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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Florida Power & Light Company's Petition for Base Rate Increase	Docket No. 20250011-EI Filed: July 18, 2025

FLORIDA POWER & LIGHT COMPANY'S PREHEARING STATEMENT

Florida Power & Light Company ("FPL" or the "Company"), pursuant to the Florida Public Service Commission's ("FPSC" or "Commission") Order No. PSC-2025-0075-PCO-EI, hereby files its Prehearing Statement.

I. FPL WITNESSES

Witness	Subject Matter	Issue Nos.
Direct		
Armando Pimentel	Provides an overview of FPL's filing; introduces the witnesses who filed direct testimony on FPL's behalf.	12, 128
Scott Bores	Explains FPL's ability to deliver excellent customer value and describes what is required to maintain the flexibility to execute its long-term investment plan for the benefit of customers. Supports core financial policies necessary to continue providing excellent value, including maintenance of an equity ratio of 59.6% as part of FPL's capital structure, an 11.9% return on common equity ("ROE") as recommended by FPL witness Coyne and the use of a storm cost recovery provision. Supports the core elements of FPL's four-year rate plan including a proposed non-cash mechanism, the Tax Adjustment Mechanism ("TAM"), that will allow FPL to avoid general base rate increases in 2028 and 2029. Discusses the Solar and Battery Base Rate Adjustment ("SoBRA") mechanism to adjust base rates for the recovery of solar and battery projects entering into service in 2028 and 2029. Describes FPL's risk profile.	9, 12, 24, 44, 45,48, 49, 50, 118, 121, 123, 125, 126, 128
Ina Laney	Discusses the process used for the preparation and approval of the forecast upon which FPL's projected MFRs are based. Explains the impacts on the forecast due to FERC Order 898, Accounting and Reporting Treatment of Certain Renewable Energy Assets. Describes the major tax assumptions used in the development of the forecast and projected MFRs. Explains the major cost drivers since 2023 that necessitate a 2026 Projected Test Year increase and the major cost drivers from 2026 to 2027 that necessitate a 2027 Projected Test Year increase. Supports the TAM, and the investment tax credit ("ITC") component of the 2028 and 2029 SoBRA mechanism.	7-9, 11, 31, 35, 37-43, 46, 52-53, 67, 69-71, 73, 75-80, 82-84, 117-118, 121, 125

Witness	Subject Matter	Issue Nos.
Direct		
Eduardo De Varona	Describes how FPL's Power Delivery organization serves more than 6 million customer accounts with excellent performance. Details Power Delivery initiatives to strengthen and modernize Transmission and Distribution ("T&D") infrastructure while supporting customer growth. Explains ongoing capital investment plans for creating smarter, more reliable, secure, and resilient T&D infrastructure. Demonstrates that Power Delivery capital costs and operations and maintenance ("O&M") expenses are reasonable.	12, 21, 33, 34, 39, 55, 56, 94, 103, 104, 105
Dawn Nichols	Describes how FPL continues to provide outstanding service to its customers while maintaining low-cost and efficient operations. Supports the need for, and development and implementation of, a new customer service platform. Demonstrates the reasonableness of projected O&M expenses and capital expenditures for customer service.	12, 29, 46, 73, 94, 127
Thomas Broad	Supports the reasonableness of fossil and renewable generating fleet non-fuel O&M expenses and capital expenditures for providing reliable, cost-efficient electricity. Addresses fossil and renewable generating fleet performance and non-fuel operations and maintenance expenses and maintenance/ reliability capital expenditures.	12, 54
Dan DeBoer	Provides an overview of FPL's nuclear operations and describes how nuclear fleet performance benefits FPL customers. Discusses performance improvements implemented since the 2021 rate case. Details nuclear O&M expenses and capital expenditures for the 2026 and 2027 Projected Test Years.	12, 31, 54,
Tim Oliver	Addresses new solar generation and battery storage projects that will be placed into service between 2026 and 2027 and describes the proposed SoBRA mechanism for 2028 and 2029. Discusses property held for future use in connection with FPL's generation planning and development. Details FPL's natural gas and nuclear development efforts. Addresses investments in Commission-approved pilot programs and a new long duration battery pilot project.	26, 27, 30-32, 39, 110-112

Witness	Subject Matter	Issue Nos.
Direct		
Andrew W. Whitley	Describes FPL's resource planning process for identifying optimal resource additions during the 2026-2029 period. Explains how generation resource portfolio changes support transitioning the production cost of service methodology. Supports the 3-gigawatt maximum under the proposed Large Load Contract Service-1 tariff. Supports the appropriate incentive payment levels for the Commercial/Industrial Demand Reduction ("CDR") and Commercial/Industrial Load Control ("CILC") demand-side management programs.	23-27, 99-100, 105
John J. Reed	Sponsors and describes a benchmarking study used to assess FPL's operational and financial performance over the past ten years and concludes that FPL's overall performance is exceptional. Explains that FPL has consistently demonstrated strong fiscal responsibility, producing billions of dollars of savings for its customers, and has provided highly reliable, increasingly clean and efficient electric service at consistently affordable rates.	12, 128
Jessica Buttress	Presents an overview of the gross payroll and benefit expenses shown in MFR C-35 and demonstrates the reasonableness of FPL's forecasted payroll and benefit expenses. Shows that FPL's ability to attract, hire, retain, and engage a talented workforce is essential for providing safe, adequate, and reliable service.	64, 65
James M. Coyne	Recommends an ROE of 11.9%, which is just and reasonable for FPL. Provides an overview of the analyses conducted and explains the importance of taking into account the effects of current and expected economic and financial market conditions when setting an appropriate ROE. Supports FPL's proposed financial capital structure of 59.6% common equity and 40.4% debt as reasonable.	48, 49
Liz Fuentes	Supports the calculation of the revenue requirements that FPL proposes for the 2026 and 2027 base rate increases. Details FPL's proposed adjustments to rate base, net operating income, and capital structure for both test years. Supports revenue requirement calculation applicable to the proposed SoBRA mechanism.	20-22, 24, 31, 35, 37-38, 40-47, 50, 51 52-63, 68, 71, 72, 75, 78, 79, 83-87, 129

Witness	Subject Matter	Issue Nos.
Direct		
Keith Ferguson	Provides an overview of the results of FPL's 2025 Depreciation Study and FPL's 2025 Dismantlement Study prepared by Gannett Fleming and related Company adjustments. Supports the request for recovery of retired assets with unrecovered balances through capital recovery schedules. Details the Company adjustment to move Storm Protection Plan Cost Recovery Clause retirements and cost of removal from base to clause and addresses various affiliate issues.	15-19, 21, 66, 74, 76
Ned W. Allis	Sponsors the results and supports FPL's 2025 Depreciation Study and FPL's 2025 Dismantlement Study. Explains the methods and procedures used to develop the depreciation study including current and proposed comparison schedules for depreciation parameters. Discusses how the proposed increase in FPL's depreciation rates is primarily due to recent investments in generation facilities and the net salvage estimates for distribution plant accounts. Describes the methodology used to develop the direct costs for dismantlement activities, as well as for contingency and indirect costs. Concludes that the estimated costs are reasonable and appropriate for developing dismantlement accruals for FPL's generating plants.	13-15
Tara DuBose	Describes the development of load research and its application in jurisdictional separation studies and retail cost of service studies, including the creation of projected demand load forecasts by rate class. Details the methodology for calculating FPL's jurisdictional separation studies and line loss factors. Explains the preparation of retail cost of service studies ("COSS") and proposed allocation methodologies for production, transmission, and distribution plant costs across retail rate classes. Presents the results of FPL's retail cost of service studies for the 2026 and 2027 Projected Test Years.	10, 88-91
Tiffany C. Cohen	Addresses customer, energy sales, and peak demand forecasts for the 2026 and 2027 Projected Test Years. Explains rate design principles, rate structure, and revenue forecasting by rate class. Details allocation of rate increases to rate classes and supports the proposed changes to existing rates and service charges to recover jurisdictional revenue requirements. Supports the new Large Load Contract Service ("LLCS") tariffs for qualifying commercial and industrial customers and modifications to FPL's existing Contribution-in-Aid of Construction ("CIAC") tariff. Describes methodology for calculating 2028 and 2029 SoBRA rate adjustments.	10-12, 51, 93-99, 101-105, 110-111, 113-117, 128

