



BEN ALBRITTON
President of the Senate

**STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL**

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
SUITE 812
TALLAHASSEE, FLORIDA 32399-1400
850-488-9330

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV



DANIEL PEREZ
*Speaker of the House of
Representatives*

September 19, 2025

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20250011-EI - Petition for rate increase by Florida Power & Light Company

Dear Mr. Teitzman:

Please find enclosed for filing in the above referenced docket the Direct Testimony and Exhibits of Helmuth W. Schultz, III. This filing is being made via the Florida Public Service Commission's web-based electronic filing portal.

If you have any questions or concerns, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,

Walt Trierweiler
Public Counsel

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
Florida Bar No.: 93590

CERTIFICATE OF SERVICE
DOCKET NO. 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 19th day of September, 2025, to the following:

Adria Harper
Shaw Stiller
Timothy Sparks
Florida Public Service Commission
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
aharper@psc.state.fl.us
sstiller@psc.state.fl.us
tsparks@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Kenneth A. Hoffman
Florida Power & Light Company
134 West Jefferson Street
Tallahassee, FL 32301-1713
ken.hoffman@fpl.com

John T. Burnett
Maria Moncada
Christopher T. Wright
Joel Baker
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
john.t.burnett@fpl.com
maria.moncada@fpl.com
christopher.wright@fpl.com
joel.baker@fpl.com

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

James W. Brew
Laura Wynn Baker
Joseph R. Briscar
Sarah B. Newman
Stone Mattheis Xenopoulos & Brew
1025 Thomas Jefferson St., NW
Suite 800 West
Washington, D.C. 20007
jbrew@smxblaw.com
lwb@smxblaw.com
jrb@smxblaw.com
sbn@smxblaw.com

Stephen Bright
Jigar J. Shah
Electrify America, LLC
1950 Opportunity Way, Suite 1500
Reston, Virginia
steve.bright@electrifyamerica.com
jigar.shah@electrifyamerica.com

Leslie R. Newton
Ashley N. George
Thomas A. Jernigan
Michael A. Rivera
James B. Ely
Ebony M. Payton
Matthew R. Vondrasek
Federal Executive Agencies
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403
leslie.newton.1@us.af.mil
ashley.george.4@us.af.mil
thomas.jernigan.3@us.af.mil
michael.rivera.51@us.af.mil
james.ely@us.af.mil
ebony.payton.ctr@us.af.mil
matthew.vondrasek.1@us.af.mil

Bradley Marshall
Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, FL 32301
bmarshall@earthjustice.org
jluebke@earthjustice.org
flcaseupdates@earthjustice.org

Stephanie U. Eaton
Spilman Thomas & Battle
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com

William C. Garner
Law Office of William C. Garner
3425 Bannerman Road
Unit 105, No. 414
Tallahassee, FL 32312
bgarner@wcglawoffice.com

Nikhil Vijaykar
Yonatan Moskowitz
Keyes & Fox LLP
580 California St., 12th Floor
San Francisco, CA 94104
nvijaykar@keyesfox.com
ymoskowitz@keyesfox.com

Katelyn Lee
Lindsey Stegall
EVgo Services, LLC
1661 E. Franklin Ave.
El Segundo, CA 90245
katelyn.lee@evgo.com
lindsey.stegall@evgo.com

Danielle McManamon
Earthjustice
4500 Biscayne Blvd., Suite 201
Miami, FL 33137
dmcmanamon@earthjustice.org

Steven W. Lee
Spilman Thomas & Battle
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
slee@spilmanlaw.com

D. Bruce May
Kevin W. Cox
Kathryn Isted
Holland & Knight LLP
315 S. Calhoun Street, Suite 600
Tallahassee, FL 32301
bruce.may@hklaw.com
kevin.cox@hklaw.com
kathryn.isted@hklaw.com

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Bowden, Dee, LaVia,
Wright, Perry & Harper
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Brian A. Ardire
Armstrong World Industries, Inc.
2500 Columbia Avenue
Lancaster, PA 17603
baardire@armstrongceilings.com

Alexander W. Judd
Duane Morris LLP
100 Pearl Street, 13th Floor
Hartford, CT 06103
ajudd@duanemorris.com

Floyd R. Self
Ruth Vafek
Berger Singerman, LLP
313 N. Monroe Street, Suite 301
Tallahassee, FL 32301
fself@bergersingerman.com
rvafek@bergersingerman.com

Robert E. Montejo
Duane Morris LLP
201 S Biscayne Blvd., Suite 3400
Miami, FL 33131-4325
remontejo@duanemorris.com

/s/ Mary A. Wessling
Mary A. Wessling
Associate Public Counsel
wessling.mary@leg.state.fl.us

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for rate increase
by Florida Power & Light Company.

Docket No. 20250011-EI
FILED: September 19, 2025

**DIRECT TESTIMONY
OF
HELMUTH W. SCHULTZ, III
ON BEHALF
OF
THE CITIZENS OF THE STATE OF FLORIDA**

Walt Trierweiler
Public Counsel

Mary A. Wessling
Associate Public Counsel

Patricia Christensen
Associate Public Counsel

Octavio Simoes-Ponce
Associate Public Counsel

Austin A. Watrous
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Suite 812
Tallahassee, FL 32399-1400
(850) 488-9330

*Attorneys for the Citizens
of the State of Florida*

TABLE OF CONTENTS

I. STATEMENT OF QUALIFICATIONS	1
II. BACKGROUND.....	3
III. ORGANIZATION OF TESTIMONY	14
IV. OVERALL FINANCIAL SUMMARY COMPARISON	15
V. ELEMENTS OF THE SIPP	29
SOLAR GENERATION AND BATTERY PROJECTS	29
ROE CHANGE AND RATE STABILIZATION MECHANISM	32
STORM DAMAGE RESERVE	36
PLANT HELD FOR FUTURE USE	37
VI. OPINION ON THE PROPOSED CMPP	39
VII. SUMMARY	45

EXHIBITS

HWS-8	Revenue Requirement Comparison of FPL’s Original Request, the SIPP, OPC’s June 9, 2025, Recommendations, and the CMPP Counter Proposal for the Years 2026 and 2027
HWS-9	Revenue Requirement Comparison on an “All Other Things Being Equal” Basis of the Initial FPL Petition and the SIPP, with the Only Change Being ROE
HWS-10	OPC’s Adjustments as Recommended in the Direct Testimony Filed on June 9, 2025, with the Only Change Being the CMPP-proposed ROE of 10.6%
HWS-11	Customer Majority Parties’ Stipulation and Settlement Agreement Proposal ¹
HWS-12	Composite Discovery Responses

¹ Signature page of motion is corrected to account for technical or scrivener’s error; otherwise, there is no difference from the original filing.

DIRECT TESTIMONY

OF

Helmuth W. Schultz, III

On Behalf of the Office of Public Counsel

Before the

Florida Public Service Commission

Docket No. 20250011-EI

I. STATEMENT OF QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A. My name is Helmuth W. Schultz, III. I am a Certified Public Accountant licensed in the State of Michigan and a senior regulatory consultant at the firm Larkin & Associates, PLLC, (“Larkin”) Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan, 48154.

Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.

A. Larkin performs independent regulatory consulting primarily for public service/utility commission staffs and consumer interest groups (public counsels, public advocates, consumer counsels, attorneys general, etc.). Larkin has extensive experience in the utility regulatory field as expert witnesses in over 600 regulatory proceedings, including water and sewer, gas, electric, and telephone utilities.

1 **Q. ARE YOU THE SAME HELMUTH SCHULTZ, III WHO FILED DIRECT**
2 **TESTIMONY IN THIS DOCKET ON JUNE 9, 2025?**

3 **A. Yes.**

4
5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

6 **A.**I am providing a response to the August 20, 2025, Joint Motion for Approval of
7 Settlement Agreement between Florida Power & Light Company (“FPL”) and Florida
8 Industrial Power Users Group (“FIPUG”), Florida Retail Federation (“FRF”), Florida
9 Energy for Innovation Association, Inc., Walmart Inc., EVgo Services, LLC,
10 Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac Inc.,
11 Wawa, Inc., Electrify America, LLC, Federal Executive Agencies, Armstrong World
12 Industries, Inc., and Southern Alliance for Clean Energy (“SACE”). I will refer to the
13 signatories of this proposal as the “Special Interest Parties” or “SIPs,” and I will refer
14 to this document as the “SIPP.”

