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July 9, 2025

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

Re: Docket No. 20250011-EI
Petition by Florida Power & Light Company for Base Rate Increase

Dear Mr. Teitzman:

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

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

Sincerely,

s/ Maria Jose Moncada
Maria Jose Moncada
Assistant General Counsel
Florida Power & Light Company

(Document 4 of 16)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 9th day of July 2025:

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s/ Maria Jose Moncada

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF TIFFANY C. COHEN

July 9, 2025

TABLE OF CONTENTS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tiffany C. Cohen, and my business address is Florida Power & Light Company ("FPL" or the "Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted direct testimony in this proceeding?

A. Yes.

Q. Are you sponsoring any rebuttal exhibits in this case?

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

- Exhibit TCC-7 – FPL's Response to Staff's Sixth Set of Interrogatories No. 121
- Exhibit TCC-8 – FPL's Response to FIPUG's First Set of Interrogatories No. 20
- Exhibit TCC-9 – LLCS Tariff Update
- Exhibit TCC-10 – FPL's Corrected Response to Staff's First Set of Interrogatories No. 8

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the following intervenor testimonies: Office of Public Counsel ("OPC") witness Thomas; Florida Rising, League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida, Inc. (collectively "FEL") witnesses Rábago and Marcelin; Florida Industrial Power Users Group ("FIPUG") witness Pollock; Federal Executive Agencies ("FEA") witness Gorman; Florida Retail Federation ("FRF") witness Georgis; Walmart witnesses Perry and Chriss; and Florida Energy for Innovation Association ("FEIA") witnesses Mangum, Ahmed, Loomis, Provine and

Rizer. Specifically, I will address the Florida Public Service Commission's ("Commission") policy on gradualism and FPL's application of that policy, benchmarking of the typical residential 1,000 kWh bill, rate design for the commercial Electric Vehicle ("EV") rate schedules, the minimum bill, the proposed changes to the Contribution-in-Aid of Construction ("CIAC") tariff, the proposed Large Load Contract Service ("LLCS") tariffs, and the proposed load forecast. Please note that I am responding to specific issues. Consequently, any argument raised in the testimony presented by intervening parties to which I do not respond, should not be accepted as my support or approval of the positions offered.

Q. Please summarize your rebuttal testimony.

A. My testimony shows that:

- FPL has correctly applied the Commission's policy regarding gradualism;
- FPL's benchmark of the typical residential 1,000 kWh bill is proper and consistent with industry practice and the Commission's benchmarking practices;
- FPL's proposed minimum bill is fair and reasonable;
- FPL's proposed rate design for commercial EV rate schedules is appropriate;
- FPL's proposed changes to the CIAC tariff are fair and reasonable;
- FPL's proposed large load tariffs protect the general body of customers and are reasonable; and
- FPL's load forecast is reasonable based on the best and most current data that is available at the time it was prepared, is statistically sound, and should be approved.

II. GRADUALISM

Q. FIPUG witness Pollock, FEA witness Gorman and FEA witness Georgis each take issue with FPL's allocation of revenue increases and the application of gradualism. Please explain the concept of gradualism as it applies to the allocation of revenue increases for rate design.

A. The intent of the Commission's practice of gradualism is to allocate the revenue increase to rate classes in a manner that moves the class rate of return indices as close to parity as practicable based on the approved cost allocation methodology, subject to the following constraints: (1) no class shall receive an increase greater than 1.5 times the system average percentage increase, in total; and, (2) no class shall receive a decrease.

In the Commission's order that first instituted the gradualism guideline for FPL, the Commission stated: "All parties in this proceeding agree that the revenue increase should be allocated between classes to move toward an equalized rate of return for all classes. While we embrace this concept, we feel the impact on customers' bills must be considered in allocating revenues." Order No. 10306, p. 179. The Commission articulated its guideline for addressing bill impacts stating that "[n]o customer class shall receive a revenue increase greater than 1.5 times the system average increase as a result of this proceeding." Order No. 10306, p. 179. Additionally, as I further explain below, the Commission has made it clear in subsequent orders that the calculated 1.5 times increase is based on total revenues.

Q. Has FPL applied the Commission's guidelines on revenue allocation and gradualism correctly?

A. Yes.

Q. Please explain.

A. The rates proposed by FPL in this case appropriately reflect the allocated costs by rate class and move all classes closer to an equalized rate of return (*i.e.*, parity) while limiting the increase to each class to no more than 1.5 times the system average based on total operating revenues including clause revenues. FPL has requested a 9.6% increase in total revenues for 2026. Under the gradualism guideline, any increase to a rate class is limited to 1.5 times 9.6%, or by a maximum of 14.4%. As shown on Minimum Filing Requirement ("MFR") E-8, under FPL's proposed rates, no class will receive an increase of more than 14.4% in total.

Q. FIPUG witness Pollock and FRF witness Georgis assert that the proper application of gradualism should be to limit the increase to any customer class to not exceed 1.5 times the system average base revenue increase (excluding cost recovery clauses). Do you agree with their assertion that the principle of gradualism should be applied to base revenues only?

A. No. The Commission has stated explicitly in its orders that revenues from adjustment clauses are to be included in the gradualism calculation. In fact, FIPUG raised this same issue in FPL's most recent fully litigated rate case, which the Commission rejected. In rejecting FIPUG's position, the Commission stated that, "Consistent with our decisions in more recent electric rate cases, we find that in this case no class shall receive an increase greater than 1.5 times the system average percentage increase in

total, *i.e.*, with adjustment clauses, and no class should receive a decrease." Order No. PSC-10-0153-FOF-EI, p. 179. Thus, the proposal by FIPUG and FRF has been considered and rejected by the Commission.

Further, excluding clause revenues would distort the proper application of gradualism, impede the movement of several rate classes toward parity, significantly reducing the likelihood of ever achieving parity for those classes, and continue inter-class subsidies that benefit one class of customers over another.

Q. FIPUG witness Pollock also contends that total operating revenues incorrectly include the CILC/CDR incentive payments. Do you agree?

A. No. CILC/CDR payments are considered base revenue and, therefore, are appropriately included in total operating revenue as shown on MFR E-5 (supporting schedule MFR C-1). FIPUG witness Pollock is choosing to remove certain rate components, then claiming that the increase to the adjusted CILC/CDR class violates gradualism, which is a distortion of the gradualism guidelines. FPL followed the Commission's gradualism guidelines in determining each rate class's revenue apportionment of the proposed increase. Based on the current parity of each rate class, FPL correctly applied the Commission's gradualism guidelines and designed rates accordingly.

Q. FIPUG witness Pollock asserts that the Commission's practice is to apply gradualism to sales revenue and cites page 179 of Order No. 10-0153-FOF-EI. Is he correct?

A. No. Order No. 10-0153-FOF-EI page 179 states, "Consistent with our decision in more recent electric cases, we find that in this case no class shall receive an increase greater than 1.5 times the system average percentage increase in total *i.e.*, with adjustment clauses, and no class should receive a decrease. When calculating the percentage increase, FPL shall use the approved 2010 adjustment clause factors." Not once is the term sales revenue cited in the Commission's Order.

Q. FEA witness Gorman asserts that FPL's application of gradualism in this docket is different than prior cases and does not produce a gradual movement toward cost of service. He then attempts to recreate FPL's gradualism calculation for 2026 and 2027 in Tables 1 and 2 of his testimony. Do you agree with his assertion and calculations?

A. No. First, FPL's application of gradualism in this docket is consistent with past practice and the Commission's direction as explained above. Second, FEA witness Gorman excludes Other Operating Revenue in his calculations and performs the gradualism calculation on base revenue not total operating revenue. This is an improper calculation of gradualism. Additionally, I note that his revenue allocation is based on a 4CP Production Allocator, which should be rejected for the many reasons explained in the rebuttal testimony of FPL witnesses DuBose and Phillips.

Q. Are there other Commission orders that support FPL's calculation of the gradualism guidelines?

A. Yes. The Commission has consistently held that the gradualism guidelines should be based on 1.5 times the system average percentage increase, in total, including adjustment clauses. *See*, *e.g.*, Order No. PSC-08-0327-FOF-EI issued May 19, 2008, in Docket No. 070304-EI; Order No. PSC-09-0283-FOF-EI issued April 30, 2009, in Docket No. 080317-EI; Order No. PSC-10-0153-FOF-EI issued March 17, 2010, in Docket No. 080677-EI; and Order No. PSC-13-0443-FOF-EI issued September 30, 2013, in Docket No. 130040-EI.

Q. FIPUG witness Pollock states that FPL did not reflect the impact of using the proposed 12CP and 25% cost of service methodology in various cost recovery clause allocations when applying the gradualism principle. Please explain.

A. Mr. Pollock is correct that the cost recovery clause allocations shown on MFR E-8 reflect the existing 12CP and 1/13th cost of service methodology. This is due to timing. The cost of service using 12CP and 25% allocation method for production plant was completed in January 2025 and the MFR E-8 was completed a few weeks later. There was not sufficient time to adjust clause allocations based on the 12CP and 25% allocation method. FPL provided the clause impact to all classes shown in MFR A-2 in response to FIPUG's First Set of Interrogatories No. 10. FPL agrees to use the final approved cost of service methodology to calculate gradualism on total operating revenues in the final approved revenue allocation in this docket.

Q. FRF witness Georgis recommends that FPL establish a band of +/- 15% "to establish a tolerance zone within which a customer class should expect to receive no more or no less than the system average increase." He also recommends that FPL "apply an equal percentage increase to all customer classes for any base rate revenue increase that the Commission may authorize." Do you agree with his proposal?

A. No. Essentially, FRF is asking the Commission to abandon cost-based allocations and gradualism. Regardless of the amount of revenue increase, any increase should be spread to all customer classes based on cost of service allocations that move all customer classes closer to parity while adhering to the Commission's gradualism guidelines.

III. FPL'S TYPICAL RESIDENTIAL BILL

Q. FEL witnesses Rábago and Marcelin criticize FPL for using the typical residential 1,000 kWh bill as a benchmark to other utilities and the national average instead of the average bill. Do you have any comments?

A. FPL was very clear throughout its direct testimony that we are using the "typical" residential 1,000 kWh bill, which is an industry-accepted benchmark. This benchmark is utilized by Edison Electric Institute and by this Commission to compare a residential bill at a certain usage level to other utilities.

Q. Why do you not benchmark the average residential bill?

A. The average residential electric bill is not a meaningful benchmark due to several factors. First, average usage varies significantly across states because of differences in

climate and the availability of other energy sources. Using the average residential bill for FPL's energy costs artificially inflates the costs compared to states with mixed energy sources since Florida households rely almost entirely on electricity for most end use appliances, as well as both heating and cooling.

The tables below compare the five lowest average bills for investor-owned utilities ("IOU") with bundled service rates and more than 100,000 residential customers to FPL based on the same data from the U.S. Energy Information Administration ("EIA") relied upon by FEL witnesses Marcelin and Rábago. Table 1 compares temperature, fuel sources, and reliance on electricity; and Table 2 focuses on total energy consumption and expenditure, where FPL ranks the lowest consumption per capita despite higher temperatures.

Table 1		**Temperature[1]**		**Energy Source %[2]**	
IOU	**State**	**Avg ◦F**	**Rank**	**Electricity**	**Natural Gas/Other**
PacifiCorp	WY	44	48	23%	77%
Public Service Co of Colorado	CO	48	40	25%	75%
PacifiCorp	UT	51	33	17%	83%
Commonwealth Edison Co	IL	56	23	19%	81%
Public Service Co of NM	NM	56	21	24%	76%
FPL	**FL**	**73**	**1**	**90%**	**10%**

Sources: (1) NOAA National Centers for Environmental information, Climate at a Glance: Statewide Mapping, published June 2025; (2) U.S. Census Bureau, U.S. Department of Commerce. "House Heating Fuel." American Community Survey, ACS 1-Year Estimates Detailed Tables, Table B25040

Table 2		Total Energy Consumption[1]		Total Expenditures[1]	
IOU	**State**	**Per Capita**	**Rank**	**Per Capita ($)**	**Rank**
PacifiCorp	WY	854	47	$10,116	49
Public Service Co of Colorado	CO	232	17	$4,114	6
PacifiCorp	UT	248	19	$4,160	9
Commonwealth Edison Co	IL	276	25	$4,117	7
Public Service Co of NM	NM	321	33	$4,873	27
FPL	**FL**	**188**	**6**	**$3,744**	**1**

Source: (1) U.S. Energy Information Administration, State Energy Data System

These tables illustrate a few important points. FPL provides service in Florida, which has the highest average temperature of peer utilities and ranks first in the nation for warmest climate. Florida temperature is 43% hotter than the average of the lowest five utilities shown in Table 1. However, despite having the highest temperature, Florida ranks lowest in total energy consumption per capita and lowest in total energy expenditures per capita of the comparison group shown in Table 2. Further, FEL witnesses Marcelin and Rábago disregard that Florida households are almost entirely electric for every major end-use appliance, whereas customers in most other states split those needs among two or more fuels, such as electric for cooling in the summer and gas for heating in the winter. Notably, in the five states shown in the comparison, electricity supplies only 17% to 25% of the household needs. By contrast, 90% of household energy in Florida is electricity, the largest in the United States. Any comparison that looks only at average electric bills with Florida's all-inclusive energy bill against only a partial bill in states with mixed energy sources, is artificially overstating Floridians' true energy burden and understating the true energy burden of customers elsewhere.

