I held a
4 variety of positions in the Rates & Regulatory Division, including managing
5 rate cases. I also worked in the Finance, Corporate Risk Management, and
6 Internal Audit departments. Prior to joining Duke Energy, I was employed at
7 KPMG, LLP.

8 **Q. Are you sponsoring or co-sponsoring any exhibits in this case?**

9 A. Yes. I am sponsoring the following exhibits:

- 10 • TCC-1 Consolidated MFRs Sponsored or Co-sponsored by Tiffany C.
11 Cohen
- 12 • TCC-2 Supplemental FPL and Gulf Standalone Information in MFR
13 Format Sponsored or Co-sponsored by Tiffany C. Cohen
- 14 • TCC-3 Bills at Unified Rates (Current FPL Customers)
- 15 • TCC-4 Bills at Unified Rates (Northwest Florida Customers)
- 16 • TCC-5 National Bill Comparisons
- 17 • TCC-6 Parity of Major Rate Classes
- 18 • TCC-7 Summary of Proposed Rate Structure for Major Rate Schedules
- 19 • TCC-8 Calculation of 2022 System Differential Transition Rider and
20 Credit

21 I am co-sponsoring the following exhibits:

- 22 • TCC-9 Rates for FPL and Gulf as Separate Ratemaking Entities

1 • REB-12 Solar Base Rate Adjustment Mechanism, filed with the direct
2 testimony of FPL witness Barrett

3 **Q. Are you sponsoring or co-sponsoring any consolidated Minimum Filing**
4 **Requirements (“MFRs”) in this case?**

5 A. Yes. Exhibit TCC-1 lists the consolidated MFRs I am sponsoring and co-
6 sponsoring.

7 **Q. Are you sponsoring or co-sponsoring any schedules in “Supplement 1 –**
8 **FPL Standalone Information in MFR Format” and “Supplement 2 – Gulf**
9 **Standalone Information in MFR Format”?**

10 A. Yes. Exhibit TCC-2 lists the supplemental FPL and Gulf standalone
11 information in MFR format that I am sponsoring and co-sponsoring.

12 **Q. How will you refer to FPL and Gulf when discussing them in testimony?**

13 A. I use the terms “FPL” and “Gulf” throughout my testimony. Unless otherwise
14 specifically stated or dictated by context, those references will mean the
15 following:

16 • In discussing operations or time periods prior to January 1, 2019 (when
17 NextEra Energy, Inc. acquired Gulf), “FPL” and “Gulf” will refer to
18 their pre-acquisition status, when they were legally and operationally
19 separate companies.

20 • In discussing operations or time periods between January 1, 2019 and
21 January 1, 2022 (when operational and bookkeeping consolidation will
22 essentially be complete), “FPL” and “Gulf” will refer to their status as

1 separate ratemaking entities, recognizing that they were merged legally
2 on January 1, 2021 and consolidation proceeded throughout this period.
3 • In discussing operations and time periods after January 1, 2022, most
4 references will be only to “FPL” because Gulf will be consolidated into
5 FPL, and FPL is proposing unified rates for the consolidated
6 company. References to “Gulf” thereafter will primarily be to address
7 any rate differentiation between customers in the former FPL and Gulf
8 service areas.

9 **Q. What is the purpose of your testimony?**

10 A. My testimony addresses the following general areas:

- 11 • Rate design principles and rate structure
- 12 • Revenue forecast by rate class
- 13 • Allocation of rate increase to rate classes
- 14 • Proposed changes to existing rates
- 15 • Service charges
- 16 • Other tariff changes
- 17 • Proposed rate adjustments for the 2024 and 2025 Solar Base Rate
18 Adjustments (“SoBRAs”)
- 19 • Proposed changes to FPL and Gulf rates, if treated as separate
20 ratemaking entities

21 **Q. Please summarize your testimony.**

22 A. My testimony supports FPL’s proposed base retail rates and service charges
23 that will produce revenues sufficient to recover the Company’s jurisdictional

1 revenue requirements in the 2022 Test Year and the 2023 Subsequent Year.
2 Because FPL and Gulf are operationally and legally combined, unified rates are
3 the next logical step in the merger and integration process that is expected to be
4 essentially completed by year end 2021. Due to the current difference in the
5 cost to serve, I support FPL’s proposal to implement a temporary declining
6 transition rider (“transition rider”) for customers in the former Gulf service area
7 of Northwest Florida with an offsetting temporary declining transition credit
8 (“transition credit”) for customers in the former FPL service area. I support the
9 methodology used to calculate the rate adjustments in 2024 and 2025 associated
10 with the SoBRA mechanism. I also support the schedules provided for FPL
11 and Gulf, if treated as separate ratemaking entities. They often are referred to
12 throughout the case materials as “standalone” rates.

13 **Q. Please provide an overview of FPL and Gulf bills over the last fifteen years.**

14 A. Gulf Power’s typical residential bill has increased 43 percent over the last
15 fifteen years. Fifteen years ago, Gulf’s typical residential bill was 15 percent
16 lower than the national average. Today, Gulf’s typical residential bill is only 3
17 percent lower than the national average. Additionally, Gulf’s typical residential
18 bill is currently approximately 18 percent higher than the state average. Fifteen
19 years ago, Gulf’s commercial and industrial (“CI”) typical bills were
20 approximately 20 percent lower than the national average compared to today
21 where they are generally in line with the national average.

22

1 In contrast, FPL’s typical residential bill is nearly 10 percent lower than it was
2 fifteen years ago and is currently approximately 10 percent *below* the state
3 average and approximately 30 percent *below* the national average.
4 Additionally, as shown in Exhibit TCC-5, based on the 20 largest investor-
5 owned utilities (“IOUs”) in the country, ranked by number of customers, FPL
6 has the lowest bill and is more than 40 percent below the average. Over the
7 same period, CI typical bills also have decreased by a range of 14 percent to 19
8 percent. FPL’s CI bills are 7 percent to 24 percent below the state average and
9 18 percent to 45 percent below the national average. FPL’s residential,
10 commercial, and industrial bills have been among the lowest bills in the state
11 and the nation for over a decade. This is a significant accomplishment – one
12 that has provided tremendous value for our customers over an extended period
13 of time and provides important context for the discussion of rates over the
14 proposed multi-year plan discussed in more detail by FPL witness Barrett.

15 **Q. Can you please summarize the estimated bill impacts of FPL’s proposed**
16 **increases in base revenues?**

17 A. Yes. FPL’s jurisdictional revenue requirements for the test year ending
18 December 31, 2022, reflect the need for an increase in base revenues of \$1.1
19 billion in January 2022, and a subsequent year adjustment in base revenues of
20 \$607 million in January 2023. In unifying the rates of a consolidated utility
21 system, rates will be designed to produce the necessary revenues and applied to
22 all customers across the entire service area. However, to reflect an initial
23 difference in the cost to serve, FPL proposes a temporary and declining

1 transition rider for customers in the former Gulf service area and an offsetting
2 declining transition credit for customers in the former FPL service area. I
3 discuss these items later in my testimony.

4
5 FPL's filing proposes adjustments to rates and charges to more closely reflect
6 the projected cost of service for the various rate classes, and thus address parity,
7 while following the Florida Public Service Commission's ("FPSC" or
8 "Commission") practice of limiting base rate increases for a specific rate class
9 to 1.5 times the system average increase in total rate class operating revenue, as
10 well as providing no rate decreases.

11
12 As shown in Exhibit TCC-3, under FPL's proposed four-year rate plan, the five-
13 year compound annual growth rate ("CAGR") of the typical residential bill
14 increase from January 1, 2021, through the end of the four-year rate proposal
15 on December 31, 2025, is projected to be approximately 3.4 percent. As
16 requested, and assuming other utilities experience bill increases at only their
17 historical rates of increase, typical residential bills for customers in the FPL
18 former service area would remain approximately 20 percent below the projected
19 national average. Additionally, bills for typical residential customers in the
20 former Gulf service area will decrease approximately 0.9 percent through 2025
21 as shown in Exhibit TCC-4. Also, even with transition rider, the typical
22 residential bill for customers in the former Gulf service area would be
23 approximately 15 percent lower than the projected national average at the end

1 of the four-year rate plan in 2025, which is a significant improvement. While
2 FPL’s comparative rate standing during the four-year term obviously will be a
3 function of state and national utility rates during that same time frame, FPL will
4 remain well positioned as a superior value provider of electric service. The CI
5 rate classes in the former FPL service area will experience varying increases in
6 January 2022 depending on the current rate of return for each class as compared
7 to the system average rate of return, *i.e.*, parity index, for each respective class.
8 MFR E-8 shows that the 2022 total increase for CI rate classes is between 2.1
9 percent and 13.0 percent. Exhibit TCC-3, pages 2 through 5, shows the
10 proposed CI typical bill increases of 3.9 percent to 4.9 percent over the four-
11 year rate plan. These four CI rate classes (General Service, General Service
12 Demand and General Service Large Demand 1 and 2), encompass 94 percent
13 of FPL’s CI customers. Exhibit TCC-4, pages 2 through 5, shows that CI
14 customers in the former Gulf service area will see bills ranging from a slight
15 decrease to a 2.5 percent increase over the same four-year rate proposal,
16 providing excellent value for these customers as well.

17
18 As described in greater detail by FPL witnesses Ferguson and Barrett, FPL is
19 requesting the adoption of depreciation parameters that allow for the creation
20 and utilization of a Reserve Surplus Amortization Mechanism (“RSAM”)
21 during the 2022-2025 time period. As described by FPL witness Fuentes, the
22 adoption of the RSAM results in a commensurately lower annual revenue
23 requirement of approximately \$203 million compared to an alternative that does

1 not adopt FPL’s four-year rate plan with RSAM. FPL has provided MFRs and
2 tariffs with and without the impacts of the RSAM. Allowing use of RSAM
3 reduces the typical residential bill by approximately \$1.80 per month as shown
4 in the 2022 and 2023 MFR A-2.

5

6 **II. RATE DESIGN PRINCIPLES AND RATE STRUCTURE**

7

8 **Q. What are the overall goals that FPL seeks to achieve through its rate**
9 **design?**

10 A. FPL’s rate design provides fair, just, and reasonable rates among customers.
11 FPL is requesting a uniform tariff structure and will migrate all Gulf Power
12 customers onto the applicable best-fit FPL rate schedule. Whether our
13 customers reside in Northwest Florida or in Southeast Florida, they will be
14 receiving service from the same company – no different than customers in
15 Miami or Daytona Beach that for decades have been served by the same
16 company, providing electric services in different locations throughout much of
17 Florida from a common set of operations, a common cost of service, and unified
18 rates. By consolidating rate schedules, the efficiencies of the consolidated
19 system will be reflected in all customer rates, rate administration will be
20 simplified for the Company, and future rate proceedings will become more
21 efficient for the Commission and all parties.

1 **Q. Please provide an overview of FPL’s retail rates.**

2 A. FPL’s Electric Retail Tariff book (“Tariff”) contains rate schedules for the
3 various types of customers served by FPL. These include residential customers;
4 small, medium, and large business and industrial customers; and lighting. Each
5 of these customer classes is served through different rate schedules, which are
6 designed to reflect the differences in the usage characteristics of each customer
7 type and the cost incurred by FPL in providing service to each customer type.

8 **Q. Please describe the various types of rate schedules.**

9 A. Rate schedules generally contain specific prices that are applied to each
10 customer’s electric usage amount. Most rate schedules incorporate a customer
11 charge, which is a fixed amount that recovers a portion of the fixed costs of
12 providing service and does not vary with usage. Another price component is
13 the energy charge, which for non-demand customers, is designed to recover the
14 remainder of the fixed costs and the variable costs of providing service and
15 varies with the amount of electricity consumed throughout the month. Some
16 rate schedules also include a demand charge, which reflects the Company’s cost
17 of supplying service to meet the maximum demand the customers place on
18 FPL’s system. Finally, each rate schedule contains general terms and
19 conditions that describe how the customer’s monthly bills are determined.
20 Exhibit TCC-7 provides a narrative explanation of the proposed rate structures
21 of FPL’s major rate schedules.

22

1 **III. REVENUE FORECAST BY RATE CLASS**

2

3 **Q. Please describe the steps for developing the forecast of base revenues by**
4 **rate class.**

5 A. First, the billing determinant forecast for customers, kilowatt-hour (“kWh”)
6 sales, and kilowatt (“kW”) demand is developed by rate schedule. Next, these
7 billing determinants are applied to the currently applicable rates to provide the
8 base revenue forecast at present rates. The customer, demand, and energy rates
9 are then adjusted as discussed in Section IV, Allocation of Rate Increase to Rate
10 Classes, and applied to the forecasted billing determinants to provide the
11 forecasted base revenue at proposed rates.

12 **Q. What is meant by “base revenue”?**

13 A. Base revenue represents FPL’s total revenues from the sale of electricity and
14 other operating revenues, such as service charges, and excluding: wholesale
15 revenue, revenues generated from adjustment clauses, applicable storm
16 charges, gross receipts taxes, and franchise fees. This breakdown is reflected
17 in MFR C-5.

18 **Q. What is meant by “billing determinants”?**

19 A. Billing determinants are the parameters used for billing customers. The
20 applicable billing determinants reflect the rate structure established for a given
21 rate schedule. Customer, demand, and energy charges are each associated with
22 their own set of billing determinants. The annual customer billing determinants
23 are expressed in terms of the number of accounts billed by month in a year.

1 Demand billing determinants are expressed in terms of the sum of the kW of
2 customer monthly demand during a year, while energy billing determinants are
3 expressed in terms of kWh. Some rate schedules are limited to customer and
4 energy billing determinants only. For example, customers in the small general
5 service rate schedule (“GS-1”) are charged a customer charge in addition to a
6 cents-per-kWh energy charge. GS-1 customers represent the smallest of the CI
7 customers, whose demands are 20 kW or less, and whose rate schedule does not
8 include a demand charge. Larger CI customers, on the other hand, are charged
9 on the basis of their demand, *i.e.*, the maximum electric usage in a given time
10 period, and energy consumed. Thus, the rate structure for the general service
11 demand rate schedules (“GSD-1”) includes a customer charge, a cents-per-kWh
12 energy charge and a dollar-per-kW demand charge.

13 **Q. How is the billing determinant forecast developed?**

14 A. The customer and sales forecasts are provided by FPL witness Park for the
15 appropriate time period. These forecasts are developed on a revenue class basis
16 by FPL witness Park and must be allocated to the rate schedule level for use in
17 the revenue forecast.

18
19 The allocation of customers and kWh sales by rate schedule is developed based
20 on the historical relationship between the number of customers and sales by rate
21 schedule, and customers and sales by revenue class. Historical percentages are
22 applied to the forecast of customers and sales by revenue class. The result is an
23 estimate of sales and customers by retail rate schedule for the appropriate time

1 periods, which in this case are the 2022 Test Year and the 2023 Subsequent
2 Year.

3
4 Finally, additional derivations are made to complete the estimate of customer
5 and energy billing determinants by rate schedule. For example, the kWh sales
6 for the residential rate schedule (“RS-1”) are segmented to reflect the inverted
7 rates described in Exhibit TCC-7. Likewise, for time-of-use (“TOU”) rate
8 schedules, total sales are segmented between on-peak and off-peak sales based
9 on historical patterns. In addition, for demand-metered rate schedules, billing
10 demands are developed based on the historical relationship between billing
11 demand and billed sales by rate schedule.

12 **Q. What is the difference between revenue classes and rate schedules?**

13 A. Revenue classes represent general categories of customers and are used for
14 financial reporting purposes. There are six retail revenue classes: residential,
15 commercial, industrial, street and highway lighting, railroads and railways, and
16 other. The revenue classes are a combination of different rate schedules, with
17 the exception of the railroads & railways revenue class. This is the only class
18 that is specific to a particular rate schedule, *i.e.*, the Metropolitan Transit
19 Service (“MET”) rate schedule. To provide the level of detail required in MFR
20 E-13, the forecasts of sales and customers by revenue class were converted into
21 forecasts of sales and customers by rate schedule.

1 **Q. What is the difference between rate classes and rate schedules?**

2 A. Rate classes are groups of individual rate schedules with like billing attributes
3 (e.g., customer type and load size) and rate design relationships that are treated
4 on a combined basis for rate design purposes. As a result, one or more rate
5 schedules may be combined into a single rate class. For example, general
6 service, Rate Schedule GS-1, and general service TOU, Rate Schedule GST-1,
7 are combined together into the GS(T)-1 rate class.

8 **Q. Are there any exceptions to the process as described?**

9 A. Yes. If a rate class is closed, or there is no projected customer growth, then the
10 number of customers under the rate schedules within that rate class is based on
11 their actual values during the last 12 months ending September 2020, unless
12 customer-specific information was known. These exceptions are limited to a
13 small number of customers (less than 0.5 percent).

14 **Q. Which MFRs provide detail on the retail base revenue forecast described
15 above?**

16 A. MFR A-3 lists the currently-approved base tariff charges. MFR E-15 provides
17 a description of how the billing determinants were developed. MFR E-13c
18 provides the results of applying the base tariff charges to the billing
19 determinants, and MFR E-13d provides additional detail on the base revenue
20 forecast for the lighting rate schedules.

