BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power & Light Company	)))	DOCKET NO. 20250011-EI

FLORIDA RISING'S, LEAGUE OF UNITED LATIN AMERICAN CITIZENS', & ENVIRONMENTAL CONFEDERATION OF SOUTHWEST FLORIDA'S PREHEARING STATEMENT

Florida Rising, Inc., LULAC Florida, Inc. better known as League of United Latin American Citizens of Florida ("LULAC"), and Environmental Confederation of Southwest Florida, Inc. ("ECOSWF"), (collectively, "FEL"), by and through their undersigned counsel, and pursuant to Order No. PSC-2025-0075-PCO-EI hereby submit their Prehearing Statement:

I. Witnesses

All Known Witnesses:

Florida Rising, LULAC & ECOSWF Direct Witnesses:	Subject Matter:	Issue Nos:
Karl Rábago	Forecasting, Cost of Service, Rate Base, Capital Cost, ROE, Generation, LLCS Tariffs, TAM, SoBRA, Affordability	10, 23, 25-27, 41, 48-50, 82, 89-93, 105-108, 111, 118, 121, 128
MacKenzie Marcelin	Affordability, Energy Efficiency, Interruptible Credits, FL Rising standing, FPL performance and quality of service	1.c, 12, 99-100, 102, 127-128
Becky Ayech	ECOSWF standing, FPL performance/quality of service	1.b, 12
Mari Corugedo	LULAC standing, FPL performance/quality of service	1.a, 12

All witnesses listed or presented by any other party or intervenor

Impeachment and rebuttal witnesses as needed

Any witnesses revealed during continuing discovery or other investigation

Authentication witnesses or witnesses necessary to lay a predicate for the admissibility of evidence as needed

Standing witnesses as needed

II. Pre-filed Exhibits

Florida Rising, LULAC, and ECOSWF will sponsor the direct exhibits as set out below. However, Florida Rising, LULAC, and ECOSWF reserve the right to use other exhibits during cross examination of any other party's or intervenor's witnesses.

Witness	Proffered by	Exhibit No.	Description	Issue Nos.
Karl Rábago	Florida Rising, LULAC, & ECOSWF	KRR-1	Karl R. Rábago Resume	
Karl Rábago	Florida Rising, LULAC, & ECOSWF	KRR-2	Prior Testimony by Karl R. Rábago	
Karl Rábago	Florida Rising, LULAC, & ECOSWF	KRR-3	NCLC Utility Rate Design - FL	128
Karl Rábago	Florida Rising, LULAC, & ECOSWF	KRR-4	MFR No. E-1 2026 KRR COS	89-93
Karl Rábago	Florida Rising, LULAC, & ECOSWF	KRR-5	Extracting Profits from the Public	105-107
MacKenzie Marcelin	Florida Rising, LULAC, & ECOSWF	MM-1	MacKenzie Marcelin Resume	
MacKenzie Marcelin	Florida Rising, LULAC, & ECOSWF	MM-2	MM - Calculations	127
MacKenzie Marcelin	Florida Rising, LULAC, & ECOSWF	MM-3	FPL's Answers to FEL's First RFA	128
MacKenzie Marcelin	Florida Rising, LULAC, & ECOSWF	MM-4	NextEra Energy, Inc. – Climate Change 2023	12
MacKenzie Marcelin	Florida Rising, LULAC, & ECOSWF	MM-5	NextEra Energy, Inc. Sustainability Report 2024	12

Becky Ayech	Florida Rising, LULAC, & ECOSWF	BA-1	ECOSWF Articles of Incorporation	1

All exhibits listed or introduced into evidence by any other party or intervenor

Standing documents as needed

Impeachment exhibits

Rebuttal exhibits

Exhibits determined necessary by ongoing discovery

All depositions, transcripts, and exhibits attached to depositions

All documents produced in discovery

Blow-ups or reproductions of any exhibit

Demonstrative exhibits

All pleadings, orders, interrogatory answers, or other filings

All documents or data needed to demonstrate the admissibility of exhibits or expert opinion