Second, the benchmarks used by the EIA do not account for individual rate schedules or regional factors, such as storm restoration costs that are more common in Florida. The data reported to EIA aggregates total revenue and usage across the entire residential revenue class, which includes the standard residential rate, clauses and riders, and optional residential riders like time-of-use, EV schedules, and residential lighting schedules. Therefore, EIA's average residential bill is not a true direct comparison for the typical residential 1,000 kWh electric bill under the standard residential rate schedule that serves over 5.3 million residential customers. Both 2023 and 2024 bills included the recovery of storm costs for Hurricanes Ian, Nicole, Sally, and Zeta (unique to only a few states in the country) and also $2.2 billion in fuel under-recovery, both of which increased the bill in those years. Benchmarking the typical residential 1,000 kWh electric bill is an industry-accepted approach and more appropriate and meaningful for purposes of comparing and evaluating electricity rates.

Q. FEL witness Rábago asserts that comparing the typical 1,000 kWh bill to the national average misrepresents the average usage of FPL customers, which he claims is substantially greater than 1,000 kWh per month. Do you have a response?

A. Yes. In 2024, average monthly usage for FPL customers varied from approximately 850 kWh to 1,425 kWh over the course of a year with an average usage of approximately 1,125 kWh. The climate in Florida plays a large role in the amount of electricity used by customers, which is why FPL customers use more electricity in the summer months than in the winter months. Though usage varies, approximately 55% of FPL residential customers used less than 1,000 kWh on average.

Q. FEL witness Rábago suggests that FPL proposes to increase the volumetric energy charge for residential customers in an economically regressive way. Do you have a response?

A. Yes. Commission Order No. 10306 in Docket No. 81002-EU established the residential rate's penny differential between the kWh usage tiers. When applying percent increases to all base rates, such as done with limited base rate adjustments (*e.g.*, "SoBRA"), the same percentage when applied to two different numbers produces different results and the penny differential is skewed. Resetting the penny differential is strictly in adherence to the Commission order and is a matter of policy.

IV. MINIMUM BILL

Q. FEL witness Rábago states that customers affected by the minimum bill are required to pay for a service they do not use and for costs they did not cause. Do you agree with this statement?

A. No. FEL witness Rábago's assertion overlooks essential elements of the minimum bill. The minimum bill ensures that all residential and general service non-demand customers contribute to their fair share of fixed system costs that FPL incurs to maintain readiness to serve customer loads, regardless of actual usage. This readiness includes infrastructure required for reliable service (*e.g.*, wires, poles, and transformers), which are essential to connect and serve electricity to all customers, including those with low or zero usage.

For example, a seasonal homeowner who has the means to afford more than one residence might only occupy their property part of the year, yet this customer benefits from FPL's existing investment in the facilities that must be maintained and ready to provide service all year. Reliable electric service must be available to meet customer needs at all times. This results in fixed costs that are not driven by actual energy consumption but by the necessity to ensure service availability at any time. Therefore, the minimum bill is a fair measure to recover these costs equitably across all customers.

Q. FEL witness Rábago asserts that the minimum bill is economically regressive and forces low use customers to subsidize high use customers and violates core principles of sound utility ratemaking. Please comment.

A. The assertion misunderstands the role of the minimum bill. This minimum bill structure ensures that all users fairly contribute to the necessary costs of maintaining the system, which is crucial for reliable electricity supply. By having a minimum bill, unavoidable fixed costs are appropriately distributed, ensuring that every customer contributes fairly, irrespective of their usage level.

Q. FEL witness Rábago asserts that FPL incorrectly attempts to recover fixed costs through a fixed charge and concludes that rate design should not mimic cost structure. Do you agree?

A. No. In fact, recovering fixed costs through a fixed charge is exactly in line with several key ratemaking principles. Fixed costs are those necessary to maintain the readiness and availability of the utility infrastructure regardless of consumption levels. By recovering these costs through a fixed charge, each customer contributes fairly to the expenses incurred by the utility to provide consistent and reliable service. This

approach prevents low-usage customers, such as seasonal or part-time occupants, from being subsidized by those who consume more since all benefit from the same infrastructure.

V. EV RATE DESIGN

Q. Walmart witness Chriss recommends that the GSD-1EV and GSLD-1EV riders be modified to eliminate the demand charge and recover all revenue requirements through the base charge and energy charge. Do you agree?

A. No. All customers with demand over 25 kW pay a demand charge under FPL's rate structure. This ensures that the cost incurred by FPL for infrastructure needed to serve the load is recovered through the appropriate charge. Demand charges make the pricing more reflective of the actual costs associated with electricity delivery, particularly the costs of maintaining the capacity required to meet high demand levels. The EV rate contains a demand limiter meaning that the demand charged to a customer each month is no greater than the kWh sales divided by 75 hours. As a result, billing months in which the customer experiences a load factor less than 10.4%[1] will see a lower billing demand and reduced demand cost than they otherwise would under rate schedule GSD-1 or GSLD-1. This means that low-load factor customers are not subject to the full demand charge and are provided a reduced rate. Walmart witness Chriss's proposal is already achieved through the demand limited rate structure.

[1] For a 30-day bill month.

As explained further by FPL witness Oliver, the goal is that over time the load factor for the EV station increases over 11%, meaning utilization of the EV station increases, and the station moves to the full demand rate and is therefore treated the same as all other customers with similar load and load factors taking service under the GSD-1 and GSLD-1 rate schedules.

Q. Walmart witness Chriss recommends that the revenue requirements for GSD-1EV and GSLD-1EV be set by applying a multiplier to the GSD-1 and GSLD-1 average base rate and applying the calculated rate to the forecasted kWh. Do you agree?

A. No. The GSD-1EV and GSLD-1EV rates are in the same rate class as GSD(T)-1 and GSLD(T)-1 as they have similar usage characteristics. The EV rates were designed to follow the GSD-1 and GSLD-1 standard rates and include a provision to limit billing demand kW to equal the monthly kWh divided by 75 hours. The demand limiter provision, all else being equal, provides a discount that would otherwise be recovered through the demand charge absent the kW limiter provision. By proposing an alternative method for increasing the GSD-1EV and GSLD-1EV rates, he is further disconnecting the cost relationship between the EV and standard rates and creating an instance where costs will not be recovered consistently across the customer class and could create intra-class subsidies among the already discounted low load factor EV customers.

Q. Walmart witness Chriss proposes that GSLD-1EV be uncapped to permit loads of 2,000 kW and greater to take service on this rate schedule. Do you agree?

A. No. Walmart's proposal for FPL to expand the General Service Demand Limiter EV tariffs to loads above 2,000 kW implies they are expanding their EV charging infrastructure program and their proposal would essentially give that expanded program a bill discount. Moreover, FPL's rate classes, for the purpose of the cost of service study, offer rate schedules for customers with similar attributes, such as customer type, monthly consumption, demand or load, delivery requirements and cost causation. The Commercial and Industrial classes are generally segmented and based on specific levels of demand.

Class Type	Demand kW
GS(T)-1 – General Service - Non-Demand	0-24
GSD(T)-1 – General Service - Demand	25-499
GSLD(T)-1 – General Service - Demand	500-1,999
GSLD(T)-2 – General Service - Demand	2,000+
GSLD(T)-3– General Service - Demand	2,000+ (69 kV or Above Delivery Service)

EV loads of 2,000 kW or greater should be on GSLD-2 standard rates. FPL believes based on the information available at this time, there is no need to expand GSLD-1 for EV loads above 2,000 kW.

VI. CIAC TARIFF

Q. FIPUG witness Pollock states that FPL's proposed modification to its existing CIAC tariff would be a significant and drastic change over the current long-standing policy. Do you agree with his characterization?

A. No. I agree that FPL is proposing to change the way it backstops the non-CIAC amount of the total project transmission and distribution costs it recovers from the customer seeking new or upgraded facilities to better protect the general body of customers from the risks associated with the cost incurred to install new or upgraded facilities to serve significantly large new or incremental loads, but I disagree that this is a drastic change. Under FPL's existing CIAC tariff, applicants requesting new or upgraded facilities are required to pay the CIAC amount up front, and the remaining balance of the total project costs are recovered from the applicant through base rates (*i.e.*, the non-CIAC amount). It is the applicant, not FPL or the general body of customers, that controls whether the projected load that caused the costs to be incurred will actually materialize. However, as I explain in my direct testimony, the general body of customers bears the interim risk that the projected load and estimated annual revenue used to calculate the applicant's CIAC amount will, in fact, materialize over the four-year period.

To help protect the general body of customers from this risk, FPL currently requires an applicant with speculative or uncertain load or revenues to enter into a Performance Guaranty Agreement ("PGA") set forth in FPL's Commission-approved tariff. In summary, the PGA requires the applicant to post security in the form of cash, surety, or letter of credit in an amount equal to the non-CIAC amount to be recovered in base

rates. Under the PGA, if the revenues paid by the applicant by the end of the four-year period are less than the non-CIAC amount, FPL can draw on the security to cover the differential and the remaining security amount, if any, is released to the applicant. Thus, under FPL's current CIAC policy, an applicant pays the CIAC up front, posts the security amount up front, repays the non-CIAC amount through base revenues, and pays the differential (if any) at the end of the four-year period. Notably, FPL's general body of customers continue to bear the interim risk until year five of the applicant's service when FPL is permitted under the PGA to retain the differential, if any, to keep the general body of customers whole.

FPL's proposed modification to its CIAC tariff is substantially similar to, and based on, FPL's Commission-approved PGA. The proposed CIAC tariff mechanism is explained in detail in my direct testimony. In summary, under the proposed CIAC tariff, the applicant pays the CIAC up front, pays the non-CIAC amount up front similar to the security amount under the PGA, receives a bill credit up to the non-CIAC amount over a five year period similar to paying base revenues over that same period, and FPL is permitted to retain the differential, if any, at the end of the five-year period to keep the general body of customers whole.

Thus, FPL's current PGA and proposed CIAC tariff are substantially similar except that, under the proposed CIAC tariff, applicants get the benefit of one additional year to repay the non-CIAC amount and the general body of customers do not have to bear the interim risk until year five of the applicant's service. Notably, under both the PGA and the proposed CIAC tariff, the applicants end up paying the exact same CIAC and

non-CIAC amounts, all things being equal. The primary difference is when the risk to the general body is addressed -- up front under the proposed CIAC tariff versus at the end under the PGA.

Q. If the PGA is currently available, why does FPL believe the proposed CIAC tariff is needed?

A. The proposed CIAC tariff applies to applicants requesting significantly large new or upgraded facilities. As explained in the direct and rebuttal testimonies of FPL witness De Varona, there is a significant risk to the general body of customers for costs they would be required to front for large transmission and/or distribution projects to extend service if the forecasted load does not materialize. To better protect the general body of customers from the risks associated with the cost incurred to install costly new or upgraded facilities to serve significantly large new or incremental loads, FPL is proposing to address that risk up front under the proposed CIAC tariff rather than have the general body of customers bear that interim risk until year five of the applicant's service.

Q. FIPUG witness Pollock claims that FPL's proposed CIAC tariff shifts cost recovery risk from FPL to the applicants. Do you have a response?

A. Yes. Currently, if the revenues paid by the applicant by the end of the four-year period are less than the non-CIAC amount, any shortfall is either paid by the applicant under the PGA or paid through the revenues received from the general body of customers (*i.e.*, subsidized by FPL's other customers). Again, it is the applicant, not FPL or the general body of customers, that controls whether the projected load that caused the costs to be incurred will actually materialize. Thus, rather than placing the interim risk

on the general body of customers that an applicant with large projected load will materialize, the proposed new CIAC tariff requirement shifts that risk to the cost causer.

Q. FIPUG witness Pollock argues that the proposed CIAC tariff should not apply to existing customers that have already established a credit history and relationship with FPL. Do you agree?

A. No. Any customer, whether they are existing or new, that is adding net new incremental load of 15 MW or more on to FPL's system, or that requires the installation of new or upgraded facilities that cost $25 million or more, should be subject to the proposed CIAC tariff to better protect the general body of customers from the risks associated with these costly new or upgraded facilities as further addressed in the direct and rebuttal testimonies of FPL witness De Varona. Given that the potential impacts and cost recovery risks are the same, whether the applicant is a new or existing customer, FPL proposes to treat these customers similarly under the proposed CIAC tariff. I also note that FIPUG witness Pollock incorrectly assumes that a new customer would be less creditworthy than an existing customer.

Q. FIPUG witness Pollock states that FPL gives preferential treatment to governmental agencies by exempting them from the proposed new CIAC policy. Can you explain why the proposed new CIAC policy only applies to non-governmental agencies?

A. The proposed CIAC tariff modification is only applicable to non-governmental applicants given the complexities and limitations that governmental entities may have with funding CIAC obligations. For example, governmental entities are subject to budgeting and appropriations approved by their governing body and may be prohibited

from incurring obligations or making expenditures in certain circumstances. Additionally, governmental entities carry less financial risk to FPL's general body of customers by virtue of having a taxpayer base to support their financing needs.

Q. FIPUG witness Pollock recommends that the proposed CIAC policy should apply when customers request more than 50 MW of new load and the required spend for the new and/or upgraded facilities exceeds the costs that are supported under the applicable base rates. Do you have a response?

A. Yes. FPL witness De Varona addresses why FPL believes the proposed 15 MW threshold is reasonable. Further, FIPUG witness Pollock's proposal to apply the proposed CIAC policy only to customers where the total project costs exceed the annual revenues projected to be received from the applicant through the applicable base rates paid over a four-year period would create a loophole. As required by Rule 25-6.064, Florida Administrative Code, both the CIAC and non-CIAC amount are determined from (i) the total project costs and (ii) the applicant's estimated four-year annual revenues. If the required spend for the new and/or upgraded facilities exceeds the costs that are supported under the applicable base rates, the applicant is required to pay a CIAC amount. If, however, the required spend for the new and/or upgraded facilities does not exceed the costs that are supported under the applicable base rates, no CIAC amount is required to be paid by the applicant. Thus, under FIPUG witness Pollock's approach, the proposed CIAC policy would not apply to applicants that are not required to pay CIAC. The problem with this approach is that significantly large customers, such as a new 500 MW customer seeking service under FPL's proposed LLCS-1 tariff, could require capital investments exceeding $100 million but may nonetheless not be

required to pay any CIAC under the Rule due to their expected revenues. Under FIPUG witness Pollock's theory, these customers would not be subject to the proposed new CIAC policy and the general body of customers would bear the risk that the annual revenues estimated to be recovered from the applicant to repay these significant capital investments will, in fact, materialize. This very realistic loophole is directly contrary to the purpose of FPL's proposed new CIAC policy and should be rejected.