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1 **IV. ALLOCATION OF RATE INCREASE TO RATE CLASSES**

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Q. Please identify the steps necessary to transform an increased revenue requirement into rate design.

A. There are two main steps in the process. First, the total amount of the increased revenue is allocated to the various rate classes. Consideration is given to the cost of service for each rate class, as well as the Commission’s guidelines for gradualism. The second step is to design the specific rate components for each rate class. In developing these components – customer charge, energy charge and demand charge – FPL considers rate stability and applies increases and changes ratably where appropriate based on the cost of providing service while taking into consideration customer acceptance and understanding, effects on conservation, and objectivity in administering rates.

Q. Please describe the first step of allocating the proposed revenue increase.

A. Revenues are allocated in order to achieve FPL’s requested revenue requirement. The increase to revenue has been allocated across various rate classes as shown in MFR E-8. The cost of service study sponsored by FPL witness DuBose provides a guide for evaluating any proposed changes to the level of revenues by rate class. More specifically, the allocation of any revenue increase should be assessed in terms of its impact on the parity index for the respective rate class. FPL has set the target revenue by rate class to improve parity among the rate classes to the greatest extent possible, while following the Commission practice of gradualism, which limits the increase of each rate class

1 to 1.5 times the system average increase in revenue, including adjustment
2 clauses, and not allowing any class to receive a decrease.

3 **Q. What does FPL’s cost of service study show regarding the system average**
4 **Rate of Return (“ROR”) and the parity indices by rate class?**

5 A. As explained by FPL witness DuBose, FPL’s cost of service study shows a
6 retail jurisdictional average earned ROR of 5.35 percent for the 2022 Test Year
7 and 4.78 percent for the 2023 Subsequent Year. This is consistent with the
8 retail ROR reported in MFR A-1. The cost of service study indicates that the
9 parity indices vary by rate class, with some class indices well above parity while
10 others fall well below parity. When a rate class is under parity, its ROR is less
11 than the overall FPL ROR. An important goal in setting rates is that all rate
12 classes should be as close to the FPL ROR as possible in order to minimize the
13 cross-class subsidies.

14 **Q. What impact would FPL’s target revenues by rate class have on parity?**

15 A. Target revenues are the revenues allocated to each rate class in order to bring
16 each rate class towards parity. As shown in Exhibit TCC-6 and MFR E-8, under
17 FPL’s proposed target revenues by rate class, the parity of all rate classes is
18 improved.

19 **Q. How does FPL propose to achieve these target revenues by rate class?**

20 A. FPL proposes to achieve these target revenues through changes to existing rates
21 while incorporating proposed revisions to service charges. Each element of
22 FPL’s proposal is outlined below.

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V. PROPOSED CHANGES TO EXISTING RATES

Q. Please explain FPL’s objective for the proposed changes to existing rates.

A. The objective of the proposed changes to existing rates and charges is to achieve the target revenues by rate class previously discussed. The changes to existing rates are consistent with the objectives of providing rates that are cost-based, send appropriate price signals, and are understandable to customers.

Q. Please describe in general terms the methodology you used in developing the proposed changes to FPL’s existing base rates.

A. MFR E-1 attachment 2 shows the maximum increase if all rate classes were to achieve 100 percent parity. Consideration was then placed on gradualism and each class’s proposed rate of return to achieve the overall rate increase target by rate class. The resulting increase by rate class is presented in MFR E-8 and the projected revenues and billing determinants by rate schedule are presented in MFR E-13c and MFR E-13d. Current customer charges, energy charges and demand charges, where applicable, are increased by the same rate class percentage maintaining rate component relationships established in previous rate proceedings to help ensure rate stability. This methodology was applied to both increases proposed for the 2022 Test Year and 2023 Subsequent Year.

Q. How were Gulf customers migrated onto FPL rates?

A. Gulf customer accounts were moved to FPL rate schedules using available 2019 historical billing data. The first step in the process determined which revenue and rate classes were applicable to each Gulf account by reviewing the

1 account's end-use classification (*e.g.*, residential, commercial/industrial,
2 lighting), level of demand, meter status (metered or un-metered), and voltage
3 level, as applicable. Accounts were migrated to rate schedules within the rate
4 classes by on-peak usage and load factor, as applicable. The final migration
5 results became the starting point for performing consolidated load research, cost
6 of service, and rate design.

7 **Q. What changes are being proposed to the residential tariff?**

8 A. FPL proposes restoring the inverted energy rates to a one-cent differential
9 between the first 1,000 kWh and all additional kWh. This is consistent with
10 historical precedent from prior dockets including Docket Nos. 160021-EI,
11 120015-EI and 080677-EI.

12
13 FPL proposes to re-name the term "Customer Charge" to "Base Charge" for all
14 rate schedules. FPL is not proposing to modify the type of costs to be
15 recovered; rather, the change in terminology is simply to reflect that "Base
16 Charge" is a more appropriate term for fixed costs required to serve customers.
17 This charge exists to reflect the fact that a certain base level of costs is incurred
18 by FPL to provide electricity independent of the amount of service consumed.

19 **Q. Is FPL proposing any new residential tariffs?**

20 A. Yes. FPL is proposing to extend Gulf Power's existing voluntary Fixed Rate
21 (Flat-1) tariff as a new pilot available to residential and General Service FPL
22 customers with several clarifications and modifications. The purpose of the
23 voluntary Fixed Rate tariff is to provide customers with the option for a monthly

1 flat electric rate that does not vary with usage. One proposed modification is
2 the ability to remove a participating customer from the program if their actual
3 usage exceeds their estimated usage for the program by 30 percent for three
4 consecutive months. FPL also proposes to add language to clarify participant
5 eligibility and applicable clauses.

6
7 We anticipate the program to go into effect once billing systems modifications
8 are complete, which is currently estimated to be in the first half of 2023. No
9 new Fixed Rate customers will be enrolled between the time new consolidated
10 rates take effect on January 1, 2022, and when the new consolidated Fixed Rate
11 tariff takes effect upon completion of the billing system changes. Existing
12 customers on the Gulf Flat-1 tariff will be grandfathered and transitioned to the
13 new FPL Fixed Rate tariff at their first renewal date following the effective date
14 of the FPL Fixed Rate tariff.

15 **Q. What changes are being proposed to existing CI rates?**

16 A. Similar to the residential tariff, FPL proposes to change the term “Customer
17 Charge” to “Base Charge” for all CI Rate Schedules.

18
19 FPL is also proposing to increase the threshold between the General Service
20 (“GS”) and General Service Demand (“GSD”) rate classes from 21 kW to 25
21 kW, consistent with Gulf’s existing threshold. Currently, only non-residential
22 customers who have demands less than 21 kW are eligible for service within
23 the GS rate class. This proposed change will allow approximately 8 percent, or

1 2,000 current Gulf customers on three different rate schedules with a demand
2 of less than 25 kW to remain on a non-demand rate as opposed to being
3 transitioned to a rate with a demand schedule. Absent this proposed change,
4 those customers must remain on a demand schedule for an entire year. Under
5 the proposed change, these smaller customers would be eligible and have the
6 opportunity to choose rate schedule GS, which does not have a demand
7 component. This increased choice should further improve customer
8 satisfaction.

9
10 FPL is proposing to add a maximum demand charge to all CI TOU distribution-
11 level rates. Currently, most CI TOU customers on FPL rate schedules pay \$0
12 for any demand consumed off-peak. FPL is the only IOU in Florida without a
13 maximum demand charge that is standard for all TOU rates. Paying a
14 maximum demand charge recognizes that there are off-peak distribution costs
15 that should be paid by the cost-causer and corrects an intra-class annual subsidy.

16
17 FPL proposes to extend the Supplemental Power Services Rider (“OSPS”)
18 optional pilot to December 31, 2025 coincident with the term of the proposed
19 four-year rate plan. FPL also notes that the current SolarNow and
20 SolarTogether programs will be limited to customers only in the former FPL
21 service area given that the SolarNow program is being discontinued and the
22 SolarTogether program is expected to be fully subscribed before it would be

1 available to former Gulf customers. Future solar programs will be available to
2 all customers.

3
4 Finally, FPL proposes to increase the Commercial Industrial Service Rider
5 (“CISR”) cap to 1000 MW or 75 contracts from the current 300 MW or 50
6 contracts. This proposed increase appropriately reflects that the consolidated
7 FPL is a larger company that will serve eight additional counties in the
8 Northwest Florida region under one unified Economic Development program.

9 **Q. Is FPL proposing any changes to the incentive levels for Commercial/
10 Industrial Demand Reduction Rider (“CDR”) or Commercial/ Industrial
11 Load Control (“CILC”) customers?**

12 A. Yes. As explained by FPL witness Sim, FPL has determined the appropriate
13 and cost-effective incentive levels for the load control programs. For CDR, the
14 appropriate incentive is \$5.80/kW. For CILC, because the credit is built into
15 the rate schedule as a percentage reduction from the standard rate rather than a
16 flat \$/kW credit, FPL proposes to reduce the incentive level commensurate with
17 the proposed incentive level for CDR. To determine the proposed CILC rates,
18 FPL follows its cost of service study and allocates revenue requirements to
19 bring the CILC customers closer to parity as shown on Exhibit TCC-8, and then
20 applies a percentage reduction that is equivalent to the \$/kW percentage
21 reduction in CDR incentive as recommended by FPL witness Sim. MFR E-5
22 illustrates the respective change in the CILC and CDR credit and includes

1 amounts for customers who subscribe to Rider Curtailable Load (Rate Schedule
2 CL) in the former Gulf service area.

3

4 The revenues from the CILC/CDR credits are recovered through the Energy
5 Conservation Cost Recovery (“ECCR”) clause and are paid for by all
6 customers. The annual savings associated with the reduction in the credit for
7 CILC and CDR customers is approximately \$24.2 million in 2022 and \$24.6
8 million in 2023.

9 **Q. Is FPL proposing any new CI rates or riders?**

10 A. Yes. FPL is proposing a new Economic Development Rider (“EDR”) tariff
11 “Large EDR” for 1 MW of new load with a minimum of 40 jobs as a middle
12 layer between the current EDR at 350 kW and the CISR at 2 MW. Adding one
13 additional incentive rider will assist in attracting companies with higher demand
14 than the regular EDR customer while encouraging job creation. The rider
15 would be applicable for 5 years with declining discounts on base energy and
16 demand charges each year starting at 40 percent in year 1.

17 **Q. Please describe the methodology used to recover target revenue from the
18 lighting rate classes.**

19 A. The base energy charges for LED Lighting (LT-1), Street Lighting (SL-1, SL-
20 1M), Traffic Signals (SL-2, SL-2M), Premium Lighting (PL-1), Outdoor
21 Lighting (OL-1), and Sports Field Service (OS-2) are adjusted to achieve the
22 target revenues of each rate class. MFR E-14, shows that the cost of installing
23 and maintaining new lights, poles, and other lighting equipment exceeds the

1 charges under the current tariff. Therefore, LT-1, SL-1, OL-1, and OS lights,
2 pole and other lighting charges were adjusted to reflect the replacement costs.
3 Maintenance charges were also adjusted to reflect current costs.

4 **Q. Is FPL proposing any changes to the lighting rate schedules?**

5 A. Yes. FPL is proposing to close all unmetered lighting rate schedules, except
6 for LT-1, to new customers. Customers currently taking service under
7 unmetered rate schedules will be grandfathered, and there will be four open
8 tariffs to serve new customers: LT-1 for company-owned LED, street, outdoor,
9 roadway and general lights; SL-1M for customer-owned street, roadway and
10 general lights; SL-2M for traffic signals; and GS-1 for unmetered cable
11 amplifiers and billboard lights. The intent of this change is to simplify and
12 streamline lighting offerings.

13

14 LT-1 will be the primary tariff for all new LED lighting, and non-LED lighting
15 will no longer be available to new customers. This change is important because
16 many vendors are now only producing LEDs. Because this will be the main
17 lighting tariff available to all customers, FPL proposes to rename the Tariff
18 “Lighting.” Under this new tariff, FPL is planning to introduce residential
19 outdoor LED lights, to replace Outdoor Lighting (OL-1).

20 **Q. How is FPL proposing to handle the existing Gulf lighting tariffs?**

21 A. FPL is proposing to close the Gulf Rate Schedule OS for Outdoor Service to
22 new customers and grandfather existing lighting customers under their existing
23 rate schedule. The static use customers under the OS rate will be moved as

1 follows: traffic signal customers will migrate onto FPL’s closed unmetered
2 Traffic Signal rate (SL-2); and cable amplifier and billboard customers will
3 migrate onto FPL’s General Service (GS-1) rate as unmetered. This will allow
4 all traffic signal, cable amplifier, and billboard customers to be treated
5 equitably.

6
7 All new lighting customers in the former Gulf service area will take service
8 under LT-1, and new customer-owned lighting customers will be metered under
9 SL-1M. All new traffic signals will be metered under SL-2M, and all new cable
10 amplifiers and billboard customers will be metered under GS-1. This allows
11 for consistency in processes in the consolidated Company and will deliver better
12 LED rates to customers in Northwest Florida.

13 **Q. Which MFRs provide additional information on the proposed changes to**
14 **existing rates that you have outlined?**

15 A. MFR A-2 presents the impact of the proposed rate changes to the typical bills.
16 MFR A-3 provides a summary of those proposed rate changes. The applicable
17 proposed tariff sheets are presented in MFR E-14, Attachment 1.

18
19 MFR E-14, starting in Attachment 2, provides work papers outlining the
20 derivation of the proposed changes to FPL’s existing rates. The revenue impact
21 from the proposed changes to existing rates is shown in MFRs E-12, E-13a, E-
22 13c and E-13d. The parity indices under proposed rates are shown in MFR E-

1 8. In addition, Exhibit TCC-7 provides a narrative explanation of the proposed
2 rate structures and rate design.

3 **Q. Are there any other changes to base rates?**

4 A. As discussed by FPL witness Fuentes, FPL is requesting permission to recover
5 minimal base revenue requirements associated with the Indiantown
6 Cogeneration Plant through base rates and discontinue recovery through the
7 Capacity Cost Recovery Clause (“CCRC”) effective January 1, 2022. All bill
8 impacts discussed in my testimony and exhibits reflect this adjustment.

9

10 **VI. SERVICE CHARGES**

11

12 **Q. Is FPL proposing any changes to its service charges?**

13 A. Yes. FPL has updated the cost basis of all the Company’s service charges as
14 shown on MFR E-7. Due to continued automation and cost reduction as
15 explained by FPL witness Chapel, the updated cost-based service charges are
16 significantly lower than current charges, which is consistent with FPL’s value
17 proposition for customers in delivering excellent service at low cost. The
18 proposed service charges are shown on MFR E-13b, aligning the rates for these
19 services with their current cost structure.

20

21 As discussed in more detail by FPL witness Chapel, FPL is proposing two
22 changes to service charges. First, FPL proposes to increase the meter tampering
23 fee to \$500 for residential and non-demand commercial customers (*i.e.*, GS-1)

1 and \$2,500 for all other customers. Second, FPL proposes to expand the
2 existing field collection charge to include all premise visits. Finally, FPL is
3 proposing to update the temporary construction service rates to reflect the cost
4 of performing this service.

5
6 Final service charge revenue is accounted for in the Company's final rates as
7 presented in MFR E-13b.

8

9

VII. OTHER TARIFF CHANGES

10

11 **Q. How has FPL recognized historic cost of service differences between the**
12 **FPL and Gulf systems that have been brought together?**

13 A. As several other FPL witnesses explain, bringing these two systems together
14 produces approximately \$2.8 billion in incremental present value savings on a
15 combined basis. These savings will be reflected in FPL's cost of service for
16 years to come. However, to address the initial cost to serve differential between
17 the former FPL and Gulf systems, FPL proposes a declining transition rider to
18 customers in Northwest Florida with an offsetting declining transition credit to
19 customers in the former FPL service area. At the end of the transition period,
20 there will be no meaningful distinctions among customers served by the
21 Company.

22 **Q. What does the transition rider represent?**

23 A. The transition rider, which will be phased out over time, reflects initial
24 differences in the cost to serve. FPL has designed the transition rider to

1 represent the difference in the overall system average costs between the two
2 companies in 2021 for base rates and all clauses including fuel, capacity,
3 environmental, conservation, and storm protection. When base rates are
4 combined into one cost of service, the clause structures must also be combined
5 effective January 1, 2022. Thus, all customers will have the same base rates
6 and the same clause rates effective January 1, 2022, as shown on Exhibit TCC-
7 8. The only difference in the bill, based on region, will be the transition rider
8 for a period of 5 years and storm surcharges for historical storm cost recovery
9 expenses. In the 2021 clause proceedings, FPL will simultaneously file both
10 standalone clauses and factors and new unified clauses and factors that, subject
11 to the Commission's decision on unified base rates and the transition rider and
12 credit in this proceeding, will take effect January 1, 2022.¹

13 **Q. How long will the transition rider be in place?**

14 A. FPL proposes a five-year transition rider for its Northwest Florida customers
15 with an offsetting transition credit to customers in the former FPL service area,
16 both of which will step down ratably over the period. The proposed five-year
17 transition rider period is a reasonable period after which no further distinctions
18 can appropriately be drawn among customers served by the same entity on an
19 equivalent basis, regardless of geographic location. As mentioned by other FPL
20 witnesses, the operations of FPL and Gulf Power have been integrated.

