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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 is the rebuttal testimony of FPL witness Dawn Nichols.

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 11 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 DAWN NICHOLS

Filed: July 9, 2025

1 **I. INTRODUCTION**

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

3 A. My name is Dawn Nichols. My business address is Florida Power & Light Company
4 (“FPL” or “the Company”), 700 Universe Boulevard, Juno Beach, Florida 33408.

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

6 A. Yes.

7 **Q. What is the purpose of your rebuttal testimony?**

8 A. The purpose of my rebuttal testimony is to respond to OPC witness Helmuth W.
9 Schultz, III’s recommended adjustments to the bad debt expense levels based on an
10 average of three historical years. In addition, I respond to the direct testimony of
11 Florida Rising, Environmental Confederation of Southwest Florida, Inc., and League
12 of United Latin American Citizens of Florida (“FEL”) witness MacKenzie Marcelin
13 regarding FPL’s Demand Side Management (“DSM”) performance.

14 **Q. Please summarize your rebuttal testimony.**

15 A. My rebuttal testimony demonstrates OPC witness Schultz’s proposal to establish bad
16 debt expense level based on a three-year average is arbitrary and not representative of
17 FPL’s proposed test years. In addition, my testimony shows that FEL witness
18 Marcelin’s characterization of FPL’s energy-efficiency performance compared to other
19 utilities does not offer a complete representation. The Company’s DSM program is
20 robust, cost-effective and helps keep customers’ rates low.

1 Historical anomalies can either under or over inflate a calculation. For example, Mr.
2 Schultz uses 2022 through 2024 as the three-year basis for the average. During this
3 time, FPL customers received an unprecedented amount of assistance as a result of the
4 global COVID pandemic in 2022 and 2023, which had a positive impact on reducing
5 bad debt. This anomaly should be considered when forecasting, and if ignored can lead
6 to incorrect forecasts.

7 **Q. OPC witness Schultz points to a 2011 water utility order for the proposition that**
8 **“the Commission has a practice of establishing bad debt expense level on a three-**
9 **year average.” Is that Commission order applicable here?**

10 A. While the application of the Commission order cited by Mr. Schultz is best left to
11 lawyers, I make two basic observations. First, in that order, the Commission points
12 specifically to six instances in which it had approved a utility’s bad debt factor based
13 on a historical three-year average. Presumably, in all other cases, the historical average
14 was not used. Second, in that same order, the Commission states: “Overall, the basis
15 for determining bad debt expense has been whether the amount is representative of the
16 bad debt expense expected to be incurred by the utility.” Using a three-year average is
17 not representative of what FPL expects to be incurred and Mr. Schultz’s
18 recommendation does not adjust for historical anomalies nor account for future
19 expectations.

1 **III. ENERGY EFFICIENCY**

2 **Q. FEL witness Marcelin characterizes FPL’s energy efficiency performance as poor**
3 **compared to other utilities. How do you respond?**

4 A. FEL witness Marcelin paints an incomplete picture that fails to encompass all of the
5 relevant facets of FPL’s energy efficiency savings, and in doing so, misses the full
6 impact that DSM brings to FPL’s customers. Energy savings from DSM programs in
7 isolation is not an indicator of how well a utility optimizes its resources to meet
8 customer demand. The Florida Public Service Commission sets goals and approves
9 plans that, in general, should be cost-effective. The relationship between the “current
10 state” efficiency of a utility and the level of initiatives that will be cost-effective is
11 simple. Less efficient utilities can find more ways to become efficient. Those
12 opportunities decrease as the utility becomes more efficient. FPL operates one of the
13 most efficient generation fleets in the industry. The universe of cost-effective energy
14 efficiency measures it can pursue is limited. FEL witness Marcelin’s across-the-board
15 comparison that does not account for fleet efficiency is improper.

16 **Q. Does the efficiency of FPL’s fleet mean that FPL cannot pursue any DSM?**

17 A. No, FPL has a long history of promoting energy efficiency to customers through cost-
18 effective DSM programs that focus on keeping rates low for all customers. Among its
19 DSM achievements, FPL has helped more than 2 million residential customers invest
20 in energy-efficient HVAC systems and ceiling insulation and has completed more than
21 4.8 million energy surveys that help residential and business customers find ways to

1 save energy.¹ FPL's DSM overall efforts through 2024 have eliminated the need to
2 construct the equivalent of approximately 68 new 100-MW generating units. These
3 efforts have also resulted in cumulative energy consumption savings of 102,684 GWh,
4 equal to approximately 75% of the consumption of all FPL customers for an entire year.

5 **Q. Please describe FPL's efforts to increase customer participation in cost-effective**
6 **DSM programs that provide energy savings for customers?**

7 A. In FPL's most recent DSM goals and programs review in Docket Nos. 20240012-EG
8 and 20250048-EG, the Commission approved an increase to FPL's energy savings
9 goals, partly to reflect an increased focus on the low-income customers witness
10 Marcelin represents.² FPL's most recent goals increased by 50% the target number of
11 low-income customers to be reached through the Low-Income Weatherization program
12 and proposed a new pilot program to help low-income renters realize the benefits of
13 more energy-efficient HVAC systems. These programs will directly benefit FPL's
14 customers through energy-efficiency savings.

15
16 FPL is also launching a new on-bill program that allows customers to enjoy the energy
17 savings from a new HVAC system without facing the barrier of high upfront costs.
18 Other program enhancements include increased rebates for installation of high-
19 efficiency HVAC equipment and redesign of the Business HVAC program to simplify
20 enrollment processes and increase participation by small business customers.

¹ FPL's 2024 DSM Annual Report is available at the following link:

<https://www.floridapsc.com/pscfiles/website-files/pdf/Utilities/Electricgas/ARDemandSide/2024/Florida%20Power%20and%20Light%20Company.pdf#search=FPL%20DSM>

² FPL's 2025 DSM Plan is available at the following link:

<https://www.floridapsc.com/pscfiles/library/filings/2025/01879-2025/01879-2025.pdf>

1 FPL has a longstanding commitment to delivering reliable electricity at rates
2 consistently below the national average. Because all customers pay for DSM programs
3 in their monthly bills through the Energy Conservation Cost Recovery clause, FPL
4 continues to ensure these measures increase energy efficiency without unnecessarily
5 driving up rates. Achieving that balance has helped keep FPL rates well below the
6 national average while empowering customers to take action to reduce their energy
7 usage and thereby lower their monthly bills.

8 **Q. Does this conclude your rebuttal testimony?**

9 A. Yes.