Q. Do the intervenors take issue with FPL's proposal under the new CIAC policy to give applicants a refund of the non-CIAC amount through monthly bill credits for a period limited to a maximum of five years from the in-service date or until the full non-CIAC amount has been refunded to the applicant through bill credits?

A. Yes, FIPUG witness Pollock and FEIA witness Loomis both propose alternatives. FIPUG witness Pollock suggests that the five-year refund period should be extended to customers who have a specific load ramp so that the five-year refund period begins at the end of the load ramp period. I disagree with this proposal for three reasons. First, to the extent the applicant and FPL have agreed to a specific load ramp, that load ramp is already factored into the calculation of the applicant's CIAC and non-CIAC amounts. Second, FPL gives applicants one additional year to meet their CIAC obligation under the proposed new CIAC policy (five years) as compared to the current PGA policy (four years) as previously explained. Third, it is my understanding that FPL must install and incur the costs for the new and upgraded facilities required to serve the applicant's full contract demand as of the customer's in-service date irrespective of the load ramp. And fourth, under FIPUG witness Pollock's proposal, a customer with a five-year load ramp would have to wait until year six from their in-service date to start

receiving refunds and would not receive the full entitled refund for up to 10 years from their in-service date. This approach would result in a significant delay in the refund, as well as artificially increase the total amount to be refunded due to interest accruing on the upfront payment through both the load ramp period and the refund period.

FEIA witness Loomis recommends that the five-year refund period be eliminated from the new CIAC policy. In essence, FEIA witness Loomis believes applicants should get a full refund of the non-CIAC amount regardless of how long it takes. Similar to FIPUG witness Pollock, FEIA witness Loomis ignores that FPL must install and incur the costs for the new and upgraded required to serve the applicant's full contract demand as of the customer's in-service date. I also submit that the limitless refund period suggested FEIA witness Loomis is not consistent with the spirit and purpose of Rule 25-6.064, Florida Administrative Code, that calculates the CIAC and non-CIAC amounts based on four-years of estimated annual revenue requirements. As explained above, applicants would currently only get four years under the current PGA policy before the remaining unpaid balance of the non-CIAC amount would be drawn from the applicant's upfront security amount. Under the proposed new CIAC policy, FPL is proposing to give applicants one additional year (five total) before any remaining balance of the non-CIAC amount becomes non-refundable. FPL submits that this is reasonable and generally consistent with the Rule and existing PGA, while better protecting the general body of customers.

VII. LARGE LOAD CONTRACT SERVICE

Q. Can you please summarize the intervenor testimony regarding FPL's proposed new LLCS-1, LLCS-2, and LLCS Service Agreement tariffs?

A. Yes. Four different intervenors submitted testimony regarding FPL's proposed LLCS tariffs. FEIA submitted testimony opposing the proposed LLCS tariffs and argues that data center customers should be permitted to stay on the existing GSLD-3 rate schedule or, in the alternative, the LLCS rates should be set to be competitive with data center rates in other jurisdictions. The FEIA witnesses also oppose certain protections for the general body that are included in the proposed LLCS tariffs. Walmart generally supports the LLCS tariffs but questions whether the 25 MW demand threshold is too low and could unintentionally include more traditional commercial and industrial customers. Both FIPUG and FEA agree that the general body of customers should be protected from the costs incurred to serve new large data centers, but they question whether the tariffs are premature given that there are no current customers that would qualify under the LLCS tariff. FIPUG also questions whether the rates under the LLCS tariffs are too high as compared to the GSLD-3 rate, as well as the potential impacts on fuel costs. Finally, FEA proposed that the termination notice for the LLCS tariffs be increased from 2 years to 5 years to better protect the general body of customers, the minimum take-or-pay demand charge be reduced, and question the security amount included in the LLCS Service Agreement.

Q. Do you have any general observations regarding the intervenors' argument related to the LLCS tariffs?

A. Yes. The proposed LLCS tariffs, if approved as filed, would apply to any customer with new or incremental load of 25 MW or more and a load factor of 85% or higher (hereinafter, referred to as "Large Load Customers"). The proposed tariffs would apply equally to any customer that meets these thresholds and are not limited to data centers or any other type of business or industry. Although FPL does not have any existing customers that would meet the proposed thresholds for a Large Load Customer, FPL nonetheless believes it is reasonable and appropriate to implement a tariff mechanism now in order to ensure that FPL is ready and able to provide safe and reliable service to future Large Load Customers without impacting service to FPL's other customers.

The FEIA witnesses that oppose the proposed LLCS tariffs, and to some extent FIPUG witness Pollock, ignore that FPL currently does not have the capacity on its system to serve these Large Load Customers. As explained in my direct testimony, FPL will need to construct new generation and transmission capacity in order to provide electric service to customers of this magnitude. This additional capacity is not needed to serve the load of either our existing customers or the load growth forecasted for the 2026 and 2027 Projected Test Years, nor is it needed to meet FPL's resource needs. Thus, FPL has designed the LLCS tariffs to ensure that the incremental costs for this new capacity are recovered from the cost causers – the Large Load Customers. If FPL were to allow these Large Load Customers to remain on rate GSLD-3 or reduce the LLCS rate to be "competitive" with other jurisdictions as suggested by FEIA and FIPUG, this would

result in the general body of customers subsidizing the costs associated with generation and transmission upgrades that, but for the addition of Large Load Customers, are not needed to serve our other customers or meet FPL's resource needs. Such an approach violates ratemaking principles that base rates should be cost-based and avoid interclass subsidies. Large Load Customers face unique operational requirements that necessitate predictable pricing structures, clear terms and conditions, and expedited market entry processes before they can justify the substantial capital investments required for their facilities. While FPL's proposed tariff incorporates relatively low MW thresholds coupled with restrictive terms and conditions, I believe FPL's proposed tariff or reasonable modifications to the tariff can achieve dual objectives: providing Large Load Customers with the commercial viability necessary to support Florida's economic growth while simultaneously maintaining appropriate safeguards for the general body of customers.

Q. You stated that FPL believes now is the appropriate time to propose the LLCS tariffs even though FPL currently does not have any customers that would be subject to the tariffs. Can you please further explain the basis for proposing the LLCS tariffs in this proceeding?

A. Yes. The electric industry across the country is experiencing significant growth in demand due to the rapid increase in very large load, high usage customers, driven by cloud computing, AI technology, data generation and analytics, data security, and the Internet of Things. Although many data centers are smaller and fall in the range of 5-20 MW of load, the trend is moving towards very large facilities with loads of 100 MW to over 1,000 MW or more at a single location. According to a 2024 report from the

U.S. Department of Energy, total data center electricity usage climbed from 60 TWh in 2014-2016 to 176 TWh in 2023 and estimates an increase between 325 to 580 TWh by 2028.[2] This potential for significant growth due to substantially large load, high usage customers is real. Indeed, since 2023, FPL has received inquiries from over 50 Large Load Customers seeking to site a combined total of approximately 21 GW of load, with speed to market being a top priority.

This growth in significantly large and unprecedented customers has the potential for significant impacts to transmission and generation capacity across the grid. Based on discussions with recent Large Load Customers inquiring about service within FPL's service area, FPL estimates that it could take several years after an agreement is reached for both the Large Load Customers and FPL to build out their respective infrastructure and facilities, which means it could be several years before the customer will begin taking electric service and paying rates to recover the costs. Further, the cost of building the capacity and infrastructure necessary to provide service to Large Load Customers can have very significant impacts on the electric rates paid by existing utility customers if adequate and appropriate safeguards are not implemented.

Given the time necessary to construct both the Large Load Customer and FPL facilities, as well as the ongoing interest in electric service by multiple Large Load Customers, FPL believes that it is reasonable and appropriate to develop tariffs now to be ready

[2] *See* Arman Shehabi, *et al.*, Energy Analysis and Environmental Impacts Division, Lawrence Berkeley National Laboratory, 2024 Report on U.S. Data Center Energy Use (Dec. 2024), available at: https://eta-publications.lbl.gov/sites/default/files/2024-12/lbnl-2024-united-states-data-center-energy-usage-report.pdf.

and able to serve these customers, while still protecting the general body of customers from incremental costs incurred to serve this new load. Simply waiting until a Large Load Customer begins to take service before filing proposed new tariffs, as suggested by FIPUG witness Pollock and FEA witness Gorman, would erode these important customer protections and result in subsidization by the general body of customers until new tariffs and rates are approved. Further, this "wait and see" approach would create significant uncertainty for both FPL and the Large Load Customers as to the terms and conditions of service that will ultimately be approved by the Commission and applied to the customer's service, which could be commercially untenable for both FPL and the Large Load Customers given the substantial capital investment required.

Q. Multiple FEIA witnesses claim that FPL is closing the GSLD-3 rate schedule to data centers and that FEIA members would be reclassified as LLCS customers. Do you agree with this characterization of FPL's proposal?

A. No. To be clear, FPL is not closing the GSLD-3 rate schedule, and it will continue to be available for all customers that (i) meet the applicability requirements and (ii) do not fall under the applicability requirements of another rate schedule. I also disagree that the FEIA members are being reclassified from GSLD-3 to the LLCS rate schedules. As explained in my direct testimony, FPL has not entered into any service agreements with any existing or future potential Large Load Customers that would take service under the proposed LLCS tariffs, if approved. Likewise, I note that FEIA claims in its petition to intervene that its members are purportedly developing data centers that could become customers of FPL at some point in the future. Thus, the FEIA members are not being reclassified as suggested.

Q. But do you agree that the GSLD-3 rate schedule would not be available to FEIA's members if the LLCS tariffs are approved?

A. Potentially. Just like every other rate schedule in FPL's Commission-approved tariff, the proposed LLCS tariffs have specific applicability requirements based on the unique usage characteristics of that rate class. If FPL's proposed LLCS tariffs are approved and any of FEIA's members become retail end-use customers that have usage characteristics of Large Load Customers under the LLCS tariff approved by the Commission, then the FEIA members would be subject to those tariffs. If, however, the FEIA members become retail end-use customers that have usage characteristics that meet the applicability requirements of another rate schedule, including GSLD-3, then the FEIA members would be subject to those tariffs. This is no different than any other rate schedule in FPL's tariff.

Q. FEIA witness Provine claims that FPL advised that the GSLD-3 tariff would be applicable to data centers. Do you have a response?

A. Yes. Currently, the only Commission-approved tariffs that would apply to a non-standby and/or interruptible Large Load Customer who has service supplied at a transmission voltage of 69 kV or higher are FPL's existing GSLD(T)-3 tariffs. The GSLD(T)-3 tariffs apply to data centers taking service today at a transmission voltage of 69 kV or above. However, this does not mean that FPL is precluded or somehow barred from proposing appropriate new or amended tariffs for the Commission's consideration and approval.

Once a new or amended tariff is approved by the Commission, those tariffs apply to all customers that meet the applicability requirements in the Commission-approved tariff. I also want to point out that, although I do not know the identity of FEIA's members, FPL disclosed to all entities that inquired about potential electric service for data centers that it was considering the proposed LLCS tariffs. FPL sent each entity a memorandum of understanding that advised, among other things, that FPL's tariffs are subject to change. Furthermore, the memorandum of understanding provided indicative drafts of the potential LLCS tariffs that FPL intended to file as part of this case and provided transparency on FPL's internal process for evaluating and providing generation and transmission capacity for data center applicants. It is important to note that FPL expects the LLCS class will ultimately achieve parity with overall system costs. Once cost alignment is realized, it will conclusively establish that no additional burden will be imposed upon the general body of customers. At that juncture, the LLCS class rates will be substantially equivalent to GSLD-3 rates.

Q. FEIA witness Provine claims that the terms and conditions of the proposed LLCS tariffs are discriminatory because they are not applicable to GSLD-3 customers. Do you have a response?

A. Yes. I disagree that FPL's proposed LLCS tariffs are unjustly discriminatory or preferential. FPL has no Large Load Customers that meet both the demand and load factor thresholds in the LLCS tariffs. FPL is creating a new rate schedule that will apply to future Large Load Customers with the usage characteristics that are vastly different than FPL's existing customers that will continue to be served under the GSLD-3 tariff. Further, FPL will need to make significant investments in new

incremental generation capacity that, but for the Large Load Customer's request for service, would not otherwise be incurred or needed to serve the general body of customers. These potential system impacts and required upgrades to the system caused by a single Large Load Customers are unique and unlike any other customer served on FPL's system, including any existing GSLD-3 customer. Thus, the customers to be served under the proposed LLCS tariffs and the GSLD-3 tariff are not similarly situated customers and, therefore, applying different rates and conditions is not discriminatory or preferential treatment.

Q. Multiple FEIA witnesses appear to suggest that data centers should continue to be served under the current GSLD-3 rate or at a rate that is equivalent to the GSLD-3 rate. Do you have concerns with their proposal?

A. Yes. As I explained above, the FEIA witnesses ignore that FPL does not have the capacity on its system today to serve customers of this size. Likewise, they overlook that, in order to serve a customer of this magnitude, FPL will need to make significant investments in new incremental generation capacity that, but for the customer's request for service, would not otherwise be incurred or needed to serve the general body of customers or to meet FPL's resource needs. FPL's current and proposed GSLD-3 rate does not include the costs required to serve any Large Load Customers that would qualify under either the LLCS-1 or LLCS-2 rate schedules. Thus, allowing data centers to be served under the current GSLD-3 rate as suggested by the FEIA witnesses would result in data centers being subsidized by the general body of customers.