¹ FPL will also file petitions that, subject to the Commission's decision on unified base rates and the transition rider and credit in this proceeding, request approvals to administratively consolidate the two existing Storm Protection Plans and two existing Demand Side Management plans previously approved for FPL and Gulf.

1 Accordingly, any rationale for allocating “historic” costs is unnecessary and
2 any methodology would be inherently subjective, particularly as time passes.
3 The diminishing transition rider is intended to reflect the reality that customers
4 are receiving service from one functionally integrated company and from a
5 common set of assets and employees, without geographical distinction (in the
6 same way FPL customers in communities with varying degrees of cost to serve
7 across disparate parts of the state are treated today) through payment of
8 consolidated, equally applicable rates.

9 **Q. Are any costs excluded from the transition rider calculation?**

10 A. Yes. The legacy storm restoration costs associated with Hurricanes Michael
11 and Sally will be excluded from the 5-year transition rider and retained by the
12 customers in Northwest Florida until the costs are fully recovered.
13 Additionally, any potential hurricane expenses incurred in 2021 during which
14 time FPL and Gulf remain separate ratemaking entities will be retained by
15 customers in the original service territory.

16 **Q. How is the transition rider calculated?**

17 A. As shown in Exhibit TCC-8, page 1, the transition rider is based on the system
18 average rate differential in 2021, which includes merged operations before a
19 rate structure merger. The system averages for the former FPL and Gulf service
20 areas are calculated as the forecasted retail revenues in 2021 divided by the
21 forecasted retail sales in 2021 excluding all clause-related true-ups and gross
22 receipts tax. This calculation yields a system average rate. For 2021, as
23 separate ratemaking entities, the FPL system average rate is projected to be ~

1 \$91.36 per MWh and the Gulf system average rate is \$111.32 per MWh. Under
2 a combined system, the consolidated system average rate for 2021 is \$93.12 per
3 MWh, meaning that FPL's system average would increase \$1.76 per MWh all
4 things being equal. The potential increase of \$1.76 per MWh multiplied by the
5 forecasted 2021 sales of 110,812,880 MWh yields a revenue requirement of
6 \$197.3 million that will be charged to customers in Northwest Florida and
7 credited to customers in the former FPL service area under a consolidated rate
8 structure.

9 **Q. How are the transition rider and credit allocated to the rate classes?**

10 A. The transition rider and credit are allocated to the rate classes by using each rate
11 class's share of 2021 total retail system revenues. See Exhibit TCC-8, page 2
12 for the allocation.

13 **Q. How will the transition rider and credit be billed to customers?**

14 A. The transition rider and credit are being designed in FPL's billing system
15 similar to other FPL clauses and riders. FPL proposes a transition rider and
16 credit to be applied to customer's bills in the non-fuel energy line item. The
17 transition rider and credit will step down ratably as set forth in the tariff sheet
18 in MFR E-14 Attachment 1 over a five-year period without the need for annual
19 true-ups or recalculation of the transition rider and credit.

20 **Q. Is the Company also proposing a consolidated tariff book for all**
21 **customers?**

22 A. Yes. The company is proposing a consolidated tariff book in MFR E-14
23 Attachment 1.

1 **Q. How did you develop the unified tariff book proposed for the consolidated**
2 **company?**

3 A. We reviewed the existing FPL and Gulf tariffs, section by section, with the
4 purpose to identify and adopt best practices. In most cases, language and
5 processes for FPL were adopted in the unified tariff. In some cases, language
6 or processes in Gulf's tariff suggested improvements that were adopted in the
7 unified result. Finally, while reviewing the tariffs, other changes, not
8 necessarily associated with rate unification, were adopted to improve the
9 unified result.

10 **Q. Please provide examples of Gulf tariff language or processes that were**
11 **adopted in the unified result.**

12 A. The following are a few examples of Gulf tariff language or processes that were
13 adopted for use in the unified tariff: renamed the "Customer Charge" to "Base
14 Charge"; adopted Fixed Rate (with modifications); increased the small
15 commercial demand threshold to 25 kW; and added maximum demand charge
16 to all CI TOU demand rates.

17 **Q. Do you recommend retaining any existing Gulf tariff items for some period**
18 **of time for existing customers while closing them to new customers,**
19 **otherwise known as "Grandfathering"?**

20 A. Yes, on a limited basis for customers who have existing contracts/agreements
21 with Gulf. For example, lighting customers, Rider CL customers, and Flat-1
22 tariff customers have existing contracts, and we plan to grandfather these
23 customers on their current tariffs. Additionally, for customers who are currently

1 under contract on Gulf’s Economic Development rate schedules, we intend to
2 migrate the customer onto the applicable underlying FPL rate schedule but
3 retain the discount until the term of the contract/agreement expires.

4

5

VIII. PROPOSED RATE ADJUSTMENTS FOR 2024 AND 2025

6

SOBRAs

7

8 **Q. How does FPL propose to recover the revenue requirements of the SoBRA**
9 **mechanism for years 2024 and 2025?**

10 A. Subject to the SoBRA process discussed by FPL witness Valle in his testimony,
11 FPL proposes to implement new rates to recover the annualized revenue
12 requirements associated with the 2024 and 2025 SoBRAs concurrent with the
13 in-service date of the projects as discussed by FPL witness Fuentes. The
14 revenue requirements of the solar projects in 2024 and 2025 are approximately
15 \$140 million in 2024 and \$140 million in 2025. FPL also proposes that the
16 corresponding fuel savings associated with the SoBRAs be reflected in the fuel
17 factors effective upon the in-service date. Implementing the fuel factors
18 reflecting those savings concurrent with the SoBRA better aligns costs with the
19 fuel savings benefits.

20

21 The SoBRA, once approved by the Commission, will be implemented by
22 adjusting the customer charge, demand charge, and energy charge by an equal
23 percentage. The calculation of this percentage is based on the ratio of

1 jurisdictional annual revenue requirements and the forecasted retail base
2 revenues from the sales of electricity during the first 12 months of operation.
3 Exhibits TCC-3 and TCC-4 provide illustrative bill projections associated with
4 the SoBRA mechanism for years 2024 and 2025, respectively, at the current
5 projected total megawatts.

6

7 If future SoBRA filings are approved by the Commission, FPL will send a letter
8 to advise when the unit has gone into service, at which time the tariffs reflecting
9 the Commission-approved SoBRA adjustment can be administratively verified.

10 **Q. Is FPL proposing a true-up mechanism for the SoBRA?**

11 A. Yes. As discussed by FPL witness Fuentes, if the actual capital expenditures
12 are less than the projected costs used to develop the initial revenue requirement,
13 FPL proposes that a one-time credit be made through the CCRC. In order to
14 determine the amount of this credit, a revised factor will be computed using the
15 final revenue requirements described by witness Fuentes. The difference
16 between the cumulative base revenues since the implementation of the initial
17 adjustment and the cumulative base revenues that would have resulted if the
18 revised adjustment had been in place during the same time period will be
19 credited to customers through the CCRC with interest at the 30-day commercial
20 paper rate as specified in Rule 25-6.109. In addition, on a going forward basis,
21 base rates will be adjusted to reflect the revised factor.

22

1 **Q. Is FPL’s proposed method of recovering the revenue requirements of the**
2 **SoBRA mechanism for the years 2024 and 2025 consistent with the**
3 **methodology approved by the Commission for other Generation or Solar**
4 **Base Rate Adjustments?**

5 A. Yes. FPL’s proposal is consistent with the methodology for cost recovery
6 utilized by FPL for the Generation Base Rate Adjustments for the Riviera Beach
7 Energy Center and Port Everglades Energy Center that were part of FPL’s
8 Commission-approved 2012 Rate Settlement, and the Okeechobee Clean
9 Energy Center and 2017-2020 SoBRAs that were part of FPL’s Commission-
10 approved 2016 Rate Settlement.

11

12 **IX. STANDALONE RATES**

13

14 **Q. What information has been provided for FPL and Gulf Power as separate**
15 **ratemaking entities in the event the Commission does not approve unified**
16 **rates for the combined system?**

17 A. The list of MFRs for 2022 and 2023 for FPL and Gulf Power if treated as
18 separate ratemaking entities are shown in Exhibit TCC-2. They often are
19 referred to throughout the case materials as “standalone” rates. Additionally,
20 the methodology used to develop standalone rates is provided in Exhibit TCC-
21 9.

22

- 1 **Q. Were the processes used to develop the revenue forecasts by rate class on**
2 **a standalone basis the same as on a consolidated basis?**
- 3 A. Yes.
- 4 **Q. Were the processes used to allocate the rate increases to the rate classes on**
5 **a standalone basis the same as on a consolidated basis?**
- 6 A. Yes.
- 7 **Q. Were the processes used to change existing base rates on a standalone basis**
8 **the same as on a consolidated basis?**
- 9 A. Yes.
- 10 **Q. For FPL standalone, are you still proposing the same tariff changes as the**
11 **consolidated case?**
- 12 A. Yes. The changes requested in the consolidated case are the same as requested
13 for FPL in the standalone case. These changes include the following:
- 14 • Restoring the one-cent energy charge differential on the standard
15 residential rate
 - 16 • Changing the name of the “Customer Charge” to “Base Charge”
 - 17 • Adding a Fixed Rate pilot tariff
 - 18 • Updating service charges to reflect the current cost basis
 - 19 • Increasing the meter tampering charge
 - 20 • Modifying the existing field collection service charge to include all
21 premise visits

- 1 • Increasing the threshold between General Service and General Service
- 2 Demand (and other optional rate schedules in the rate class) from 21 kW
- 3 to 25 kW
- 4 • Adding maximum demand to the CI TOU rates
- 5 • Reducing the CILC/ CDR credit
- 6 • Adding a 1 MW minimum Large EDR tariff and increasing the CISR
- 7 cap to 500 MW and 75 contracts
- 8 • Closing all unmetered lighting tariffs and modifying the LT-1 tariff
- 9 • Extending the Supplemental Power Services Rider optional pilot to
- 10 December 31, 2025

11 **Q. For Gulf standalone, what tariff changes are being requested?**

12 A. In a standalone case, Gulf would retain the tariffs that are in place today with

13 the requested revenue increases. Additionally, we would propose the following

14 changes to the standalone case:

- 15 • Updating service charges to reflect the current cost basis
- 16 • Adding a late payment fee to align with FPL and all other Florida IOUs
- 17 • Adding a meter tampering charge of \$500 for residential and non-
- 18 demand commercial customers (i.e., GS-1) and \$2,500 for all other
- 19 customers as an additional deterrent for the theft of electricity to align
- 20 with FPL
- 21 • Closing unmetered lighting schedules to new customers and allowing
- 22 new customers access to a new LT-1 tariff that mirrors FPL's
- 23 • Modifying the Flat-1 tariff as noted earlier in my testimony

1 FPL has submitted a proposed distribution of revenue requirements by each
2 major customer class that is reasonable and moves all customer classes towards
3 parity. As shown on Exhibits TCC-3 and TCC-5, the FPL typical residential
4 bill is projected to increase approximately 3.4 percent over the four-year rate
5 plan and remain approximately 20 percent below the national average. As
6 shown in TCC-4, a typical bill for a residential customer in Northwest Florida
7 is projected to decline over the same period and be lower than today's bills even
8 with a full rate increase. Once the five-year transition rider and credit are
9 complete, all customers in FPL's service area will pay the same bills based on
10 their class of service. FPL has a proven track record of providing customers
11 excellent value in their electric service, and our customers in Northwest Florida
12 will realize the same tremendous value from being served by consolidated FPL
13 operations. For these reasons, FPL believes its rate proposals should be
14 approved.

15 **Q. Does this conclude your direct testimony?**

16 A. Yes.

Florida Power and Light Company

CONSOLIDATED MFRs SPONSORED OR CO-SPONSORED BY TIFFANY C. COHEN

MFR	Period	Title
SOLE SPONSOR:		
A-02	Test Subsequent	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
A-03	Test Subsequent	SUMMARY OF TARIFFS
E-05	Test Subsequent	SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES
E-08	Test Subsequent	COMPANY - PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
E-13a	Test Subsequent	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
E-13c	Test Subsequent	BASE REVENUE BY RATE SCHEDULE - CALCULATIONS
E-13d	Test Subsequent	REVENUE BY RATE SCHEDULE - LIGHTING SCHEDULE CALCULATION
E-14	Test Subsequent	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
CO-SPONSOR:		
C-05	Test Subsequent	OPERATING REVENUES DETAIL
E-01	Test Subsequent	COST OF SERVICE STUDIES
E-07	Test Subsequent	DEVELOPMENT OF SERVICE CHARGES
E-09	Test Subsequent	COST OF SERVICE - LOAD DATA
E-12	Test Subsequent	ADJUSTMENT TO TEST YEAR REVENUE
E-13b	Test Subsequent	REVENUES BY RATE SCHEDULE - SERVICE CHARGES (ACCOUNT 451)
E-15	Test Subsequent	PROJECTED BILLING DETERMINANTS - DERIVATION
F-05	Test Subsequent	FORECASTING MODELS

Florida Power and Light Company

**SUPPLEMENT 1 - FPL STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR
 CO-SPONSORED BY TIFFANY C. COHEN**

Schedule	Period	Title
SOLE SPONSOR:		
A-02	Test Subsequent	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
A-03	Test Subsequent	SUMMARY OF TARIFFS
E-05	Test Subsequent	SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES
E-08	Test Subsequent	COMPANY - PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
E-13a	Test Subsequent	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
E-13c	Test Subsequent	BASE REVENUE BY RATE SCHEDULE - CALCULATIONS
E-13d	Test Subsequent	REVENUE BY RATE SCHEDULE - LIGHTING SCHEDULE CALCULATION
E-14	Test Subsequent	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
CO-SPONSOR:		
C-05	Test Subsequent	OPERATING REVENUES DETAIL
E-01	Test Subsequent	COST OF SERVICE STUDIES
E-07	Test Subsequent	DEVELOPMENT OF SERVICE CHARGES
E-09	Test Subsequent	COST OF SERVICE - LOAD DATA
E-12	Test Subsequent	ADJUSTMENT TO TEST YEAR REVENUE
E-13b	Test Subsequent	REVENUES BY RATE SCHEDULE - SERVICE CHARGES (ACCOUNT 451)
E-15	Test Subsequent	PROJECTED BILLING DETERMINANTS - DERIVATION
F-05	Test Subsequent	FORECASTING MODELS

Florida Power and Light Company

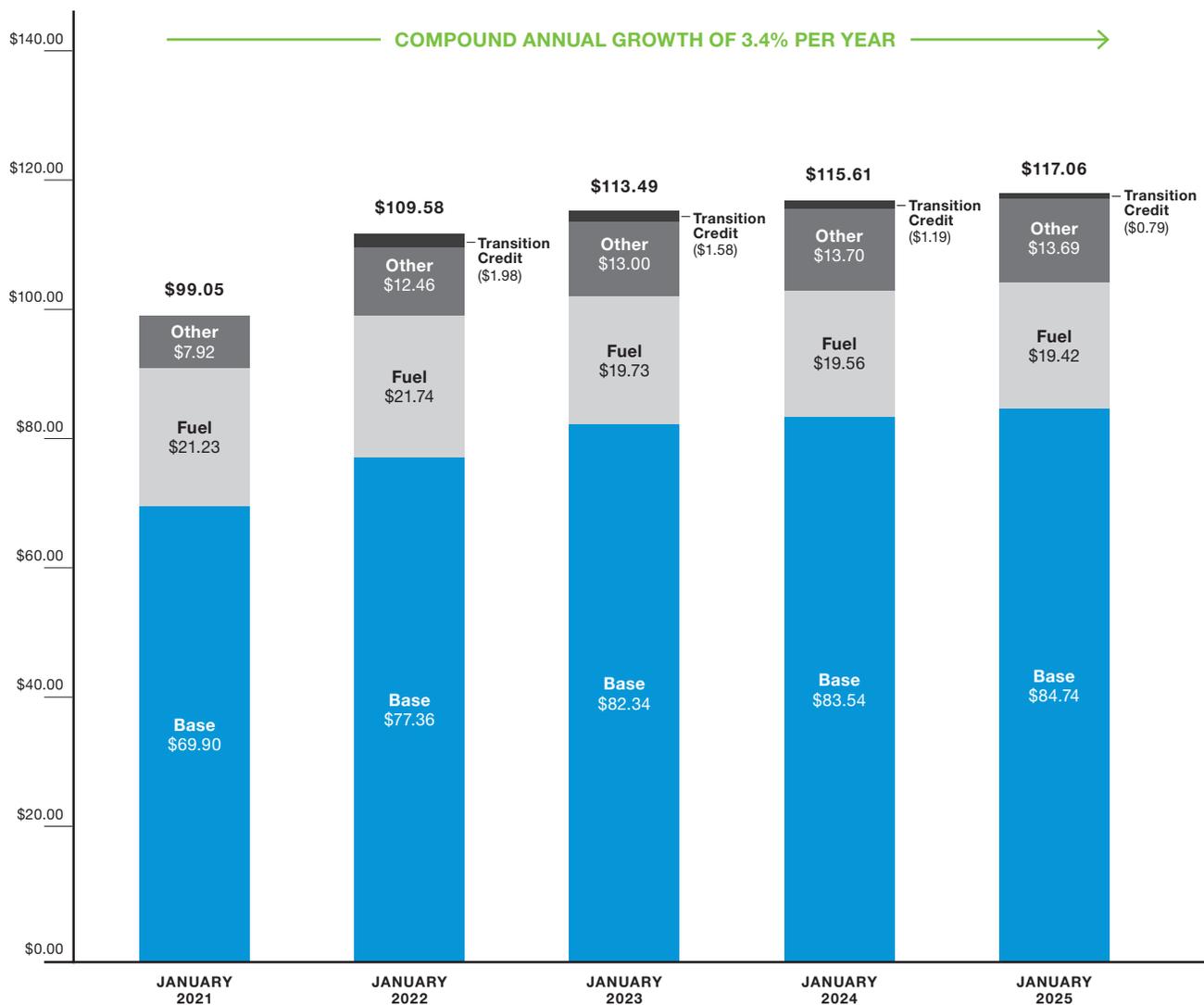
**SUPPLEMENT 2 - GULF STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR
 CO-SPONSORED BY TIFFANY C. COHEN**