15
16 Additionally, I am providing an opinion on the August 26, 2025, Joint Motion to
17 Approve Customer Majority Parties’ Stipulation and Settlement Agreement proposal
18 (“CMPP”) on behalf of the Citizens of the State of Florida, by and through the Florida
19 Office of Public Counsel (“OPC”), Florida Rising, Inc., LULAC Florida, Inc., better
20 known as the League of United Latin American Citizens of Florida, Environmental
21 Confederation of Southwest Florida, Inc., and Floridians Against Increased Rates, Inc.
22 (“FAIR”), (collectively the “Customer Majority Parties” or “CMPs”). The CMPP was
23 only entered into and submitted because of, and in response to, the SIPP.

1 Additionally, I will provide a limited comparison of the two proposals with the filing
2 made by FPL on February 28, 2025.

3
4 **II. BACKGROUND**

5 **Q. WHAT IS YOUR UNDERSTANDING OF THE FILINGS BY THE VARIOUS**
6 **PARTIES IN DOCKET NO. 20250011-EI?**

7 **A.** The initial petition in Docket No. 20250011-EI filed by FPL contained a proposal for
8 setting rates based on two projected test years beginning on January 1, 2026, through
9 the last billing cycle of December 2027, consisting of, in part: (a) an increase in base
10 rates of \$1.545 billion beginning on January 1, 2026, and an additional increase of
11 \$927.354 million beginning on January 1, 2027; (b) an 11.9% mid-point return on
12 common equity (“ROE”) and an equity ratio of 50.07% (59.6% of all investor sources)
13 for 2026 and 50.12% (59.6% of all investor sources) for 2027, respectively, on a
14 regulatory-based capitalization; (c) a Solar and Battery Base Rate Adjustment
15 (“SoBRA”) mechanism for solar additions in 2028 and 2029; (d) a continuation of the
16 Storm Damage Reserve provision that included a requested increase of \$80 million to
17 the reserve from the current projected level; and (e) a Tax Adjustment Mechanism
18 (“TAM”).

19
20 On June 9, 2025, various intervenors submitted testimony in response to FPL’s petition.
21 The OPC response included testimony by seven expert witnesses, including myself.
22 The OPC findings showed a revenue sufficiency of \$620,492,000 in 2026 based on a
23 recommended ROE of 9.2%, thereby eliminating a need for revenue increase. The OPC

1 recommended that the Company's mechanism requests for a SoBRA, a TAM, and the
2 \$80 million increase to the Storm Damage Reserve be denied.

3

4 The filings were scheduled for hearing, and on August 8, the last business day before
5 the hearings were to begin, a motion was filed by FPL to suspend the hearings. This
6 was followed up by the joint motion by FPL and the SIPs to approve the SIPP.

7

8 **Q. WHAT WERE YOUR THOUGHTS ABOUT THIS LAST-MINUTE FILING?**

9 A. In my 45-plus years of experience in regulatory proceedings, I found it to be highly
10 unusual that a so-called settlement was entered into that excluded the majority of FPL's
11 customers, particularly the residential customers, and the entity entrusted by the
12 regulatory law in Florida, based on my lay understanding of it, to represent the
13 customers of FPL, namely the OPC.

14

15 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS ABOUT THE SIPP AND ITS**
16 **SIGNATORIES BASED ON YOUR EXPERIENCE?**

17 A. Based on my experience and on my review of the SIPP, it is clear that, with respect to
18 the revenue requirement, there was little if any interest adverse to FPL involved in
19 designing the proposal. FPL witness Bores testified in his September 5, 2025,
20 deposition that FPL represented the residential customers at the negotiating table. This
21 claim was repeated in FPL's response to FEL's 16th Set of Interrogatories, No. 196.² In
22 addition, I note that in the 13 depositions of the corporate representatives of the SIPPs,

² See Exhibit HWS-12.

1 it was painfully obvious that they had little, if any, knowledge or interest in the proposal
2 terms that impact revenue requirements. Further, I noted that no one, except FPL, stated
3 that they represented residential customers. This is not my understanding of how
4 ratemaking is supposed to happen in Florida or anywhere else in the country.

5
6 **Q. WAS THE LAST-MINUTE FILING THE REASON THAT THE CUSTOMER**
7 **MAJORITY PARTIES' SUBSEQUENT FILING WAS MADE?**

8 **A.** It is my understanding that the Customer Majority Parties determined that, because the
9 majority of FPL's customers were not represented in the SIPP, they required protection
10 from the biased proposal and that a counter proposal was required.

11

12 **Q. WOULD YOU EXPLAIN YOUR UNDERSTANDING OF THE MORE**
13 **SIGNIFICANT ELEMENTS OF THE SIPP?**

14 **A.** While not all inclusive, the following are some of the SIPP elements:
15 a) FPL would be allowed to increase base rates by \$945,000,000, effective January 1,
16 2026, a reduction of \$599,780,000 from FPL's as-filed request of \$1,544,780,000.
17 Effective January 1, 2027, FPL would be allowed to increase base rates by
18 \$705,000,000, a reduction of \$222,354,000 from FPL's as-filed request of
19 \$927,354,000. These SIPP proposals were based on FPL's authorized regulatory
20 ROE increasing to 10.95% for all purposes, with an authorized ROE range of 9.95%
21 to 11.95%, while FPL's authorized regulatory capital structure would continue to
22 include a 59.6% (investor sources) equity ratio;

- 1 b) FPL would be allowed to build solar generation projects in 2027, 2028, and 2029,
2 and battery storage projects in 2028 and 2029, and recover their costs through a
3 SoBRA mechanism;
- 4 c) FPL would be authorized to implement its Long Duration Battery Storage Pilot that
5 would be limited to two long-duration battery storage systems, each capable of
6 dispatching up to 10 MW of power and storing a total of 100 megawatt-hours of
7 energy;
- 8 d) FPL would be permitted to implement what it characterizes as a non-cash
9 accounting Rate Stabilization Mechanism (“RSM”), purportedly to respond to
10 changes in its underlying revenues and expenses to avoid additional general base
11 rate increases and maintain its ROE within the authorized range during the four-
12 year rate period. The proposed RSM would include a TAM that would allow FPL
13 to access up to \$1.155 billion of deferred tax liabilities paid in by FPL’s customers.
14 FPL would be permitted to use the RSM flexibly at its discretion from 2026 through
15 2029;
- 16 e) FPL would recognize in base rates the customers’ share of the gains generated
17 through the Commission-approved (in 2021) Asset Optimization Program in the
18 month in which they are generated, and (as designated in the SIPP) 100% of any
19 annual gains in excess of \$150 million would go to customers and be recognized in
20 the Fuel Cost Recovery Clause;
- 21 f) The SIPP provides that the continuation of FPL’s Storm Cost Recovery mechanism
22 would be approved with an \$80 million increase from the current projected reserve
23 level of \$220 million to \$300 million;

- 1 g) Under the SIPP, if any new permanent change in federal or state tax law or tax
2 regulations become effective during the four-year term 2026 through 2029, FPL
3 would submit, within 60 days of the effective date of the change in law, a petition
4 to open a separate docket for the purpose and limited scope of addressing the base
5 revenue requirement impact of the new tax law. FPL would be authorized to adjust
6 base rates upon confirmation by the Commission that FPL appropriately calculated
7 the impacts associated with the tax changes;
- 8 h) FPL's proposal to sell excess Investment and Production Tax Credits to third parties
9 at a discount to mitigate the tax credit carryforward for 2026 and 2027 would be
10 approved. Selling the excess credits is proposed as providing a net benefit to
11 customers on a cumulative basis over 2026 and 2027 by offsetting the impact of
12 FPL's deferred tax asset balance; and
- 13 i) Also included was a provision that FPL would not be permitted to purchase any
14 new land used exclusively for solar during the Minimum Term, with the exception
15 of the property identified as the "Duda" property, and that FPL would also commit
16 to best commercial efforts to sell \$200 million of property reflected in Plant Held
17 for Future Use ("PHFU"). The sales of said property held for future use by FPL
18 would have to be at fair market value, with gains or losses treated in accordance
19 with Commission policy.

20
21 I should note that the SIPP calls for establishing specific rates based on a proposal with
22 the SIPs while excluding any involvement by the majority of customers. This part of

1 the proposal is totally contrary to the regulatory requirement for establishing rates that
2 are fair, just, and reasonable.