Maps and summary exhibits

III. Statement of Basic Position

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

FPL's customers already pay some of the highest electricity bills in the nation, pushing many of their customers, including FEL's members, to the breaking point. Although the Florida Public Service Commission ("PSC") cannot control the price of rent, health care, or insurance, it can significantly impact the price and affordability of electricity for more than half of all Floridians by holding FPL accountable to rates that are fair, just, and reasonable, and ensuring that FPL meets its burden to show that all expenses and planned capital expenditures are prudent and reasonable. FEL believes FPL cannot meet this burden. FPL appears to be rushing 522 MW of batteries into service in Northwest Florida this year in order to sell all of the associated investment tax credits ("ITCs") as a gift to their shareholders. Consequently, in the first test year in 2026, and for the entire remaining life of the batteries, it will be as if those roughly $125 million of ITCs never existed from a ratepayer perspective. Remarkably, not only does FPL propose to commandeer the total value of those ITCs, but to do so while still bound to the base rate freeze of its 2021 settlement agreement—the capital expense plan for which does not authorize the 2025 batteries. FPL's end-of-the-year ITC grab results in a nearly instant revenue cliff at the beginning of 2026, which FPL artfully masks by rushing even more batteries into service in the test year and immediately selling off the associated ITCs to artificially suppress the revenue impact of the 2025 additions. Rinse and repeat for each successive wave of batteries in

FPL's case, taking all ITCs in the first year to hide the "flipback" of the previous year's batteries (which, having exhausted their own ITCs the year before are now in a revenue impact hangover in their second year and beyond). Meanwhile the sum total "support" for the nearly 4 GW of batteries FPL is throwing at rate base is a consultant-generated capacity analysis based on a stochastic loss of load probability methodology ("SLOLP").

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

To be clear, FEL do not believe the SLOLP results and believe they have been skewed with various inputs and outputs, including unrealistically high loads, unrealistic solar production, unrealistic maintenance schedules, and unrealistic forced outage rates. FEL doesn't think FPL believes them either—if FPL really believed these results, shouldn't FPL be rushing to secure power purchase agreements and emergency generation onto its system right now for 2026?

Instead, FPL's reaction to the results was to make zero changes to its generation plan – apparently, the results confirmed and provided exactly what FPL was looking for and no additional analysis was needed nor desired.

Without the SLOLP, support for the 2026-2029 batteries in FPL's plan would largely evaporate. Moreover, FPL's own analysis shows it would be more economic to continue solar investments, and that based on FPL's longstanding methodology of traditional reliability indicators, FPL's system would remain highly reliable, with an essentially infinitesimal loss of load probability ("LOLP"). But that traditional analysis fails to deliver the results FPL is after in this case. Instead, FPL seeks to add roughly $5 billion to its rate base every year, roughly one third the size of FPL's rate base in 2010. In other words, FPL is now building the FPL of 2010 approximately every three years, from the ground up, and its customers are paying for it. To be clear, FPL's customer count is not increasing by a rate even remotely approximating one-third of its 2010 population per year, as both its historic and forecast customer growth show.

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

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

IV. Statement of Issues and Positions

As discovery is ongoing and the evidentiary hearing has not yet occurred, all positions are initial positions that are subject to change based on the evidence produced during discovery. Additionally, positions are subject to change based on the evidence adduced at hearing.

**Italicized issues indicate an issue considered contested.*

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
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.

POSITION:

a. Yes.

b. Yes.

c. Yes.

d. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

e. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

f. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

g. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

h. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

i. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

j. Yes.

k. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

l. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

m. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

n. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

o. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

p. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

q. Pursuant to the order granting intervention, it is the intervenor's burden to establish at hearing the evidence necessary to show standing.

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

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

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

POSITION: Not as currently proposed.

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

POSITION: Not as currently proposed.

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

POSITION: Not as currently proposed.

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:***

a. SC 2021-0303 – LULAC Florida Educational Fund, Inc. v. Gary F. Clark, etc., et al?
b. SC2023-0988 – Citizens of the State of Florida, etc., v. Florida Public Service Commission (and consolidated SC2023-1433 – Citizens of the State of Florida, etc. v. Florida Public Service Commission)?
c. SC2024-0485 – Florida Rising, Inc. et al. v. Florida Public Service Commission, et al.?
d. SC2025-0289 – LULAC Florida, Inc. et al. v. Florida Public Service Commission, et al. (and consolidated SC2025-0300 – Citizens of the State of Florida, etc. v. Florida Public Service Commission, et al.)?