Schedule	Period	Title
SOLE SPONSOR:		
A-02	Test Subsequent	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
A-03	Test Subsequent	SUMMARY OF TARIFFS
E-05	Test Subsequent	SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES
E-08	Test Subsequent	COMPANY - PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
E-13a	Test Subsequent	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
E-13c	Test Subsequent	BASE REVENUE BY RATE SCHEDULE - CALCULATIONS
E-13d	Test Subsequent	REVENUE BY RATE SCHEDULE - LIGHTING SCHEDULE CALCULATION
E-14	Test Subsequent	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
CO-SPONSOR:		
C-05	Test Subsequent	OPERATING REVENUES DETAIL
E-01	Test Subsequent	COST OF SERVICE STUDIES
E-07	Test Subsequent	DEVELOPMENT OF SERVICE CHARGES
E-09	Test Subsequent	COST OF SERVICE - LOAD DATA
E-12	Test Subsequent	ADJUSTMENT TO TEST YEAR REVENUE
E-13b	Test Subsequent	REVENUES BY RATE SCHEDULE - SERVICE CHARGES (ACCOUNT 451)
E-15	Test Subsequent	PROJECTED BILLING DETERMINANTS - DERIVATION
F-05	Test Subsequent	FORECASTING MODELS



Typical Bills at Unified Rates - Current FPL Customers

1,000 kWh Residential Bill



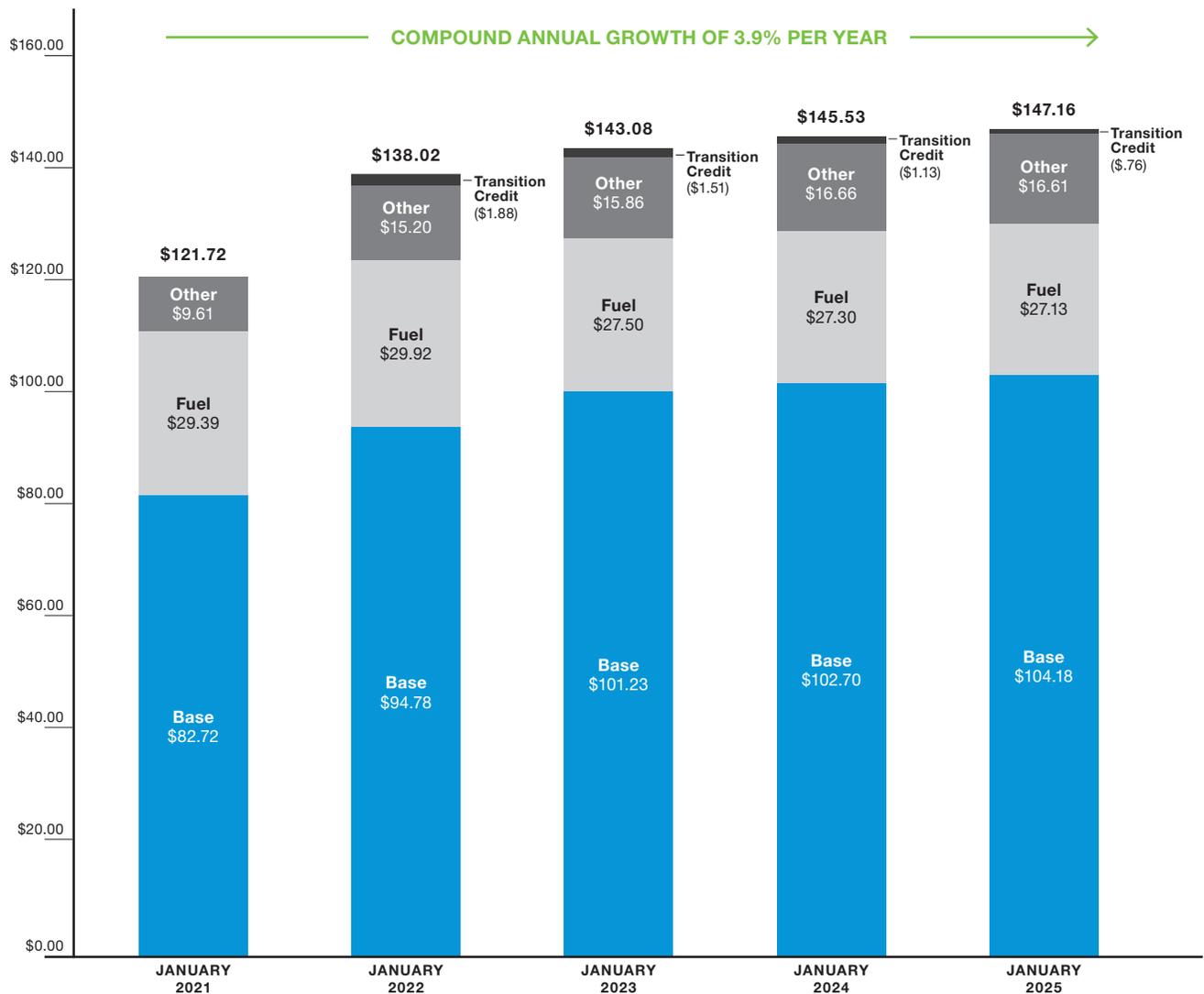
Notes:

1. Assumes a unified rate structure for all customers with a declining transition credit to customers in the former FPL service area to account for the difference in the initial cost to serve. Additional details on the transition credit are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Projected bills do not reflect the proposed mid-course correction filed by FPL in Docket No. 20210001-EI. As such, the projected 2022 fuel amount includes an under recovery of fuel that will be collected in 2021 thereby lowering the 2022 fuel amount shown.
4. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Current FPL Customers

1,200 kWh GS Commercial Bill Comparison



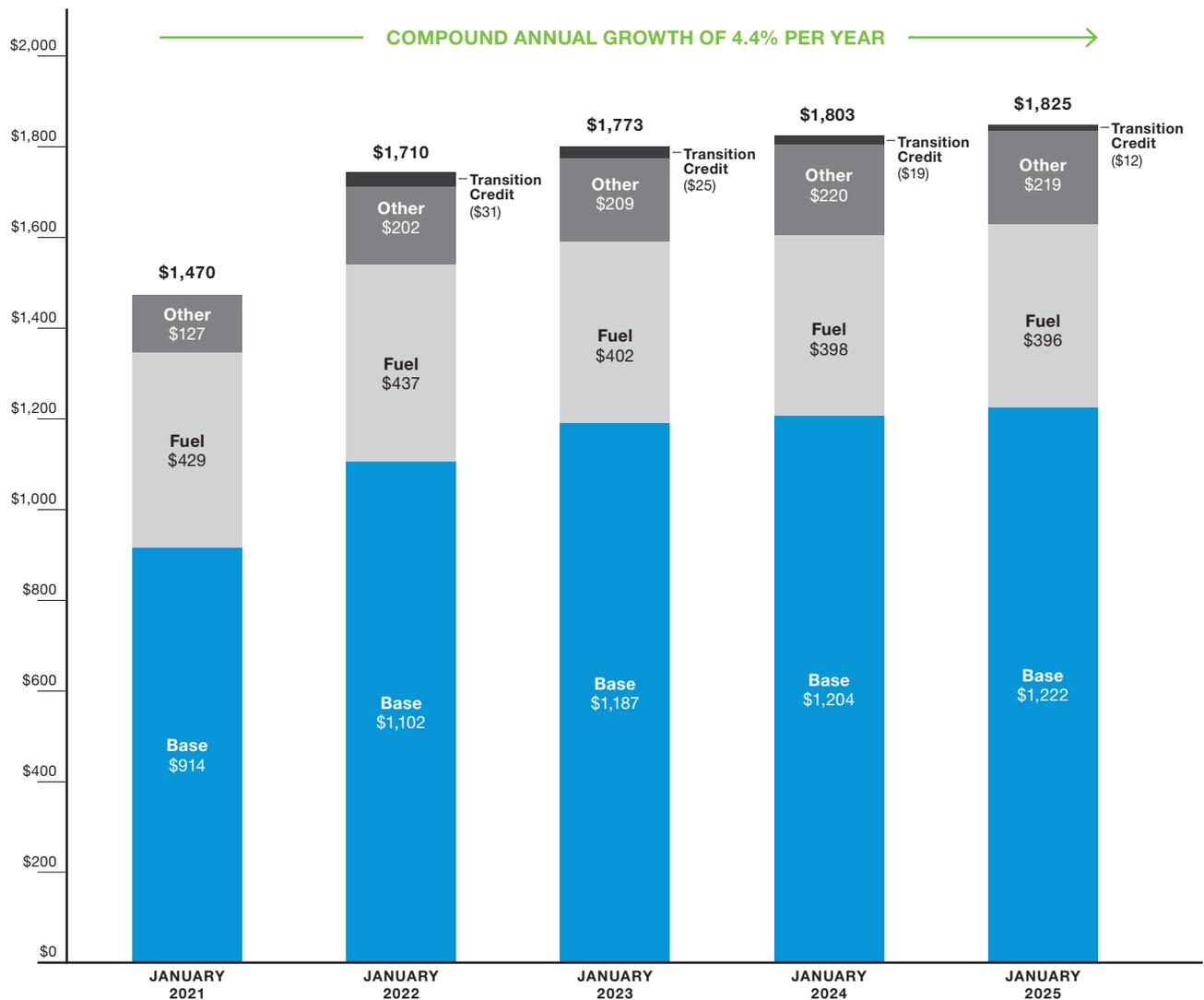
Notes:

1. Assumes a unified rate structure for all customers with a declining transition credit to customers in the former FPL service area to account for the difference in the initial cost to serve. Additional details on the transition credit are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Projected bills do not reflect the proposed mid-course correction filed by FPL in Docket No. 20210001-EI. As such, the projected 2022 fuel amount includes an under recovery of fuel that will be collected in 2021 thereby lowering the 2022 fuel amount shown.
4. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Current FPL Customers

17,520 kWh / 50 kW GSD Commercial Bill Comparison



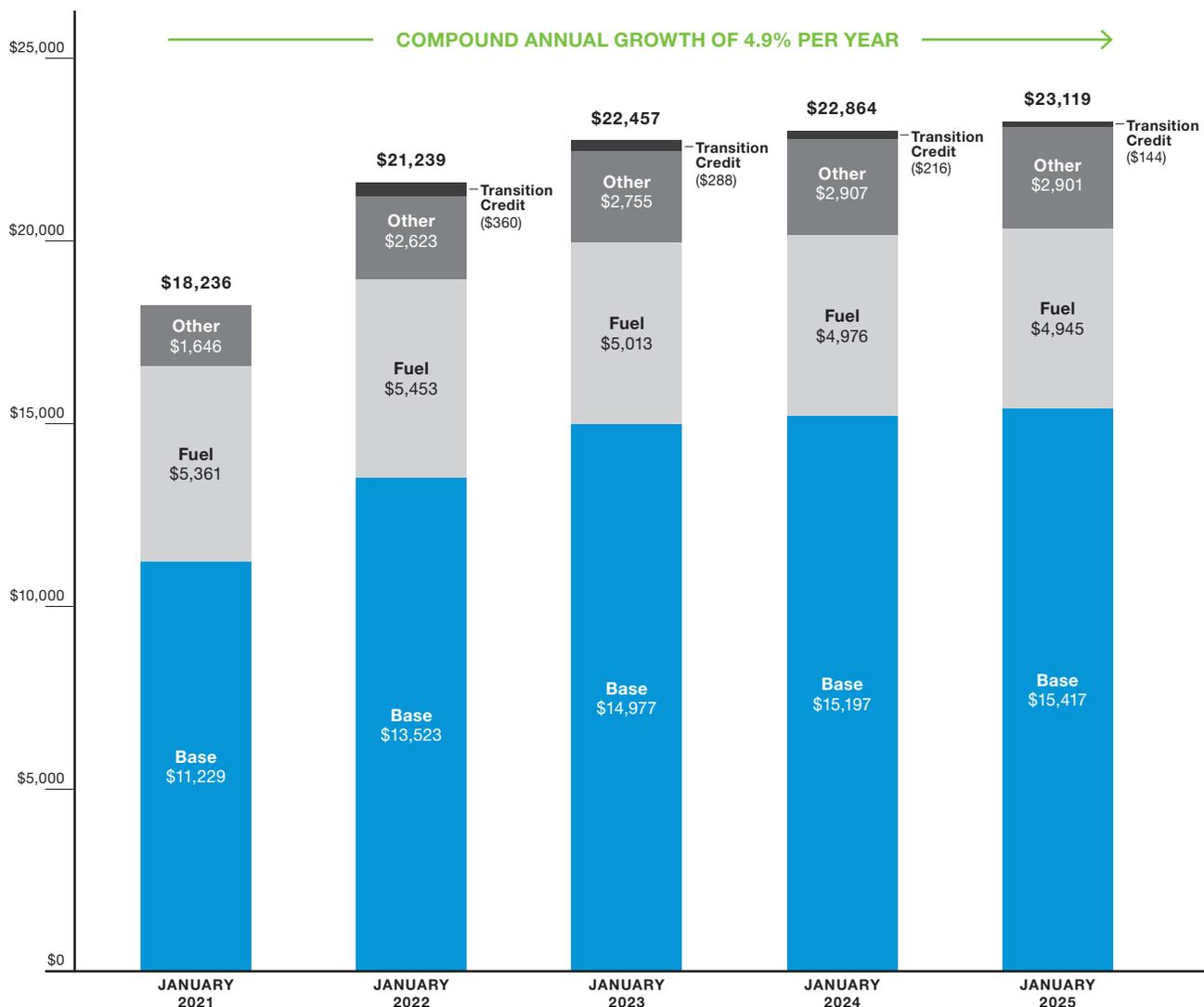
Notes:

1. Assumes a unified rate structure for all customers with a declining transition credit to customers in the former FPL service area to account for the difference in the initial cost to serve. Additional details on the transition credit are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Projected bills do not reflect the proposed mid-course correction filed by FPL in Docket No. 20210001-EI. As such, the projected 2022 fuel amount includes an under recovery of fuel that will be collected in 2021 thereby lowering the 2022 fuel amount shown.
4. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Current FPL Customers