3

4 **Q. ARE THERE SOME ELEMENTS OF THE REVENUE REQUIREMENT,**
5 **OTHER THAN THE CHANGE IN ROE, THAT ARE DIFFERENT FROM**
6 **FPL'S INITIAL PETITION?**

7 **A.** Yes. Some of the differences include but are not limited to item b) above where FPL is
8 proposing a mechanism where the Company would be able to build solar generation
9 projects in 2027, 2028, and 2029, and battery storage projects in 2028 and 2029, and
10 recover their costs through SoBRA mechanisms. This is a change, as identified by
11 Company witness Bores on page 10, lines 13-15, of his settlement testimony, since the
12 initial filing requested base rate recovery for plant that would be built in 2026 and 2027
13 and a SoBRA mechanism for plant built in 2028 and 2029.

14

15 Item d) would permit FPL to implement what it characterizes as a non-cash accounting
16 RSM to allegedly respond to changes in its underlying revenues and expenses to avoid
17 additional general base rate increases and maintain its ROE within the authorized range
18 during the four-year rate period. This is a somewhat different mechanism from FPL's
19 initial request for a TAM only.

20

21 Item e) above is where FPL would recognize in base rates a different proportion of the
22 customers' sharing of the gains generated through the Commission-approved Asset
23 Optimization Program.

1 The changes, and the resulting excessive levels of rates and revenues, being made
2 without allowing for input by the majority of customers clearly provided the
3 opportunity for preferential treatment to the SIPs and bias against the majority. I note
4 this in passing because it is fairly evident on the face of it that there were special interest
5 benefits that the non-FPL SIPs received for themselves in exchange for FPL receiving
6 the excessive revenue requirement embodied in the SIPP.

7

8 **Q. WHAT WOULD THE PROPOSED CMPP PROVIDE FOR?**

9 **A.** The main points of the CMPP upon which I have focused (as well as how they compare
10 to the SIPP) are as follows:

- 11 • FPL would be authorized to increase base rates by \$867 million effective on the
12 first day of the first billing cycle of January 2026 and by \$403 million, effective
13 the first day of the first billing cycle of January 2027. The increases reflect a CMPP
14 that establishes a midpoint ROE of 10.60% with a range from 9.60% to 11.6%.
- 15 • Base rates and charges (and credits) established pursuant to the CMPP would be
16 frozen during the initial two-year term. FPL would not be allowed to circumvent
17 the base rate freeze by deferring costs incurred during the term of the CMPP and
18 recovering them later.
- 19 • During the period of January 1, 2027, through December 31, 2029, FPL would be
20 able to, for one time only, file for limited rate relief. Under this proposal, FPL
21 would have the option to extend the minimum term and increase base rates in 2028
22 and 2029 by adding resources with a demonstrated need. A consolidated
23 Generation Base Rate Adjustment (“GBRA”) could consist of, up to and including,

1 the solar and battery resources contained in its Initial Rate Case Filing for the years
2 2028 and 2029, the calendar year revenue requirement of which (including the
3 impacts of 2027 SoBRA additions) are estimated to be \$195 million in 2028, and
4 \$174 million in 2029 – calculated using a 10.6% midpoint ROE. This proposed
5 GBRA filing option could include the addition of the net revenue requirement
6 (including the net impact of any battery storage resources that are avoided),
7 associated with the Vandolah Generating Facility (at approximately 660 MW)
8 including the required, directly associated transmission facilities calculated on an
9 annual revenue requirement limit through December 31, 2029, using a 10.6%
10 midpoint ROE.

- 11 • The CMPP reflects adoption of the storm cost recovery mechanism proposed in
12 FPL’s Initial Rate Case Filing. The Storm Damage Reserve target would increase
13 to \$300 million.
- 14 • The CMPP proposes that the Commission could approve, within the umbrella of
15 the consolidated GBRA filing, the SoBRA provisions as filed with the
16 Commission and modified by the CMPP, with certain modifications in the public
17 interest. The CMPs’ proposal would add additional guardrails in the form of
18 including the 2027 batteries, which would be subject to review, as necessary, to
19 provide reliable generation capacity.
- 20 • The CMPP would include standard income tax change language not inconsistent
21 with the language included in the FPL 2021 settlement agreement even though the
22 Company did not propose a corporate income tax change provision in its Initial
23 Rate Case Filing.

- 1 • The CMPP contains language that would accept the depreciation and
2 dismantlement parameters, rates, and accruals supported in the Company's
3 testimony to be used by the company during its term.
- 4 • The CMPs would agree that FPL's decision to pursue the Long Duration Battery
5 Storage Pilot is prudent and would waive any right to challenge this Pilot, other
6 than the reasonableness of amounts actually expended, in any proceeding
7 addressing the recoverability of the Long Duration Battery Storage Pilot costs.
- 8 • Any land or land rights acquired by FPL during the term would need to be included
9 below-the-line for accounting purposes and could not be included in rate base until
10 a final prudence determination has been made in a future base rate proceeding.
11 Upon approval of this CMPP, FPL would be required to utilize best commercial
12 efforts to sell the long-held properties, which have been held but not placed into
13 service for an average of 22 years. All sales of property held for future use by FPL
14 would have to be at fair market value. Gains or losses would be treated in
15 accordance with Commission policy. This would be a critically important
16 condition since in the September 10, 2025, deposition of FPL witness Tim Oliver,
17 he stated that the long-held properties in Exhibit HWS-4 are not in the planned
18 divestiture contemplated by the SIPP. This is significant because if the parcel
19 would not be placed into service by the end of the SIPP, FPL would have charged
20 customers a return on at least two properties listed in Exhibit HWS-4 for over half
21 a century without them ever entering service for the benefit of FPL's customers.
- 22 • The CMPP would prevent FPL from using the TAM proposed in the SIPP.

1 I have attached the CMPP to my testimony as Exhibit HWS-11. I was made aware late
2 in the preparation of my testimony that the Commission issued Order No. PSC-2025-
3 0345-PCO-EI (“Order”) on September 12, 2025, “dismissing” the CMPP. I am
4 attaching the CMPP for the Commission’s consideration of this proposal in contrast to
5 the SIPP. This process was acknowledged by FPL in its August 29, 2025, response to
6 the CMP’s motion to approve the CMPP.³ I have been informed by OPC that they
7 intend to seek reconsideration of the Order. I should reinforce that I stand by my June
8 9, 2025, testimony, and it is my understanding that the OPC believes that this case
9 should be determined based on the merits of FPL’s petition and not on competing non-
10 unanimous proposals.

11
12 **Q. WHAT WAS YOUR PARTICIPATION IN DEVELOPING THE CMPS’**
13 **COUNTER PROPOSAL?**

14 **A.** I had absolutely no input or participation whatsoever in the development of the CMPS’
15 counter proposal. I only became aware of it after it was filed on August 26, 2025.

16
17 **Q. ARE YOU TESTIFYING IN SUPPORT OF THE CMPP?**

18 **A.** No. In this case, my expert opinion remains based on the revenue requirement
19 testimony and other opinions contained in the June 9, 2025, testimony. I do have an
20 opinion that the SIPP is not in the public interest as far as the revenue requirements and
21 level of rates for all customers. I do not express an opinion about issues of rate design,
22 revenue allocation, or individual rate class impacts. My opinion regarding the CMPP

³ Document No. 08523-2025, Docket No. 20250011-EI, p. 10, *In re: Petition for rate increase by Florida Power & Light Company*.

1 is expressed in more detail below, but in summary, I can state that my expert opinion
2 based on my review of it compared to the original filing and the SIPP is that it is far
3 superior to either of those proposals and is closer to being in the public interest and
4 yielding rates that are fair, just and reasonable.

5
6 **Q. DID YOU NOTICE ANY SPECIAL QUALIFICATION OR CONDITIONS**
7 **ASSOCIATED WITH THE CMPP THAT YOU FEEL THE NEED TO**
8 **ADDRESS OR COMMENT UPON AS A PRELIMINARY MATTER?**

9 **A.** Yes. I thought it was worth noting that the CMPs' motion to approve the CMPP and
10 the CMPP itself contained the following statements:

11 Accordingly, the CMPs state that this stipulation and settlement
12 agreement is offered in compromise of the positions of the Customer
13 Majority Party signatories have taken in this docket. No position taken
14 in this agreement by any Customer Majority Party shall be considered a
15 waiver of any party's right to challenge FPL's Petition in a hearing and
16 on appeal regarding disputed facts and law in this docket pursuant to
17 Chapter 120 and Chapter 366, Florida Statutes and the Florida and
18 United States Constitutions. The Customer Majority Parties are filing
19 this in response to the Special Interest Parties' settlement agreement
20 filed on August 20, 2025.