Witness	Subject Matter	Issue Nos.
Rebuttal		
Ned Allis	Addresses FEA witness Andrews' recommendation of a longer life span estimate for Scherer Unit 3, demonstrating that federal regulatory changes do not support adjustment from FPL's proposed 2035 retirement date. Refutes OPC witness Dunkel's broad top-down reductions to depreciation and dismantlement accruals, showing his proposals lack quantified support and ignore established methodologies. Explains how Dunkel's proposed higher discount rate creates intergenerational inequity and addresses his inappropriate negative contingency factor. Supports adoption of FPL's depreciation and dismantlement studies as sound and reasonable.	13-14
Scott R. Bores	Rebuts intervenor testimony on FPL's Four-Year Rate Plan, financial strength, capital structure, and ROE. Demonstrates that intervenors' recommendations would weaken financial strength without maintaining current service levels. Refutes arbitrary reductions in equity ratio and ROE, showing such approaches ignore consequences including rating agency reactions and reduced capital access. Addresses opposition to SoBRA mechanism and FPL's requested modifications to the storm reserve amount and restoration charge amounts. Supports continuation of proven multi-year rate strategy.	9, 12, 24, 44, 45,48, 49, 50, 118, 121, 123, 125, 126, 128
Jessica Buttress	Refutes OPC witness Schultz's recommendations to reduce headcount, eliminate all incentive compensation, and disallow supplemental executive retirement plan expense. Demonstrates that FPL's compensation and benefits expense is reasonable given projected customer and load growth.	64, 65
Tiffany C. Cohen	Demonstrates that FPL correctly applied gradualism policy and that residential bill benchmarking is consistent with industry practice. Shows that proposed minimum bill, commercial EV rate design, CIAC changes, and LLCS tariffs are fair and reasonable. Validates that the load forecast is statistically sound and based on the best available current data.	10, 93, 102, 104-105, 111
James M. Coyne	Responds to intervenor testimony regarding the appropriate ROE and capital structure for FPL for the 2026-2029 rate period. Responds to disagreements regarding application of the Discounted Cash Flow ("DCF") model, the Capital Asset Pricing Model ("CAPM"), Risk Premium, and Expected Earnings models. Addresses FPL's unique business risks and credit ratings relative to the proxy group, and defends FPL's proposed capital structure as reasonable.	48, 49

Witness	Subject Matter	Issue Nos.
Rebuttal		
Eduardo De Varona	Rebuts the testimony of OPC witness Schultz regarding T&D properties held for future use. Reaffirms the Company's proposals for the implementation of its CIAC tariff modifications and the appropriate acceptance period for the LLCS tariffs to prevent cost-shifting from large load applicants to the general body of customers. Rebuts witness Schultz's proposed reductions in funding for FPL's planned transmission capital maintenance.	33, 39, 104, 105
Tara DuBose	Rebuts intervenors' testimony regarding cost of service allocation methodologies for the 2026 and 2027 Projected Test Years. Defends the average 12 monthly Coincident Peak ("12CP") and 25% energy allocation method for production plant and 12CP method for transmission plant costs. Rebuts various intervenor production and transmission cost allocation proposals and supports CILC and CDR program loads as firm loads with the COSS framework.	10, 88-91
Keith Ferguson	Responds to testimony of OPC witnesses Dunkel and Schultz and FEA witness Andrews regarding dismantlement discount rates, Scherer Unit 3 retirement date, and depreciation calculations. Demonstrates that OPC's recommended higher annual discount rate for dismantlement accruals is unsupported and contrary to accepted practice. Rebuts FEA's proposal to maintain a 2047 retirement date for Scherer Unit 3 and corrects OPC's depreciation impact calculations.	17, 18
Liz Fuentes	Rebuts OPC witness Schultz's proposed reductions to rate case expenses, industry and non-industry dues, and injuries and damages reserve accruals. Presents recalculated base revenue increases for the 2026 and 2027 Projected Test Years, incorporating the adjustments FPL has identified while maintaining the original petition amounts.	35, 37-38, 40-46, 50, 52-54, 68, 71-72, 75,78-79, 83-87
Ina Laney	Rebuts the testimony of several intervenor witnesses regarding the need for the 2027 Projected Test Year, forecast reliability, O&M and capital budgets, property tax rates, ITC treatment, equity return characterization, and the proposed TAM.	7-9, 35, 37-43, 52-53, 67, 69-71, 75, 78-84, 125-126
Dawn Nichols	Responds to OPC witness Schultz regarding the proposed bad debt expense adjustments based on three-year historical averages. Addresses FEL witness Marcelin's characterization of FPL's Demand Side Management ("DSM") energy-efficiency performance.	73, 127
Tim Oliver	Rebuts the testimony of OPC witness Schultz regarding generation-related property held for future use. Addresses multiple intervenor witnesses' opposition to FPL's proposed Electric Vehicle ("EV") programs and tariffs. Refutes FEL witness Rábago's arguments against the Solar Power Facilities pilot program.	39, 110, 111, 112

Witness	Subject Matter	Issue Nos.
Rebuttal		
Arne Olson	Rebuts OPC witness Dauphinais' and FEL witness Rábago's criticisms of the stochastic loss-of-load probability ("LOLP") study described in FPL witness Whitley's direct testimony.	25
Nicholas L. Phillips	Responds to intervenor witnesses opposing FPL's proposed change from 12CP and 1/13th to 12CP and 25% energy allocation method.	89
Danielle S. Powers	Responds to OPC witness Colton and Walmart witness Perry regarding customer affordability concerns and rate impact recommendations by analyzing FPL rate increases relative to income changes and customer segments. Explains that affordability considerations should not override cost-of-service ratemaking principles of prudence, cost causation, and non-undue discrimination.	128
Andrew W. Whitley	Responds to intervenor witnesses regarding stochastic LOLP methodology, FPL's system planning and proposed resource additions, CDR and CILC program incentive levels, and derivation of the incremental generation charge in the LLCS tariffs.	23-27, 99-100, 105

II. PREFILED EXHIBITS

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Scott R. Bores	FPL	SRB-1	List of MFRs Sponsored or Co-sponsored by Scott R. Bores	44, 45, 87
Scott R. Bores	FPL	SRB-2	Regional Comparison: Key Performance Metrics	12, 118, 128
Scott R. Bores	FPL	SRB-3	Supply Chain Cost Increases	118
Scott R. Bores	FPL	SRB-4	Annual Average Number of Storms by Decade	124
Scott R. Bores	FPL	SRB-5	Storm Cost Recovery Mechanism	124
Scott R. Bores	FPL	SRB-6	Non-Fuel O&M per Retail MWh	54
Scott R. Bores Ina Laney Tim Oliver Liz Fuentes Tiffany C. Cohen	FPL	SRB-7	Solar and Battery Base Rate Adjustment Mechanism	3, 116, 117, 121
Scott R. Bores	FPL	SRB-8	Mechanism To Address Potential Tax Law Changes	2, 5, 82, 125, 126
Ina Laney	FPL	IL-1	List of MFRs Sponsored or Co-sponsored by Ina Laney	87

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Ina Laney	FPL	IL-2	FPL Annual Budget Planning Process Guideline	7-11
Ina Laney	FPL	IL-3	MFR F-5 Forecasting Flowchart and Models	7-11
Ina Laney	FPL	IL-4	MFR F-8 Major Forecast Assumptions	7-11
Ina Laney	FPL	IL-5	FERC Uniform System of Accounts Changes	7-11
Ina Laney	FPL	IL-6	Tax Credit Transfer Cumulative Revenue Requirements Impact	81
Ina Laney	FPL	IL-7	Drivers of the Increase in Revenue Requirements 2023-2026	75
Ina Laney	FPL	IL-8	FPL's Adjusted O&M Benchmark	75
Ina Laney	FPL	IL-9	Tax Credit Rates	80, 82
Ina Laney	FPL	IL-10	Capital Investments Inflation Impact	11
Ina Laney	FPL	IL-11	Drivers of the Increase in Revenue Requirements 2026-2027	75
Ina Laney	FPL	IL-12[1]	Tax Adjustment Mechanism Accounting	118
Ina Laney	FPL	IL-13[2]	Tax Adjustment Mechanism Amount	118
Eduardo De Varona	FPL	EDV-1	List of MFRs Co-Sponsored by Eduardo De Varona	87
Eduardo De Varona	FPL	EDV-2	FPL FPSC T&D SAIDI	12
Eduardo De Varona	FPL	EDV-3	FPL FPSC Distribution MAIFIe	12
Eduardo De Varona	FPL	EDV-4	National & Regional Distribution SAIDI Benchmarking	12
Eduardo De Varona	FPL	EDV-5	AFS Avoided/Actual Customer Interruptions	12
Dawn Nichols	FPL	DN-1	List of MFRs Sponsored or Co-Sponsored by Dawn Nichols	87
Dawn Nichols	FPL	DN-2	FPL Customer Service Awards and Recognitions	12

[1] Corrected exhibit filed April 29, 2025.
[2] Corrected exhibit filed April 29, 2025.

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Dawn Nichols	FPL	DN-3	Florida Public Service Commission Logged Complaints	12
Thomas Broad	FPL	TB-1	List of MFRs Sponsored or Co-sponsored by Thomas Broad	87
Thomas Broad	FPL	TB-2	FPL Fossil and Renewable Fleet MW Capability and Technology Changes	12, 54
Thomas Broad	FPL	TB-3[3]	FPL Fleet Performance vs. Industry	12, 54
Thomas Broad	FPL	TB-4	FPL vs. Industry Benchmark Comparisons	12, 54
Thomas Broad	FPL	TB-5	FPL Fossil/Solar Fleet Heat Rate Comparison	12, 54
Thomas Broad	FPL	TB-6	Cumulative Benefits from FPL's Modernized Fleet	12, 54
Thomas Broad	FPL	TB-7	CC & PV Plant Level O&M $/kW Comparisons	12, 54
Dan DeBoer	FPL	DD-1	List of MFRs Sponsored or Co-sponsored by Dan DeBoer	87
Dan DeBoer	FPL	DD-2	NRC Performance Indicators	12
Dan DeBoer	FPL	DD-3	NRC Inspection Findings	12
Dan DeBoer	FPL	DD-4	NRC Regulatory Status	12
Dan DeBoer	FPL	DD-5	Nuclear Performance Metrics	12
Tim Oliver	FPL	TO-1	List of MFRs Sponsored or Co-sponsored by Tim Oliver	39
Tim Oliver	FPL	TO-2	2026 and 2027 Solar Project Details	26, 27
Tim Oliver	FPL	TO-3	Layout of Major Equipment Components for Solar Energy Centers	26
Tim Oliver	FPL	TO-4[4]	2026 and 2027 Battery Storage Project Details	27
Tim Oliver	FPL	TO-5	Layout of Major Equipment Components for Battery Storage	27
Tim Oliver	FPL	TO-6	Property Held for Future Use	39
Andrew W. Whitley	FPL	AWW-1	Summary of FPL Resource Adequacy Study (Prepared by E3)	25-27

[3] Exhibit TB-3 and TB-4 corrected on April 29, 2025.
[4] Corrected TO-4 filed July 15, 2025.