219,000 kWh / 600 kW GSLD-1 Commercial Bill Comparison



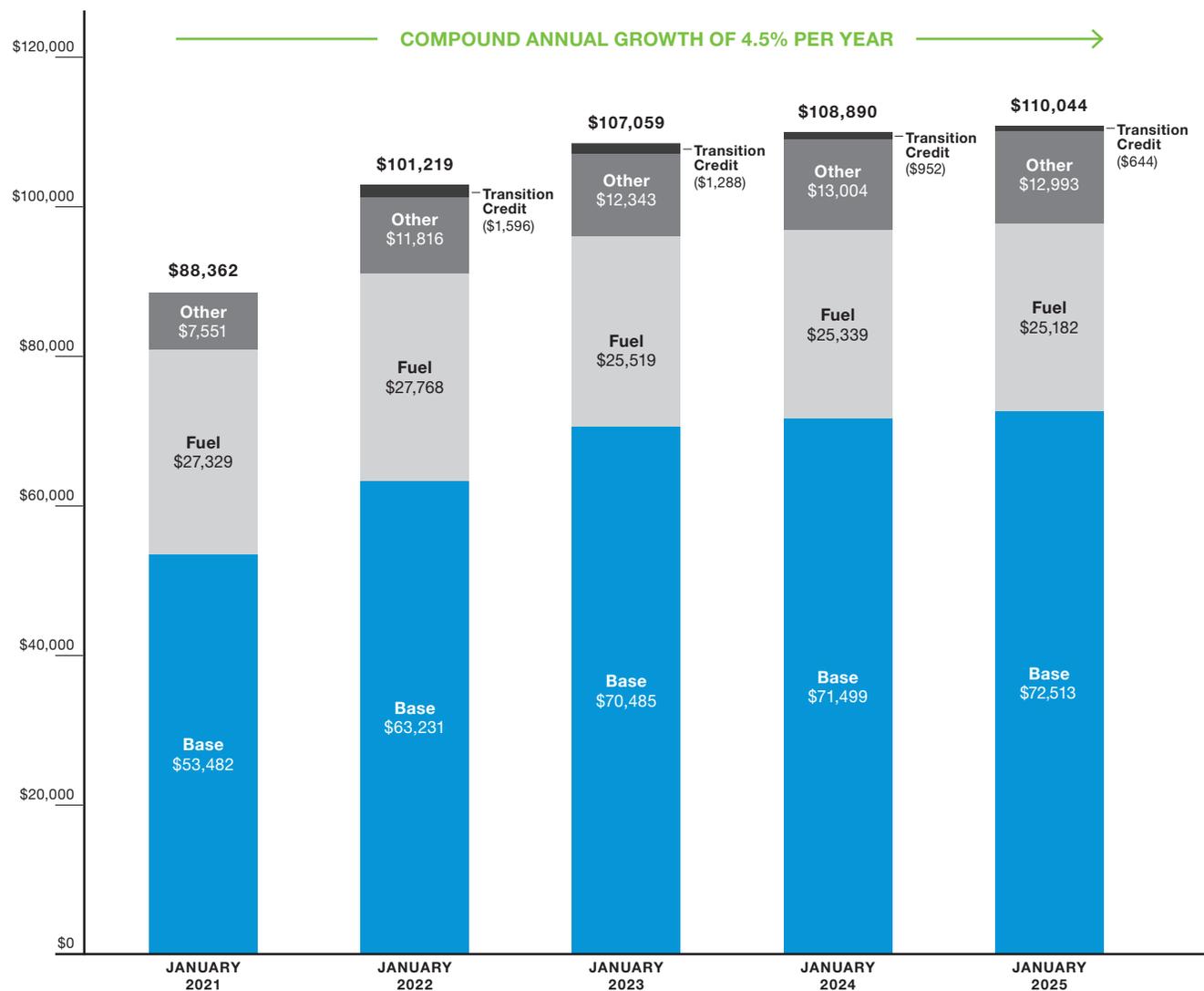
Notes:

1. Assumes a unified rate structure for all customers with a declining transition credit to customers in the former FPL service area to account for the difference in the initial cost to serve. Additional details on the transition credit are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Projected bills do not reflect the proposed mid-course correction filed by FPL in Docket No. 20210001-EI. As such, the projected 2022 fuel amount includes an under recovery of fuel that will be collected in 2021 thereby lowering the 2022 fuel amount shown.
4. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Current FPL Customers

1,124,200 kWh / 2,800 kW GSLD-2 Commercial Bill Comparison



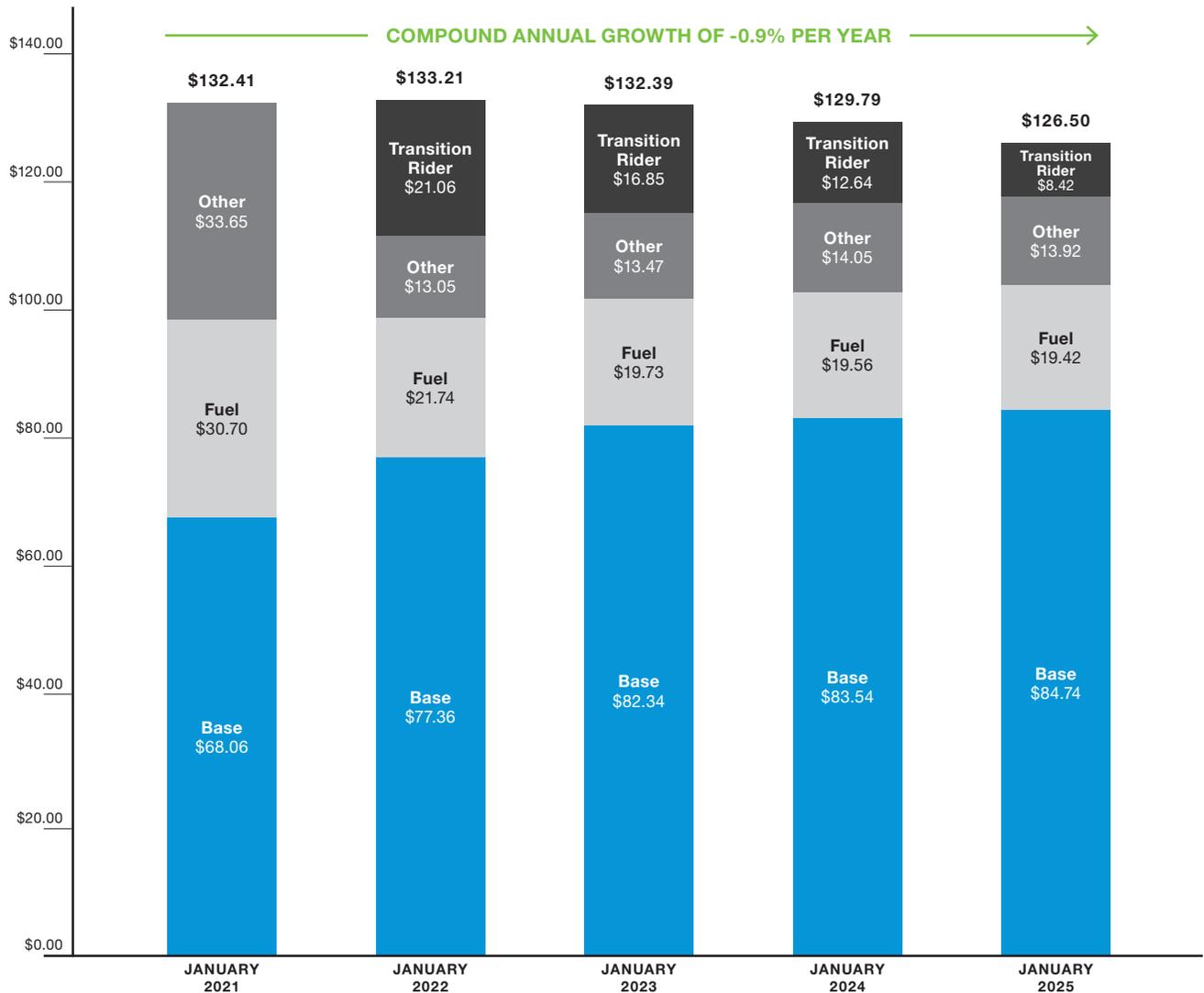
Notes:

1. Assumes a unified rate structure for all customers with a declining transition credit to customers in the former FPL service area to account for the difference in the initial cost to serve. Additional details on the transition credit are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Projected bills do not reflect the proposed mid-course correction filed by FPL in Docket No. 20210001-EI. As such, the projected 2022 fuel amount includes an under recovery of fuel that will be collected in 2021 thereby lowering the 2022 fuel amount shown.
4. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Northwest Florida Customers

1,000 kWh Residential Bill Comparison



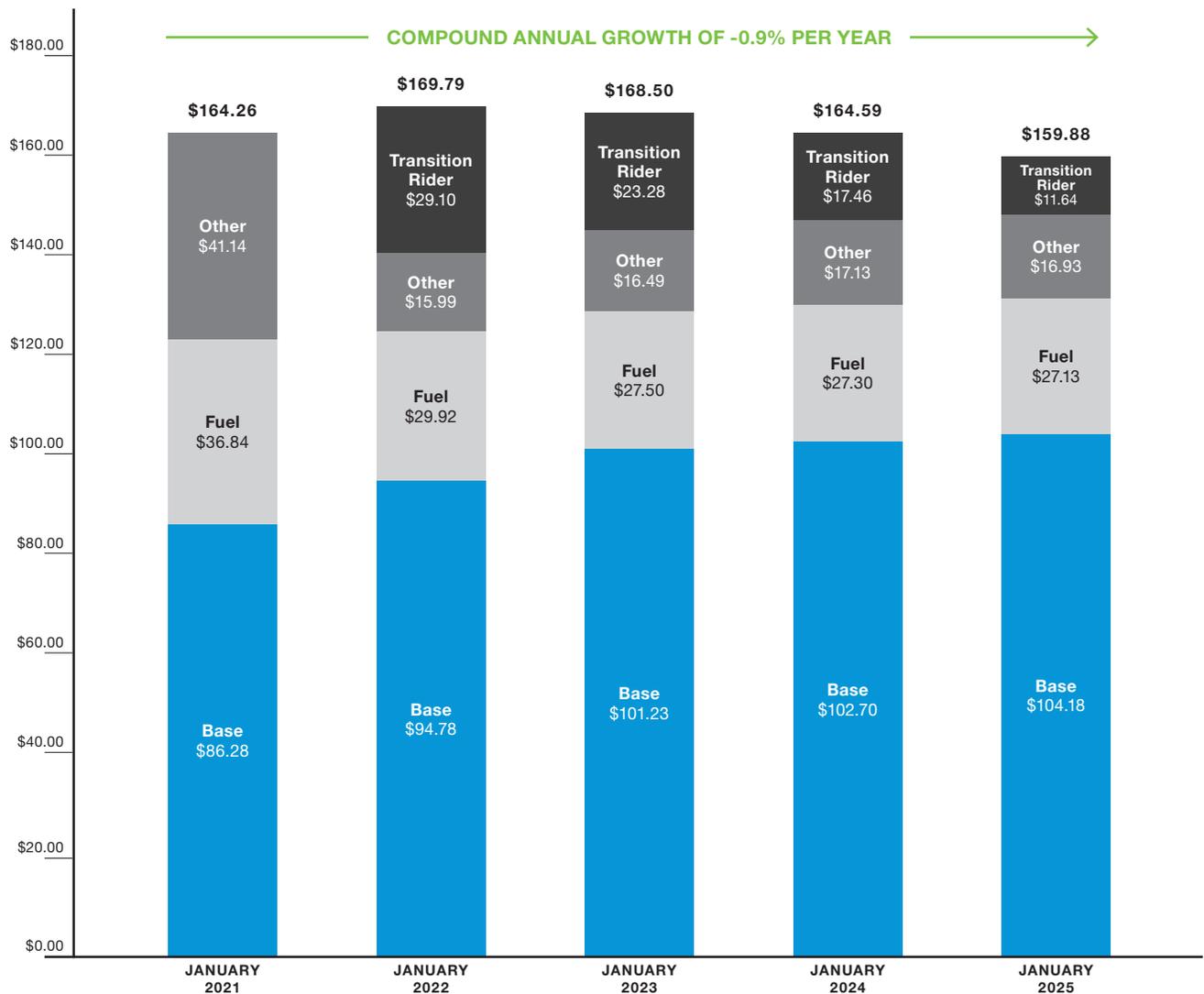
Notes:

1. Assumes a unified rate structure for all customers with a declining Transition Rider for customers in Northwest Florida to account for the difference in the cost to serve. More details on the transition rider are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Northwest Florida Customers

1,200 kWh GS Commercial Bill Comparison



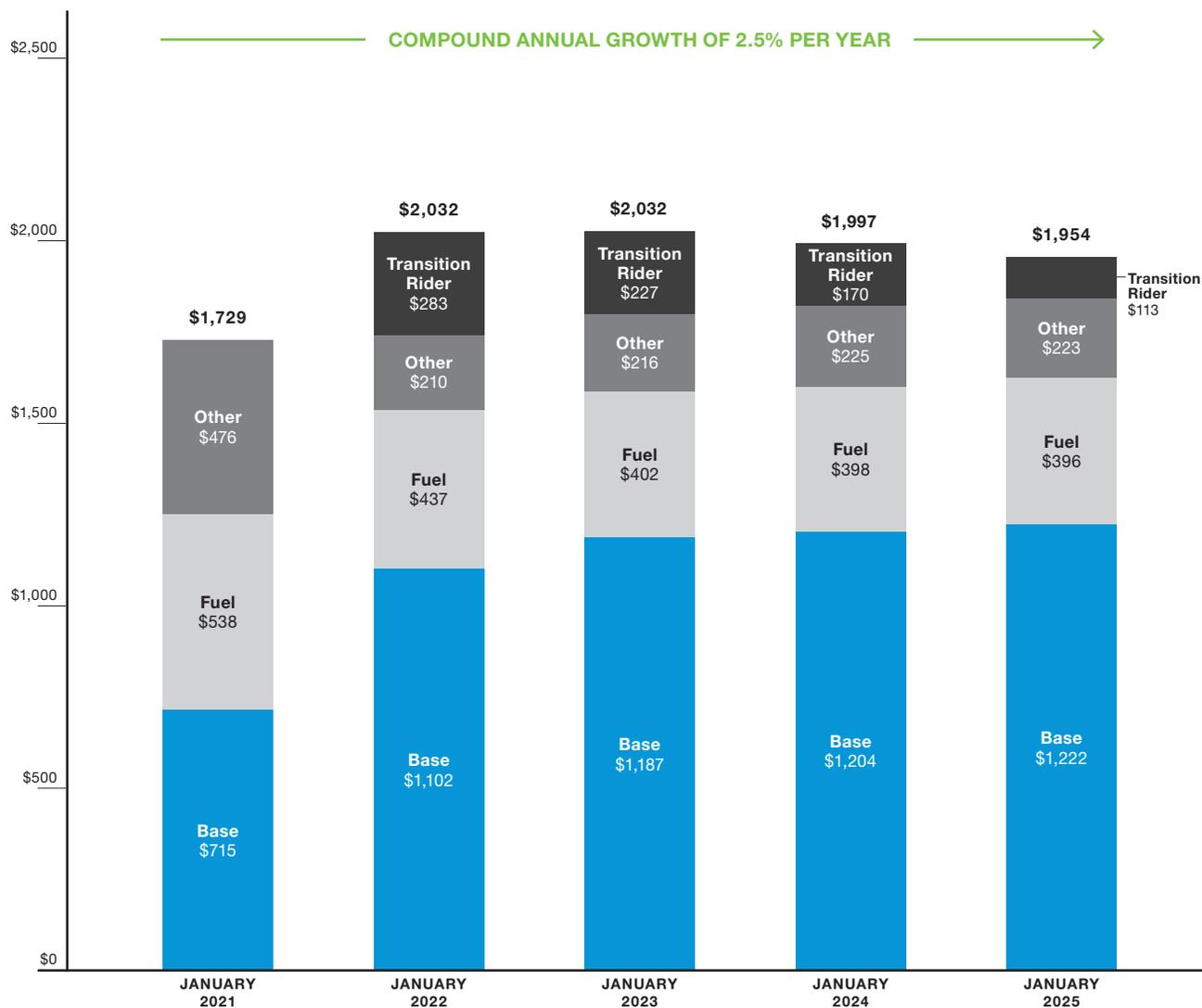
Notes:

1. Assumes a unified rate structure for all customers with a declining Transition Rider for customers in Northwest Florida to account for the difference in the cost to serve. More details on the transition rider are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Northwest Florida Customers