21 (CMPP Motion at footnote 5.)

22
23 WHEREAS, as this Majority Settlement Agreement is offered in
24 compromise of the positions the Customer Majority Party signatories
25 have taken in this docket, and no position taken in this Majority
26 Settlement Agreement by any Customer Majority Party shall be
27 considered a waiver of any Customer Majority Party's right to challenge
28 FPL's Petition in a hearing and in any appeal regarding disputed issues
29 of fact and law in this docket pursuant to Chapters 120 and 366, Florida
30 Statutes and the Florida and United States Constitutions. The Customer
31 Majority Parties are filing this in response to the Special Interest Parties'
32 settlement agreement filed on August 20, 2025;

33
34 (CMPP at page 3.)

1 As I read these provisions, they do not indicate to me that the CMPs consider the CMPP
2 to be superior to the case that they have presented on the Company's initial filing. It
3 appears that the CMPs are making clear that the CMPP is filed only in response to the
4 SIPP.

5
6 **III. ORGANIZATION OF TESTIMONY**

7 **Q. HOW WILL YOUR TESTIMONY BE ORGANIZED?**

8 **A.** In Section IV, I present a high-level assessment of the CMPP with a high-level
9 comparison to the various proposals in the filing and the recommendation by OPC in
10 its direct testimony responding to the initial request by FPL. In Section V, I provide my
11 observations and concerns related to aspects of various areas within the proposed SIPP
12 that in my opinion, are not in the best interests of customers, need further clarification
13 and/or may be misleading. In Section VI, I present a high-level assessment and my
14 opinion of the counter proposal in the CMPP.

15
16 **Q. WHAT EXHIBITS ARE YOU PROVIDING AS PART OF YOUR ANALYSIS**
17 **OF THE SIPP AND THE CMPP?**

18 **A.** There are five exhibits presented in my testimony.
19 • Exhibit HWS-8 is the revenue requirement comparison that shows the original
20 request as filed by FPL, the SIPP, the June 9, 2025, OPC recommendations, and
21 the CMPs' counter proposal for the years 2026 and 2027, respectively.
22 • Exhibit HWS-9 calculated the required revenues on an "all other things being
23 equal" basis on the initial FPL petition and the SIPP where I only changed the ROE.

- Exhibit HWS-10 is the OPC's filed schedule with all the adjustments as recommended in the direct testimony filed on June 9, 2025, except the ROE was changed to the CMPP-proposed ROE of 10.6%.
- Exhibit HWS-11 is the CMPP, which I have attached for reference and for the Commission's consideration.
- Exhibit HWS-12 is a composite exhibit of select SIP discovery responses.

IV. OVERALL FINANCIAL SUMMARY COMPARISON

Q. HOW DO THE FPL PROPOSAL (OR SIPP) AND THE CMPS' COUNTER PROPOSAL COMPARE TO THE DECEMBER 31, 2026, AND DECEMBER 31, 2027, BASE RATE REVENUE REQUIREMENTS FOR FPL?

A. On Exhibit HWS-8, I have reflected that FPL requested a revenue increase of \$1,544,780,000 in 2026 and the OPC recommended a sufficiency of \$620,492,000, which represents a very significant difference of \$2,165,272,000, as shown on line 11. In column A, I reflect that as part of its proposed settlement with the SIPs, FPL appears to reduce its request by \$599,780,000 to \$945,000,000. In column C, I show that as part of its CMPP, the OPC agreed to move from a revenue sufficiency of \$620,492,000 to a revenue deficiency of \$867,000,000, a significant compromise of \$1,487,492,000. The magnitude of these two changes in position are not even close. Take the ROE component of this move as an example. The level of concession and compromise by the OPC and CMPs is even more significant when one considers the 2024 average of recently awarded ROEs around the country of 9.73%. The OPC/CMPs moved 140-basis point from a recommended 9.2% ROE (53-basis points below the national

1 average) to a 10.6% ROE proposal that is 87-basis points above that average. In
2 contrast, the 95-basis point downward adjustment in the FPL profit number from an
3 absurd 11.9%, which was filed at 217 basis points above the national average, to the
4 only slightly less absurd 10.95% suggested by FPL and the other SIPs, which is still
5 122 basis points above the recent average. This is what I would call a “sleeves out of
6 the vest” move. An ROE award within those 95 basis points would not be achievable
7 in any of the lower 48 states. The OPC/CMPs move to 10.6% is still an overly generous
8 87-basis points above the average, in my opinion.

9

10 Similarly, FPL’s request for 2027 was reduced \$222,354,000, from \$927,354,000 to
11 \$705,000,000. The change of \$222,354,000 by FPL is approximately one half as much
12 as the OPC’s movement that went from essentially zero in 2027 to an increase of
13 \$403,000,000.

14

15 **Q. WHY DO YOU FOCUS ON THE SIGNIFICANT DIFFERENCES BETWEEN**
16 **FPL AND THE OPC IN EVALUATING THE INITIAL REQUESTS, OPC’S**
17 **DIRECT POSITION, AND THE RESPECTIVE PROPOSALS?**

18 **A.** The filing by FPL and the OPC’s response to it are the most all-inclusive analysis and
19 positions included in the docket. The significance of these two filings is evidenced by
20 the various intervenors’ positions identified in the Order No. PSC-2025-0298-PHO-EI
21 (“First Prehearing Order”) where FPL’s position on issues is contained and where
22 various intervenors state their agreement with the OPC positions.

1 **Q. PLEASE EXPLAIN WHY EXHIBIT HWS-8 SHOWS A JURSDICTIONAL**
2 **RATE BASE FOR THE PROPOSALS AS “UNKNOWN”?**

3 **A.** The information in the SIPP was provided without any specific supporting schedules
4 to identify what was rate base in the SIPP and what was the resulting projected Net
5 Operating Income. Attachment A to the CMPP has some high-level detail of how the
6 proposal amounts were determined. It was interesting to note that the CMPP actually
7 identified some of the operating costs/revenue requirement items listed in the First
8 Prehearing Order issues. In evaluating the SIPP with an “all other things being equal”
9 analysis, I noted that the change in the request from the initial filing to the SIPP was
10 predominately the change in the ROE, with a very minor revenue requirement reduction
11 not attributable to the cost associated with the reduction in the ROE. I prepared a
12 separate “all other things being equal” analysis where I determined that the change
13 OPC agreed to as part of the CMPP resulted in significant concessions on both the ROE
14 and other costs.

15
16 **Q. THE SIPP REFERENCES EXHIBIT LF-12 AND VARIOUS MFR**
17 **SCHEDULES. AREN'T THOSE SCHEDULES SUPPORT FOR THE SIPP**
18 **REVENUE REQUIREMENTS OF \$945,000,000 AND \$705,000,000?**

19 **A.** No. Staff's 25th Set of Interrogatories, No. 546⁴, requested an updated LF-12 that
20 reflected the proposed adjustments made within the SIPP, and the response was as
21 follows:

⁴ See Exhibit HWS-12.

1 The base rate revenue increases for 2026 of \$945 million and 2027 of
2 \$705 million reflected in Paragraphs 4(a) and 4(b), as well as all other
3 components identified in the Settlement Agreement, were each
4 separately negotiated components agreed to by the parties as part of a
5 comprehensive settlement agreement. Although the Settlement
6 Agreement identifies certain components which could be used to
7 calculate updates to the 2026 and 2027 Projected Test Year revenue
8 requirements reflected on Exhibit LF-12 in FPL witness Fuentes's
9 rebuttal testimony (e.g. ROE, equity ratio, etc.), the base rate revenue
10 increases in the Settlement Agreement are not based on a formulaic or
11 mathematical calculation that assumes a particular rate base, net
12 operating income, or weighted average cost of capital. Rather, it is the
13 result of the give-and-take that resulted in the collective terms that
14 comprise the proposed Settlement Agreement. Therefore, FPL is unable
15 to provide an updated Exhibit LF-12 based on the proposed adjustments
16 as reflected in the Settlement Agreement.
17

18 **Q. PLEASE EXPLAIN WHAT YOU MEAN BY AN “ALL OTHER THINGS**
19 **BEING EQUAL” ANALYSIS.**

20 **A.** An “all other things being equal” analysis is essentially a sensitivity analysis that
21 simply changes the ROE in the original revenue requirement calculations and provides
22 an indication of what amount of the revision to the requested amount is related to the
23 ROE. Based on FPL’s initial filing, the change of \$599,780,000 in the 2026 requested
24 revenue requirement consists of \$483,837,000 attributable to the change in the ROE
25 and the balance of \$115,943,000 of that reduction relating to costs other than the change
26 in ROE. The OPC position as part of the CMPP consisted of \$694,383,000 attributable
27 to the change in ROE and another \$793,109,000 of other costs totaling to the change
28 of \$1,487,492,000.