POSITION: While the Supreme Court recently issued orders in two of these pending cases, the other remain undecided at this time. FEL is unable to take an complete position until the other cases decisions are released.

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?**

POSITION: No.

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

a. For the 12 months ending December 31, 2026?
b. For the 12 months ending December 31, 2027?

POSITION:

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

b. No.

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

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

<u>ISSUE 10</u>: **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?

POSITION:

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

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

<u>ISSUE 11</u>: **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?

POSITION:

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

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

QUALITY OF SERVICE

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

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

DEPRECIATION AND DISMANTLEMENT STUDIES

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

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

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?

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

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

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

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

POSITION: No.

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

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

<u>ISSUE 18</u>: What corrective dismantlement reserve measures should be approved, if any?

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

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

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

<u>RATE BASE</u>

<u>ISSUE 20</u>: 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?

POSITION: It is FPL's burden to prove at hearing that it has made all of the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation, and Working Capital.

<u>ISSUE 21</u>: 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?

POSITION: It is FPL's burden to prove at hearing that its proposal to move certain costs from base rates to the Storm Protection Plan Cost Recovery Clause should be approved.

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

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

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

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

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

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

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

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

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?

POSITION:

a. Yes, as long as the projects are economic.

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

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?

POSITION:

a. No, without the SLOLP, there is no indicated reliability need for these projects.

b. No, without the SLOLP, there is no indicated reliability need for these projects.

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?

POSITION:

a. No, the expense is excessive.

b. No, the expense is excessive.

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

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

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

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

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?

POSITION: It is FPL's burden at hearing to show that its proposed amount of Net Nuclear Fuel should be approved.

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?

POSITION:

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

b. The CPVRR of this project is predicated upon renewable natural gas prices. The approval of this project should be contingent on the continuation, and the validity, of the credit and credit levels.

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

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

POSITION:

a. No, the proposed transmission plant additions are excessive.

b. No, the proposed transmission plant additions are excessive.

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

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

POSITION:

a. No, the distribution plant additions are excessive.

b. No, the distribution plant additions are excessive.

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

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

POSITION:

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

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

<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?***

POSITION: Adopt OPC position.

<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?

POSITION:

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

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

<u>ISSUE 38</u>: **What amount of Construction Work in Progress should be approved:**

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

POSITION:

a. $0.

b. $0.

<u>ISSUE 39</u>: **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?

POSITION:

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

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

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

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

POSITION:

a. $0.

b. $0.

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?

POSITION:

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

b. This is largely a fallout issue and should reflect the adjustments noted above.

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?

POSITION:

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

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

<u>ISSUE 43:</u> **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?

POSITION:

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

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

<u>ISSUE 44</u>: **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?

POSITION:

a. $946,199,000, at 3.80% cost rate.

b. $1,097,006,000 at 3.79% cost rate.

<u>ISSUE 45</u>: **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?

POSITION:

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

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

<u>ISSUE 46</u>: 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?

POSITION:

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

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

<u>ISSUE 47</u>: 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?

POSITION: Adopt OPC position.

<u>ISSUE 48</u>: 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?

POSITION:

a. 50.52% equity to 49.48% debt.

b. 50.52% equity to 49.48% debt.

<u>ISSUE 49</u>: 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?

POSITION:

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

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

<u>ISSUE 50</u>: 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?

POSITION:

a. This is a fallout issue, but the weighted average cost of capital should not exceed

6.14%.

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

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?

POSITION:

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

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

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?

POSITION:

a. Other operating revenues should be adjusted to remove the minimum bill for residential customers.

b. Other operating revenues should be adjusted to remove the minimum bill for residential customers.

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?

POSITION:

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

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

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?

POSITION:

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

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

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?

POSITION:

a. It is FPL's burden to prove at hearing that its proposed transmission O&M expense is reasonable and prudent.

b. It is FPL's burden to prove at hearing that its proposed transmission O&M expense is reasonable and prudent.

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?

POSITION:

a. It is FPL's burden to prove at hearing that its proposed distribution O&M expense is reasonable and prudent.

b. It is FPL's burden to prove at hearing that its proposed distribution O&M expense is reasonable and prudent.

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?**

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

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?

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.

b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.

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?

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

<u>ISSUE 60</u>: 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?

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

<u>ISSUE 61</u>: 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?**

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.
b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

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?**

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause.
b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all storm hardening revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause.