17,520 kWh / 50 kW GSD Commercial Bill Comparison



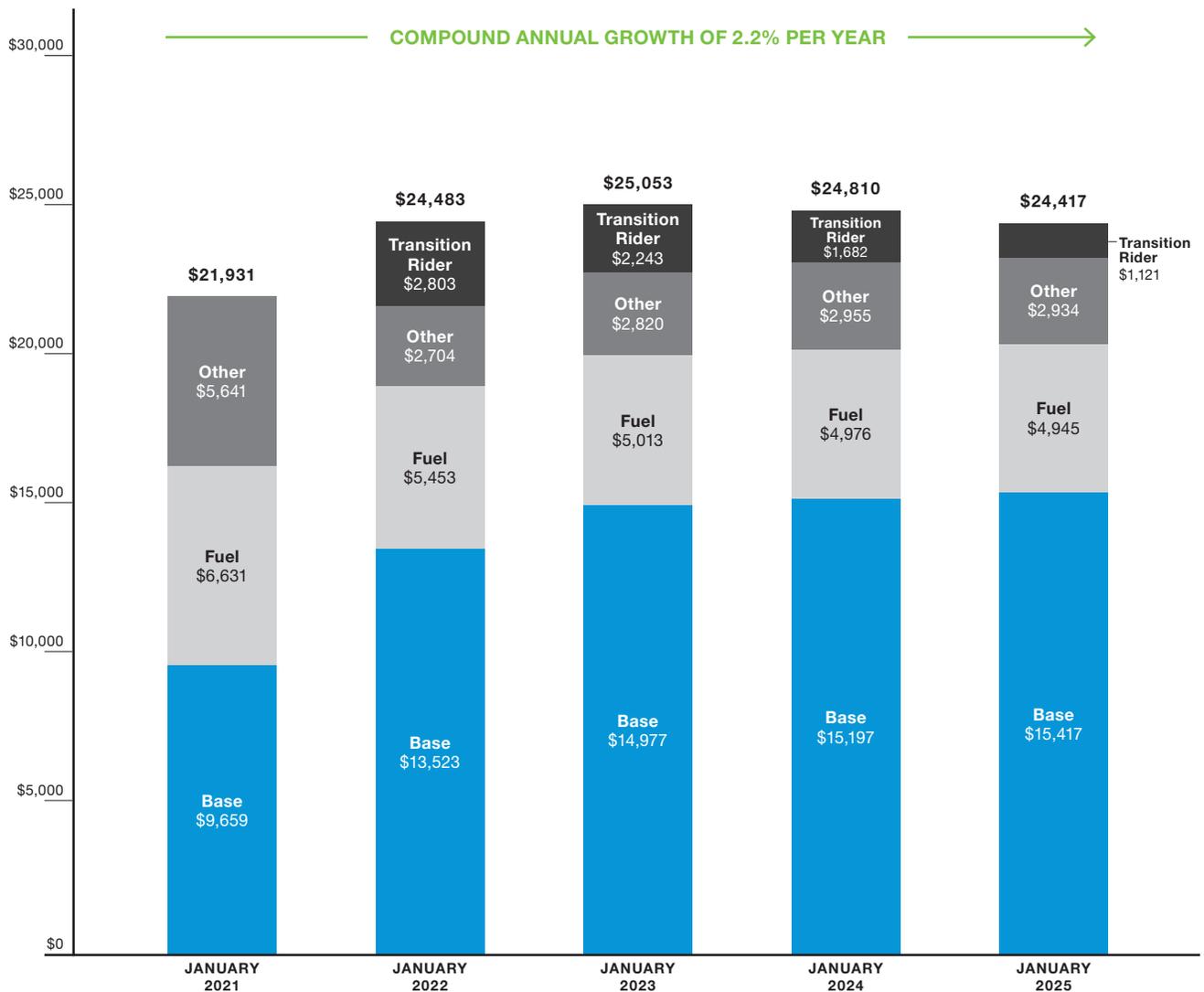
Notes:

1. Assumes a unified rate structure for all customers with a declining Transition Rider for customers in Northwest Florida to account for the difference in the cost to serve. More details on the transition rider are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Northwest Florida Customers

219,000 kWh / 600 kW LP/GSLD-1 Commercial Bill Comparison



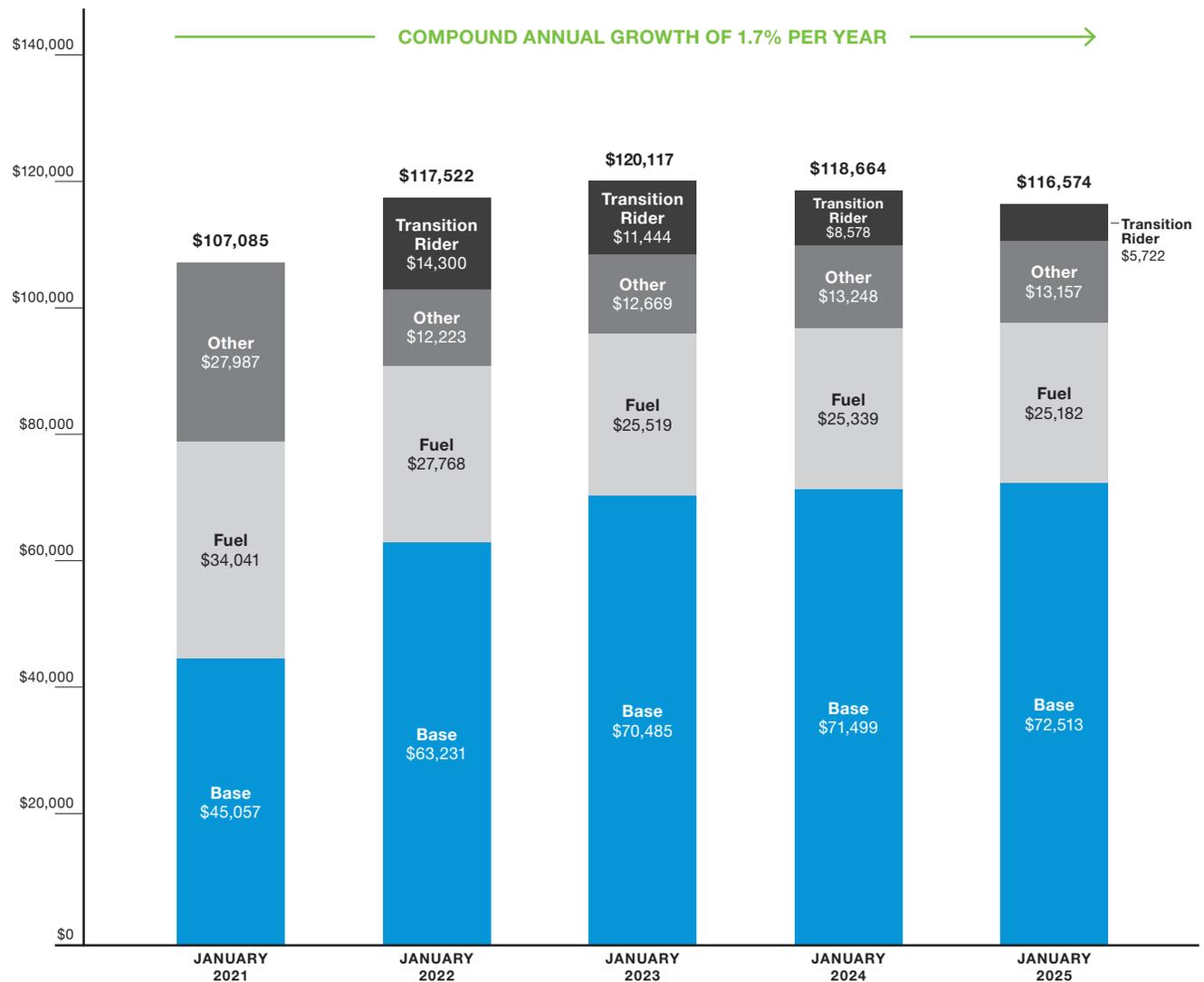
Notes:

1. Assumes a unified rate structure for all customers with a declining Transition Rider for customers in Northwest Florida to account for the difference in the cost to serve. More details on the transition rider are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Compound Annual Growth Rate is calculated on the full year.



Typical Bills at Unified Rates - Northwest Florida Customers

1,124,200 kWh / 2,800 kW LP/GSLD-2 Commercial Bill Comparison



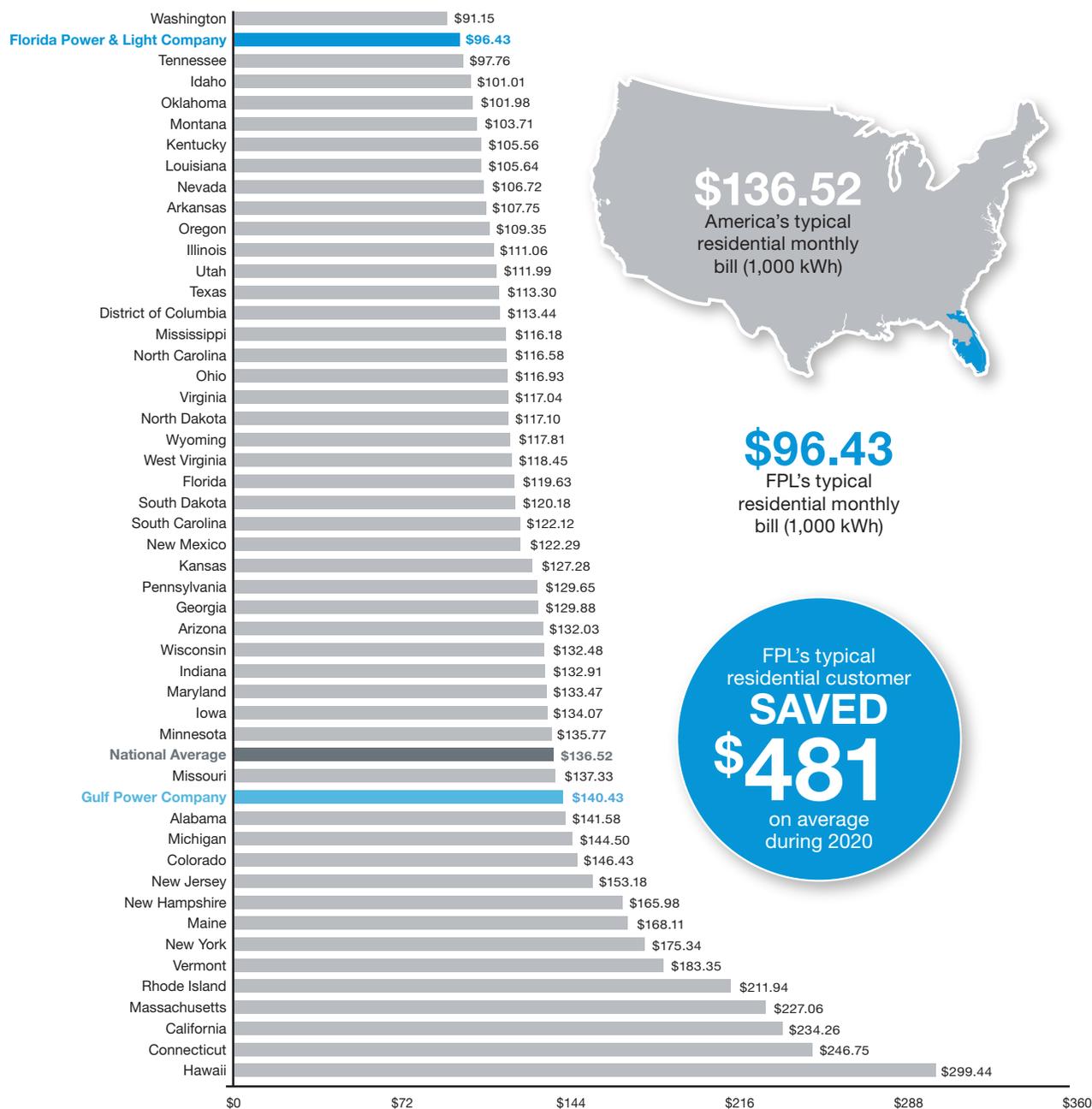
Notes:

1. Assumes a unified rate structure for all customers with a declining Transition Rider for customers in Northwest Florida to account for the difference in the cost to serve. More details on the transition rider are in Exhibit TCC-8.
2. Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause and Gross Receipts Tax.
3. Compound Annual Growth Rate is calculated on the full year.



Residential customer bills are about 30 percent lower than the national average

2020 Comparison for a typical 1,000-kWh residential bill



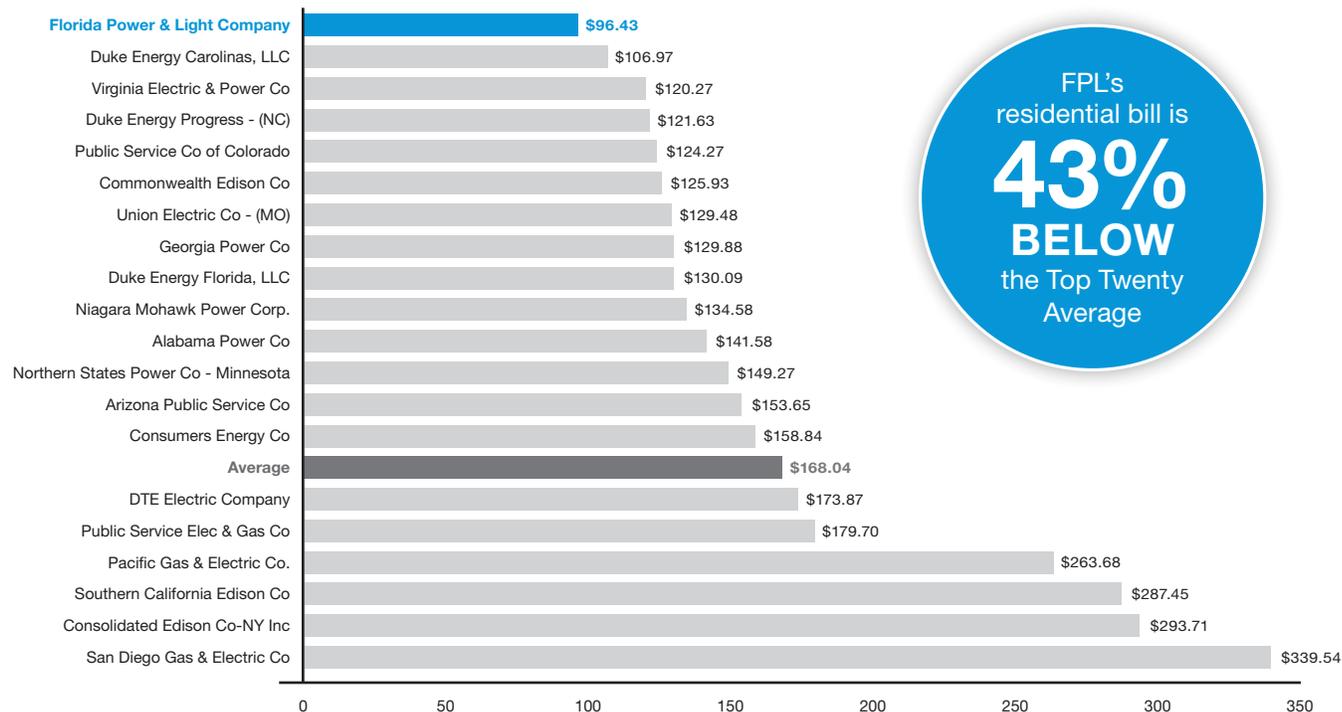
Data source: Bill comparisons as reported in the Edison Electric Institute (EEI) Typical Bills and Average Rates Report for Summer 2020. Averages only include vertically integrated utilities that report their rates to EEI and may not be all-inclusive. FPL bill includes the state gross receipts tax but does not include credits, local taxes or fees that may be applicable in some jurisdictions.



Top Twenty Residential Electric Bill Comparison

Ranked by Customers; Rates effective July 2020

Monthly Residential Bill - 1,000 kWh consumption in 2020



FPL's residential bill is
43% BELOW
 the Top Twenty Average

Top Twenty is based on 2019 Energy Information Administration (EIA) reported customers
 Typical Bills are reported by EEI Typical Bills and Average Rates Report for Summer 2020.