1 **Q. HOW DID YOU DETERMINE WHAT AMOUNT OF THE SIPP REDUCTION**
2 **WAS RELATED TO THE ROE?**

3 **A.** Exhibit HWS-9 calculated an “all other things being equal” basis using the initial filing
4 and the SIPP where I only changed the ROE. On Exhibit HWS-10, I prepared a separate
5 “all other things being equal” analysis where, using my Exhibit HWS-2 filed with my
6 June 9, 2025, direct testimony, I changed only the ROE.

7
8 **Q. WHY WOULD THIS ANALYSIS HAVE ANY SIGNIFICANCE IN**
9 **EVALUATING A PROPOSAL?**

10 **A.** The ROE is the major component of the rate of return applied to the rate base in
11 determining a revenue requirement. In simple terms, the ROE drives a rate filing. The
12 Commission has a requirement for evaluating a rate request where the parties submit
13 their respective positions on the various elements of the rate filing. Settlement
14 agreements purportedly resolve all the issues put forth in a filing. Unlike most issues,
15 the ROE issue traditionally draws the lion’s share of responses by most intervenors
16 since the ROE has a material impact on the revenue requirement. The First Prehearing
17 Order identifies thirteen intervenors. Five of the intervenors, all SIPs, took no position
18 on the ROE, but the remaining eight recognized that the requested ROE by FPL was
19 excessive and took positions that the ROE should be below 10%, except FIPUG who
20 offered what appears to be a high-level range of 9.81% to 10.5%. That is clearly
21 evidence that FPL’s reduction from 11.9% was not a concession. Other than the five
22 niche intervenors that apparently were uninterested or unwilling to take a position on

1 such a major and important issue, the other intervenors appeared to be aware that FPL's
2 request was egregious when considering returns elsewhere and even within Florida.

3

4 **Q. HOW CAN YOU PROVIDE AN OPINION THAT FPL'S REQUESTED ROE**
5 **OF 11.9% BEING REDUCED WAS NOT A CONCESSION?**

6 **A.** I have been involved in regulatory proceedings since 1976 and found it common for a
7 utility to come in with a request that is well above what has been recently allowed in
8 other jurisdictions around the country. This egregious ask was actually noted by FIPUG
9 in their position on Issue 49 where they stated, "The national average of return on equity
10 for integrated electric companies from 2023, 2024, and through May of 2025 was
11 9.81%." FIPUG appeared to agree in the SIPP to an ROE 114 basis points or \$581.4
12 million ($1.14 * \$510 \text{ million} = \581.4 million) of additional annual revenue
13 requirements greater in settling with FPL, even though FIPUG recognized that that an
14 ROE over 9.81% was excessive.

15

16 **Q. IF THE ROE IS THE DRIVER OF A RATE REQUEST, WHAT IS THE**
17 **SIGNIFICANCE OF YOUR CONCERN WITH THE OTHER COSTS**
18 **IMPACTING THE SIPP?**

19 **A.** The other costs are significant because with rate base, the various components are what
20 the rate of return is applied to in order to determine the revenue requirement. If rate
21 base is overstated as it was in the Initial Rate Case Filing, the revenue requirement is
22 further overstated beyond any excessive ROE. Similarly, the other important factor is
23 the projected net income that is compared to the revenue requirement to determine

1 whether there is justification for a rate increase. The projected net income is understated
2 when revenue is understated and when expenses are overstated. Both of these
3 circumstances existed in the current filing. If a settlement has merit, there will be give-
4 and-take of significance in both the change in the return and the change in the net
5 income pieces. I observed that this process is clearly evident in the CMPP but not in
6 the SIPP.

7
8 **Q. PLEASE EXPLAIN EXHIBIT HWS-9.**

9 **A.** “All other things being equal,” based on the petition filing, Exhibit HWS-9 shows the
10 change in the requested revenue requirement that is associated with the change in the
11 ROE and the amount associated with other costs. The overall reduction in 2026 is
12 \$599,780,000 with only \$115,943,000 (representing only 7.5% of the Initial Rate Case
13 Filing request) of that reduction being costs other than the change in ROE. As discussed
14 later in my testimony, assuming that the RSM siphons off the \$90.5 million of the
15 revised asset optimization sharing, this revenue requirement concession is nearly wiped
16 out by the SIP “negotiators,” allowing FPL to take the money out of one pocket and
17 put it back into another. Under those circumstances, the non-ROE revenue requirement
18 reduction is only about \$25 million, or 2.4%.⁵ This is the real effect of what the SIPP
19 negotiators “accomplished” at the end of the day. Based on my experience, it was
20 entirely reasonable why the CMPs did not sign onto the SIPP after it was filed, as
21 allowed under paragraph 32 of the SIPP.

⁵ (\$25,000,000/\$1,060,943,000 = .024).

1 **Q. ON ITS FACE, THE REDUCTION REFLECTED IN THE SIPP SOUNDS**
2 **SIGNIFICANT, SO WHY IS THERE AN ISSUE WITH THE SIPP?**

3 **A.** All intervening parties recognized that the requested 11.9% ROE by FPL was grossly
4 excessive, and some provided testimony explaining how the unprecedented request was
5 improper. That is clearly evidence that FPL’s 95-basis-point reduction was not a true
6 concession. It was more of a “sleeves-out-of-the-vest” concession as I mentioned
7 before. Based on my experience, there was zero chance that an ROE above 10.95%
8 with a 59.6% equity ratio would be granted. Clearly, the reduction in the request
9 appears from my outsider vantage point, and given my experience of 49 years, to have
10 been mainly associated with the artificially inflated ROE. The recalculated 2026
11 revenue requirement using the proposed (and still unreasonable) 10.95% ROE
12 midpoint is \$1,060,943,000. The SIPP request being \$945,000,000 means
13 \$115,943,000 represents costs other than a change in the ROE. This means that the
14 supposedly adverse (to FPL) special interest party “negotiators” effectively shaved off
15 less than 11% of the realistic petition ask, or only 2.4% once the AOM takeback is
16 considered. The OPC’s direct testimonies identified issues with rate base totaling
17 \$1,907,813,000 (representing a revenue requirement of \$119,048,000) and issues with
18 forecasted revenue and expenses totaling an additional revenue requirement of
19 \$453,350,000. In essence, whoever was representing the customers at the table
20 completely ignored the fact that FPL’s petition request failed to support and/or justify
21 a significant level of costs requested.

1 In his deposition on September 5, 2025, FPL witness Bores claimed that FPL was
2 representing the interests of residential customers at the negotiating table.⁶ It appears
3 that the parties at the table were not truly adverse, and that the henhouse was populated
4 entirely by foxes pursuing their own self-interests. Such a controlling, self-serving
5 effort to force an unfair, unjust, and unreasonable settlement through the Commission
6 process should be rejected on its face. Having some familiarity with how customers
7 respond to rate hikes, I am confident that the residential and small business customers
8 purportedly represented by FPL would have a different opinion as to how well their
9 interests were taken into consideration.

10

11 **Q. WHAT OPC ADJUSTMENT RECOMMENDATIONS WERE IGNORED BY**
12 **THE SPECIAL INTEREST PARTIES IN THE SIPP THAT WOULD IMPACT**
13 **THE RATE BASE SIGNIFICANTLY?**

14 **A.** The OPC recommended two alternative adjustments to plant. The primary adjustment
15 by OPC resource planning expert witness James Dauphinais recommended excluding
16 the forecasted solar additions for 2026 and 2027 of \$1,125,625,000 and \$2,302,079,000
17 on a jurisdictional basis, resulting in revenue requirement adjustments of \$70,239,000
18 and \$143,649,730, respectively, because the planning criteria showed that additions are
19 not required to meet customer demand. As an alternative, I recommended excluding
20 \$725,834,000 and \$2,106,984,000, resulting in revenue requirement adjustments of
21 \$45,292,042 and \$131,475,802, in 2026 and 2027, respectively, based on a fluctuating
22 three-year average of plant additions.

⁶ FPL repeated this claim in response to FEL's Sixteenth Set of Interrogatories, No. 196 (see Exhibit HWS-12).