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Andrew W. Whitley	FPL	AWW-2	Load Forecasts Used in the Current Analyses	23-27
Andrew W. Whitley	FPL	AWW-3	Fuel Cost Forecasts Used in the Current Analyses	23-27
Andrew W. Whitley	FPL	AWW-4	CO2 Compliance Cost Forecast Used in the Current Analyses	23-27
Andrew W. Whitley	FPL	AWW-5[5]	Economic Analysis Results for the Combined 2026 and 2027 Solar and Battery Additions	26, 27
Andrew W. Whitley	FPL	AWW-6[5]	Economic Analysis Results for the Combined 2028 and 2029 Solar and Battery Additions	121
Andrew W. Whitley	FPL	AWW-7	With Programs and Without Programs Resource Plans for CDR and CILC Incentive Payment Analysis	99-100
Andrew W. Whitley	FPL	AWW-8	AWW-8 Analysis of the Current and Proposed Monthly Incentive Levels for the CDR & CILC Programs	99-100
John J. Reed	FPL	JJR-1	Résumé of John J. Reed	12, 128
John J. Reed	FPL	JJR-2	Expert Testimony of John J. Reed	12, 128
John J. Reed	FPL	JJR-3	Situational Assessment Rankings	12, 128
John J. Reed	FPL	JJR-4	Cost Efficiency Rankings	12, 128
John J. Reed	FPL	JJR-5	Operational Metrics	12, 128
John J. Reed	FPL	JJR-6	Rate Level Comparison	12, 128
John J. Reed	FPL	JJR-7	Benchmarking Workpapers	12, 128
John J. Reed	FPL	JJR-8	Consumer Price Index and Producer Price Index	12, 128
John J. Reed	FPL	JJR-9	Average Weekly Electric Utility Employee Earnings	12, 128
John J. Reed	FPL	JJR-10	Handy-Whitman Construction Cost Indices	12, 128
John J. Reed	FPL	JJR-11	Annual Non-Fuel O&M Savings per Customer	12, 128
John J. Reed	FPL	JJR-12	2021-2023 Combined Situational Assessment and Cost Efficiency Rankings	12, 128

[5] Corrected exhibits AWW-5 and AWW-6 filed July 1, 2025.

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
John J. Reed	FPL	JJR-13	2023 Assessment and Efficiency Tables	12, 128
John J. Reed	FPL	JJR-14	Emissions Comparison	12, 128
John J. Reed	FPL	JJR-15	Rate Level and Reliability Comparison	12, 128
Jessica Buttress	FPL	JB-1	List of MFRs Sponsored or Co-Sponsored by Jessica Buttress	64, 65
Jessica Buttress	FPL	JB-2	Total Salaries & Wages	65
Jessica Buttress	FPL	JB-3	Merit Pay Program Awards	64, 65
Jessica Buttress	FPL	JB-4	Total Benefit Program	65
Jessica Buttress	FPL	JB-5	Average Medical Plan Expense Per Employee	65
Jessica Buttress	FPL	JB-6	Pension & 401(k) Employee Savings Plan	65
James M. Coyne	FPL	JMC-1	Educational and professional background	48, 49
James M. Coyne	FPL	JMC-2	Comprehensive Summary of ROE Results	48, 49
James M. Coyne	FPL	JMC-3	Proxy Group Screening Analysis	48, 49
James M. Coyne	FPL	JMC-4	Constant Growth DCF Analysis	48, 49
James M. Coyne	FPL	JMC-5.1	Market Risk Premium	48, 49
James M. Coyne	FPL	JMC-5.2	CAPM Analysis	48, 49
James M. Coyne	FPL	JMC-6	Risk Premium Analysis	48, 49
James M. Coyne	FPL	JMC-7	Expected Earnings Analysis	48, 49
James M. Coyne	FPL	JMC-8	Capital Expenditures Analysis	48, 49
James M. Coyne	FPL	JMC-9	Regulatory Risk Assessment	48, 49
James M. Coyne	FPL	JMC-10	Flotation Cost Analysis	48, 49
James M. Coyne	FPL	JMC-11	Capital Structure Analysis	48, 49
Liz Fuentes	FPL	LF-1	List of MFRs Sponsored or Co-Sponsored by Liz Fuentes	87
Liz Fuentes	FPL	LF-2	MFR A-1 for the 2026 and 2027 Projected Test Year	87
Liz Fuentes	FPL	LF-3	List of Proposed Company Adjustments for the 2026 and 2027 Projected Test Year	21-22, 87
Liz Fuentes	FPL	LF-4	2026 and 2027 ROE Calculation Without Rate Adjustment	87

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Liz Fuentes	FPL	LF-5	ADIT Proration Adjustment to Capital Structure for 2026 and 2027 Projected Test Year	42
Liz Fuentes	FPL	LF-6	2026 and 2027 Plant Daniel Costs and Expenses	54, 78
Keith Ferguson	FPL	KF-1	List of MFRs Sponsored or Co-Sponsored by Keith Ferguson	87
Keith Ferguson	FPL	KF-2	Impacts to Depreciation Expense using the 2025 Depreciation Study Rates by Year for Base vs. Clause for 2026 and 2027	13
Keith Ferguson	FPL	KF-3	Summary of Capital Recovery Schedules for 2026 and 2027 – Base Rates vs. Clause	16
Keith Ferguson	FPL	KF-4	Proposed Dismantlement Company Adjustments for Base vs. Clause	17, 18
Keith Ferguson Ned W. Allis	FPL	KF-5	SPPCRC Cost of Removal and Retirements	21
Keith Ferguson	FPL	KF-6	2025 Cost Allocation Manual	66
Keith Ferguson	FPL	KF-7	Affiliate Charges Based on Billing Methodology for the 2026 Projected Test Year	66
Ned W. Allis	FPL	NWA-1	2025 Depreciation Study	13, 14
Ned W. Allis Keith Ferguson	FPL	NWA-2	2025 Dismantlement Study	17
Ned W. Allis	FPL	NWA-3	Schedules 1A and 1B	13, 14
Ned W. Allis	FPL	NWA-4	List of Cases in which Ned W. Allis has Submitted Testimony	13, 14
Tara DuBose	FPL	TD-1	List of MFRs Sponsored or Co-Sponsored by Tara DuBose	88-92
Tara DuBose	FPL	TD-2	Rates of Return and Parity at Present Rates	88-92
Tara DuBose	FPL	TD-3	Equalized Revenue Requirements at Proposed Rate of Return	88-92
Tara DuBose	FPL	TD-4	Load Research Details	88-92
Tara DuBose	FPL	TD-5	Separation Process for Stratified Contracts	88-92
Tiffany C. Cohen	FPL	TCC-1	List of MFRs Sponsored or Co-Sponsored by Tiffany C. Cohen	93, 95 - 97

Witness	Proffered By	Exhibit No.	Description	Issue Nos.
Direct				
Tiffany C. Cohen	FPL	TCC-2	Typical Bill Projections	12
Tiffany C. Cohen	FPL	TCC-3	National Bill Comparisons	12
Tiffany C. Cohen	FPL	TCC-4	FPL's Load Forecasting Process for 2026-2029	10,11
Tiffany C. Cohen	FPL	TCC-5	Parity of Major Rate Classes	93
Tiffany C. Cohen	FPL	TCC-6	Summary of Proposed Rate Structure for Major Rate Schedules	93, 95-97

Witness	Proffered By	Exhibit No.	Description	Issues Nos.
Rebuttal				
Scott R. Bores	FPL	SRB-9	Credit Spreads During Market Volatility	49
Jessica Buttress	FPL	JB-7	Job Requisitions as of July 1, 2025	65
Jessica Buttress	FPL	JB-8	FPL's Corrected Supplemental Response to OPC's First Set of Interrogatories No. 24 and FPL's Corrected Response to OPC's Eleventh Set of Interrogatories No. 328	64
Jessica Buttress	FPL	JB-9	FPL's Response to OPC's First Request for Production of Documents No. 22 and FPL's Original and Corrected Response to OPC's Eleventh Set of Interrogatories No. 313	64
Jessica Buttress	FPL	JB-10	FPL's Response to OPC's First Set of Interrogatories No. 19 and FPL's Response to OPC's First Request for Production of Documents No. 37	64
Tiffany C. Cohen	FPL	TCC-7	FPL's Response to Staff's Sixth Set of Interrogatories No. 121	105-107
Tiffany C. Cohen	FPL	TCC-8	FPL's Response to FIPUG's First Set of Interrogatories No. 20	106
Tiffany C. Cohen	FPL	TCC-9	LLCS Tariff Update	105-107
Tiffany C. Cohen	FPL	TCC-10	FPL's Corrected Response to Staff's First Set of Interrogatories No. 8	10, 11
James M. Coyne	FPL	JMC-12	Comprehensive Summary of ROE Results	48, 49