Keeping your bill lower than the state, regional and national averages A comparison of monthly bills for typical residential and business customers

Residential 1,000 kWh

Typical monthly usage for a home or apartment



Small Business 1,500 kWh

Examples: office, storefront, farm pumps



Commercial 40kW 10,000 kWh

Examples: small manufacturing facility, bank branch office, retail store, restaurant, medical office



Commercial 500 kW 180,000 kWh

Examples: school, department store, large call center, grocery store



Industrial 1,000 kW 400,000 kWh

Examples: manufacturing facility, large school

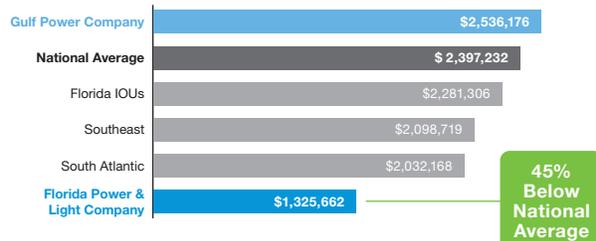


Industrial 1,000 kW 650,000 kWh

Example: large manufacturing facility



Industrial 50,000 kW 32,500,000 kWh



Southeast States: Alabama, Florida, Georgia, Mississippi, South Carolina, North Carolina, and Virginia

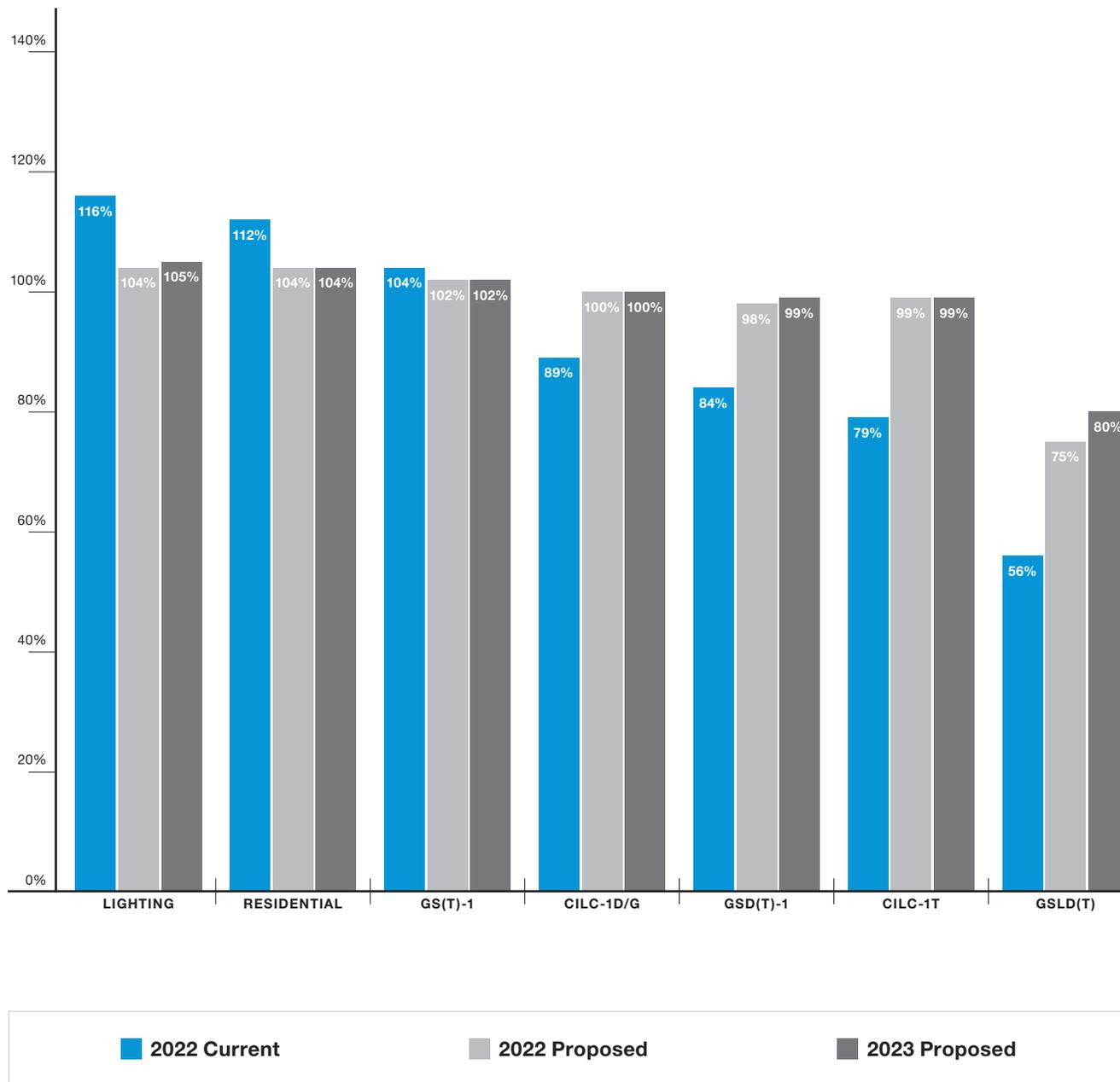
South Atlantic States: District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia

Bill comparisons as reported in the Edison Electric Institute (EEl) Typical Bills and Average Rates Report for Summer 2020

Source: EEl Typical Bills and Average Rates Report



Parity of Major Rate Classes



1. GSLD(T) includes GSLDT-1, GSLDT-2 and GSLDT-3

2. Lighting includes OL-1, OS-2, SL-1, SL1M, SL-2, SL2M and OS-2

**SUMMARY OF PROPOSED RATE STRUCTURE FOR
 MAJOR RATE SCHEDULES**

<u>RATE SCHEDULE</u>	<u>DESCRIPTION</u>
RS-1	Residential Service
RTR-1	Residential Service – Time of Use Rider
GS-1	General Service – Non Demand (0-24 kW)
GSCU	General Service Constant Usage
GSD-1	General Service Demand (25-499 kW)
GSLD-1	General Service Large Demand (500-1,999 kW)
GSLD-2	General Service Large Demand (2,000 kW+)
GSLD-3	General Service Large Demand – Transmission (69 kV)
GST-1	General Service – Non Demand – Time of Use (0-24kW)
GSDT-1	General Service Demand – Time of Use (25-499 kW)
GSLDT-1	General Service Large Demand – Time of Use (500-1,999 kW)
GSLDT-2	General Service Large Demand – Time of Use (2,000 kW+)
GSLDT-3	General Service Large Demand – Time of Use (69 kV)
CS-1	Curtailable Service (500-1999 kW)
CS-2	Curtailable Service (2,000 kW +)
CS-3	Curtailable Service – Transmission (69 kV)
CST-1	Curtailable Service – Time of Use (500-1,999 kW)
CST-2	Curtailable Service – Time of Use (2,000 kW +)
CST-3	Curtailable Service – Time of Use (69 kV)

<u>RATE SCHEDULE</u>	<u>DESCRIPTION</u>
HLFT	High Load Factor-Time of Use
SDTR	Seasonal Demand-Time of Use Rider
CILC-1	Commercial/Industrial Load Control Program
CDR	Commercial/Industrial Demand Reduction Rider
SST-1	Standby and Supplemental Service
ISST-1	Interruptible Standby and Supplemental Service
MET	Metropolitan Transit Service
LT-1	LED Lighting
OS-2	Sports Field Service
SL-1	Street Lighting
SL-1M	Metered Street Lighting
OL-1	Outdoor Lighting
PL-1	Premium Lighting
SL-2	Traffic Signal Service
SL-2M	Metered Traffic Signal Service
OS I/II/III	Outdoor Service

**Major Rate Schedules Available to Residential and
Non-Demand Metered Commercial/Industrial (“CI”) Customers**

Residential Service

Standard residential service is provided under the Residential Service (“RS-1”) rate schedule. RS-1 has a customer charge and an inverted or increasing energy charge for usage above 1,000 kWh. The RS-1 rate has an inversion point of 1,000 kWh that was established in January 2006 in Docket No. 050045-EI in order to encourage conservation. The energy charge for usage above 1,000 kilowatt-hours is set at one cent per kWh higher than the charge for usage below 1,000 kWh. The 1,000 kWh and under charge is adjusted to achieve the rate class target revenues.

Residential Time-of-Use Service

FPL offers optional Time of Use (“TOU”) service to residential customers. A full description of FPL’s TOU rate structure is provided under the demand metered Commercial Industrial (“CI”) customer section.

Under the Residential Service TOU (“RTR-1”) rate schedule, customer’s energy charge is based on the standard energy charges under RS-1 with additional energy and fuel adders for on-peak usage and credits for off-peak usage. The additional adders and credits are calculated to be revenue neutral with the levelized residential rate at the class average on-peak usage. A customer taking service under the RTR-1 rider will benefit from the rider if on-peak usage is less than the residential class average. All TOU customer charges are set the same as the corresponding non-TOU customer charges.

General Service

Standard service to non-demand metered CI customers is provided under the General Service (“GS-1”) rate schedule. GS-1 includes an energy charge and a customer charge. The discount for unmetered service is based on the meter-related expenses included in the customer unit costs. The customer charge and energy charge are proposed to achieve the rate class’s target revenues. FPL is proposing to increase the demand threshold for GS from 21 kW to 25 kW.

General Service TOU

FPL offers non-demand metered CI customers optional TOU pricing under the General Service TOU (“GST-1”) rate schedule. The customer charge, on-peak energy charge and off-peak energy charge are set by applying a percentage increase for the rate class to present rates. The on-peak energy charge is adjusted in order to provide revenue neutrality with the GS-1 energy rate at the class average on-peak usage.

Constant Usage Service

Service to CI customers with a constant usage is provided under the General Service Constant Use (“GSCU”) rate schedule. This rate schedule includes a customer charge and an energy charge. The customer charge and energy charge are adjusted to achieve the target revenues for the rate class.

Major Rate Schedules Available to Demand Metered CI Customers

Standard General Service Demand Rate Offerings

The standard rate schedules available for general service demand metered customers are the General Service Demand (“GSD-1”) rate schedule, and three General Service Large Demand rate schedules (“GSLD-1”), (“GSLD-2”), and (“GSLD-3”). The structures for these rate schedules include demand, energy, and customer charges. There are separate rate schedules for customers with demands between 25 and 499 kW (GSD), 500 kW and 1,999 kW (GSLD-1), 2,000 kW and above (GSLD-2), and for customers at or above 69 kV served directly from the transmission system (GSLD-3). FPL is proposing to increase the demand threshold for GSD from 21 kW to 25 kW.

Current customer charge, demand charge, and energy charge for these rate schedules are increased by the same rate class percentage maintaining rate relationships established in previous rate proceedings. Energy rates are adjusted to achieve revenue neutrality within the class, taking into consideration the revenues from the corresponding optional TOU, High Load Factor TOU (“HLFT”), Seasonal Demand TOU rider (“SDTR”), and Curtailable Service (“CS”) and CS TOU (“CST”) rates.

Optional Services

General Service Demand TOU Service

Optional TOU service is available for the demand metered CI customers under the General Service Demand / Large Demand TOU rate schedules (“GSDT-1”), (“GSLDT-1”), (“GSLDT-2”), and (“GSLDT-3”). The current TOU options for these customers generally reflect the otherwise applicable standard rate schedule structure, with the addition of providing time-differentiated energy charges. Separate energy charges are applicable to the on-peak and off-peak periods. FPL proposes to include a demand charge for a customer’s maximum demand for distribution-level rate schedules. All of FPL’s General Service Demand / Large Demand TOU, HLFT, and CST, as well as the RST-1/RTR-1 and the GST-1 rate schedules share the same on-peak and off-peak rating periods, as shown below.

TOU Rating Periods

On-Peak: November 1 through March 31: Mondays through Fridays during the hours from 6 a.m. to 10 a.m. and 6 p.m. to 10 p.m., excluding Thanksgiving Day, Christmas Day, and New Year's Day. April 1 through October 31: Mondays through Fridays during the hours from 12 noon to 9 p.m., excluding Memorial Day, Independence Day, and Labor Day.

Off-Peak: All other hours.

Energy charges for the TOU rates are designed to be revenue neutral to the standard energy rate. As with the standard rates, current TOU customer charge, demand charge and energy charge are increased by the same rate class percent increase. The on-peak energy charge is adjusted to be revenue neutral with the standard rate at the class average on-peak usage.

Curtable Service (Closed)

Curtable Service available under rate schedules (“CS-1”), (“CS-2”), and (“CS-3”) provides a credit for each kW demand of curtable load. These rate schedules have been closed to new customers since 2018. The customer charge and the curtable credit was adjusted to achieve the target revenues for the rate class. The curtable demand and energy rates mirror the rate structures of the otherwise applicable GSLD rate schedule.

Curtable TOU Service (Closed)

CST service available under rate schedules (“CST-1”), (“CST-2”), and (“CST-3”) provides a credit for each kW of curtable load. These rate schedules have been closed to new customers since 2018. The customer charge and the curtable credit was adjusted to achieve the target revenues for the rate class. The curtable demand and energy rates mirror the rate structures of the otherwise applicable GSLDT rate schedule.

High Load Factor TOU

HLFT is designed for the higher load factor customers while also providing a time-differentiated price signal. There are three separate HLFT categories: HLFT-1 is applicable to customers with demands between 25-499 kW, HLFT-2 is applicable to customers with demands between 500-1,999 kW, and HLFT-3 is applicable to customers with demands 2,000 kW and above. Each rate schedule includes a customer charge, an on-peak firm demand charge, a maximum demand charge applicable to highest demand in the month, regardless of time of day, an on-peak energy charge, and an off-peak energy charge. FPL is proposing to increase the demand threshold for HLFT-1 from 21 kW to 25 kW.

HLFT customer, demand, and energy rates are increased using the same methodology applied to standard and TOU demand and energy charges. Additionally, the HLFT on-peak energy charge is adjusted to achieve revenue neutrality with the applicable standard rate based on a 70 percent load factor.

Seasonal Demand TOU Rider

SDTR is available for customers who have the ability to shift demand and reduce their energy usage during a narrow on-peak window during the months of June through September. In addition to traditional time differentiated energy rates during the non-summer months that provide incentives for customers to use less energy during on-peak periods, the SDTR rate sends stronger price signals during the summer months.

The on-peak period under the SDTR is limited from 3 p.m. to 6 p.m. weekdays (excluding holidays) in June through September (Summer). Customers can elect to receive service under either a non-time differentiated (Option A) or time differentiated (Option B) rate during the non-seasonal period of January through May and October through December. For customers who elect a time differentiated rate during the non-seasonal period, the standard TOU rating periods would apply, as reflected above. Additionally, the maximum demand charge has been added for seasons where it was not already applicable. There are three separate SDTR categories: SDTR-1 is applicable to customers with demands between 25-499 kW, SDTR-2 is applicable to customers with demands between 500-1,999 kW, and SDTR-3 is applicable to customers with demands 2,000 kW and above. FPL is proposing to increase the demand threshold for SDTR from 21 kW to 25 kW.

The SDTR rates include a customer charge, a seasonal demand charge, a non-seasonal demand charge, a maximum demand charge, seasonal energy charge, and a non-seasonal energy charge. Each charge is a function of the parent rate schedule charges, with the summer charges adjusted based on the class summer usage as compared to the non-summer usage.

Optional Interruptible Rate Schedules

Commercial/Industrial Load Control Service (Closed)

Commercial/Industrial Load Control (“CILC-1”) rates are designed to provide applicable customers with lower rates in exchange for allowing the Company to interrupt the customers’ load during periods of capacity constraint. This rate schedule has been closed to new customers since 1996. There are three separate CILC-1 categories: (“CILC-1G”) is applicable to customers with demands between 200-499 kW, (“CILC-1D”) is applicable to customers with demands of 500 kW and above, and (“CILC-1T”) is applicable to customers served directly from the transmission system. The CILC-1 rate schedule includes a customer charge, an on-peak firm demand charge, an on-peak interruptible demand charge, an on-peak energy charge, and an off-peak energy charge. In addition, customers served from the distribution system are also charged a maximum demand based on their highest demand, regardless of time of day, over the last 24 months.

Proposed customer, demand, and energy charges were calculated by applying the rate class increase percentage to current rates and adjusted for the change in the CI Demand Reduction Rider credit.

CI Demand Reduction

The CI Demand Reduction Rider (“CDR”) is the replacement for CILC-1 and provides customers with a credit in exchange for allowing the Company to interrupt the customers’ load during periods of capacity constraint. FPL witness Sim discusses the proposed credit amount. The CDR also includes an administrative adder to recover the additional administrative and system costs associated with this program.

Standby and Supplemental Service Rate Schedules

Firm Standby and Supplemental Service

Standby and Supplemental Service (“SST”) is applicable to customers whose electric service requirements are supplied or supplemented from the customer's generation equipment at the point of service. Standby Service is electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by the customer’s own generation equipment during periods of either scheduled (maintenance) or unscheduled (backup) outages of all or a portion of the customer’s generation. Supplemental service is electric energy or capacity supplied by the Company in addition to that which is normally provided by the customer’s own generation equipment. A customer is required to take service under SST if the customer's total generation capacity is more than 20 percent of the customer's total electrical load and the customer's generator(s) is (are) not for emergency purposes only.

The terms and conditions under FPL’s SST tariff established in Order No. 17159 in Docket No. 850673-EU (“Standby Order”) outlined the rate structure appropriate for standby service, including the use of daily demand charges and reservation demand charges. As a result, FPL’s SST tariff incorporates a daily demand charge based on the daily maximum on-peak demand and a reservation demand charge. SST customers are charged the greater of the sum of the daily demand charges or the reservation demand charge times the maximum on-peak standby demand actually registered during the month, plus the reservation demand charge times the difference between the contract standby demand and the maximum on-peak standby demand actually registered during the month. Supplemental Service charges are applicable for the total power supplied by the Company minus the Standby Service supplied by the Company during the same metering period. Supplemental Service charges are calculated by applying the applicable standard rate schedule excluding the customer charge.

FPL has four separate SST rate schedules: (“SST-1(D1)”) serves customers with demands below 500 kW; (“SST-1(D2)”) is applicable to customers with demands between 500 kW and 1,999 kW; (“SST-1(D3)”) applies to customers with demands of 2,000 kW and above; and (“SST-1(T)”) applies to customers served directly from the transmission system.

The proposed SST customer and demand charges were increased by the rate class percent increase from the current charge. The proposed energy charge is set in order to achieve the rate class’s target revenues.

Interruptible Standby and Supplemental Service

Interruptible Standby and Supplemental Service is available under the ISST-1 rate schedule. FPL did not forecast any customers under ISST-1 for the Test Year. However, in the interests of maintaining these rates for future customers, FPL proposes firm and interruptible customer, demand, and energy charges under ISST-1 based on the applicable distribution or transmission level SST rate schedules, with the interruptible reservation charges based on the transmission revenue requirement.

Rate Schedules Available to Other Customer Classes

Metropolitan Transit Service

Service to the Miami-Dade County Electric Transit System is provided under the Metropolitan Transit Service (“MET”) rate schedule. The rate structure for MET includes customer, energy and demand charges.

The proposed customer and demand charges were increased by the rate class percent increase from the current charge. The proposed energy charge is set in order to achieve the rate class’s target revenues.