1 Another OPC recommendation was to exclude \$931,860,000 and \$1,153,488,000, for
2 2026 and 2027, respectively, of PHFU resulting in revenue requirement adjustments of
3 \$58,148,064 and \$71,977,651, for 2026 and 2027, respectively, on a jurisdictional
4 basis. As explained in detail in my June 9, 2025, direct testimony, this consisted of
5 properties held for an excessive amount of time with no real in-service date, plant with
6 no designated in-service date, and forecasted future purchases for possible solar
7 expansion. This recommendation took into consideration that most of the properties
8 were not identified as needed in the FPL Ten Year Site Plan. I would note that the SIPP
9 includes a provision for FPL to make a best effort to dispose of \$200,000,000 of the
10 properties. This SIPP element, however, provides no guarantee that any such sale will
11 occur, nor does it provide any identification of what properties are to be sold. This is
12 significant because the discussion on the disposal is related to solar properties and that
13 ignores that the vast majority of properties that have been held for an average of over
14 20 years are for future transmission and distribution projects, not solar.

15

16 However, during FPL witness Tim Oliver's September 10, 2025, deposition, he
17 conceded that FPL would be able to purchase land for non-solar purposes during the
18 term of the SIPP, and then could later designate that land as viable solar land without
19 violating the terms of the SIPP. This potential loophole undermines the supposed
20 benefits claimed in FPL witness Oliver's settlement testimony when he said that this
21 portion of the SIPP "reflects FPL's commitment to a collaborative resolution and
22 disciplined resource management that directly benefits our customers" and
23 "demonstrate[s] our commitment to reasonable compromise with regards to the land

1 portfolio.”⁷ Mr. Oliver also admitted that none of the 40 long-held properties are being
2 considered for divestment to satisfy the \$200 million sales condition. Two of those
3 properties are expected by FPL to remain in PFHU throughout the term of the SIPP,
4 meaning that they will have been held for 50 years without being used to contribute
5 one electron to the grid on behalf of customers. This proposal also seemingly ignores
6 the OPC’s concern that customers have been paying a return on this long-held property
7 for a number of years. These rate base adjustments appear to have been ignored by the
8 special interest “negotiators” in achieving their hard-fought 2.4% non-ROE revenue
9 requirement reductions and thus would be shielded from review by the Commission at
10 hearing.

11

12 **Q. HOW ELSE HAS THE SIPP IGNORED ISSUES OPC HAS IDENTIFIED WITH**
13 **FORECASTED REVENUES AND EXPENSES?**

14 **A.** OPC provided expert testimony demonstrating the need for an increase of
15 \$133,032,000 (jurisdictional) to forecasted sales for underestimating sales and
16 customer growth based on historical trends. This understatement also ignores the
17 planned excessive spending in unjustified economic development, including data
18 centers, to the extent that they can realistically be considered such. This revenue
19 adjustment appears to have also been ignored by the special interest “negotiators” in
20 achieving their hard-fought 2.4% non-ROE reductions and thus would shield FPL’s
21 history of underforecasting revenues from review by the Commission at hearing.

⁷ Document No. 08981-2025, Docket No. 20250011-EI, p. 2-3, *In re: Petition for rate increase by Florida Power & Light Company*.

1 The SIPP further endorses FPL’s attempt to include an increase of 315 employees over
2 the 2024 actual average employee complement for planned complements of 9,382 in
3 2026, and 9,427 in 2027, while failing to provide any justification for the new positions
4 in its direct and rebuttal testimony. The SIPP sweeps under the rug the fact that, as of
5 March 2025, the complement was already 46 positions lower than the 2024 average.
6 Another contributing factor to the Company’s overstated payroll expense is that the
7 forecasted O&M percentage in 2026 and 2027 is 66.11% and 66.96%, respectively, as
8 shown on Exhibit HWS-2, Schedule C-4, compared to the 2024 O&M percentage of
9 56.57 and the historical average of 60.56%. This undercapitalization caused by a major
10 shift in payroll from capital to expense was not justified in FPL’s direct testimony or
11 rebuttal. Any recognition of this failure by FPL to meet its burden of proof would
12 impact the settlement results significantly. My expert recommendation reduced
13 jurisdictional payroll expense in 2026 and 2027 by \$125,830,000 and \$139,589,000,
14 respectively.

15

16 Additionally, on top of the payroll issue, there remain serious concerns with the
17 identified excessive projected incentive plan expense of \$87,478,000 in 2026 and
18 \$93,063,000 in 2027 (on a jurisdictional basis) that was included in the Company’s
19 request and left undisturbed by the tough “negotiators” among the SIPs (or by FPL
20 when it was purportedly representing all customers). The related concerns OPC
21 identified with the filed case are that the incentive plans lack a true incentive to produce
22 improved performance, and the Company could not explain how the incentive pool is
23 actually determined.

1 Furthermore, OPC witness William Dunkel provided expert testimony supporting a
2 reduction in depreciation rates and a reduction to dismantlement costs. The
3 recommended jurisdictional adjustments for depreciation were \$164,501,000 and
4 \$174,336,000, for 2026 and 2027, respectively, and that did not include the further-
5 required recommended depreciation cost adjustments associated with a disallowance
6 of plant. The recommended jurisdictional adjustments for dismantlement were
7 \$52,961,000 and \$52,974,000, for 2026 and 2027, respectively.

8
9 Another revenue requirement adjustment apparently overlooked by the hard-charging
10 “negotiators” among the special interests is for maintenance costs adjustments to
11 account for over-forecast expense in the petition compared to the documented historical
12 underspends. Despite the Company claiming that planning for the forecast years is the
13 same as for the historical years, it has essentially provided a proverbial “trust me” claim
14 that FPL will spend what is planned. If this argument had any merit, then the historical
15 spending levels would not have been less than the planned spending. I find it disturbing
16 that some of the SIPs initially objected to the level of costs requested and then
17 capitulated by simply agreeing to this SIPP based on what appears to be a special
18 interest benefit to them, to the detriment of the majority of customers who were
19 unrepresented at the table – except apparently by FPL. There were also issues with the
20 development of various insurance costs and the injuries and damages expenses. In any
21 event, these proper ratemaking adjustments appear to have also been ignored by the
22 special interest “negotiators” in achieving their hard-fought 2.4% non-ROE reductions
23 and thus would be shielded from review by the Commission in hearing.

1 **Q WHY DO YOU MAKE REFERENCE TO THE SPECIAL INTEREST**
2 **“NEGOTIATORS” IGNORING THE RATEMAKING ADJUSTMENTS?**

3 **A.** The First Prehearing Order lists the 130 issues to be decided in hearing. The ten non-
4 FPL special interest parties’ positions varied. Six of the ten took no position as if they
5 did not care whether costs were included or were reasonable. But FIPUG, FRF, SACE,
6 and Walmart either took a position or agreed or adopted the OPC position. Clearly,
7 those that could not take time to take a position at all or took a position that questioned
8 the FPL requested costs ignored the facts when they were presented with an outcome
9 apparently desirable to them in their circumstances, even though it would cause harm
10 to the unrepresented majority of FPL customers and even possibly to their own
11 customers.

12
13 **Q. WHAT IS THE PURPOSE OF EXHIBIT HWS-9?**

14 **A.** Exhibit HWS-9 calculated an “all other things being equal” revenue deficiency based
15 on FPL’s initial filing compared to the SIPP where the only change to the initial filing
16 is the impact associated with the ROE being reduced from 11.9% to 10.95%. The
17 recalculated 2026 revenue requirement using the proposed (and still unreasonable)
18 10.95% ROE midpoint is \$1,060,943,000, compared to the \$945,000,000 level in the
19 SIPP.

20
21 **Q. WHAT DOES EXHIBIT HWS-9 SHOW?**

22 **A.** When compared to the change in revenue requirement associated with the reduced ROE
23 on Exhibit HWS-8, it can be seen that the other cost impact of the overall reduction in

1 the request has been reduced. This further shows that the SIPP reduction is
2 overwhelmingly ROE-related without any apparent effort to recognize the Company's
3 failure to support the 2026 and 2027 forecasted revenue and expense. The
4 "negotiators'" assumption that FPL's forecasted revenue and expenses are accurate
5 ignores common sense and reality. Accepting this proposal would harm the majority of
6 FPL's customers and place an unjust, unconscionable cost burden on them for the
7 benefit of a select few commercial and industrial customers and shareholders. In my
8 opinion, this would not be in the public interest.