Witness	Proffered By	Exhibit No.	Description	Issues Nos.
Rebuttal				
James M. Coyne	FPL	JMC-13	Proxy Group Selection	48, 49
James M. Coyne	FPL	JMC-14	Constant Growth DCF Analysis	48, 49
James M. Coyne	FPL	JMC-15.1	Market Risk Premium	48, 49
James M. Coyne	FPL	JMC-15.2	CAPM Analysis	48, 49
James M. Coyne	FPL	JMC-16	Risk Premium Analysis	48, 49
James M. Coyne	FPL	JMC-17	Expected Earnings Analysis	48, 49
James M. Coyne	FPL	JMC-18	Capital Structure Analysis	48, 49
James M. Coyne	FPL	JMC-19	Weather Analysis	48, 49
James M. Coyne	FPL	JMC-20	Revised Mr. Lawton CAPM Analysis	48, 49
James M. Coyne	FPL	JMC-21	Revised Mr. Walters Risk Premium Analysis	48, 49
Eduardo De Varona	FPL	EDV-6	List of PHFU (Power Delivery T&D)	39
Eduardo De Varona	FPL	EDV-7	FPL's Response to OPC's First Set of Interrogatories No. 56	33
Tara DuBose	FPL	TD-6	FPL's Response to FIPUG's Third Set of Interrogatories No. 39	89
Tara DuBose	FPL	TD-7	FPL's Response to FIPUG's Seventh Set of Interrogatories No. 74	92
Tara DuBose	FPL	TD-8	FERC Three Peak Ratio Test	88, 89, 90
Tara DuBose	FPL	TD-9	Analysis of Monthly Peak Demand	88, 90
Tara DuBose	FPL	TD-10	Solar COSID Allocation Corrections	89, 92
Keith Ferguson	FPL	KF-8	FPL's Response to OPC's First Request for Production of Documents No. 15	13
Keith Ferguson	FPL	KF-9	FPL's Response to FEA's Third Set of Interrogatories No. 7	13
Liz Fuentes	FPL	LF-7	Rate Case Expenses	72
Liz Fuentes	FPL	LF-8	FPL's Response to OPC's Twelfth Set of Interrogatories No. 334	63, 84
Liz Fuentes	FPL	LF-9	FPL's Response to OPC's Twelfth Set of Interrogatories No. 335	63, 84
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Ina Laney	FPL	IL-15	RSAM Customer Bill Impact	2, 11
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II. STATEMENT OF BASIC POSITION

FPL is currently operating under a rate settlement approved by this Commission by Order No. PSC-2021-0446A-S-EI,[6] issued December 2, 2021 ("the 2021 Rate Settlement"). Among other settlement terms, FPL agreed not to file for additional general base rate increases for a period of at least four years, even though its revenue requirements were projected to – and did – increase substantially. The terms that allowed FPL to "stay out" included base rate increases in 2022 and 2023, a solar base rate adjustment mechanism that authorized FPL to seek limited cost recovery for solar installations that entered service in 2024 and 2025, a strong capital structure reflecting its

[6] As amended by Order PSC-2021-0446A-S-EI and supplemented by PSC-2024-0078-FOF-EI ("Order 2024-0078").

long-standing equity ratio, a reasonable return on common equity ("ROE"), a flexible non-cash mechanism and a storm cost recovery mechanism. This set of core terms enabled FPL to continue to provide customers safe and reliable power despite significant business and economic challenges during the period.

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

FPL's Four-Year Rate Plan

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

- FPL *further* lowered O&M costs compared to the already low-cost position it had attained by 2021;
- In 2024, its typical residential bill was the lowest in the Southeast and 32% below the national average;
- In terms of reliability, FPL achieved its best-ever transmission and distribution System Average Interruption Duration Index in back-to-back years in 2023 and 2024;
- FPL's fossil and solar generation fleet performance has been best-in-class in terms of forced outages between 2021 and 2023,[7] which has resulted in greater availability of efficient generating capacity for customers;
- Between 2021 and 2024, FPL's nuclear fleet performed at a high capacity factor that produced over $3.4 billion in fuel savings compared to fossil generation. These cost savings are passed directly to FPL customers through lower fuel charges; and
- FPL has been recognized for outstanding customer satisfaction by independent national surveys.

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

[7] Data for 2023 was the most current information available at the time FPL filed its Petition on February 28, 2025.

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

FPL's proposal in this case is designed to meet those objectives and, to that end, contains elements common to prior rate orders that have proven beneficial to customers. The four-year rate plan consists of: (i) rates and charges sufficient to generate additional total annual revenues of (a) $1,545 million to be effective January 1, 2026 and (b) $927 million to be effective January 1, 2027;[8] (ii) a Solar and Battery Base Rate Adjustment ("SoBRA") mechanism that authorizes FPL to recover costs associated with the installation and operation of solar generation and battery storage facilities in 2028 and 2029 upon a demonstration of a resource or economic need; (iv) a non-cash mechanism that accelerates the flowback of certain deferred tax liabilities (or "DTL") to customers (the mechanism is referred to herein as the Tax Adjustment Mechanism or "TAM"), which would operate in a similar manner to the non-cash mechanisms that were integral to FPL's prior multi-year rate settlements; (v) a storm cost recovery mechanism modeled after terms previously approved as part of various FPL rate settlements, updated to reflect changes in costs; and (vi) a mechanism to address potential changes to tax laws.

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

The Four-Year Rate Plan once again offers customers base rate stability until at least January 2030 and is expected to produce a typical 1,000-kWh residential customer bill that will remain below the national average. The four-year period of regulatory certainty also will allow FPL management and employees to focus on continuing to improve the Company's service and realizing further operational efficiencies, rather than devoting significant resources to more frequent base rate cases.

Projected Test Years

As stated above, FPL will continue to make smart, long-term capital investments to maintain and improve upon its excellent service. FPL's resource needs are continuing to grow in the near term. To examine its needs, FPL employed a widely accepted model that analyzes hourly profiles under a vast range of load and generation conditions across numerous scenarios. The

[8] FPL has identified adjustments that result in recalculated revenue requirements for 2026 and 2027 of $1,550.6 million and $931.5 million, respectively. However, FPL is not increasing its revenue requirement request.

Company evaluated the model results and determined it will install cost-effective solar generation and battery storage facilities that provide reliable capacity and energy.

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

2026 Projected Test Year

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

(1) capital investment initiatives that support system growth, maintain reliability, and ensure regulatory compliance;

(2) the impact of amortizing surplus depreciation in 2023;

(3) change in the weighted average cost of capital;

(4) impact of having amortized unprotected excess accumulated deferred income taxes ("ADIT") amounts that will not be available in 2026;

(5) the O&M impact of inflation and customer growth;

(6) increased depreciation expense resulting from FPL's 2025 Depreciation Study; and

(7) an increase in the annual dismantlement accrual resulting from FPL's 2025 Dismantlement Study.

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

(8) tax credits under the Inflation Reduction Act;

(9) revenue growth; and

(10) productivity gains.

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

2027 Projected Test Year

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

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

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

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

(4) the impact of inflation and customer growth.

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

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

Return on Equity and Capital Structure

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

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

Solar and Battery Base Rate Adjustments

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

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

Tax Adjustment Mechanism

The TAM proposed by FPL is a non-cash accounting mechanism that accelerates the recording of deferred tax benefits over the four-year rate period by reversing certain unprotected DTLs. Like predecessor non-cash mechanisms approved by the Commission,[9] FPL will use the TAM to respond to changes in its underlying revenues and expenses in order to avoid additional general base rate increases and maintain its ROE within the authorized range during the four-year rate period. Absent approval of the TAM, FPL anticipates that it will need to seek additional rate relief in both 2028 and 2029. The DTL amount needed to support the four-year plan must therefore be sufficient to afford FPL the opportunity to achieve the mid-point ROE in the plan's last two years, which FPL calculates to be $1.717 billion. Accordingly, FPL proposes to utilize $1.717 billion of its tax repairs and mixed service DTLs as the amount available for use under the TAM ("TAM Amount").

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

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

[9] E.g., the Reserve Surplus Amortization Mechanism (or "RSAM") approved as part of the 2021 Rate Settlement.

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

Tax Reform

FPL's revenue requirement calculations for the 2026 and 2027 Projected Test Years are based on tax law in effect as of the time FPL filed its Petition. President Trump has signed into law the One Big Beautiful Bill. If timing permits, FPL will quantify the impacts on FPL's base revenue requirements, if any, so that the Commission may address the impacts when it resolves FPL's base rate request. If timing does not permit, FPL will address the impact, if any, of the recently enacted tax law and any other tax law change in a separate docket. Additional details regarding the procedure and calculations are set forth in Exhibit SRB-8 filed with the testimony of FPL witness Bores.