Lighting Services

Lighting Services for FPL are available under the LED Lighting (“LT-1), Street Lighting (“SL-1”), Metered Street Lighting (“SL-1M”), Outdoor Lighting (“OL-1”), Premium Lighting (“PL-1”), Traffic Signal (“SL-2”), Metered Traffic Signals (“SL-2M”); and for customers in Northwest Florida are available under Outdoor Service (OS-I/II). FPL is proposing to close to new customers all unmetered rate schedules, except for LT-1. All existing customers will remain on their existing rate schedules. Additionally, Sports Field Service (“OS-2”) is a closed rate schedule available to existing customers. Each is described below.

LED

The LT-1 rate provides an option for customers to install LEDs lighting or convert from non-LED, such as High-Pressure Sodium Vapor lighting to LED. This tariff will be available for roadway lighting, area lighting such as parking lot lights, outdoor lighting such as security lights, and accommodates standard fixtures and poles as well as special decorative lighting. For LT-1, non-fuel energy charges are set to achieve the target revenues of each rate class. The Fixture, Pole and Additional Lighting Charge reflect the replacement cost of these facilities. Maintenance charges have been updated based on current labor and material costs. The conversion fee continues to recover on the cost associated with the removal and remaining book value of the existing non-LED fixture.

Sports Field Service (Closed)

The OS-2 rate schedule has been closed to new customers since 1982. The rate schedule includes a customer and an energy charge which is increased proportionally to achieve the rate class's target revenues.

Street, Outdoor, and Premium Lighting Service

FPL is proposing to close both SL-1 and OL-1 to new customers. These unmetered rates are currently available to customers who do not own their own lighting facilities and are assessed a bundled monthly charge which includes fixture, maintenance, and non-fuel energy components. These monthly charges vary by wattage level, type of fixture and level of service provided. SL-1 and OL-1 customers are also charged a flat monthly fee for any poles, down-guys or conductors dedicated to lighting service. For both SL-1 and OL-1, non-fuel energy charges are set to achieve the target revenues of each rate class. For both SL-1 and OL-1, the pole and conductor charges were increased in order to more accurately reflect the replacement cost of these facilities. Maintenance charges have been updated based on current costs.

The SL-1M metered rate will remain open for new customer-owned Street Light customers and contains a customer charge and an energy charge to achieve the rate class's target revenues.

FPL is proposing to close rate schedule PL-1 to new customers, which was for special decorative lighting facilities at the customer's request. LT-1 will be available to new customers. Under PL-1, customers are charged based on the actual project costs incurred in installing lighting facilities. Customers are required to pay for facilities in a lump-sum in advance of construction. A Present Value Revenue Requirements (PVRR) multiplier is applied to the total work order cost of the project to determine the lump-sum amount. The 10- and 20-year payment options were discontinued as of March 1, 2010. The termination factors for existing customers under the 10- and 20-year payment option have been updated for current economic assumptions.

For PL-1, the PVRR multiplier has been updated. The non-fuel energy charge is set to achieve the rate class's target revenues. Rate schedules SL-1, OL-1, and PL-1 provides a credit equal to the fuel charge associated with the fixtures that are turned off during sea turtle nesting season.

Traffic Signal Service

FPL is proposing to close the SL-2 rate to new customers. This is an energy only non-metered rate. FPL's metered SL-2M metered rate for Traffic Signals will remain open for new customers and includes a customer charge and energy charge which is set to achieve the rate class's target revenues.

Outdoor Service (OS I/ II/III)

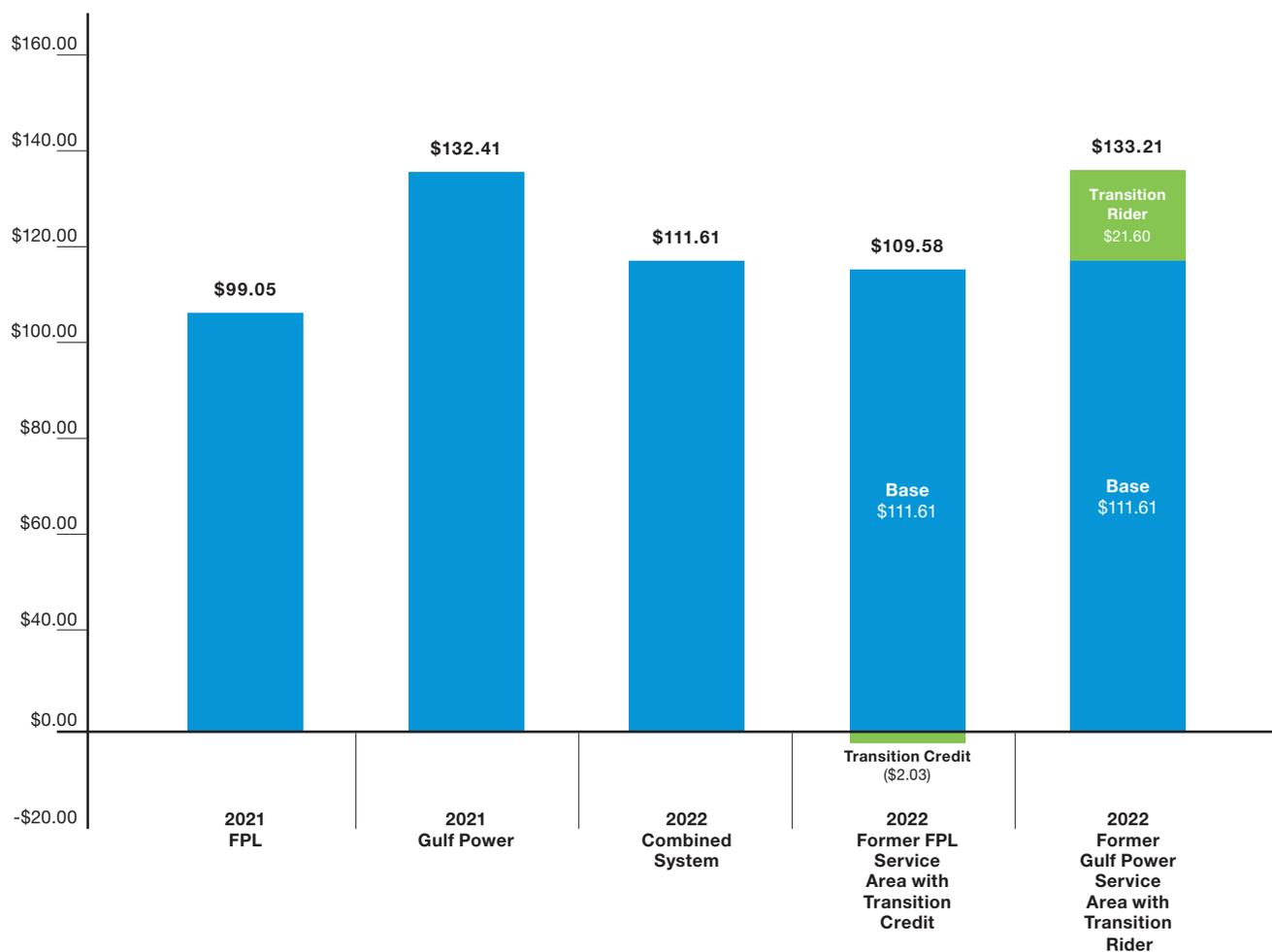
FPL is proposing to close OS I/II to new customers. This is an unmetered rate for customers who do not own their own lighting facilities and are assessed a bundled monthly charge which includes fixture, maintenance, and non-fuel energy components. These monthly charges vary by wattage level, type of fixture and level of service provided. Customers are also charged a flat monthly fee for any equipment dedicated to lighting service. Non-fuel energy charges were adjusted to achieve the target revenues of the rate class. All existing customers are grandfathered on OS I/II except for billboard accounts, which will be moved to GS-1 in order to align with all other billboard customers.

FPL is proposing to cancel OS III. This is an unmetered rate for customer-owned facilities with fixed wattage loads. Existing traffic signal customer will move to SL-2 and existing cable amplifiers will move to GS-1 in order to align with all like customers. New customers will be provided service under SL-2M and GS-1, respectively.



Calculation of 2022 System Differential Transition Rider and Credit

Typical Residential Bill – Transition Rider and Credit Illustration



*Transition Rider/ Credit includes Gross Receipts Tax.



Calculation of 2022 System Differential Transition Rider and Credit

Typical Residential Bill – Transition Rider and Credit Illustration

COMPANY	MWH	2021 TOTAL REVENUE (\$MM)	\$/MWH
FPL	111,812,880	\$10,215	\$91.36
Gulf	10,844,490	\$1,207	\$111.32
Combined	122,657,370	\$11,422	\$93.12

Former FPL Service Area - Total Average Rate Differential		\$1.76
x FPL MWh		111,812,880
Revenue Requirement		\$197,348,650

2022	FPL ALLOCATION OF REVENUE REQUIREMENT	FPL ALLOCATED REVENUE REQUIREMENT (CREDIT)	FPL (\$/KW, \$/KWH)	NORTHWEST FLORIDA ALLOCATION OF REVENUE REQUIREMENT	NORTHWEST FLORIDA ALLOCATED REVENUE REQUIREMENT (CHARGE)	NORTHWEST FLORIDA (\$/KWH)
RS(T)-1	60.2%	(\$118,787,581)	(\$0.00198)	57.7%	\$113,791,840	\$0.02106
GS(T)-1	6.4%	(\$12,599,540)	(\$0.00157)	4.5%	\$8,854,808	\$0.02425
GSD(T)-1	20.9%	(\$41,158,714)	(\$0.61)	22.1%	\$43,695,090	\$0.01616
OS-2	0.0%	(\$24,396)	(\$0.00273)	0.0%	\$15,991	\$0.01636
GSLD(T)-1	7.0%	(\$13,870,844)	(\$0.60)	3.8%	\$7,522,854	\$0.01280
GSLD(T)-2	1.7%	(\$3,406,298)	(\$0.57)	6.1%	\$12,039,136	\$0.01272
GSLD(T)-3	0.1%	(\$214,720)	(\$0.52)	4.5%	\$8,905,293	\$0.01191
SST-TST	0.1%	(\$148,285)	(\$0.25)	0.0%	\$7,919	\$0.01191
SST-DST	0.0%	(\$6,808)	(\$1.53)	0.0%	\$16,078	\$0.01191
CILC D/CILC G	1.5%	(\$2,957,942)	(\$0.58)	0.0%	\$0	\$0.01355
CILC T	0.7%	(\$1,365,948)	(\$0.51)	0.0%	\$0	\$0.01191
MET	0.1%	(\$123,072)	(\$0.58)	N/A	N/A	N/A
OL1/SL1/PL1	1.3%	(\$2,509,407)	(\$0.00518)	1.2%	\$2,454,280	\$0.02876
SL2/SL2M/GSCU1	0.1%	(\$175,095)	(\$0.00161)	0.0%	\$45,361	\$0.02876
TOTAL	100.0%	(\$197,348,650)	(\$0.00176)	100.0%	\$197,348,650	\$0.01820

*Allocation is equal to each rate class's share of 2021 total retail system revenue

OVERVIEW AND INDEX TO SUPPORTING WITNESSES AND DOCUMENTATION

1. FPL has requested Commission approval of unified rates that would apply to customers in both the former FPL and former Gulf service areas. Unified rates are consistent with consolidation of FPL and Gulf operations, and FPL believes that unified rates are in the best interests of all customers. Nonetheless, if the Commission does not approve rate unification, then FPL asks that it approve rates for FPL and Gulf as separate ratemaking entities, which FPL has designed to recover the forecasted revenue requirements of each entity. This exhibit summarizes and provides cross references to supporting documentation for a set of rates for each ratemaking entity that would be effective on January 1, 2022 based on a projected 2022 test year and a second set of rates that would be effective on January 1, 2023 based on a projected 2023 subsequent year.
2. FPL has forecast 2022 and 2023 revenues and revenue requirements for FPL and Gulf as separate ratemaking entities. FPL witness Bores was principally responsible for developing the forecasts for the standalone FPL and Gulf ratemaking entities and explains that they were developed with the same rigor as was applied to the budget applicable to FPL with unified rates. In addition, these forecasts reflect ratemaking adjustments that are consistent with FPL's and this Commission's practice, and include proposed Company adjustments identified on Exhibit LF-4 to FPL witness Fuentes's testimony. FPL witness Fuentes supports the application of all ratemaking adjustments to the forecasts.
3. The forecasts for FPL and Gulf as separate ratemaking entities were used to prepare the standalone information in MFR format ("Standalone Schedules") for 2022 and 2023. Except for the synergies gained through rate unification, the forecasts for the separate ratemaking entities are based on essentially the same input assumptions and methodologies that were used in preparing the forecasts underlying FPL's unified 2022 and 2023 MFRs. The Standalone Schedules are attached as Supplement 1 and Supplement 2 to the MFRs.
4. The 2022 Standalone Schedules show that present rates will be insufficient to yield a fair rate of return for FPL and for Gulf as separate ratemaking entities, beginning January 1, 2022. They further show the need to revise and increase the existing separate base rates and charges for FPL and Gulf to generate additional revenues of \$1,155 million and \$177 million, respectively, on an annual basis beginning January 1, 2022, in order for each ratemaking entity an opportunity to earn a fair overall rate of return, including in each case a rate of return of 11.5 percent on common equity capital ("ROE") and based on an equity ratio of 59.6 percent based on investor sources. FPL witnesses Barrett and Coyne support the appropriateness of the ROE and equity ratio, and witness Fuentes is responsible for calculating the FPL and Gulf revenue increases in 2022. See Exhibits LF-5 and LF-8.

5. The 2023 Standalone Schedules show that the 2022 standalone rates will be insufficient to yield a fair rate of return for FPL and for Gulf as separate ratemaking entities beginning January 1, 2023. They further show the need to revise and increase the existing standalone base rates and charges to generate for separate FPL and Gulf additional revenues of \$529 million and \$78 million, respectively, on an annual basis beginning January 1, 2023, in order for each ratemaking entity to have an opportunity to earn a fair overall rate of return, including in each case an ROE of 11.5 percent. FPL witness Fuentes is responsible for calculating the FPL and Gulf revenue increases in 2023. See Exhibits LF-5 and LF-9.
6. FPL has prepared 2022 and 2023 tariff sheets and rate schedules for FPL and Gulf as separate ratemaking entities, which are designed to generate the additional annual gross revenues in 2022 and 2023 identified in Paragraphs 4 and 5 above. The proposed standalone rates are contained in Standalone Schedule E-14. The rates were designed using the cost of service studies for FPL and Gulf as separate ratemaking entities contained in the Standalone E-Schedules. The standalone rates reflect the same rate design principles, including rate parity and gradualism, that were used to design FPL's proposed unified rates. FPL witnesses DuBose and Cohen are principally responsible for the preparation of the standalone cost of service studies and development of the 2022 and 2023 standalone rates based thereon.
7. The 2022 and 2023 Standalone Schedules reflect depreciation expenses and reserve balances that were developed for the separate FPL and Gulf ratemaking entities, calculated using the same plant lives and other parameters prepared for the unified FPL. FPL witness Allis conducted the 2021 depreciation study and he determined the appropriate parameters (i.e., depreciation lives and net salvage) that lead to the depreciation expenses and reserve balances for the separate FPL and Gulf ratemaking entities based on that study. The adjustments necessary to reflect the amount of depreciation expense and reserve balances for the separate ratemaking entities are supported by FPL witness Ferguson and are included in FPL witness Fuentes's revenue requirement calculation. The 2021 depreciation study is Exhibit NWA-1, and the depreciation rates expense calculations for the separate ratemaking entities are reflected on Exhibit KF-3(A).
8. The 2022 and 2023 Standalone Schedules reflect dismantlement accruals that were developed for the separate FPL and Gulf ratemaking entities, using the same cost assumptions that underlie the dismantlement study and internal cost estimates prepared for the unified FPL. The 2021 dismantlement study is attached to FPL witness Kopp's testimony as Exhibit JTK-1. FPL witness Ferguson determined the dismantlement accruals for the separate FPL and Gulf ratemaking entities based on that study. See Exhibit KF-5.
9. FPL witness Barrett explains why continuation of the FPL storm cost recovery mechanism is appropriate for unified FPL rates. If the Commission requires FPL and Gulf to remain separate ratemaking entities, then that rationale applies with equal force to continuing the existing FPL and Gulf storm cost recovery mechanisms for the respective separate ratemaking entities.

10. As part of its request for unified FPL rates, FPL witness Bores proposes that the Commission approve a mechanism that allows for an adjustment to base rates in the extent of a change in tax laws. That same rationale would apply with equal force with respect to an adjustment mechanism for a change in tax law applicable to separate FPL and Gulf ratemaking entities if the Commission requires separate rates, and the adjustments for each entity would be calculated in the same manner.
11. As part of its request for unified FPL rates, FPL witness Ferguson has proposed capital recovery schedules, including commencement dates and the duration of amortization periods, for certain retired assets. Some of those assets were part of FPL's former operations, while others were part of Gulf's former operations. Accordingly, if the Commission requires FPL and Gulf to remain separate ratemaking entities, the retired assets should be reflected in the appropriate entity. FPL witness Ferguson sponsors the recovery of unrecovered investment related to early retired assets for the separate FPL and Gulf ratemaking entities as Exhibit KF-4.