9

10 **Q. WHAT IS THE PURPOSE OF EXHIBIT HWS-10?**

11 **A.** Exhibit HWS-10 is the OPC's filed schedules with all the adjustments as recommended
12 in the OPC's direct testimony filed on June 9, 2025, except the ROE was changed from
13 9.2% to the CMP-proposed ROE of 10.6%. This supports a relatively minor deficiency
14 of \$73,981,000, just based on the use of a relatively generous 10.6% ROE, as shown
15 on page 2, line 8, column B of that exhibit.

16

17 **V. ELEMENTS OF THE SIPP**

18 **SOLAR GENERATION AND BATTERY PROJECTS**

19 **Q. DO YOU HAVE ANY CONCERNS ABOUT THE SOLAR GENERATION AND**
20 **BATTERY RESOURCE ELEMENT OF THE SIPP?**

21 **A.** Yes, I have many concerns. The petition request by FPL was for base rate cost recovery
22 of solar additions including battery storage for 2026 and 2027 and SoBRA recovery of
23 the same type assets for 2028 and 2029. The SIPP now provides for some base rate

1 cost recovery for solar generation in 2026 and for SoBRA recovery for 2027, 2028 and
2 2029 solar generation projects and 2028 and 2029 battery storage projects. This shift
3 means that when comparing the SIPP to the petition request, the amount reflected as
4 rate base in the revenue requirement calculation for 2027 must be adjusted to exclude
5 what was initially included for base rate recovery. Also, the SIPP SoBRA provision
6 states that “FPL projects” the Company will begin construction of 4,470 MW of solar
7 projects, broken down by 1,192 MW in 2027, 1,490 MW in 2028 and 1,788 MW in
8 2029. Also, 600 MW of battery storage additions are “projected.” It is not clear from
9 the “FPL projects” language that these MW amounts are limits. They appear to be
10 targets instead.

11

12 An additional concern is that the need for the solar generation and battery projects is to
13 be demonstrated when the project costs are trued-up only after they are built. This
14 appears to me to completely evade any oversight regulation by the Commission with
15 respect to the prudence and need for these resources. The SIPP also provides no
16 effective cap on costs. Any costs that exceed the initial projection at the time rates go
17 into effect would be reflected in the earnings surveillance report and the incremental
18 impact would be recovered when rates are next reset. Because of the RSM mechanism
19 included in the SIPP, the debit represented by any overspend would still be picked up
20 by future customers. This cap provides no meaningful protection for customers. The
21 SIP “negotiators” left the henhouse unattended on this issue.

1 A further issue that discloses the holes in the SIPP approach is that despite the provision
2 that FPL must demonstrate that the cost of components, engineering, and construction
3 are reasonable, the proposal does not provide a definition of what would be needed to
4 meet this requirement. It also appears that any justification for these costs, if it occurs
5 at all, would be from an after-the-fact review. In any event, in my opinion, an objective
6 cost standard is needed because despite not providing sufficient support for costs in the
7 petition filing, project documentation should be provided in a form that shows the
8 specific costs included in the forecast. The documentation should consist of quotes
9 and/or estimates from sources providing equipment or services. This documentation
10 would be required for the Commission to be able to determine that the projects were at
11 least constructed in a prudent manner. The information should also be provided on the
12 front-end and not retrospectively.

13
14 Together, the fact that the cumulative 4,470 MWs appear to merely be targets and the
15 statement in the SIPP that “FPL may build solar generation projects...,” create a great
16 amount of uncertainty for customers as to how much rates would increase at the
17 discretion of the Company. Regulation is supposed to provide a utility the ability to
18 earn a reasonable return. Customers’ rates should be reasonable. Customers should be
19 provided notice of what those rates would be. This proposal does not protect customers
20 and opens the door for the Company to expend funds that could be charged to
21 unrepresented customers resulting in even higher rates than those the SIPs and FPL
22 “negotiated” on their behalf.

1 **ROE CHANGE AND RATE STABILIZATION MECHANISM**

2 **Q. IS THE CHANGE IN THE ROE A SIGNIFICANT CONCESSION BY FPL?**

3 **A.** No. Intervenors testified or provided support for testimony addressing the
4 inappropriateness of FPL’s excessive ROE as initially requested. The SIPP, despite
5 reducing the ROE midpoint from 11.9% to 10.95%, still allows for what is referred to
6 as a RSM, which FPL would be able to use “flexibly at its discretion from 2026 through
7 2029” to adjust its earnings. This allowance does not preclude FPL from adjusting its
8 earnings to 11.95% at the top of the range or above the midpoint. Essentially, this RSM
9 allows FPL to adjust its earnings for a favorable appearance for shareholders at a cost
10 to customers.

11
12 **Q. HOW WOULD THIS FLEXIBILITY COME AT A COST TO CUSTOMERS?**

13 **A.** The SIPP would require FPL to refrain from requesting a rate increase during the period
14 2026-2029 unless the return falls below the 9.95% low point of the range – which is
15 above the annual national average of awarded ROE midpoints! However, assuming
16 that FPL were to legitimately record an achieved operational earned return at or near
17 the midpoint in the normal course of business, and then decide to utilize the RSM to
18 artificially raise that return from the operationally-achieved midpoint up to the high
19 point of the range, FPL would be squandering a credit due to customers (in the case of
20 the AOM sharing benefits) or require them to be collected again from customers (in the
21 case of the DTLs). Clearly that needless shift of dollars to improve the return for
22 shareholders and enhancing stock value deprives customers of revenue requirement
23 reductions due them now and in the future.

1 **Q. WHAT OTHER OBSERVATIONS DO YOU WANT TO SHARE REGARDING**
2 **THE RSM?**

3 **A.** When I filed my June 9, 2025, direct testimony on the FPL filing, I reviewed the 2023
4 decision, Order No. PSC-2023-0177-FOF-GU (“FCG Order”), in the then FPL
5 subsidiary Florida City Gas rate case⁸ that was a miniaturized version of the 2021 FPL
6 rate case filing. I pointed to the decision in that case to refute the FPL effort to get the
7 Commission to approve a similar provision in the contested case. In the context of a
8 proposed settlement (if it is even valid), there is another provision of the FCG Order
9 that is relevant, and that is the ROE if an RSAM-type mechanism is approved. In that
10 case, the Staff recommended against the RSAM requested by the FPL affiliate. The
11 FPL subsidiary also requested an ROE of 10.75%. The Staff recommended that if the
12 Commission nevertheless granted the RSAM, they should adjust the authorized ROE
13 downward as discussed below:

14 In the event the Commission approves the RSAM, staff recommends the
15 Commission lower the allowed ROE by up to 50 basis points to
16 recognize the decrease in the variability of earnings, and therefore risk,
17 associated with the RSAM. As stated by FCG witness Nelson, “...
18 equity investors have a claim on cash flows only after debt holders are
19 paid, and the uncertainty (or risk) associated with those residual cash
20 flows determines the cost of equity.” TR (50) Additionally, FCG
21 witness Campbell stated, “Simply put, the RSAM will allow FCG to
22 absorb changes primarily in cash revenues and expenses while
23 maintaining a pre-established ROE within its authorized range without
24 an increase in customer rates.” TR (1065) In staff’s opinion, the
25 evidence clearly indicates the RSAM reduces earnings variability and
26 consequently the uncertainty (or risk) of FCG’s earnings and cash flows.
27 An allowed return on equity of 9.50 to 10.00 percent will still be above
28 the average authorized ROE for gas utilities in 2022 (approximately

⁸ PSC Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU, p. 6, *In re: Petition for rate increase by Florida City Gas*. NOTE: This order is pending appeal at the Florida Supreme Court.