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?

POSITION:

a. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all non-utility activities from operating revenues and operating expenses.

b. It is FPL's burden to prove at hearing that it has made the appropriate test year adjustments to remove all non-utility activities from operating revenues and operating expenses.

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

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

POSITION:

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

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

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

a. For the 2026 projected test year?

b. For the 2027 projected test year?

POSITION:

a. Salaries and benefits for top paid and executive positions are excessive and should be reduced.

b. Salaries and benefits for top paid and executive positions are excessive and should be reduced.

<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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<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?

POSITION:

a. Yes, should not be allowed to be charged to ratepayers and should be disapproved.

b. Yes, should not be allowed to be charged to ratepayers and should be disapproved.

<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?

POSITION:

a. $0.

b. $0.

<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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<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?

POSITION:

a. Yes, Injuries and Damages expense should be reduced per testimony of OPC witnesses.

b. Yes, Injuries and Damages expense should be reduced per testimony of OPC witnesses.

<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?

POSITION:

a. $0, as this rate case was not necessary and was only for shareholders, so ratepayers should not be required to reimburse these expenses.

b. $0, as this rate case was not necessary and was only for shareholders, so ratepayers should not be required to reimburse these expenses.

<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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<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?

POSITION:

a. This is largely a fallout issue and should reflect the adjustments above.

b. This is largely a fallout issue and should reflect the adjustments above.

<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?

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

<u>ISSUE 77</u>: 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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<u>ISSUE 78</u>: What amount of Property Taxes should be approved:

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

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<u>ISSUE 79</u>: **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?

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<u>ISSUE 80</u>: **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?

POSITION:

a. The projected PTCs should be used each year that they are generated to lower the revenue requirement by lowering FPL's tax burden, and should not be sold or transferred at any discount. Under FPL's as-filed plan, usage of the ITCs and PTCs would exceed FPL's 75% cap for tax credits as a percent of total tax burden. Because the Commission should reject FPL's proposed batteries, and in any case it does authorize any battery additions, should mandate normalization of associated ITCs, FPL should have no reason to sell off PTCs.

b. The projected PTCs should be used each year that they are generated to lower the revenue requirement by lowering FPL's tax burden, and should not be sold or transferred at any discount. Under FPL's as-filed plan, usage of the ITCs and PTCs would exceed FPL's 75% cap for tax credits as a percent of total tax burden. Because the Commission should reject FPL's proposed batteries, and in any case it does authorize any battery additions, should mandate normalization of associated ITCs, FPL should have no reason to sell off PTCs.

<u>ISSUE 81</u>: ***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?***

POSITION: No. FPL should not sell the ITCs to one or more third parties that cause ratepayers to lose that value.

<u>ISSUE 82</u>: **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?

POSITION:

a. The total amount of ITCs should be adjusted downward to reflect the disapproval of several of the battery projects, and any remaining ITCs should be amortized over life of the battery.

b. The total amount of ITCs should be adjusted downward to reflect the disapproval of several of the battery projects, and any remaining ITCs should be amortized over life of the battery.

<u>ISSUE 83</u>: **What amount of Income Tax expense should be approved:**

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

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<u>ISSUE 84</u>: 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?

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

<u>ISSUE 85</u>: 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?

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

<u>REVENUE REQUIREMENTS</u>

<u>ISSUE 86</u>: 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?**

POSITION:

a. Adopt OPC position.

b. Adopt OPC position.

<u>ISSUE 87</u>: 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?

POSITION:

a. A revenue decrease, as proposed by OPC witness Schultz, but further decreased to reflect the disapproval of the proposed battery projects and other disallowances, should be approved.

b. $0. If FPL wishes to increase rates in 2027, it should refile a case closer in time.

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?

POSITION:

a. No position.

b. No position.

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?

POSITION:

a. 12CP and an allocator assigning nuclear and solar to energy and other production plant to capacity, although FPL's 12CP and 25% AD methodology is a well-supported compromise.

b. 12CP and an allocator assigning nuclear and solar to energy and other production plant to capacity, although FPL's 12CP and 25% AD methodology is a well-supported compromise.

<u>ISSUE 90</u>: **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?

POSITION:

a. 12CP

b. 12CP

<u>ISSUE 91</u>: **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?

POSITION:

a. As proposed by FPL.

b. As proposed by FPL.