Q. What would be the potential impact if Large Load Customers were served under the GSLD-3 rate schedule?

A. Again, these customers would be subsidized by the general body of customers. Further, during FPL's next applicable rate case, all the costs incurred to serve these customers would be evaluated consistent with the then approved cost of service study. If each rate class were taken to full parity in the next applicable rate case, FPL would expect the very significant costs required to be incurred to serve these data center customers to be allocated to and significantly increase the rates for all customers in the GSLD-3 rate class, which would include a large number of existing commercial and industrial customers that take transmission service but fall well below the thresholds proposed for the LLCS tariffs. Such an approach could become untenable for these smaller-sized customers taking service under GSLD-3. On the other hand, if the rate increases in the next applicable rate case were limited by the Commission's gradualism policy, this approach could significantly limit the rate increase that could be allocated to the GSLD-3 rate class and result in these data centers continuing to be subsidized by the general body of customers. Given the magnitude of the capital investment necessary to serve Large Load Customers under the LLCS rate schedules, this later approach relying on gradualism could take many years and multiple rate cases to "dig out" of such a parity hole.

Q. FIPUG witness Pollock and Walmart witness Perry oppose the Large Load Customer thresholds for the proposed LLCS tariffs and recommend that they be increased to 50 MW and 75 MW, respectively. Do you have a response to this recommendation?

A. Yes. Both FIPUG and Walmart recommend increasing the Large Load Customer thresholds because, according to their witnesses, a threshold of 25 MW or more and load factor of 85% or more could unintentionally pick up existing customers and traditional commercial and industrial customers. However, the LLCS tariffs are not designed to include any specific end-use customer type but, rather, are intended to capture all customers that meet the thresholds approved for the LLCS tariffs. Therefore, customers that meet Large Load Customer thresholds should be subject to the LLCS tariffs irrespective of whether they are considered a traditional or non-traditional commercial and industrial customer.

FPL initially proposed the thresholds for the Large Load Customers to address the potential that a customer with load of 25 MW or more and a load factor of 85% or more could have impacts on FPL's transmission system and generation resource plan. Since the time FPL initially developed the LLCS tariffs, FPL has responded to inquiries from multiple potential applicants, completed two engineering and system impact studies for potential Large Load Customers under the LLCS-1 tariff, and has five other studies currently in progress. Based on this more recent data, including the contract demands and likely load ramps requested in these studies, FPL believes that it is reasonable for

the Large Load Customer threshold for the LLCS tariffs to be set at 50 MW or more of new or incremental load with a load factor of 85% or more.

Q. FEIA witnesses Loomis and Provine argue that the Incremental Generation Charge ("IGC") included in FPL's proposed LLCS-1 tariff turns a 15% rate increase for GSLD-3 into a 69% rate increase for LLCS-1. Do you agree?

A. No. The argument by these FEIA witnesses is flawed because it is based on the assumption that FPL has the capacity today to serve a new customer with load of 25 MW or more and a load factor of 85% or more, which is incorrect for the reasons I previously explained. I also disagree that FPL is proposing an increase of 69% for the LLCS-1 rate schedule. The LLCS rate schedules do not exist today, so there is no increase. Rather, FPL is proposing new rates for the LLCS tariffs that are designed to recover the forecasted incremental costs that, but for the LLCS customers, would not otherwise be incurred or needed to serve the general body of customers. The rate components under the proposed LLCS tariffs will be reset in subsequent rate proceeding(s) based on the type, characteristics, size, location, and in-service date(s) of the facilities and generation resource(s) installed to serve the LLCS customer loads. I also note that FPL currently has no customers that meet thresholds as Large Load Customers under the LLCS tariffs and, therefore, there are no existing customers that are being migrated from GSLD-3 to LLCS-1 and would experience the increase claimed by the FEIA witnesses

Q. The FEIA witnesses raise concerns that the LLCS rates are not supported by a cost of service study. Can you please respond to their concerns?

A. Yes. It appears that FEIA believes the proposed new LLCS rates should be rejected because they are not supported by FPL's cost of service in this case. This is another attempt by FEIA to argue that its members should be permitted to take service under GSLD-3 and be subsidized by the general body of customers. As I explained in my direct testimony, FPL has not projected any LLCS customers until 2028 at the earliest and, therefore, there are no customers, costs, or revenues associated with the LLCS tariffs included in FPL's forecast for the 2026 and 2027 Projected Test Years. Thus, if FPL were to base the proposed new LLCS tariffs on the results of the cost of service study for the 2026 and 2027 Projected Test Years, the associated rates under these new tariffs would be $0.00, which is a nonsensical result for a Large Load Customer that causes FPL to incur costs for incremental capacity that is not otherwise needed to serve other customers on our system. Because it is not practicable to include the LLCS rates in a cost of service study for this proceeding or to develop a cost of service study for 2028 and beyond, FPL used an incremental revenue requirement model to determine the proposed rates for the LLCS-1 tariff based on the difference in the embedded system cost with and without the addition of 3 GW of load onto the FPL system. This revenue requirement model was produced and made available to parties in FPL's response to OPC's Requestion for Production No. 15.

Q. FEIA witness Loomis claims that FPL failed to comply with parity and gradualism when increasing the rates for LLCS-1. Do you have a response?

A. Yes. This is a fallout from his argument that there was no cost of service study to support the proposed LLCS rates, which should be rejected for the reasons I previously explained. Parity and gradualism are concepts that apply when evaluating the present rates and rate increase (or decrease) to be assigned to a particular rate class as compared to the system average increase. As I previously explained, the LLCS tariffs are new tariffs and there are currently no Large Load Customers that meet thresholds for these tariffs. Because there are no present rates for the LLCS rate schedules and, logically, no increase from non-existent present rates, the principles of parity and gradualism are not applicable.

Q. If FPL did not apply parity and gradualism in designing the rates for the LLCS tariffs, how are they consistent with standard ratemaking principles?

A. The initial rates proposed for the LLCS tariffs were equitably designed based on the principle of cost causation in order to avoid subsidies by the general body of customers to the greatest extent practicable. The proposed LLCS tariffs include two types of base rates: the typical base rates (*i.e.*, customer, demand, energy) and the IGC. As explained on page 25 of my direct testimony and in FPL's response to Staff Interrogatory No. 121, which is provided as Exhibit TCC-7, the base, demand, and non-fuel energy charges for the new rate schedules LLCS-1 and LLCS-2 will be initially set at unit cost equivalents for the GSLD(T)-3 rate class at parity for transmission costs and weighted for fixed production costs to ensure that the LLCS customers pay their fair share of the total embedded system costs.

The IGC under proposed rate schedules LLCS-1 and LLCS-2 is designed to recover and highlight the additional, or incremental costs associated with the generation capacity that must be added to FPL's system to serve the LLCS-1 and LLCS-2 load that would otherwise be collected through a base demand charge. To ensure that the general body of customers are protected from higher costs associated with serving Large Load Customers, the LLCS tariffs are designed to account for the difference in the embedded system cost with and without the addition of 3 GW of load for the LLCS-1 tariff, or the addition of large load outside of the 3 GW regions for the LLCS-2 tariff. The difference in embedded cost to the system is reflected in the IGC proposed for Rate Schedules LLCS-1 and LLCS-2. FPL's proposed LLCS tariffs are all designed to proactively protect the general body of customers from incremental generation costs that, but for the LLCS-1 and LLCS-2 customers, would not have otherwise been incurred and are not needed to serve the current general body of customers. A more detailed explanation of how the IGC was designed for the LLCS-1 and LLCS-2 tariffs is provided in FPL's response to FIPUG Interrogatory No. 20, which is provided as Exhibit TCC-8.

To ensure the rates under the proposed LLCS tariffs remain in line with the principle of cost causation, the IGC and other rate components under rate schedules LLCS-1 and LLCS-2 will be reset in subsequent rate proceeding(s) based on the type, characteristics, size, location, and in-service date(s) of the facilities and generation resource(s) installed to serve the LLCS customer loads. Other factors that will be included in the reset of the rates for the LLCS tariffs will include, but are not limited

to, existing and forecasted contracted demand, impacts of load ramps, and received and forecasted revenues.

Q. FEIA witness Ahmed claims that FPL's IGC revenue model results in an over-recovery because, according to him, FPL used an overly simplified approach to the calculation by taking the highest annual revenue requirement (the "peak" year) over the 20-year period and assuming that same revenue requirement for every year over the life of project. Can you respond to his criticisms of the IGC revenue model?

A. Yes. The IGC in this case was developed using a widely accepted and standard annual revenue requirement calculation. Revenue requirements for utility rates in Florida use the same methodology. The calculation will be adjusted periodically, subject to Commission approval, to account for changes in costs incurred. The IGC proposed in this case, is based on the annual revenue requirement needed to recover the cost expected to be incurred to initially serve an incremental 3 GW of load. The IGC will be reset in subsequent rate proceedings to account for changes in costs incurred, similar to how all other rates are reset before the Commission. Stated otherwise, the declining revenue requirement will be reflected in FPL's subsequent base rate proceedings.

Q. Do you have any other comments?

A. Yes. FEIA witness Ahmed also states: "There is no normalization across the years ranging from $28.07 / kW-month to $9.81/ kW-month or a 65% delta. This results in revenue requirements that exceed what would be produced under a levelized or time-weighted average, leading to an unjustified increase in charges." I disagree that using a normalized or levelized approach is appropriate. Setting rates using either of these

approaches, all else being equal, would result in the under-recovery of revenue requirements during the first part of the contract period due to the declining nature of the revenue requirements. This shortfall would be borne by the general body of customers throughout that time and until rates could be reset.

Q. In opposition to FPL's proposed IGC, FEIA witnesses Ahmed and Loomis state that it is uncertain whether investment tax credits ("ITCs") and production tax credits ("PTCs") will continue to be available, which they claim could increase rates for the general body of customers. Do you have a response to their concerns about the uncertainty of ITCs and PTCs as it relates to the proposed LLCS tariffs?

A. Yes. The IGC is designed to recover the incremental costs associated with the generation capacity installed to serve the LLCS loads. The revenue requirement used to calculate the initial IGC rate for the LLCS-1 tariff includes ITCs associated with the batteries that FPL currently estimates will be used to serve the 3 GW of customer load under the LLCS-1 tariff. If the ITCs are not available to offset a portion of the revenues to be recovered through the IGC, this would increase the rates to be recovered from the LLCS customers and would be addressed through FPL's proposed mechanism for changes in tax laws, if approved, or FPL's next applicable base rate proceeding. I note, however, that this is no different than the loss of ITCs or PTCs that offset a portion of the rates and revenues recovered from every other rate class. The IGC proposed for Rate Schedule LLCS-1 is based on the annual revenue requirements for the projected addition of 6,100 MW of battery capacity on FPL's system that would be needed to serve an additional 3 GW of load. As explained by FPL witness Whitley, solar and

battery storage are the only limited resource options reasonably available to meet FPL's near-term resource needs for Large Load Customers. Additionally, it is important to note that while the current plan is to use batteries to serve the LLCS loads, whatever generation source that is ultimately built is a system-asset. The cost of the incremental generation will be reset in subsequent rate proceeding(s) based on the type, characteristics, size, location, and in-service date(s) of the facilities and generation resource(s) installed to serve the LLCS customer loads.

Q. FEIA witness Ahmed also indicates that it is not equitable to allocate the full cost of battery storage to the LLCS-1 customers because these batteries provide system-wide benefits, such as enhanced grid stability and solar energy shifting, that he claims accrue to all customer classes. Do you have a response?

A. For pricing purposes only, FPL is assigning the full incremental cost of system assets caused by the addition of 3 GW of large load through the IGC. Operationally, the LLCS customers will be served from all assets on the FPL system. Full assignment of the batteries through the IGC for pricing is appropriate in this case where the incremental cost to the system *is* equal to the annual revenue requirement that the IGC is based upon. The LLCS tariff rates together reflect the total cost to serve 3 GW of load. In subsequent rate cases, any potential system benefits realized would be factored in the LLCS rates and cost of service study performed at that time.

Q. The FEIA witnesses assert that large load customers with high load factors support efficient transmission planning, enhance utilization of fixed assets, and reduce per-unit costs for all ratepayers. Do you have a response?

A. As a general matter, I agree that the presence of large load customers with high load factors can provide system benefits and share in fixed costs placing downward pressure on rates for all customers. However, those benefits are reduced when the addition of a customer causes the need to add significant and costly new generation capacity, transmission capacity, and/or network upgrades that are not otherwise needed to serve other customers. FPL's proposal in this case is meant to balance the needs of Large Load Customers while also protecting the general body of customers from cost increases.

Q. FEIA witnesses Rizer and Mangum note potential tax revenues, capital reinvestment, and job creation as benefits from data centers, and FEIA Rizer suggests the Commission should consider these economic benefits when setting rates under FPL's proposed LLCS tariff. Do you agree?

A. I agree that, just like any other business looking to locate within FPL's service area, data centers provide local economic benefits and jobs. I also agree that data centers will pay taxes like every other FPL customer. However, the level of local economic benefits and tax revenue that a business provides should not be the basis for setting electric rates. Electric rates are based on the cost incurred to provide electric service.

Q. The FEIA witnesses compare FPL's rate under the proposed LLCS-1 tariff to rates purportedly charged to data centers in other states and argue that the Commission should set a rate for the LLCS-1 tariff that is competitive. Do you have a response?

A. Yes. In Florida, regulated rates are designed to be cost-based to the greatest extent practicable. The FEIA witnesses cite purported data center rates ranging from 5.5 cents/kWh to 8 cents/kWh, which they observe is lower than the 10.16 cents/kWh under FPL's proposed LLCS-1. The fundamental flaw with FEIA's approach to setting "competitive" rates is that it is not cost-based and may force customers to subsidize data centers.