Depreciation and Dismantlement

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

Capital Recovery Schedules

FPL has retired or will retire certain assets that are not yet fully depreciated. Pursuant to Rule 25-6.0436, F.A.C. and consistent with Commission practice, FPL requests approval of capital recovery schedules pursuant to which the remaining investment for those retired assets would be recovered over a 10-year period. Specifically, FPL requests capital recovery schedules for the following assets: (i) FPL's old 500 kV transmission infrastructure retired in 2024, as well as the continued retirement and cost of removal associated with the 2025 through 2027 portion of the rebuild project;[10] (ii) the early retired investment associated with Plant Daniel Units 1 and 2; and

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

(iii) the early retirement of FPL's Customer Information System and its integrated applications. Exhibit KF-3 to the testimony of FPL witness Ferguson provides a detailed list of the assets for which FPL seeks capital recovery, along with the associated amortization, and delineates between base and clause recovery.

Storm Cost Recovery Mechanism

FPL requests approval to continue to recover prudently incurred storm costs under the framework approved in its 2021 Rate Settlement, adjusted modestly to move closer toward better reflecting the storm restoration costs experienced over the past eight years. Under the proposed storm cost recovery mechanism, if FPL incurs storm costs related to a named storm, it may begin collecting an interim charge based on an amount up to $5 per 1,000 kWh on monthly residential bills (roughly $500 million annually) beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed that amount in any one year, the Company may request that the Commission increase the $5 per 1,000 kWh accordingly, with the period of recovery of the additional amount to be determined by the Commission.

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

Large Load Contract Service

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

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

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

FPL's commercial and industrial ("CI") customers' bills will likewise remain significantly below the national average and below many other Florida electric utilities even with the proposed increases. The increase CI customers are projected to experience will vary depending on each rate schedule's current level of parity. Under FPL's proposal, the typical CI bill will increase between 1% and 5% for peninsular Florida customers and between 0% and 4% for Northwest Florida customers.[11]

Conclusion

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

III. ISSUES AND POSITIONS

Below are FPL's positions on the issues identified. Unless otherwise indicated, FPL's positions are based on its Four-Year Rate Proposal.

Note: There are disputes concerning the appropriateness of including certain issues. Those disputes are to be brought before the prehearing officer for resolution at the prehearing conference. Accordingly, FPL has not included and is not stating a position on the contested issues at this time but will do so following the prehearing conference for any issues that the prehearing officer decides are properly included.

LEGAL ISSUES

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

a. League of United Latin Citizens Florida
b. Environmental Confederation of Southwest Florida
c. Florida Rising
d. Florida Industrial Power Users Group
e. Federal Executive Agencies
f. Southern Alliance for Clean Energy

[11] Based on the General Service, General Service Demand, and General Service Large Demand 1 and 2 rate classes, which encompass 94% of FPL's CI customers.

g. EVGo, Services, LLC
h. Electrify America, LLC
i. Florida Retail Federation
j. Walmart
k. Florida Energy Innovation Association
l. Floridians Against Increased Rates
m. Americans for Affordable Clean Energy
n. Wawa, Inc.
o. RaceTrac, Inc.
p. Circle K, Inc.
q. Armstrong World Industries, Inc.

No position.

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

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

<u>ISSUE 3:</u> Does the Commission have the authority to approve FPL's requested Solar Base Rate Adjustment mechanisms in 2028 and 2029?

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

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

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

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

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

ISSUE 6: *What impact will the following pending Florida Supreme Court appeals involving PSC Orders have on this rate case, and how should the Commission address those in this docket?*

TEST PERIOD AND FORECASTING

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

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

ISSUE 8: Is FPL's projected test period appropriate:

a. For the 12 months ending December 31, 2026?

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

b. For the 12 months ending December 31, 2027?

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

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

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

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

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

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

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

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

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

QUALITY OF SERVICE

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

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

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

DEPRECIATION AND DISMANTLEMENT STUDIES

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

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

ISSUE 14: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances?

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

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

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

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

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

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

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

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

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

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

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

RATE BASE

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

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

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

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

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

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

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

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

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

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

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

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

Yes. (Whitley, Olson)

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

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

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

ISSUE 27: Should FPL's proposed battery storage projects be approved:

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

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

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

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

Yes. (Broad, DeBoer)

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

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

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

Yes. (Oliver)

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

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

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

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

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

Yes. (Oliver)

<u>ISSUE 33</u>: Should FPL's proposed transmission plant additions be approved:

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

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

<u>ISSUE 34</u>: Should FPL's proposed distribution plant additions be approved:

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

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

<u>ISSUE 35</u>: What amount of Plant in Service should be approved: (Fallout Issue)

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

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

<u>ISSUE 36</u>: *What action, if any, should the Commission take to adjust the depreciation reserve for costs improperly recorded above the line during periods when the Reserve Amount was amortized to the income statement?*

<u>ISSUE 37</u>: What amount of Accumulated Depreciation should be approved: (Fallout Issue)

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

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

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

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

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

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

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

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

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

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Working Capital is $2,320,824,000 (jurisdictional adjusted) for the 2026 projected test year and $2,497,892,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

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

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

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

COST OF CAPITAL

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

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

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

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

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

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

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

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

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

ISSUE 45: What amount and cost rate for long-term debt should be approved for inclusion in the capital structure:

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

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

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

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

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

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

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

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

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

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

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

ISSUE 49: What return on equity (ROE) should be approved for use in establishing FPL's revenue requirements:

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

The Commission should authorize 11.9% as the return on common equity. Granting FPL's requested return on equity will appropriately take into account FPL's unique risk profile and the Company's commitment to a strong financial position. The requested rate also addresses the risk of the Company's proposed multi-year stay-out. Granting FPL's requested return on common equity is critical to maintaining FPL's financial strength and flexibility and will help FPL attract capital necessary to make continued investments and serve its customers on reasonable terms. (Coyne, Bores)

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

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

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

NET OPERATING INCOME

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

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

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

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

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

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

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

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

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

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

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

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

Steam - $59,133,696 (Broad, Fuentes)
Nuclear – $287, 924,815 (DeBoer, Fuentes)
Other – $160,350,459 (Broad, Fuentes)
Solar – $35,897,121 (Broad)
Other Renewable – $1,922,868 (Broad)

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

Steam - $55,976,345 (Broad, Fuentes)
Nuclear – $299,303,226 (DeBoer, Fuentes)
Other – $164,739,910 (Broad, Fuentes)
Solar – $42,797,002 (Broad)
Other Renewable – $1,776,540 (Broad)

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

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

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

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

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

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

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

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

ISSUE 58: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause:

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

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

ISSUE 59: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause:

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

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

ISSUE 60: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause:

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

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

ISSUE 61: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause:

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

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

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

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

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

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

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

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

<u>ISSUE 64</u>: What amount of incentive compensation should be approved:

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

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

<u>ISSUE 65</u>: What amount of salaries and benefits expense, including incentive compensation, should be approved:

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

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

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

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

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

<u>ISSUE 67</u>: Should any adjustments be made to Directors and Officers Liability Insurance expense:

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

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

<u>ISSUE 68</u>: What amount of Economic Development expense should be approved:

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

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

<u>ISSUE 69</u>: Should any adjustments be made to Property Insurance expense:

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

No adjustments are required to be made to FPL's forecasted Property Insurance expenses for either the 2026 projected test year or 2027 projected test year. (Laney)

<u>ISSUE 70</u>: Should any adjustments be made to Liability Insurance expense:

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

No adjustments are required to be made to FPL's forecasted Liability Insurance expenses for either the 2026 projected test year or 2027 projected test year. (Laney)

<u>ISSUE 71</u>: Should any adjustments be made to Injuries and Damages expense:

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

No adjustments are required to be made to FPL's forecasted Injuries and Damages expenses for either the 2026 projected test year or 2027 projected test year. (Fuentes, Laney)

<u>ISSUE 72</u>: What amount and amortization period for Rate Case Expense should be approved:

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

The appropriate amount of FPL's rate case expense is $5,028,614, and the appropriate amortization period is four years. (Fuentes)

<u>ISSUE 73</u>: What amount of uncollectible expense and bad debt rate should be approved:

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

The appropriate amount of uncollectible expense is $20,242,000 for the 2026 projected test year and $19,362,000 for the 2027 projected test year. The appropriate bad debt rate is 0.124% for the 2026 projected test year and 0.122% for the 2027 projected test year. (Laney, Nichols)

<u>ISSUE 74</u>: What expense accruals for end of life materials and supplies should be approved:

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

FPL's proposed accruals for Nuclear End of Life ("EOL") Material and Supplies ("M&S") and Last Core Nuclear Fuel for both the 2026 projected test year and 2027 projected test year are in accordance with Commission Order No. PSC-2021-0232-PAA-EI. The appropriate amount of expense accruals for the 2026 test year for the EOL M&S and last core nuclear fuel is $1,576,000 and $3,411,000 (jurisdictional adjusted), respectively. The appropriate amount of expense accruals for the 2027 projected test year for the EOL M&S and last core nuclear fuel is $1,576,000 and $3,411,000 (jurisdictional adjusted), respectively. (Ferguson)

<u>ISSUE 75</u>: What amount of O&M Expense should be approved:

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of O&M Expense is $1,326,223,000 (jurisdictional adjusted) for the 2026 projected test year and $1,355,185,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

<u>ISSUE 76</u>: What amount of depreciation, amortization, and dismantlement expense should be approved: (Fallout Issue)

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of depreciation, amortization and dismantlement expense is $3,103,347,000 (jurisdictional adjusted) for the 2026 projected test year and $3,351,922,000 (jurisdictional adjusted) for the 2027 projected test year. (Ferguson, Laney)