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

POSITION:

a. Some of the O&M and general plant allocators should be assigning additional costs on an energy basis, although FPL's proposed methodology is a well-supported compromise.

b. Some of the O&M and general plant allocators should be assigning additional costs on an energy basis, although FPL's proposed methodology is a well-supported compromise.

<u>ISSUE 93</u>: **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?

POSITION:

a. As indicated by the cost of service methodology, without modifications based on gradualism.

b. As indicated by the cost of service methodology, without modifications based on gradualism.

<u>ISSUE 94</u>: 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?

POSITION:

a. As proposed by FPL, although reconnection of existing service fees should be eliminated for those that were disconnected for nonpayment.

b. As proposed by FPL, although reconnection of existing service fees should be eliminated for those that were disconnected for nonpayment.

<u>ISSUE 95</u>: What are the appropriate base charges: (Fallout Issue)

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

POSITION:

a. The customer charge for residential customers as proposed by FPL is appropriate, but no minimum bill should be approved.

b. The customer charge for residential customers as proposed by FPL is appropriate, but no minimum bill should be approved.

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

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

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

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

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

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

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?

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

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?

POSITION:

a. This is a fallout issue and should reflect the adjustments above, except for the credit built into the rate schedule, which should be reduced commensurate to the credit level adopted in issue 100.

b. This is a fallout issue and should reflect the adjustments above, except for the credit built into the rate schedule, which should be reduced commensurate to the credit level adopted in issue 100.

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?

POSITION:

a. $0. There is very little evidence that this program helps the general body of ratepayers. However, at a minimum, FPL's proposed credits should be adopted.

b. $0. There is very little evidence that this program helps the general body of ratepayers. However, at a minimum, FPL's proposed credits should be adopted.

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

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

POSITION:

a. This is a fallout issue and should reflect the adjustments above.

b. This is a fallout issue and should reflect the adjustments above.

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

POSITION: The customer charge.

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)?

POSITION:

a. It remains FPL's burden to prove at hearing that the Commission should approve the proposed tariff modifications.

b. It remains FPL's burden to prove at hearing that the Commission should approve the proposed tariff modifications.

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

a. Should the modifications apply only to nongovernmental Applicants?

b. 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?

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

POSITION: The Commission should approve FPL's CIAC tariff modifications.

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)?

POSITION: The Commission should approve FPL's proposed new Large Load Contract Service tariffs as originally proposed—not as amended on rebuttal. FPL's rebuttal amendments weaken protections for FPL's existing body of customers and should be rejected.

<u>***ISSUE 106***</u>***:*** ***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?***

POSITION: Yes, the Incremental Generation Charge should be derived as originally proposed by FPL, based on 6.1 GW of battery electric storage for every 3 GW of data center load to be revisited at the next rate case.

<u>***ISSUE 107***</u>***:*** ***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?***

POSITION: FPL's original testimony admirably sought to insulate the general body of customers from subsidizing large load customers. However, to the extent Witness Cohen's rebuttal testimony retreats from these protections, FPL would fail to adequately insulate customers. FPL could do more to protect the general body of customers, like ensuring there are adequately funded performance security guarantees, requiring strict exit fees for termination of contracted service, quarterly reporting on changes to jurisdictional capacity and executed service agreements due to new capacity, mandating demand response participation of large load customers, limitations on contract capacity reductions, and reasonable collateral based on the credit ratings and liquidity factors.

<u>***ISSUE 108***</u>***:*** ***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?***

POSITION: No, any existing FPL customers who transform their size and load factor such that they conform to the LLCS criteria should not be grandfathered. FPL states that it does not have any existing customers with such loads, so not only is there no need to grandfather current customers, doing so risks creating a loophole for data centers to acquire and expand existing industrial loads to circumvent the large load rates.

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?***

POSITION: Should the Commission approve FPL's original filed LLCS-1 and -2 Tariffs and related protections for the general body of rate payers, there will be no need to hold a limited rate case proceeding until its next petition for rate increase. Should the Commission reject any part of FPL's originally proposed large load tariff, there may be a need to initiate a limited proceeding sooner to ensure FPL's other customers are adequately protected.

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?**

POSITION: Commission should approve with modifications to ensure that there are no subsidies in the initial years from the general body of ratepayers.