Q. Do you have any other observations about FEIA's rate comparisons?

A. Yes. FEIA's rate comparisons are not apples-to-apples and ignore regulatory differences among the jurisdictions. For example, several FEIA witnesses cite Dominion Energy rates purportedly paid by data centers in Loudoun County, Virginia. However, FEIA fails to disclose the fact that Dominion Energy is located in a deregulated state located within the regional transmission organization operated by PJM Interconnection LLC. In deregulated states, such as Virginia, suppliers of electric generation capacity compete for the business of data centers, which can negotiate competitive pricing and terms among the various suppliers in the market. Further, the transmission and network upgrades caused by data centers located in PJM are allocated among all the customers in the zones; meaning, all the customers within the allocated zones are paying for the costs of the transmission upgrades caused by the data centers. It is my understanding that approximately $9.4 billion of additional costs will be

allocated to customers in PJM due primarily to the unprecedented demand from data centers.[3] Finally, I note that FEIA failed to disclose that Dominion Energy recently proposed a new rate class for high energy users, including data centers, as well as new consumer protections to ensure these customers pay the full cost of their service and other customers are protected from stranded costs.[4] Although the rates paid by data centers in Loudoun County, Virginia may have historically been lower than FPL's proposed LLCS-1 rate, it appears the effects of the data center demand growth in that area are likely to increase upcoming prices.

Additionally, FEIA witness Ahmed stated that in lieu of the IGC, FPL should use an Additional Facilities Charge similar in structure and pricing to Entergy Louisiana. The Additional Facilities Charge on Entergy Louisiana's tariff is intended to recover customer-specific distribution and transmission delivery level assets, not incremental generation. The comparison is not meaningful for the LLCS-1 tariff.

[3] *See* Monitoring Analytics, Analysis of the 2025/2026 RPM Base Residual Auction (Jun. 3, 2025), available at: https://www.monitoringanalytics.com/reports/reports/2025/IMM_Analysis_of_the_20252026_RPM_Base_Residual_Auction_Part_G_20250603_Revised.pdf.

[4] *See* Dominion Energy Press Release (Apr. 1, 2025), available at: https://news.dominionenergy.com/press-releases/press-releases/2025/Dominion-Energy-Virginia-proposes-new-rates-to-continue-delivering-reliable-service-and-increasingly-clean-energy/default.aspx#:~:text=If%20approved%2C%20the%20new%20fuel,even%20if%20they%20use%20less.

Q. FIPUG witness Pollock states that the incremental pricing used for the IGC will not prevent higher fuel costs being passed on to all customers, and recommends that the Commission assign both fixed and variable costs. Do you have a response?

A. Yes. All things being equal, I agree that that large energy users can cause higher fuel costs that are recovered from customers. However, when those capacity needs are met with renewable generation resources, such as solar combined with battery, there can be a reduction in fuel costs and a corresponding savings for all customers. Importantly, however, even if the LLCS customers cause an increase in the fuel costs to be recovered from customers, these same LLCS customers will pay their allocated share of these costs through the fuel clause just like every other customer. In fact, non-fuel costs would be spread over a larger base of kilowatt hours with the addition of large load customers putting downward pressure on rates for the general body.

Q. FEIA witness Loomis states that the LLCS rate schedules are prohibitively expensive and will not accommodate the entry of data centers in Florida. Do you have a response?

A. Yes. As I have explained above, the LLCS tariffs are cost-based and designed to recover the incremental costs from the cost causer. Clearly, if FPL were to offer significantly discounted power to data centers it would encourage data centers to locate within FPL's service territory. However, it could also mean that FPL's other customers would need to subsidize the costs incurred to provide electricity to these data centers. I submit that the challenge is not whether to accommodate this new load growth but, rather, how to do so without distorting electric pricing or forcing other customers to

significantly subsidize private infrastructure. FPL welcomes data centers to our service area and supports their efficient growth and development. To ensure sustainable expansion that benefits all customers, data centers should appropriately cover the costs of the incremental capacity they require, allowing them to grow while maintaining fair cost allocations.

Q. In response to the intervenors' concerns regarding the pricing, has FPL reevaluated any of its pricing structure for the LLCS-1 tariff?

A. Yes. FPL has confirmed that battery storage remains the only option reasonably available to meet FPL's near-term resource needs for Large Load Customers under rate schedule LLCS-1. However, FPL will continue to evaluate the resource options and availability. The IGC initially proposed in the LLCS-1 tariff was priced based on the revenue requirement for the capacity additions needed to serve the full 3 GW of load to be served under the LLCS-1 tariff be available by 2030, with the IGC and other rate components to be reset in subsequent rate cases as previously discussed.

Since the time FPL initially developed the IGC for the LLCS-1 tariff, FPL has completed two engineering and system impact studies for potential Large Load Customers that would take service under the LLCS-1 tariff, if approved, and has five other studies currently in progress. Based on this more recent data, including the contract demands and likely load ramps requested in these studies, FPL reasonably expects to only serve a combined total load of approximately 1 GW under the LLCS-1 tariff by the end of 2029.[5] As such, FPL believes it is appropriate to update and reprice

[5] *See* FPL's response to FRF Interrogatory No. 4.

the proposed IGC for the LLCS-1 tariff based on the capacity additions needed to serve the 1 GW of load by the end of 2029, rather than the entire 3 GW of load available to be served under that rate schedule. The lower 1 GW threshold results in the LLCS-1 IGC rate being reduced from the originally proposed rate of $28.07/kW to $12.18/kW. Similarly, the LLCS-1 Base Demand rate is adjusted as well. In total, the estimated LLCS-1 rate reduces from 10.16 cents/kWh to 8.68 cents/kWh. The IGC and other rate components of the LLCS-1 will be re-priced in the next base rate case, which if FPL's four-year plan is approved, is expected to be filed in 2029 for rates effective in 2030, based on actual and forecasted costs and revenues at that time. The updated proposed tariff is provided in Exhibit TCC-9.

Q. FEIA witness Loomis argues that the LLCS security requirements requiring 100% collateral for the IGC is excessive and duplicative because the IGC is included in the contractual assurances. Do you have a response?

A. Yes. FPL's proposed LLCS Service Agreement requires the Large Load Customers to provide performance security. The performance security is intended to help mitigate the risk associated with a Large Load Customer that breaches or otherwise terminates the agreement and is required to pay the exit fee under the LLCS Agreement. As initially proposed, the security amount was equal to the total IGC to be paid by the Large Load Customer over the 20 year-term of the LLCS Service Agreement, which was a very conservative approach to account for potential Large Load Customers without investment grade credit ratings. However, the FEIA witnesses assert that requiring an upfront security amount equal to the total IGC to be paid over the 20-year term of the agreement would not be commercially acceptable to data center customers.

Although I disagree with FEIA witness Loomis that the security should be eliminated for Large Load Customers that meet FPL's credit requirements, I believe that it would be reasonable for the security amount to be based on and reflective of the Large Load Customer's credit rating relative to the investment, with customers that have higher credit ratings required to post lower collateral to reflect their lower relative risk as compared to a customer with a low credit rating, all things being equal.

Q. FEIA witness Loomis opposes FPL's 90% minimum take-or-pay demand charge under the proposed LLCS tariffs and recommends that 65% is adequate and consistent with industry standard. Do you agree?

A. No. The minimum take-or-pay provision under the LLCS tariffs only applies to the demand charges, which recovers a portion of the fixed transmission, distribution, and customer costs incurred to provide service to the Large Load Customers. Importantly, by the time the Large Load Customer begins to take service, FPL will already have incurred necessary costs to provide electric service to the customer at their full contracted demand. The minimum take-or-pay demand charge under the proposed LLCS tariffs helps ensure that the customer pays for these fixed costs, which would have already been incurred, in the event the Large Load Customer's contract demand does not materialize and/or their demand subsequently drops.

Given the very significant capital expenditure anticipated to be required to interconnect these Large Load Customers to the system, FPL submits that a 90% minimum take-or-pay demand charge is reasonable. However, in light of FPL's proposed CIAC tariff modification, if approved, and the existing tariff PGA mechanism, if applicable, both

of which help backstop the non-CIAC amount to be recovered from the customer as I explained previously, it would not be unreasonable for the Commission to approve a modest reduction in the minimum take-or-pay demand charge from 90% to 70%. The minimum take-or-pay demand charge, combined with the proposed new CIAC modification or PGA, would help mitigate some of the concerns raised by FEIA witness Loomis, while still providing adequate safeguards for the general body of customers in the event the Large Load Customer's contract demand does not materialize and/or their demand subsequently drops.

Q. FEIA witness Loomis opposes the 20-year term proposed for the LLCS tariffs and recommends a 12-year term with two 5-year optional extensions. Please comment.

A. The IGC under the proposed LLCS tariffs is designed to recover incremental costs associated with the generation capacity installed to serve the LLCS-1 and LLCS-2 load. The 20-year minimum term of service proposed for the LLCS tariffs corresponds with the expected useful life of the battery storage assets that FPL currently forecasts would be installed to serve the customers load under LLCS-1 and LLCS-2. All things being equal, if Large Load Customers were only required to pay the IGC over a 12-year period as suggested by FEIA, FPL potentially would need to consider increasing the IGC (*i.e.*, recover the same costs over a shorter period of time). I also disagree with the proposal to include two 5-year optional extensions, which would likewise impact the IGC rate to be charged and could have significant impacts on system planning.

Q. FEA witness Gorman recommends that the termination notice for the LLCS tariffs be increased from two years to five years. Do you oppose his recommendation?

A. No, but I am concerned that a five-year termination notice may not be palatable or reasonable for a Large Load Customer served under the LLCS tariffs. FPL submits that a two-year termination notice requirement is a reasonable approach that will allow both the exiting Large Load Customer and FPL to plan for the customer's termination of service, including any actions needed to safely and adequately address the physical termination of service and potential loss of significant load at the Large Load Customers site. Additionally, FPL believes that the proposed two-year notice requirement will provide FPL with a reasonable period of time to appropriately plan for and determine the overall best use of the capacity for the benefit of its customers.

Q. Do you have a response to the FEIA witnesses claim that data centers will not be willing to come to Florida under the terms and rates set forth in FPL's proposed tariffs?

A Yes. First, I note that there are no customers on FPL's system that would qualify for LLCS tariffs and, although I do not know the identity of their members, it is my understanding that FEIA represents developers of potential data center sites and not end-use data center customers that would take retail service from FPL. FPL has developed the LLCS tariffs to ensure it can provide safe and reliable service to the Large Load Customers while protecting the general body of customers. Just like any other rate schedule, FPL fully expects to re-evaluate the rates/pricing and terms and conditions for the LLCS tariffs based on actual experience, costs, and revenues known

at that time. The re-evaluation and resetting of the rate components of the LLCS tariffs would occur in the ordinary course as part of FPL's base rate proceedings. The non-rate terms and conditions would likewise be re-evaluated as part of FPL's base rate proceedings and/or, if appropriate, potentially through a limited proceeding. Thus, FPL will continue to monitor the needs and demands of existing and potential new Large Load Customers and, if appropriate and necessary, will submit proposed changes to the LLCS tariffs for the Commission's review and consideration. Meaning, even if the rates and terms of the LLCS tariffs are not commercially acceptable to actual end-use retail data center customers, as claimed by the FEIA witnesses, these terms potentially could change in the future subject to Commission review and approval. This is no different than any other business seeking to relocate/set up a business and deciding between FPL's service territory or somewhere else.

Q. Do you have any additional comments related to the LLCS tariffs shown in Exhibit TCC-9?

A. Yes. In preparing rebuttal testimony, FPL identified a change needed in the LLCS tariffs within the Rules and Regulations section as it pertains to CIAC. As proposed, the CIAC section stated that "the Incremental Generation Charge will not be used to calculate the CIAC amount to be paid by new and incremental Customers under the schedules." FPL believes this exclusion is not aligned with the intent of Rule 25-6.064, Florida Administrative Code, and has been removed from the tariff and incorporated into Exhibit TCC-9.

VIII. FORECAST OF CUSTOMERS, ENERGY SALES, AND SYSTEM PEAK DEMANDS

Q. Can you please summarize the intervenor testimony regarding FPL's proposed load forecast?

A. Yes. OPC witness Thomas and FEL witness Rábago both provide testimony criticizing the proposed load forecast and recommend adjustments to FPL's load forecasting methodology. OPC witness Thomas proposes significant revisions to FPL's customer and energy forecasting models, including: increasing the residential customer forecast by approximately 40,000 customers over two years based on recent short-term growth patterns; adjusting commercial, lighting, and industrial customer forecasts using what he terms "forecast error" based on limited monthly data; restricting historical data to shorter time periods; and implementing a simplified constant load factor approach for peak demand forecasting. OPC witness Thomas also asserts that FPL is double-counting energy efficiency impacts in its models and as a result is under-forecasting sales.

FEL witness Rábago focuses primarily on FPL's energy sales forecasting accuracy, claiming that FPL consistently under-forecasts energy and the forecast contains "significant" forecast error. He proposes that the Commission should direct FPL to add an arbitrary and unsupported 3% adjustment to its sales forecast to correct for an alleged systematic bias.

Additionally, both the OPC and FEL witnesses advocate for reducing FPL's weather normalization period from 20 years to 10 years, arguing that shorter historical periods better reflect recent climate trends and would improve forecast accuracy.

Q. Before addressing their specific arguments, do you have any general observations regarding the intervenors' argument related to the load forecast?