ISSUE 77: What amount of (gain)/loss on disposal of utility property should be approved:

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

The appropriate amount of (Gain)/Loss on Disposal of Plant is ($420,000) (jurisdictional adjusted) for the 2026 projected test year and ($33,000) (jurisdictional adjusted) for the 2027 projected test year. (Laney)

ISSUE 78: What amount of Property Taxes should be approved:

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

Including the adjustment to Property Taxes associated with the Plant Daniel adjustment reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Property Taxes is $870,377,000 (jurisdictional adjusted) for the 2026 projected test year and $910,154,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

ISSUE 79: What amount of Taxes Other Than Income Taxes should be approved:

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Taxes Other Than Income Taxes is $900,687,000 (jurisdictional adjusted) for the 2026 projected test year and $940,856,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

ISSUE 80: What amount of Production Tax Credits should be approved and what is the proper accounting treatment:

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

The appropriate amount of Solar PTCs is $359,749,642 (jurisdictional adjusted) for the 2026 projected test year and $413,046,567 (jurisdictional adjusted) for the 2027 projected test year. PTCs are recorded as a reduction in operating income tax expense and an increase in Accumulated Deferred Income Taxes. (Laney)

The appropriate amount of Hydrogen PTCs is $7,152,065 (jurisdictional adjusted) for the 2026 projected test year and $7,641,519 (jurisdictional adjusted) for the 2027 projected test year. Hydrogen PTCs are recorded as a reduction of Taxes Other Than Income Taxes and an increase in Intercompany Accounts Receivable. (Laney)

ISSUE 81: *Is it prudent for FPL to sell the ITCs to one or more third parties? If so, what is the appropriate discount rate associated with FPL's transfers of Investment Tax Credits and Production Tax Credits?*

ISSUE 82: What amount of the Investment Tax Credits, pursuant to the Inflation Reduction Act, should be approved and what is the proper accounting treatment:

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

The appropriate amount of ITCs is $563,833,359 (jurisdictional adjusted) for the 2026 projected test year and $350,110,997 (jurisdictional adjusted) for the 2027 projected test year. At the time they are generated, ITCs are recorded as a reduction in operating income tax expense and an increase in Accumulated Deferred Income Taxes. (Laney)

ISSUE 83: What amount of Income Tax expense should be approved:

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Income Tax expense is $19,308,000 (jurisdictional adjusted) for the 2026 projected test year and $29,110,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

ISSUE 84: What amount of Total Operating Expenses should be approved: (Fallout Issue)

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Total Operating Expenses is $5,310,528,000 (jurisdictional adjusted) for the 2026 projected test year and $5,677,039,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes, Laney)

ISSUE 85: What amount of Net Operating Income should be approved: (Fallout Issue)

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

As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Net Operating Income is $4,577,183,000 (jurisdictional adjusted) for the 2026 projected test year and $4,321,154,000 (jurisdictional adjusted) for the 2027 projected test year. (Fuentes)

REVENUE REQUIREMENTS

ISSUE 86: What revenue expansion factor and net operating income multiplier, including the appropriate elements and rates, should be approved:

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

The revenue expansion factor and net operating income multiplier for the 2026 and 2027 projected test years are 0.74563 and 1.34115, respectively. (Fuentes)

ISSUE 87: What amount of annual operating revenue increase or decrease should be approved: (Fallout Issue)

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

FPL is not proposing the Commission establish a base revenue increase higher than what is reflected in its petition: $1,544,780,000 for 2026 and $927,534,000 for 2027. However, as reflected on FPL witness Fuentes's Exhibit LF-12, the annual operating revenue increase is $1,550,550,000 for the 2026 projected test year and $931,503,000 for the 2027 projected test year. (Fuentes)

COST OF SERVICE AND RATE DESIGN ISSUES

ISSUE 88: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate:

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

Yes, the jurisdictional separation of costs and revenues between the wholesale and retail jurisdictions filed by FPL is appropriate. The separation factors filed by FPL were developed consistent with the Commission guidance in prior rate cases and the instructions provided in MFR E-1, as well as with the method used in the Company's surveillance reports. (DuBose)

ISSUE 89: What is the appropriate methodology to allocate production costs to the rate classes:

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

The appropriate method to allocate production costs to the rate classes is the 12CP and 25% method filed by FPL because: (1) it recognizes that FPL's generation portfolio has evolved, and the 25% energy allocation best reflects the addition of significant amounts of solar on the system; (2) the type of generation unit selected is influenced by both demand and energy use throughout the year, and these choices drive the level of total capital, operation, and maintenance costs; (3) it reflects the influence of the summer reserve margin criterion; and (4) it recognizes that capacity must be available throughout the year to meet FPL's winter reserve margin and Loss of Load Probability standard. (DuBose, Phillips)

ISSUE 90: What is the appropriate methodology to allocate transmission costs to the rate classes:

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

The appropriate method to allocate transmission plant-related costs to rate classes is the 12CP method filed by FPL. The transmission system is designed and built to provide capacity needs for all twelve months of the year and corresponds with FPL's methods for allocating costs to its wholesale production formula rate customers and wholesale transmission customers under FERC jurisdiction. (DuBose, Phillips)

ISSUE 91: What is the appropriate methodology to allocate distribution costs to the rate classes:

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

The appropriate method to allocate distribution plant costs is that filed by FPL. FPL's allocation method reflects FPL's distribution planning operations. Meters, pull-offs, and service drops are driven by the number of customers and therefore classified as customer-related. All other distribution plant is planned based on customer demand and is classified as demand-related. (DuBose, Phillips)

ISSUE 92: *What is the appropriate methodology to allocate other costs to the rate classes that are not addressed in Issues 89 through 91?*

ISSUE 93: How should any change in revenue requirement approved by the Commission be allocated to the customer classes:

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

The increase should be allocated as shown in MFR E-8. FPL followed Commission guidance and limited revenue increases to each class to no more than 150% of the system average increase in total revenue including clauses. The result is all classes are moved closer to parity to the greatest extent possible. (Cohen)

ISSUE 94: What are the appropriate service charges (initial connection, reconnection, connection of existing service, field visit, and temporary/construction service) (Sheet Nos. 4.020-4.030):

a. For the 2026 projected test year?

b. For the 2027 projected test year?

The appropriate service charges effective January 1, 2026, and January 1, 2027 are listed below. (Nichols, Cohen, De Varona)

	Effective Jan. 1, 2026	Effective Jan. 1, 2027
Initial Service Connect / Disconnect New Premise	$12.00	$13.00
Service Connect / Disconnect Existing Premise	$8.00	$9.00
Field Visit	$28.00	$28.00
Reconnect for Non-Payment	$4.00	$4.00
Late Payment	Greater of $5 or 1.5% applied to any past due unpaid balance of all accounts	Greater of $5 or 1.5% applied to any past due unpaid balance of all accounts
Return Payment	$25 if < or = $50; $30 if > $50 < or = $300; $40 if > $300 < or = $800; 5% if > $800	$25 if < or = $50; $30 if > $50 < or = $300; $40 if > $300 < or = $800; 5% if > $800
Unauthorized Use of Energy	Reimbursement of all incremental expenses	Reimbursement of all incremental expenses
Meter Tampering Charge (non-demand)	$500.00	$500.00
Meter Tampering Charge (demand)	$2,500.00	$2,500.00
Temporary Service-Overhead Charge	$626.89	$640.05
Temporary Service-Underground Charge	$501.71	$512.25
Service Appointment for Customer Installations	N/A	$471.91

ISSUE 95: What are the appropriate base charges: (Fallout Issue)

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

The appropriate base charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

ISSUE 96: What are the appropriate demand charges: (Fallout Issue)

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

The appropriate demand charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

ISSUE 97: What are the appropriate energy charges: (Fallout Issue)

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

The appropriate energy charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

ISSUE 98: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Sheet Nos. 8.750-8.765): (Fallout Issue)

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

The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

ISSUE 99: What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Sheet Nos. 8.650-8.659): (Fallout Issue)

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

The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Whitley, Cohen)

ISSUE 100: What is the appropriate credit and monthly administrative fee for the Commercial/Industrial Demand Reduction (CDR) Rider rate schedule (Sheet Nos. 8.680-8.685):

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

The appropriate monthly credit for the Commercial/ Industrial Demand Reduction (CDR) Rider rate schedule for the 2026 and 2027 projected test years is $6.22/kW. (Whitley)

ISSUE 101: What are the appropriate Lighting Service rate schedule charges: (Fallout Issue) (Cohen)

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

The appropriate charges are those shown in the 2026 projected test year and 2027 projected test year MFR A-3. (Cohen)

ISSUE 102: What is the appropriate minimum monthly bill for Residential Service and General Service Non-Demand?

The appropriate minimum monthly bill for Residential Service and General Service Non-Demand is $30. (Cohen)

ISSUE 103: Should the Commission approve the proposed tariff modifications for temporarily relocating facilities to accommodate existing customers' electrical installations and the associated disconnection and reconnection of service to enable such installations (Tariff Sheet No. 6.031, Section 4.7 and Tariff Sheet No. 6.040, Section 5.3)?