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)?**

POSITION: Approve with modifications. Generally, FPL should not be allowed to rate base electric vehicle chargers or rooftop solar (there is a competitive market), and rates for all electric vehicle charging should ensure that there are no subsidies from the general body of ratepayers.

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

POSITION: Rejected. There is a competitive market for EV technology.

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)?

POSITION: Yes.

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?

POSITION: No position.

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)?

POSITION: No.

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?**

POSITION:

a. Yes, the Commission should approve tariffs reflecting Commission-approved rates and charges.

b. Yes, the Commission should approve tariffs reflecting Commission-approved rates and charges.

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?

POSITION:

a. For 2026, the effective date should be the first day of the first billing cycle of January 2026.

b. For 2027, if the Commission rejects FEL's position that the 2027 test year should be rejected, the effective date should be the first day of the first billing cycle of January 2027.

<u>OTHER ISSUES</u>

<u>ISSUE 118:</u> 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?

POSITION: Deny. The TAM is simply a mechanism to take customer money and instead of returning it to customers, use it to essentially guarantee that FPL will earn at the top of its range for the four-year period by providing a fund that FPL can deposit surplus cash (i.e., dollars) earnings into when it is overearning, and then use it as an accounting mechanism to draw down from when it is below the top of its range to earn at the top of its range. This is, by FPL's own admission, an attempt to replicate the functions of the RSAM into the future. No other utility in the nation uses accounting mechanisms in this fashion, and FPL should not be the exception. These mechanisms have not provided value to customers, who see their bills continue to increase. Although FPL says it is for use in 2028-2029, as proposed by FPL, FPL can immediately start using it at the beginning of 2026, and if the Commission does not give FPL 100% of its ask (for example, awarding an ROE of

11.89%, but 100% of everything else FPL has asked for), FPL could come back in 2027 for an additional rate increase to take effect in 2028, without breaking its assurances and have been using the TAM to earn at 12.89% the entire time.

<u>ISSUE 119</u>: ***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?***

POSITION: Adopt OPC position.

<u>ISSUE 120</u>: ***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?***

POSITION: Adopt OPC position.

<u>ISSUE 121</u>: **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?**

POSITION: Deny.

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

POSITION: No, unless other electric vehicle charging companies are willing to pay for it.

<u>ISSUE 123</u>: **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?**

POSITION: Deny.

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

POSITION: $0.

<u>ISSUE 125</u>: **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?

POSITION: Commission should take such changes into account in its decision, although it appears that the PTCs and ITCs at issue in this docket may possibly be safe from change.

<u>ISSUE 126</u>: 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?

POSITION: Deny. Parties should be able to petition the Commission regarding over earning or under earning based on tax law changes, which will be easier to detect if no mechanisms like the TAM are approved.

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

POSITION: FPL has failed to meet the majority of its goals (2020-2024) (although has met some of the most important ones regarding residential GWh goals), which were already some of the lowest in the nation. The Commission should consider an ROE adjustment downward to penalize FPL for its poor performance.

<u>ISSUE 127</u>: 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?

POSITION: No, it cannot, therefore no part of FPL's proposal for a four-year plan should be approved on that basis.

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

POSITION: The Commission should recognize its obligation to set fair, just, and reasonable rates. Already, those rates have led FPL's residential customers to have some of the least affordable electricity bills in the nation.

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?**

POSITION: No, because the Commission should reject FPL's petition to increase rates. However, should the Commission approve any part of FPL's petition, then yes.

ISSUE 130: **Should this docket be closed?**

POSITION: Yes, after the Commission rejects FPL's proposal to increase rates.

V. Stipulated Issues

FEL is not aware of any issues which have been stipulated.

VI. Pending Motions

FEL currently has pending a motion to strike FEA's rebuttal testimony.

VII. Pending Requests for Confidentiality

FEL does not currently have pending any requests for confidentiality.

VIII. Objections to Qualifications of Witnesses

FEL does not have any objections to the qualifications of any witness.

IX. Request for Sequestration of Witnesses

FEL does not request the sequestration of witnesses.

X. Statement of Compliance

FEL is unaware of any requirements set forth in the Order Establishing Procedure with which it cannot comply.

RESPECTFULLY SUBMITTED this 18th day of July, 2025.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on this 18th day of July, 2025, via electronic mail on:

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DATED this 18th day of July, 2025.

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