A. Yes. The intervenor witnesses' criticisms are fundamentally flawed because they rely on inappropriate analytical methodologies and ignore established industry best practices. It is important to note that not one intervenor took issue with the validity of any of FPL's customer, sales, or peak forecast models. However, based on short-term variances in actuals compared to the forecast, intervenors propose adjustments to a long-term forecast that is used for all ratemaking and generation resource planning purposes. FPL's load forecast demonstrates reasonable accuracy when properly evaluated against weather-normalized actuals, which is the appropriate standard for forecast performance assessment. FPL's methodology employs statistically robust approaches using 20-year historical datasets, econometric modeling, and weather normalization periods that align with industry standards and provide the stability necessary for responsible utility planning. The proposed arbitrary adjustments, such as FEL witness Rábago's unsupported 3% increase or OPC witness Thomas's haphazard customer count revisions, lack proper analytical foundations and would degrade forecast quality by introducing bias and volatility inappropriate for long-term infrastructure planning and regulatory decision-making.

Q. Please comment on the proposed adjustment provided by OPC witness Thomas to increase the residential customer forecast.

A. I disagree with revising the residential customer forecast. OPC witness Thomas has not provided any workpapers or calculations to support his proposed increase of approximately 40,000 customers over two years. His support appears to be based solely on short-term deviations without considering longer term economic impacts that are embedded in FPL's proposed forecast. FPL's models are well-supported to address short-term fluctuations in actuals, as they incorporate features such as moving averages and/or incorporate lag dependent variables to capture growth momentum without overreacting. OPC witness Thomas is oversimplifying the forecasting process. The residential customer forecast is not based merely on adjustments or subjective judgment; rather, FPL employs a linear mathematical model that incorporates multiple variables to approximate real-world conditions. It is not appropriate to make a topside adjustment to customer counts, as proposed by OPC witness Thomas.

Q. OPC witness Thomas also proposes to change the commercial and lighting customer forecasts. Do you agree?

A. No. I disagree with the proposed changes and calibration methodology. OPC witness Thomas proposes to use either eight months of "forecast error" or multiply a single month's "error" by twelve. The 0.10 p-value threshold proposed by OPC witness Thomas is too lenient (standard practice uses 0.05), and eight months of data is insufficient for reliable long-term adjustments. I strongly disagree that "forecast error" should be used to adjust prospectively. Forecasts are accurate at the time they are prepared if they are based on the most accurate and best information that is

available at the time. Variances or differences in a forecast compared to actuals are nothing more than that and calling it "error" is strictly for inflammatory purposes. Effective forecasting should be grounded in broader historical data — typically covering many years — to capture meaningful trends, changes, and patterns in customer behavior over time. Short-term deviations may reflect temporary or seasonal variation, or recent shifts in economic conditions, but are not sufficient on their own to justify long-term changes to the forecast. FPL's models use 20 years of historical data, providing a stable foundation.

Q. Due to a customer decline from July 2024 to February 2025, OPC witness Thomas proposes a decrease to the industrial class customer forecast. Do you have a response?

A. Yes. I disagree with revising the forecast based on the July 2024 to February 2025 decline. This decrease was related to change in temporary GS-1 industrial customers, not a structural shift in the long-term industrial base. Adjusting for temporary customer changes inappropriately treats a one-time event as permanent decline. Temporary service accounts in the industrial class are inherently lumpy and project-based, making short-term adjustments inappropriate.

The industrial customer forecast as proposed reflects historical patterns, expected economic conditions from reputable third-party sources and proper model design. The pattern mirrors projected housing starts decline in 2026 followed by a modest increase in 2027.

Q. OPC witness Thomas also asserts that the industrial customer model should exclude customer data prior to January 2011. Is this appropriate?

A. No. I disagree with limiting the use of historical data to 2011 for modeling purposes. Not only is OPC witness Thomas introducing bias by limiting the history, he also removes meaningful trends that are essential for robust forecasting (*e.g.*, economic cycles) by excluding earlier years – FPL customer models use 20-years of history. In addition, FPL replicated OPC witness Thomas's calculation and found that choosing to limit the history, the primary driver of the FPL model, which are housing starts, becomes statistically insignificant. Meaning, removing housing starts disconnects real world influences from customer projections, which is a critical component of our forecasting where we use economic variables to explain changes in customer count.

Q. OPC witness Thomas proposes an adjustment to the energy forecasts based on his recommended adjustments to the customer forecasts. Do you agree?

A. No. As I explained above, OPC witness Thomas' customer forecast adjustments are not appropriate and should be rejected. For these same reasons, his proposal to flow those adjustments through to the energy sales forecasts are likewise inappropriate and should be rejected.

Q. Despite a proposed decrease in industrial customers, OPC witness Thomas proposes an increase in the industrial sales forecast. He also proposes a decrease in the street lighting and metro rate class sales forecasts. Do you have a response to his proposed adjustments?

A. Yes. Adjustments based on short-term anomalies could lead to overcompensation and misalignment with future demands. OPC witness Thomas' proposed adjustments are

unsupported and have no statistical or rational basis. FPL's models are statistically robust, reliable and use well-established fundamentally sound methods.

Q. Based on a claim that FPL's energy forecast contains "significant" error, FEL witness Rábago recommends the Commission direct FPL to add 3% to its sales forecast. Do you agree?

A. No. First, FEL witness Rábago's assertion that FPL consistently under-forecasts energy demand is fundamentally flawed because it relies on an inappropriate comparison methodology. He compares FPL's forecasts to raw actual sales data that have not been weather-normalized, which is not appropriate for evaluating forecast performance because it is comparing "apples-to-oranges." As demonstrated in FPL's Corrected Response to Staff's Interrogatory No. 8, which is provided as Exhibit TCC-10, when FPL's energy sales forecasts are compared to weather-normalized actuals -- the appropriate methodology -- they show an average variance over the last few years of 0.6%. This "apples-to-apples" comparison properly removes the effects of abnormal weather conditions and allows for an accurate assessment of forecasting model performance. Weather is a major driver of residential and commercial energy usage, particularly for heating and cooling. Raw actual sales data includes volatility from abnormal weather conditions that can create significant variations from normal weather assumptions used in forecasting. For example, higher-than-expected usage may simply reflect hotter-than-normal weather rather than a forecasting deficiency. When differences in weather are not accounted for, forecast variances may be incorrectly attributed to the forecasting model rather than abnormal weather conditions. This

makes non-weather-normalized actuals an unfair and inappropriate basis for evaluating forecast performance designed to reflect normal weather conditions.

FEL witness Rábago's recommendation to arbitrarily add 3% to FPL's sales forecast is unsupported by any sound analytical methodology. In its Request for Production of Documents No. 3, FPL requested all workpapers supporting the witness testimony and exhibits. FEL did not produce any workpapers, calculations, or technical justifications to explain how FEL witness Rábago's 3% adjustment was derived. More importantly, there is no demonstration of how such an adjustment would improve forecast accuracy or analysis of how it would impact the numerous downstream financial models and operational planning processes that rely on these forecasted values as inputs. A blanket percentage increase of this nature is not an industry accepted forecasting practice. Responsible utility forecasting relies on statistically robust methodologies, econometric modeling, and well-documented assumptions — not arbitrary adjustments based on flawed analytical comparisons.

As explained above, the low variance rate when comparing weather-normalized actuals to the weather-normalized forecast, combined with regulatory approval and adherence to industry best practices, confirm that FPL's energy sales forecasting methodology is appropriate and does not require the arbitrary adjustments proposed by FEL witness Rábago.

Q. OPC witness Thomas asserts that FPL is double counting energy efficiency in its models leading to under-forecasting sales. Is he correct?

A. No. FPL is not double-counting energy efficiency in the energy sales forecast. There are two appropriate adjustments for energy efficiency in the energy sales forecast. The first adjustment is for Demand Side Management ("DSM") programs. This represents company-managed, incentive-based programs with quantifiable, program-specific impacts. The second adjustment is for codes and standards which capture broader market-driven efficiency improvements from building codes, appliance standards, and consumer behavior, all of which are independent of FPL's programs. These two adjustments are distinct mechanisms carefully separated in our forecasting approach. It is appropriate to reflect both of these adjustments so sales are not artificially overstated.

Q. OPC witness Thomas and FEL witness Rábago criticize FPL's use of 20-year normal weather and recommend 10-year normal weather. Do you agree?

A. No. Energy forecasts aim to project average long-term conditions for infrastructure planning and regulatory proceedings, not predict short-term weather variations. First, a 20-year historical period remains the most common practice and period of time for determining normal weather. The National Oceanic and Atmospheric Administration ("NOAA") is a U.S. federal agency that focuses on weather, climate, oceans, and atmospheric research. NOAA uses 30-year weather data to establish "climate normal" that are baseline averages for temperature, precipitation, and other weather conditions that help define what is typical for different locations.

Second, it is important to remember that these forecasts are used for much more than revenue projections. They are used in all regulatory filings that have been approved by this Commission, for long-term generation and system planning purposes and approved for use in the Florida Reliability Coordinating Council studies and reliability assessments.

While the rolling 20-year trend has shown warmer temperatures in recent years, this is reflected in the history. It is unknown at what rate and how long this trend could persist into the future. Based on this uncertainty, FPL and many other utilities have chosen to continue with the 20-year average. This broader historical view captures both recent climate patterns and long-term variability. FPL's energy sales forecast using 20-year weather normalization has demonstrated low variances when compared to weather-normalized actuals, indicating the methodology's effectiveness.

Moving to a 10-year period risks anchoring forecasts too heavily on recent trends that may not persist. A 20-year historical period is more stable than using a shorter period. Stability of weather assumptions is important for forecasting but also for long-term system and generation planning. Extreme years appearing in shorter windows do not establish reliable predictive trends for long-term planning decisions and could cause under or overinvestment in generation and infrastructure.

Q. OPC witness Thomas states he is concerned that peak demands for Summer and Winter and FPL and NWFL are modeled differently. Do you have a response?

A. Yes. Each peak demand model, whether for summer or winter and across FPL's different service areas, is developed independently to achieve the best possible statistical performance. These models are not meant to be uniform in structure, but rather tailored to the distinct characteristics of the regions and seasons they represent. For example, the climate and weather patterns in northwest Florida differ significantly from peninsular Florida, with northwest Florida experiencing cooler winters and more variable seasonal temperatures that require distinct forecasting methodologies for summer cooling peaks and winter heating peaks compared to the predominantly cooling-driven demand patterns in peninsular Florida. The model development process involved deliberate, data-driven decisions to optimize forecasting accuracy and performance. For example, population was selected over employment as an economic driver for one winter peak model because it demonstrated stronger statistical correlation with peak demand in that region and season, resulting in improved model fit. Similarly, a codes and standards variable was intentionally excluded from another winter peak model. This was not an oversight but a conscious choice made after testing showed that including this variable alongside other key variables degraded overall model performance. These selective decisions prioritized model robustness and forecast accuracy throughout the development process.

Q. OPC witness Thomas criticizes the current peak forecasting methodology and suggests that applying a constant load factor to the forecast period is a better approach. Do you agree?

A. No. OPC witness Thomas's load factor approach oversimplifies the complex relationship between energy usage and demand during system peak times. In applying a constant load factor to the forecast period, monthly energy values are smoothed and do not reflect the actual intensity of peak hours. This method underrepresents actual capacity needed for reliable service during highest demand days. For example, a winter peak forecast is needed to plan for a true winter peak. Using average historical load factors to develop a winter peak forecast risks underestimating true peak magnitude, potentially compromising system reliability. Conversely, FPL's energy and peak forecasts are appropriately developed independently since peak demand represents critical system moments not directly proportional to average energy consumption. While it is noted that FPL is projecting a minimal decline in system load factor over the longer term, it is important to clarify that this is not inconsistent with historical practice when viewed in the proper planning context and reflects FPL's projected customer base. Our goal when developing peak forecasts is not to mimic the volatility seen in historical data but to provide a consistent and reasonable expectation of future normal system peak conditions. Using a smoothed load factor as the basis for a peak forecast avoids embedding unpredictable weather fluctuations, recognizes changing customer mix and expected change in usage per customer into long-term planning, all of which helps mitigate the risk of over- or under-investment and ensures a more operationally sound approach.

Q. Do you have any final comments on FPL's load forecast?

A. Yes. FPL's load forecasting methodology represents a comprehensive, statistically robust approach that has been developed using industry best practices and proven analytical techniques. The criticisms raised by intervenor witnesses are fundamentally flawed in their analytical foundations and recommendations.

Specifically, the proposed adjustments by OPC witness Thomas lack proper statistical support, rely on inappropriately short time periods, and fail to account for broader economic conditions and established forecasting principles. Meanwhile, FEL witness Rábago's critique is based on a fundamentally incorrect comparison methodology that ignores weather normalization, rendering his analysis and recommendations meaningless for purposes of evaluating forecast performance.

FPL's approach demonstrates its soundness through multiple key factors, including, but not limited to: our energy sales forecasts show low variances when properly evaluated against weather-normalized actuals; our use of 20-year weather normalization aligns with industry standards and provides the stability necessary for long-term utility planning; and our forecasting models appropriately incorporate 20 years of historical data, econometric relationships, and tailored approaches for different service areas and seasonal patterns.

The forecasts presented in this proceeding were developed using well-established methods, incorporate inputs from leading industry experts, and were based on the best

available information at the time of development. These forecasts for 2026 through 2029 are reasonable, appropriate for rate-setting purposes, and should not be subject to the arbitrary and unsupported adjustments proposed by the intervenors. FPL's forecasting methodology has withstood regulatory scrutiny and continues to provide reliable planning foundations for maintaining system reliability while serving our customers' needs.