Yes. The Commission should approve the proposed tariff modifications for temporarily relocating facilities to accommodate existing customers' electrical installations and the associated disconnection and reconnection of service to enable such installations. (De Varona, Cohen)

ISSUE 104: Should the Commission approve, deny, or approve with modifications the proposed modification to the Contribution-in-Aid-of-Construction (CIAC) tariff (Sheet No. 6.199)?

The Commission should approve, as proposed by FPL, the modification to the Contribution-in-Aid-of-Construction (CIAC) tariff (Sheet No. 6.199).

a. Should the modifications apply only to nongovernmental Applicants?

Yes. The proposed CIAC tariff modification is applicable only to non-governmental applicants given the complexities and limitations that governmental entities may have with funding CIAC obligations. Additionally, governmental entities carry less financial risk to FPL's general body of customers by virtue of having a taxpayer base to support their financing needs. (Cohen, De Varona)

b. Should an Applicant be required to pay 100 percent of the upfront cost if an Applicant has a total load of 15 MW or more, or requires new or upgraded facilities with a total estimated cost of $25 million or more?

Yes. Any customer, whether existing or new, that is adding net new incremental load of 15 MW or more 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 provision 11.1.1(c) in the CIAC tariff to better protect the general body of customers from the risks associated with these costly new or upgraded facilities. (Cohen, De Varona)

c. What interest rate, if any, should FPL be required to pay on a refundable CIAC?

FPL will provide the customer with interest along with the monthly refunds for the amount that is equal to the total estimated work order job cost less the required CIAC amount. The interest will be based on the current balance of the customers' refund at the annual rate of 3%, which is consistent with the non-residential customer deposit rate defined in Rule 25-6.097, Customer Deposits. Interest would be paid monthly as a bill credit starting with the in-service date of the new or upgraded facilities for a period not to exceed five years, which is consistent with FPL's proposed refund period for monthly base energy and demand charges. (Cohen, De Varona)

ISSUE 105: Should the Commission approve, deny, or approve with modifications the proposed new Large Load Contract Service tariffs, LLCS-1 and LLCS-2 (Sheet Nos. 8.950-8.956) and LLCS Service Agreement (Sheet Nos. 9.960-9.983) and associated terms and conditions (e.g., minimum MW demand and load factor, contract term, minimum demand charge payments, credit support, early termination fees)?

The Commission should approve the proposed new Large Load Contract Service ("LLCS") tariffs, LLCS-1 and LLCS-2, as revised per Exhibit TCC-9, and the LLCS Service Agreement and associated terms and conditions, for customers with new or incremental demand of 50 MW or more and a load factor of 85% or higher. In order to serve customers of this magnitude, FPL will need to make significant investments in new generation and transmission capacity that is not needed to serve the existing general body of customers. (Whitley, Cohen, De Varona)

ISSUE 106: *Should the LLCS tariffs contain an Incremental Generation Charge? If yes, how should the Incremental Generation Charges for the LLCS-1 and LLCS-2 tariffs be derived and how often should they be updated?*

ISSUE 107: *Has FPL adequately insulated the general body of retail customers and the citizens of Florida from the impacts of any data center or other "hyperscaler" customers? If not, what measures should the Commission require FPL to undertake?*

ISSUE 108: *Should existing FPL customers that meet the size and load factor criteria after the LLCS effective date due to load additions or process improvements be grandfathered, and thus not be subject to the LLCS rate schedules?*

ISSUE 109: *Should the Commission order FPL to file a limited rate case proceeding in 2027 to recognize the revenues and costs to serve new Large Load Contract Service customers that have committed to take service from FPL in 2028 and 2029?*

ISSUE 110: Should the Commission approve, deny, or approve with modifications the proposed new Residential Electric Vehicle Charging Service Rider, RS-2EV (Sheet No. 8.215) and associated service agreement (Sheet Nos. 9.846-9.848) and close the existing Residential Electric Vehicle Charging Service pilot program, RS-1EV (Sheet No. 8.213) to new customers?

Yes. The Commission should approve the proposed new Residential Electric Vehicle Charging Service Rider, RS-2EV (Sheet No. 8.215) and associated service agreement (Sheet Nos. 9.846-9.848) and close the existing Residential Electric Vehicle Charging Service pilot program, RS-1EV (Sheet No. 8.213) to new customers as filed in MFR E-14 as of end of 2025, as well as approve the update to the current RS-1EV EV Home pricing for existing customers through 2029. (Oliver, Cohen)

ISSUE 111: Should the Commission approve, deny, or approve with modifications FPL's proposal to make the following riders or pilot programs permanent: Supplemental Power Services (Sheet No. 8.845), Solar Power Facilities (Sheet Nos. 8.939-8.940), Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943), Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106), Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), and Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936)?

The Commission should approve FPL's proposal to make the following riders or pilot programs permanent: Supplemental Power Services (Sheet No. 8.845), Solar Power Facilities (Sheet Nos. 8.939-8.940), Commercial Electric Vehicle Charging Services (Sheet Nos. 8.942-8.943), Electric Vehicle Charging Infrastructure Rider to GSD-1EV (Sheet No. 8.106), Electric Vehicle Charging Infrastructure Rider to GSLD-1EV (Sheet No. 8.311), and Utility-owned Public Charging Electric Vehicles (Sheet No. 8.936). (Oliver, Cohen)

ISSUE 112: Should FPL's proposal regarding investing in EV technology and software be approved, approved with modifications, or rejected?

Yes. The Commission should approve FPL's continuing efforts to invest in EV technology and software. This investment will provide benefits to all FPL customers by ensuring the Company best understands the impact of EV loads on the grid through utilizing vehicle telematics, enhancing the FPL EVolution app, and exploring the benefits of enhanced security and reliability to the charging network. (Oliver)

ISSUE 113: Should the Commission approve the proposed cancellation of the following tariffs currently closed to new customers? Curtailable Service (CS-3, CST-3) (Sheet Nos. 8.542-8.548); Existing Facility Economic Development Rider (Sheet No. 8.900); Business Incentive Rider (Sheet Nos. 8.901-8.904)?

Yes. The Commission should approve the cancellation of the following tariffs currently closed to new customers: Curtailable Service (CS-3, CST-3) (Sheet Nos. 8.542-8.548); Existing Facility Economic Development Rider (Sheet No. 8.900); Business Incentive Rider (Sheet Nos. 8.901-8.904) as there are no customers on any of these rate schedules. (Cohen)

ISSUE 114: Should the Commission approve the proposal to close the Street Lighting (SL-1), Outdoor Service (OS-I/II), Outdoor Lighting (OL-1) to new customers and to cancel the tariffs by December 31, 2029?

Yes. The Commission should approve the proposal to close the Street Lighting (SL-1), Outdoor Service (OS-I/II), Outdoor Lighting (OL-1) to new customers and to cancel the tariffs by December 31, 2029. (Cohen)

ISSUE 115: Should the Commission approve the proposed modifications to the Economic Development Rider (Sheet Nos. 8.800-8.801) and Large Economic Development Rider (Sheet Nos. 8.802-8.802.1)?

Yes, the Commission should approve the proposed modifications to the Economic Development Rider (Sheet Nos. 8.800-8.801) and Large Economic Development Rider (Sheet Nos. 8.802-8.802.1). (Cohen)

ISSUE 116: Should the Commission approve tariffs reflecting Commission-approved rates and charges:

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

Yes. The Commission should approve tariffs reflecting the Commission's approved rates and charges effective January 1, 2026 and January 1, 2027. (Cohen)

ISSUE 117: What are the effective dates of the Commission-approved rates and charges:

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

The effective dates for FPL's proposed rates and charges are as follows:

- Projected Test Year: January 1, 2026
- Projected Test Year: January 1, 2027
- 2028 and 2029 SoBRA: concurrent with the in-service date of the projects

(Laney, Cohen)

OTHER ISSUES

ISSUE 118: Should the Commission approve, deny, or approve with modification FPL's requested Tax Adjustment Mechanism (TAM)? If the Commission approves the TAM with modifications, what modifications should be made?

The Commission should approve, without modification, FPL's requested TAM. The TAM is an essential element of the proposed four-year rate plan. Similar non-cash mechanisms have been used effectively by FPL for many years. The TAM enables FPL to avoid filing for additional rate increases to be effective in 2028 and 2029, thereby allowing customers to avoid general rate increases in those years and allowing FPL to focus on finding ways to improve its efficiency and the value it provides to customers. (Bores, Laney)

ISSUE 119: *With respect to costs that are recovered in base rates, is FPL prudently operating its nuclear fleet in Florida? If not, what action should the Commission take?*

ISSUE 120: *With respect to costs that are recovered in base rates, is FPL prudently operating its in-ground cooling systems? If not, what action should the Commission take?*

ISSUE 121: Should the Commission approve, deny, or approve with modification FPL's requested Solar Base Rate Adjustment mechanisms in 2028 and 2029? If the Commission approves the Solar Rate base Adjustment mechanisms in 2028 and 2029 with modifications, what modifications should be made?

Yes. Approval of the SoBRA mechanism will permit FPL to petition to adjust base rates to recover the cost of new cost-effective solar and battery storage facilities that enter commercial operation in 2028 and 2029. The SoBRA process is transparent, requires FPL to demonstrate a resource or economic need for the facilities, and will be based on updated analyses. The SoBRA mechanism is a core element of FPL's four-year rate plan and should be approved as set forth in SRB-7. (Bores, Laney)

ISSUE 122: *Should the Commission require FPL to adopt a "make-ready" program for third-party electric vehicle charging stations, and if so under what terms?*

ISSUE 123: Should the Commission approve, deny, or approve with modifications FPL's proposed Storm Cost Recovery mechanism? If approved or modified, should FPL's requested storm surcharge cap increase from $4 to $5 be approved?