Q. Does this conclude your rebuttal testimony?

A. Yes.

Florida Power & Light Company
Docket No. 20250011-EI
Staff's Sixth Set of Interrogatories
Interrogatory No. 121
Page 1 of 2

QUESTION:
Witness Cohen states in direct testimony that "LLCS-1 and LLCS-2 will all initially be set at unit cost equivalents for the GSLD(T)-3 rate class at parity for transmission costs and weighted for fixed production costs to appropriately recognize the incremental generation above and beyond the total fixed system production that will be deployed to serve these customers." (page 25, lines 8-12).

a. Please explain why the proposed GSLD(T)-3 base charge ($2,979.32) is significantly higher than the proposed LLCS-1 and LLCS-2 base charge ($830.79).

b. Please explain why the proposed GSLD(T)-3 demand charge ($14.19) is significantly higher than the proposed base demand charge for LLCS-1 ($7.01) and LLCS-2 ($4.38).

RESPONSE:
a. The base charge for LLCS-1 and LLCS-2 ($830.79) was set at unit cost using the GSLD(T)-3 rate class at equalized rates as a proxy. Refer to MFR No. E-6b (Volume 1) Attachment 2 for the 2027 Projected Test Year for the GSLD(T)-3 rate class customer unit costs at equalized rates.

   The proposed base charge for GSLD(T)-3 ($2,979.32) was set by increasing the current base charge by the same percentage as the demand and energy charges to maintain rate component relationships established in previous rate proceedings. This maintains rate design consistency and bill stability while improving parity across rate classes.

b. The GSLD(T)-3 demand charge ($14.19/kW) was set by increasing the existing demand charge by the same percentage as the base charge and energy charges to maintain rate component relationships established in previous rate proceedings. This maintains rate design consistency and bill stability while improving parity across rate classes, as mentioned above.

   The LLCS-1 demand charge ($7.01/kW) was set using unit costs for the GSLD(T)-3 rate class at equalized rates and is set to recover ($4.38/kW) demand-related transmission costs plus ($2.63/kW) demand-related production costs. The portion of the demand rate to recover demand-related production costs is weighted to reflect the additional production needed to meet the 3 GW tariff. . Refer to MFR No. E-6b (Volume 1) Attachment 2 for the 2027 Projected Test Year for the GSLD(T)-3 rate class demand-related production and transmission unit costs at equalized rates.

   The LLCS-2 tariff is designed for customers that wish to locate outside of the 3 zones specified in the LLCS-1 tariff, or within the one of the 3 zones after the 3 GW available under the LLCS-1 tariff becomes fully subscribed. The LLCS-2 tariff is desiged to recover all incremental generation charges (demand-related production-system costs) through the Incremental Generation Charge (IGC). Therefore, LLCS-2 demand charge is intended to recover only

($4.38/kW) of transmission costs, again, using GSLD(T)-3 rates as a proxy. Refer to MFR No. E-6b (Volume 1) Attachment 2 for the 2027 Projected Test Year for the GSLD(T)-3 rate class demand-related transmission unit costs at equalized rates.

Without a LLCS rate class and a LLCS rate class unit cost study, and acknowledging GSLD(T)-3 would be the otherwise applicable rate class for LLCS customers, it is reasonable for FPL to use unit cost equivalents for the GSLD(T)-3 rate class at parity for transmission costs and weighted for fixed production costs.

Refer to MFR No. E-6b (Volume 1) Attachment 2 for the 2027 Projected Test Year for the GSLD(T)-3 rate class unit costs by function and classification and OPC's First Request for Production, No. 15, Witness Cohen, Confidential Attachment labeled "2025 FPL EDM Large Load – Confidential.xlsx" tab labeled "Summary" Columns G-P, Rows 45-56 which provides the derivation of the proposed LLCS-1 Incremental Generation Charge ("IGC"), Base Demand, and Base Energy rates.

Florida Power & Light Company
Docket No. 20250011-EI
FIPUG's First Set of Interrogatories
Interrogatory No. 20
Page 1 of 3

QUESTION:
Regarding the proposed LLCS-1 and LLCS-2 rate schedules:

a. Please explain how the charge for incremental generation capacity will be derived.

b. State how charging LLCS-1 and LLCS-2 customers for incremental generation capacity is consistent with average cost pricing.

c. Will potential LLCS-1 and LLCS customers be allowed to procure their own generation capacity, either behind or front-of-the meter, if it is less expensive than FPL's incremental generation cost? Please explain why or why not.

d. Please state the analysis that FPL conducted to support the necessity of requiring a 20-year minimum contract term with a 2-year termination notice requirement to ensure that LLCS customers pay back the costs incurred to serve them over the term of the agreement.

e. Please identify any other utilities in the United States that have proposed similar rates, terms, and conditions as under the proposed LLCS rate schedules.

f. Please identify all utility tariffs reviewed by FPL in developing the proposed rates, terms and conditions under the LLCS rate schedules.

g. Please explain how FPL proposes to quantify an Exit Fee for early termination.

h. Will FPL assign the actual incurred fuel cost from incremental generation used to supply service on the LLCS rate schedules, and if not, why not?

RESPONSE: (do not edit or delete this line or anything above this)

a. The Incremental Generation Charge proposed for Rate Schedule LLCS-1 is based on the annual revenue requirements for the projected addition of 6,100 MW of battery capacity on FPL's system needed to serve an additional 3GW of load. Refer to the OPC's First Requestion for Production No. 15, Witness Cohen, Confidential Attachment labeled "2025 FPL EDM Large Load – Confidential.xlsx" for the calculation of the Incremental Generation Charge proposed for Rate Schedule LLCS-1. As noted on filed Tariff Sheet No. 8.950 (MFR E-14, Attachment No. 1 of 15), all base rate charges are subject to change in a subsequent rate proceeding(s) based on the type, characteristics, size, location and in-service date(s) of the facilities and generation resource(s) installed to serve the load under Rate Schedule LLCS-1.

   With respect to the Incremental Generation Charge for the proposed Rate Schedule LLCS-2, FPL is proposing a formulaic rate to calculate the customer's applicable share of

generation capacity and transmission interconnection revenue requirements. As noted on filed Tariff Sheet No. 8.953 (MFR E-14, Attachment No. 1 of 15), all base rate charges are subject to change in a subsequent rate proceeding(s) based on the type, characteristics, size, location and in-service date(s) of the facilities and generation resource(s) installed to serve the load under Rate Schedule LLCS-2.

b. FPL conducts an embedded cost of service study to determine the cost of serving each rate class. To ensure that the general body of customers are protected from higher costs associated with serving large load customers, the LLCS tariffs are designed to account for the difference in the embedded system cost with and without the addition of 3GW of load, or the addition of large load outside of the 3GW regions, onto the FPL system. The difference in embedded cost to the system is reflected in the Incremental Generation Charges proposed for Rate Schedules LLCS-1 and LLCS-2. FPL's proposed LLCS tariffs are all designed to proactively protect the general body of customers from incremental generation costs that, but for the LLCS-1 and LLCS-2 customers, would not have otherwise been incurred and are not needed to serve the general body of customers.

c. Customers under Rate Schedules LLCS-1 or LLCS-2 shall be permitted to own generation capacity consistent with and as permitted by the requirements of law, the Commission's regulations, and FPL's Commission-approved tariff, as may be amended from time-to-time. FPL notes that customers who meet the requirements of the proposed Rate Schedules LLCS-1 or LLCS-2 are not eligible for service under Standby and Supplemental Service (SST-1) or Interruptible Standby and Supplemental Service (ISST-1). See FPL's proposed filed tariff 8.952 and 8.956.

d. As explained above, the Incremental Generation Charge for Rate Schedule LLCS-1 is based on the annual revenue requirements of adding batteries to FPL's system, which currently have a useful life of 20 years. FPL proposed a 20-year term from the in-service date, including the load ramp period, to be consistent with the useful life of the anticipated generation capacity to be installed to meet the customer's demand under Rate Schedule LLCS-1. FPL proposed a two-year termination notice requirement to allow sufficient time for FPL to adjust the resource plan and/or contract with new large load customer(s) if the LLCS customers terminate early, which will help mitigate the potential for stranded assets.

e. FPL objects to subpart (e) to the extent it calls for FPL to undertake legal research of publicly available documents. FPL has not conducted exhaustive research but is generally aware that tariffs similar to FPL's proposed LLCS-1 and LLCS-2 have been proposed by AEP Ohio, AEP Indiana & Michigan, DTE, and Evergy.

f. FPL reviewed AEP Ohio's proposed Schedule DCP and Schedule MDC in Case No. 24-508-EL-ATA before the Public Utilities Commission of Ohio.

g. See Sections 4.3.2 and 4.3.3 of the LLCS Service Agreement provided in MFR E-14, Attachment No. 1 of 15, Tariff Sheet No. 9.965.

h. Fuel costs will be reviewed and determined by the Commission in future annual fuel dockets, and will be allocated to all rate classes.

LARGE-LOAD CONTRACT SERVICE-1

RATE SCHEDULE: LLCS-1

AVAILABLE:

Service under this schedule is only available for certain zones within the Company's service area in the vicinity of Sunbreak in St. Lucie County, Tesoro in Martin County, and Sugar in Palm Beach County. Each zone must be in proximity to the Company's existing 500 kV transmission facilities and in areas suitable for the incremental generation and transmission capacity necessary to serve prospective new or incremental large load while ensuring the continued reliable operation of the transmission grid.

APPLICATION:

For service required for general service power and any other purpose to any Customer who: (i) has projected new or incremental load of 50 MW or more at a Single Location; and (ii) has a projected Load Factor of 85% or more at a Single Location.

Service under this schedule shall apply to all new or incremental load with an In-Service Date on or after the effective date of this schedule up to a class combined total load of 3 GW. Total combined load eligible to be served under this schedule shall not exceed 3 GW. This schedule shall be closed to new or incremental load at the time the total combined 3 GW load cap becomes fully subscribed.

SERVICE:

Service shall be three phase, 60 hertz at the available transmission voltage of 69 kV or higher consistent with the Company's tariff on file with the Florida Public Service Commission and the terms of the LLCS Service Agreement.

All service required by the Customer at a Single Location shall be furnished through one primary meter at the available transmission voltage.

The Company will furnish service consistent with the Company's tariff on file with the Florida Public Service Commission and the terms of the LLCS Service Agreement.

Resale of service is not permitted hereunder.

MONTHLY RATE:*

Base Charge:	$830.79
Demand Charges:	
Base Demand Charge	$14.08 per kW of Demand
Non-Fuel Energy Charges:	
Base Energy Charge	1.473¢ per kWh
Incremental Generation Charge:	$12.18 per kW of Demand

Additional Charges:
See Billing Adjustment section, Sheet No. 8.030, for additional applicable charges.

*All rates shown herein are subject to change in a subsequent rate proceeding(s) based on the type, characteristics, size, location, and in-service date(s) of the facilities and generation resource(s) installed to serve the load under this schedule.

(Continued on Sheet No. 8.951)

FLORIDA POWER & LIGHT COMPANY

Original Sheet No. 8.951

(Continue from Sheet No. 8.850)

Minimum:

Customer will have no more than the Load Ramp Period to reach full contract demand, during which time the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge and applicable Additional Charges based on Demand of no less than 70% of the Customer's Load Ramp Demand; an (v) Incremental Generation Charge based on the Customer's Load Ramp Demand.

After the Load Ramp Period, the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge and applicable Additional Charges based on Demand greater than (a) 70% of the Customer's Contract Demand or (b) the Customer's highest previously established monthly billing Demand during the past 11 months; and (v) an Incremental Generation Charge based on the Customer's Contract Demand.

DEMAND:

The Demand is the kW to the nearest whole kW, as determined from the Company's metering equipment and systems, for the 30-minute period of Customer's greatest use during the month as adjusted for power factor.

GENERATION RESOURCE:

Company will have sole discretion to select the resource(s) necessary and appropriate to serve all load under this schedule consistent with the Company's standard total system resource planning process and the applicable Ten-Year Site Plan approved by the Florida Public Service Commission.

Customer has no right or entitlement to select the type, characteristics, size, or location of the generation resource(s) to be used by the Company to serve Customer's load under this schedule.

Customer may have the ability, but not the right, under separate agreement to purchase renewable energy credits (RECs) from Company to the extent such RECs are available. Any such purchases shall be separately contracted between Customer and Company, and pricing for RECs shall be at a negotiated price that is mutually acceptable to both Customer and Company.

TERM OF SERVICE:

Minimum Term:

Not less than 20 years from the In-Service Date, including the Load Ramp Period. After the Minimum Term, service under this schedule shall continue until terminated by either the Company or the Customer upon written notice consistent with the notice provisions below.

Notice and Termination:

Customer must provide notice at least two years in advance of terminating service. In such event, service under this schedule will automatically terminate on the date following the second annual anniversary of the date of the Customer's termination notice; provided, however, the Customer may be subject to charges for early termination as provided below.

The Company may terminate service under this schedule at any time if the Customer materially breaches the terms and conditions of this schedule, the LLCS Service Agreement, or the Company's tariff on file with the Florida Public Service Commission. Prior to any such termination, the Company shall notify the Customer in writing at least 90 days in advance and describe the existence and nature of such alleged breach. The Company may then terminate service under this schedule at the end of the 90-day notice period; provided, however, that if such breach is not reasonably capable of being cured within such 90-day period, then Customer will have additional time (not exceeding an additional thirty 30 days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure.

(Continued on Sheet No. 8.952)

(Continued from Sheet No. 8.951)

CHARGES FOR EARLY TERMINATION:

In the events of (i) the Customer terminates service prior to the end of the Minimum Term, (ii) the Company terminates for Customer's material breach of the terms and conditions of this schedule, the LLCS Service Agreement, or the Company's tariff on file with the Florida Public Service Commission, or (iii) the Customer fails to provide notice at least two years in advance of terminating service, the Customer shall be responsible for payment of any applicable termination charges as set forth in the LLCS Service Agreement.

RULES AND REGULATIONS:

Customer taking service under this schedule shall enter into the LLCS Service Agreement on file with the Florida Public Service Commission. As a prerequisite to entering the LLCS Service Agreement, the Customer must (i) pay for the Company to undertake system impact and engineering studies, as applicable, associated with interconnecting and serving the Customer's Contract Demand, and (ii) the Customer must accept the results of those studies, which will remain valid for a period not to exceed six months by executing a Construction and Operating Agreement with the Company.

In-Service Date shall be the date that Company has installed the facilities and capacity necessary to begin providing electric service to the Customer as set forth in the LLCS Service Agreement.

Contract Demand shall be the Customer's maximum peak load requirement at a Single Location as set forth and mutually agreed to in the LLCS Service Agreement.

The projected Load Factor shall be determined by the Company pursuant to the Company's tariff on file with the Florida Public Service Commission.

Load Ramp Demand shall be the Customer's minimum monthly peak load requirements for each month during the Load Ramp Period as set forth and mutually agreed to in the LLCS Service Agreement.

Load Ramp Period shall be the time from the In-Service Date until Customer reaches full Contract Demand, which period shall be mutually agreed to and set forth in the LLCS Service Agreement.

For purposes of this schedule, a Single Location means a geographic area that is owned (whether partially or wholly), operated, used, or leased by Customer and/or its affiliate, which can include a contiguous or adjacent lot to the area with the Customer's point of delivery, and may be considered the Customer's premises regardless of lots, easements, public throughfares, or rights-of-way.

Contribution-In-Aid of Construction (CIAC): Customer will be responsible for the payment of a CIAC for the costs associated with extending electric service to the Customer under this schedule, which amount shall be calculated pursuant to the CIAC rule set forth in FPL's tariff on file with the Florida Public Service Commission.

Customers that meet the applicability requirements of this schedule are not eligible for service under Economic Development Riders, Load Control Riders, the Commercial/Industrial Service Rider (CISR), Standby and Supplemental Service (SST-1), or Interruptible Standby and Supplemental Service (ISST-1).

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the Company's currently effective tariff on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said tariff the provision of this schedule shall apply.

This schedule, including the Monthly Rate components, as well as the Company's tariff on file with the Florida Public Service Commission, may be amended, updated, or revised from time-to-time subject to and upon approval by the Florida Public Service Commission. Upon their effective date, any such changes approved by the Florida Public Service Commission shall apply prospectively to all existing and new customers taking service under this schedule.

LARGE-LOAD CONTRACT SERVICE-2

RATE SCHEDULE: LLCS-2

AVAILABLE:

Service under this schedule is available in all areas not served under Rate Schedule LLCS-1.

APPLICATION:

For service required for general service power and any other purpose to any Customer who: (i) has projected new or incremental load of 50 MW or more at a Single Location; and (ii) has a projected Load Factor of 85% or more at a Single Location.

Service under this schedule shall apply to all new or incremental load with an In-Service Date on or after the effective date of this schedule.

Service under this schedule is limited to the Company's available capacity based on the estimated In-Service Date.

SERVICE:

Service shall be three phase, 60 hertz at the available transmission voltage of 69 kV or higher consistent with the Company's tariff on file with the Florida Public Service Commission and the terms of the LLCS Service Agreement.

All service required by the Customer at a Single Location shall be furnished through one primary meter at the available transmission voltage.

The Company will furnish service consistent with the Company's tariff on file with the Florida Public Service Commission and the terms of the LLCS Service Agreement.

Resale of service is not permitted hereunder.

MONTHLY RATE:*

Base Charge:	$830.79
Demand Charges:	
Base Demand Charge	$4.38 per kW of Demand
Non-Fuel Energy Charges:	
Base Energy Charge	1.473¢ per kWh

Incremental Generation Charge:

The Incremental Generation Charge shall be calculated as follows:

LLCS-2 customer's applicable share of generation capacity and transmission interconnection revenue requirements where:

Installed generation capacity and generation transmission interconnection revenue requirements = Operating Expenses + Property Taxes and Insurance + Depreciation + Interest Expense + Return on Rate Base + Income Taxes + Tax Credits

(Continued on Sheet No. 8.954)

(Continued from Sheet No. 8.953)

Additional Charges:

See Billing Adjustment section, Sheet No. 8.030, for additional applicable charges.

*All rates shown herein are subject to change in a subsequent rate proceeding(s) based on the type, characteristics, size, location, and in-service date(s) of the facilities and generation resource(s) installed to serve the load under this schedule.

Minimum:

Customer will have no more than the Load Ramp Period to reach full contract demand, during which time the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge and applicable Additional Charges based on Demand of no less than 70% of the Customer's Load Ramp Demand; an (v) Incremental Generation Charge based on the Customer's Load Ramp Demand.

After the Load Ramp Period, the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge and applicable Additional Charges based on Demand greater than (a) 70% of the Customer's Contract Demand or (b) the Customer's highest previously established monthly billing Demand during the past 11 months; and (v) an Incremental Generation Charge based on the Customer's Contract Demand.

DEMAND:

The Demand is the kW to the nearest whole kW, as determined from the Company's metering equipment and systems, for the 30-minute period of Customer's greatest use during the month as adjusted for power factor.

GENERATION RESOURCE:

Company will have sole discretion to select the resource(s) necessary and appropriate to serve all load under this schedule consistent with the Company's standard total system resource planning process and the applicable Ten-Year Site Plan approved by the Florida Public Service Commission.

Customer has no right or entitlement to select the type, characteristics, size, or location of the generation resource(s) to be used by the Company to serve Customer's load under this schedule.

Customer may have the ability, but not the right, under separate agreement to purchase renewable energy credits (RECs) from Company to the extent such RECs are available. Any such purchases shall be separately contracted between Customer and Company, and pricing for RECs shall be at a negotiated price that is mutually acceptable to both Customer and Company.

TERM OF SERVICE:

Minimum Term:

Not less than 20 years from the In-Service Date, including the Load Ramp Period. After the Minimum Term, service under this schedule shall continue until terminated by either the Company or the Customer upon written notice consistent with the notice provisions below.

Notice and Termination:

Customer must provide notice at least two years in advance of terminating service. In such event, service under this schedule will automatically terminate on the date following the second annual anniversary of the date of the Customer's termination notice; provided, however, the Customer may be subject to charges for early termination as provided below.

(Continued on Sheet No. 8.955)

(Continued from Sheet No. 8.954)

The Company may terminate service under this schedule at any time if the Customer materially breaches the terms and conditions of this schedule, the LLCS Service Agreement, or the Company's tariff on file with the Florida Public Service Commission. Prior to any such termination, the Company shall notify the Customer in writing at least 90 days in advance and describe the existence and nature of such alleged breach. The Company may then terminate service under this schedule at the end of the 90-day notice period; provided, however, that if such breach is not reasonably capable of being cured within such 90-day period, then Customer will have additional time (not exceeding an additional thirty 30 days) as is reasonably necessary to cure the breach so long as Customer promptly commences and diligently pursues the cure.

CHARGES FOR EARLY TERMINATION:

In the events of (i) the Customer terminates service prior to the end of the Minimum Term, (ii) the Company terminates for Customer's material breach of the terms and conditions of this schedule, the LLCS Service Agreement, or the Company's tariff on file with the Florida Public Service Commission, or (iii) the Customer fails to provide notice at least two years in advance of terminating service, the Customer shall be responsible for payment of any applicable termination charges as set forth in the LLCS Service Agreement.

RULES AND REGULATIONS:

Customer taking service under this schedule shall enter into the LLCS Service Agreement on file with the Florida Public Service Commission. As a prerequisite to entering the LLCS Service Agreement, the Customer must (i) pay for the Company to undertake system impact and engineering studies, as applicable, associated with interconnecting and serving the Customer's Contract Demand, and (ii) the Customer must accept the results of those studies, which will remain valid for a period not to exceed six months by executing a Construction and Operating Agreement with the Company.

In-Service Date shall be the date that Company has installed the facilities and capacity necessary to begin providing electric service to the Customer as set forth in the LLCS Service Agreement.

Contract Demand shall be the Customer's maximum peak load requirement at a Single Location as set forth and mutually agreed to in the LLCS Service Agreement.

The projected Load Factor shall be determined by the Company pursuant to the Company's tariff on file with the Florida Public Service Commission.

Load Ramp Demand shall be the Customer's minimum monthly peak load requirements for each month during the Load Ramp Period as set forth and mutually agreed to in the LLCS Service Agreement.

Load Ramp Period shall be the time from the In-Service Date until Customer reaches full Contract Demand, which period shall be mutually agreed to and set forth in the LLCS Service Agreement.

For purposes of this schedule, a Single Location means a geographic area that is owned (whether partially or wholly), operated, used, or leased by Customer and/or its affiliate, which can include a contiguous or adjacent lot to the area with the Customer's point of delivery, and may be considered the Customer's premises regardless of lots, easements, public throughfares, or rights-of-way.

Contribution-In-Aid of Construction (CIAC): Customer will be responsible for the payment of a CIAC for the costs associated with extending electric service to the Customer under this schedule, which amount shall be calculated pursuant to the CIAC rule set forth in FPL's tariff on file with the Public Service Commission.

(Continued on Sheet No. 8.956)

(Continued from Sheet No. 8.955)

Customers that meet the applicability requirements of this schedule are not eligible for service under Economic Development Riders, Load Control Riders, the Commercial/Industrial Service Rider (CISR), Standby and Supplemental Service (SST-1), or Interruptible Standby and Supplemental Service (ISST-1).

Service under this schedule is subject to orders of governmental bodies having jurisdiction and to the Company's currently effective tariff on file with the Florida Public Service Commission. In case of conflict between any provision of this schedule and said tariff the provision of this schedule shall apply.

This schedule, including the Monthly Rate components, as well as the Company's tariff on file with the Florida Public Service Commission, may be amended, updated, or revised from time-to-time subject to and upon approval by the Florida Public Service Commission. Upon their effective date, any such changes approved by the Florida Public Service Commission shall apply prospectively to all existing and new customers taking service under this schedule.

Florida Power & Light Company
Docket No. 20250011-EI
Staffs First Set of Interrogatories
Interrogatory No. 8 Corrected

QUESTION:
Please provide actual data and three-year forecast data for total customers and retail energy sales, for 2021, 2022, 2023, and 2024, as shown below.

Year	FPL - Accuracy of Total Customers Forecasts					
	Forecast Error Rate (%)				0-3 Year Error (%)	
	Years Prior*				Average	Absolute Average
	3 Years	2 Years	1 Year	0 Years		
2021						
2022						
2023						
2024						
Average						

*Examples: In the column '3 Years,' row '2021', enter the percent error in the Company's 2018 forecast of 2021 customers. Similarly, in the column '0 Years', row '2024', enter the percent error in the Company's 2024 forecast of 2024 customers.

Year	FPL - Accuracy of Retail Energy Sales Forecasts					
	Forecast Error Rate (%)				0-3 Year Error (%)	
	Years Prior*				Average	Absolute Average
	3 Years	2 Years	1 Year	0 Years		
2021						
2022						
2023						
2024						
Average						

*Examples: In the column '3 Years,' row '2021', enter the percent error in the Company's 2018 forecast of 2021 retail energy sales. Similarly, in the column '0 Years', row '2024', enter the percent error in the Company's 2024 forecast of 2024 retail energy sales.

RESPONSE:
FPL disagrees with the characterization implied by the requested tables that the FPL forecasts for calendar years 2021 through 2024 were incorrect or had errors at the time the forecasts were prepared based on the best and most recent information that was available at that time. The fact that the historical actuals may have differed from the forecasts for those same years does not mean that those forecasts were unreasonable, unreliable, and not statistically sound based on the information known at the time the forecasts were prepared. Notwithstanding, the tables below provide a comparison of the relative forecasts to the actuals.

Florida Power & Light Company
Docket No. 20250011-EI
Staffs First Set of Interrogatories
Interrogatory No. 8 Corrected

Year	FPL - Comparison of Total Retail Customers Forecasts and Actuals					
	Difference of Actuals vs Forecast (%)				0-3 Year Difference (%)	
	Years Prior*				Average	Absolute Average
	3 Years	2 Years	1 Year	0 Years		
2021	-1.2%	-0.9%	-0.9%	-0.5%	-0.9%	0.9%
2022	-1.0%	-1.3%	-1.0%	-0.1%	-0.9%	0.9%
2023	-1.5%	-1.0%	0.1%	0.2%	-0.6%	0.7%
2024	-1.7%	-0.5%	-0.4%	-0.7%	-0.9%	0.9%
Average	-1.4%	-0.9%	-0.6%	-0.3%	-0.8%	0.8%

* Examples: In the column '3 Years,' row '2021', the percent difference is provided for the Company's 2018 forecast of 2021 customers. Similarly, in the column '0 Years', row '2024', the percent difference is provided for the Company's 2024 forecast of 2024 customers. Negative percentages represent actuals that were higher than forecasted, and positive percentages represent actuals that were less than forecasted.

Year	FPL – Comparison of Retail Energy Sales Forecasts to Weather-Normalized Actuals					
	Difference of Actuals vs Forecast (%)				0-3 Year Difference (%)	
	Years Prior*				Average	Absolute Average
	3 Years	2 Years	1 Year	0 Years		
2021	-2.1%	-0.1%	0.3%	-0.6%	-0.6%	0.7%
2022	-1.2%	-0.3%	-0.8%	-0.2%	-0.6%	0.6%
2023	-0.4%	-0.7%	0.2%	0.1%	-0.2%	0.4%
2024	-1.8%	-0.8%	-1.2%	-0.5%	-1.1%	1.1%
Average	-1.4%	-0.5%	-0.4%	-0.3%	-0.6%	0.6%

*Examples: In the column '3 Years,' row '2021', the percent difference is provided for the Company's 2018 forecast of 2021 retail energy sales. Similarly, in the column '0 Years', row '2024', the percent difference is provided for the Company's 2024 forecast of 2024 retail energy sales. Negative percentages represent actuals that were higher than forecasted, and positive percentages represent actuals that were lesser than forecasted.