Yes. The Commission should approve, without modification, FPL's proposed Storm Cost Recovery mechanism as set forth in Exhibit SRB-5. FPL's requested storm surcharge cap increase from $4 to $5 should be approved. FPL proposes to continue to have access to the storm cost recovery framework prescribed by previous Rate Settlements since 2010. (Bores)

ISSUE 124: *What storm damage reserve amount should be approved, if any?*

ISSUE 125: How should the Commission proceed, regarding Issues 18, 19, 30, 34, 70, 71, 92, 101, and 109 if there are changes to the Inflation Reduction Act (IRA) regarding investment tax credits (ITCs) and production tax credits (PTCs) during the pendency of this docket? (Bores, Laney)

The Investment Tax Credits and Production Tax credits FPL has accounted for in its forecast have not been impacted by newly enacted tax legislation.

ISSUE 126: Should the Commission approve, deny, or approve with modification FPL's proposed mechanism for addressing a change in tax law? If the Commission approves the proposed mechanism for addressing a change in tax law with modifications, what modifications should be made?

The Commission should approve, without modification, FPL's proposed mechanism for addressing a change in tax law. FPL proposes a mechanism that will allow FPL to adjust base rates in the event tax laws change during or after the conclusion of this proceeding. Following enactment, FPL would calculate the impact of the change in tax law by comparing revenue requirements with and without the change, and submit the calculation of the rate adjustment needed to ensure rates reflect the new law. (Bores)

ISSUE 127: How should the Commission consider FPL's performance pursuant to Sections 366.80-83 and 403.519, Florida Statutes, when establishing rates?

The Commission should consider FPL's performance adequate. FPL has demonstrated a commitment to meet its DSM goals. It has overachieved with respect to some metrics, and on an overall basis has achieved more than 90% of the Commission-approved energy efficiency goals over the 2021-2024 period. (Nichols)

ISSUE 127: *Can the Commission enforce FPL's commitment not to request any other permanent general base rate increases effective prior to January 1, 2030, as proposed in FPL's four-year plan?*

ISSUE 128: What considerations should the Commission give the affordability of customer bills and how does FPL's rate increase impact ratepayers in this proceeding?

This Commission can consider the "affordability" of bills in this proceeding, but it may do so only within the confines of its "fair, just, and reasonable" rates standard in Section 366.06(1), F.S. Furthermore, pursuant to Section 366.041(1), F.S., the Commission has the discretion to consider the "efficiency, sufficiency, and adequacy of the facilities provided and the services rendered," the ability of the utility to improve service and facilities, energy conservation, and the efficient use of alternative energy resources. In order to effectuate a determination of fair, just, and reasonable, the Commission could consider a number of factors, including: whether proposed projects are needed to provide adequate and reliable service; whether costs are reasonable and prudent; whether projects will be used and useful in the time rates are charged; whether operations and planning are cost-effective; activities contribute to the security and reliability of Florida's energy grid; utility's FEECA performance; whether the rate of return is reasonable in light of legal standards and the evidence presented; the cost of providing service to the rate class; and value of service.

FPL's typical residential bill is 32 percent below the national average. Additionally, FPL's bill is lowest among the largest twenty utilities as ranked by number of customers and 36% below that average. Assuming other utilities experience bill increases at only their historical rates of increase, typical residential bills for customers would remain 25 percent below the projected national average. Even with the proposed increases, FPL's bills will remain significantly below the national average and below many other Florida electric utilities. In addition, FPL's proposed rates are affordable when evaluated against historical trends, regional and national benchmarks, and customer income data. (Bores, Reed, Powers, Cohen, Pimentel)

ISSUE 129: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

FPL has no objection to making such a filing. (Fuentes)

ISSUE 130: Should this docket be closed?

Yes.

CONTESTED ISSUES

V. ISSUES TO WHICH THE PARTIES HAVE STIPULATED

No issues have been stipulated at this time.

VI. PENDING MOTIONS

FPL has no pending motions.

VII. PENDING CONFIDENTIAL REQUESTS

The following Requests for Confidential Classification are pending:

1. FPL's Request for Confidential Classification of certain information provided in MFRs C-26, C-28 and D-2, filed February 28, 2025.

2. FPL's Request for Confidential Classification of certain information provided in responses to OPC's First Set of Interrogatories, Nos. 44 and 61, and First Request for Production of Documents, No. 49, filed March 14, 2025.

3. FPL's Request for Confidential Classification of certain information provided in responses to OPC's First Set of Interrogatories, Nos. 6 and 60, and First Request for Production of Documents, Nos. 20, 27 and 31, filed March 3, 2025.

4. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Fourth Set of Interrogatories, No. 112, filed April 3, 2025.

5. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Seventh Request for Production of Documents, Nos. 82 and 97, filed April 7, 2025.

6. FPL's Request for Confidential Classification of certain information provided in responses to OPC's Sixth Set of Interrogatories, No. 153, and Sixth Request for Production of Documents, Nos. 67-71, filed April 14, 2025.

7. FPL’s Request for Confidential Classification of certain information provided in corrected response to OPC’s 1st set of interrogatories, No. 43, filed April 25, 2025.

8. FPL’s Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL’s 3rd set of interrogatories, No. 66 and 3rd request for Production of Documents, Nos. 48 and 51, filed April 28, 2025.

9. FPL’s Request for Confidential Classification of certain information provided in responses to OPC’s Eleventh Set of Interrogatories, No. 316, filed April 29, 2025.

10. FPL’s Request for Confidential Classification of certain information provided in supplemental response to OPC’s 1st request for Production of Documents, No. 15, filed April 29, 2025.

11. FPL’s Request for Confidential Classification of certain information provided in supplemental response to OPC’s 13th Request for Production of Documents, No. 133, filed May 5, 2025.

12. FPL’s Request for Confidential Classification of certain information provided in supplemental response to Florida Retail Federation’s 1st Request for Production of Documents, No. 1, filed May 7, 2025.

13. FPL’s Request for Confidential Classification of certain information provided in response to FL Rising, LULAC, and ECOSWF’s 4th Request for Production of Documents No. 54, filed May 8, 2025.

14. FPL’s Request for Confidential Classification of certain information provided in supplemental response to OPC’s 14th Request for Production of Documents, No. 135, filed May 13, 2025.

15. FPL’s Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL’s 5th Set of Interrogatories, No. 74 and 5th Request for Production of Documents, Nos. 59 and 60, filed May 19, 2025.

16. FPL’s Request for Confidential Classification of certain information provided in supplemental response to OPC’s 15th Set of Interrogatories, No. 345, filed May 19, 2025.

17. FPL’s Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL’s 6th Set of Interrogatories, No. 78 and 6th Request for Production of Documents, No.61, filed May 22, 2025.

18. FPL’s Request for Confidential Classification of certain information provided in supplemental response to OPC’s 1st Request for Production of Documents, No. 27, filed May 28, 2025.

19. FPL’s Request for Confidential Classification of certain information provided in its corrected response to FL Rising, LULAC and ECOSWFL’s 5th Request for Production of Documents, No.60, filed May 29, 2025.

20. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 8th Request for Production of Documents, No.69, filed May 29, 2025.

21. FPL's Request for Confidential Classification of certain information provided in response to Federal Executive Agencies 5th Request for Production of Documents, Nos. 34-36, filed June 3, 2025.

22. FPL's Request for Confidential Classification of certain information provided in supplemental response to OPC's 17th Request for Production of Documents, No. 142, filed June 5, 2025.

23. FPL's Request for Confidential Classification of certain information provided in response to OPC's 14th Set of Interrogatories, No. 267, filed June 12, 2025.

24. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of OPC witness James R. Dauphinais; filed June 17, 2025.

25. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of FEIA witness Mohamed Ahmed, Ph.D.; filed June 17, 2025.

26. FPL's Request for Confidential Classification of certain information contained in Exhibit JRD-9 to the testimony of FIPUG witness Jonathan Ly; filed June 17, 2025.

27. FPL's Request for Confidential Classification of certain information provided in response to Staff's 12th Request for Production of Documents, No. 60, filed June 19, 2025.

28. FPL's Request for Confidential Classification of certain materials provided pursuant to Audit Control No. 2025-062-1-1, filed June 20, 2025.

29. FPL's Request for Confidential Classification of certain information provided in response to FL Rising, LULAC and ECOSWFL's 10th Request for Production of Documents, No.82, filed June 25, 2025.

VIII. OBJECTIONS TO WITNESSES' QUALIFICATIONS AS AN EXPERT

At this time, FPL has no objections to any witness qualifications as an expert.

IX. SEQUESTRATION OF WITNESSES

FPL does not request that the witnesses in this proceeding be sequestered.

X. REQUIREMENTS OF THE PREHEARING ORDER THAT CANNOT BE MET

At this time, FPL is not aware of any requirements in the Order Establishing Procedure with which it cannot comply.

Respectfully submitted this 18th day of July 2025.

By: *s/ Maria Jose Moncada*

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CERTIFICATE OF SERVICE
Docket 20250011-EI

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 18th day of July 2025:

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