1 9.38 percent) and FCG would have an RSAM and a 59.6 percent equity
2 ratio as a percent of investor capital as well. (TR 438)⁹
3

4 The Commission granted the RSAM and followed the Staff recommendation and
5 awarded an ROE of 9.50%. (FCG Order at 44.) The SIPP does not appear to make any
6 adjustment to the 10.95% ROE to account for the lower risk as a result of allowing FPL
7 to have an RSM. The “concession” of dropping the ROE from the requested 11.9% to
8 10.95% is not analogous. For one thing, the 11.9% is a laughable, unreasonable profit
9 level. Additionally, in the FCG Order, the 9.5% award measured against the requested
10 10.75% ROE represented a 125-basis point adjustment. Here, such an adjustment
11 would put the ROE at 10.65% – assuming the 11.9% was in any way an accurate
12 representation of FPL’s cost of equity – which it is not under any objective standard.
13 This is further evidence that the SIPP is not in the public interest.
14

15 **Q. COULD THE SIPP PROVIDE FOR AN RSM THAT WOULD PROTECT**
16 **CUSTOMERS AND STILL PROVIDE A REASONABLE RETURN TO**
17 **SHAREHOLDERS?**

18 **A.** Yes, even though I am not recommending extending this mechanism, in theory it could
19 be greatly improved. The RSM protects shareholders if it allows utilization to bring an
20 ROE up to (or perhaps somewhat above) the lower limit of the ROE range, and thus
21 allowing FPL to earn within the range determined by the Commission to be reasonable.
22 The purpose of a range is to set parameters as to what are reasonable and justified
23 earnings and accommodate the natural variability of operational conditions. Earning

⁹ Staff Recommendation Memorandum in Docket No. 20220069-GU, dated February 16, 2023 at page 120. Document No.01163-2023, *In re: Petition for rate increase by Florida City Gas.*

1 above the Commission-established low point of the range is considered as reasonable
2 as earning at the high end. The midpoint is the rate-setting target return and the high
3 point is a protection for customers that is designed to prevent an overearnings by the
4 company – it is not intended to be used to effectively extend the profit level for the
5 shareholders by a half billion dollars annually.

6

7 **Q. ARE THERE OTHER CONCERNS WITH THE PROPOSED RSM?**

8 **A.** Yes. The SIPP refers to the mechanism as non-cash accounting which in effect is
9 misleading. While the RSM mechanism involves recording a journal entry adjustment
10 that would predominantly involve shifting a credit from the balance sheet to the income
11 statement to adjust earnings, there is a cash effect on customers at some point in time.
12 If the credit was not utilized to adjust earnings, at some point in time that credit would
13 impact (offset) expenses that would otherwise be borne by customers. Absent the
14 needless earnings enhancement diversion to shareholders through the RSM, these
15 credits would result in a cost savings to customers and reduce the cash requirement for
16 paying their utility bill.

17

18 Also, the reference to a sharing of the gains generated by the AOM to the extent it
19 exceeds \$150 million appears to harm customers. In the 2021 FPL settlement
20 agreement, which was apparently continued pursuant to Paragraph 21 of that
21 agreement, in general terms, and absent the RSM, customers would receive the first
22 \$42.5 million of identified gains, 40% of gains between \$42.5 million and \$100 million,
23 and 50% of the gains above \$100 million. Thus, for savings of \$150 million, customers

1 would normally receive \$90.5 million of the overall gains. The SIPP provision that
2 100% of the gains up to \$150 million would be available to top off earnings up to the
3 proposed upper limit of 11.95% ROE and thus essentially flow the \$90.5 million
4 customer share through to shareholders is problematic to say the least. All gains should
5 pass through to customers as provided in the approved AOM. If one assumes that the
6 annual amount of the \$90.5 million of the AOM is utilized in each of the 4 years
7 covered by the SIPP, then the \$115,943,000 non-ROE “concession” by FPL to the SIPs
8 all but evaporates.

9

10 **STORM DAMAGE RESERVE**

11 **Q. WHAT IS THE ISSUE WITH THE STORM DAMAGE RESERVE ELEMENT?**

12 **A.** The issue is that this is a mechanism that reduces risks for the Company. This reduction
13 of risk should be considered when evaluating the ROE and given the proposed ROE, it
14 is not clear that there is any recognition of the mechanism having an impact on the risk
15 assessment. Additionally, the Company did not provide any support in either its petition
16 filing or in its rebuttal to justify an increase of \$80 million. It is not appropriate that
17 increases in the Storm Damage Reserve be passed on to customers when the Company
18 has not provided any evidence to meet the burden of proof requirement. Accepting this
19 change would only further justify a lower ROE than the SIPP mid-point of 10.95%.

1 **PLANT HELD FOR FUTURE USE**

2 **Q. WHAT HAVE YOU IDENTIFIED AS AN ISSUE WITH THE PLANT HELD**
3 **FOR FUTURE USE ELEMENT OF THE SIPP?**

4 **A.** FPL's Initial Rate Case Filing requested PHFU of \$1,475,168,000 in 2026 and
5 \$1,533,409,000 in 2027 as part of rate base in total and on a jurisdictional basis of the
6 request. OPC took issue with the growth of PHFU and the forecasted additions as
7 speculative and inappropriate since customers would be paying a requested return of
8 7.63%, despite properties not having a known in-service date and the Company has had
9 customers paying a return on 40 pieces of property that have an average holding period
10 of 21.85 years. The 2026 average of the 40 pieces of long-held properties in rate base
11 is \$92,300,167. Applying the Company's initial requested rate of return of 7.63% to
12 that average, the annual cost to customers yields an estimated unnecessary revenue
13 requirement of \$7,042,503. As I identified in my June 9, 2025, testimony, FPL witness
14 Oliver stated in an earlier deposition that another property with a cost of approximately
15 \$212 million was acquired because "[i]t was a large property that looked like it could
16 be used for multiple solar facilities, and it came on the market, was available, and we
17 put it through our screening process and determined that we could economically build
18 multiple sites on that property to benefit our customers." This is clearly speculation.
19 The SIPP in essence confirms that there is an issue with the accumulated properties
20 since the Company has proposed that FPL would not be permitted to purchase any new
21 land exclusively for solar and has committed to try to sell \$200 million of properties
22 held in PHFU.

1 As discussed earlier, FPL witness Tim Oliver in his September 10, 2025, deposition
2 indicated that FPL would be able to purchase land for non-solar purposes during the
3 term of the SIPP and then later designate that land as viable solar land without violating
4 the terms of the SIPP. This potential loophole undermines the supposed benefits
5 claimed in FPL witness Oliver's settlement testimony when he said that this portion of
6 the SIPP "reflects FPL's commitment to a collaborative resolution and disciplined
7 resource management that directly benefits our customers" and "demonstrate[s] our
8 commitment to reasonable compromise with regards to the land portfolio."¹⁰ Mr.
9 Oliver also admitted that none of the 40 long-held properties are being considered for
10 divestment to satisfy the \$200 million sales condition. Two of those properties are
11 expected by FPL to remain in PFHU throughout the term of the SIPP, meaning that
12 they will have been held for 50 years without being used to contribute one electron to
13 the grid on behalf of customers. If, and until the land is sold, because of the RSM
14 mechanism, the debit represented by the carrying cost of any unsold surplus land would
15 still be picked up by future customers. Regardless, any scrutiny of FPL's real estate
16 stockpiling practices is effectively swept under the rug by the SIPP.

17
18 OPC recommended excluding \$973,972,000 (\$931,860,000 jurisdictional) in 2026 and
19 \$1,205,189,000 (\$1,153,488,000 jurisdictional) of PHFU in 2027. The proposed (and
20 speculative) reduction of \$200,000,000 through the sale of PHFU properties is clearly
21 insufficient given the lack of justification for holding the properties and charging
22 customers a return on properties that may someday be used in providing service to

¹⁰ Document No. 08981-2025, Docket No. 20250011-EI, p. 2-3, *In re: Petition for rate increase by Florida Power & Light Company*.

1 future customers. To the extent that the \$200 million in surplus land is included in base
2 rates per the provision of paragraph 2 and because of the SIPs' approval of MFR
3 Schedule B-2, recovery through a return on rate base on this land would still be included
4 in the rate levels set in the proposal. If the SIPP were to be approved, the Company
5 should be required to show that the \$200 million was removed in determining the
6 revenue requirement.

7

8 **VI. OPINION ON THE PROPOSED CMPP**

9 **Q. WHAT IS YOUR OPINION ON THE CMPP?**

10 **A.** With the caveat that my expert opinion remains based on, and in support of, the revenue
11 requirement testimony and other opinions contained in my June 9, 2025, testimony, I
12 can state that the CMPP in my opinion is, as a whole, much more reasonable than the
13 SIPP. I would emphasize that paragraph 33 of the CMPP qualifies that "[t]he provisions
14 of this [CMPP] are contingent on approval of this [CMPP] in its entirety by the
15 Commission without modification." While I agree that the CMPP is closer to being in
16 the public interest than the SIPP, I think it is important to state that the CMPP terms
17 cannot be viewed as "a la carte" stipulations on individual issues.

18

19 The CMPP concessions are very generous towards FPL. Reading it, one might even
20 think that the CMPs were undertaking to represent FPL at the negotiating table much
21 as FPL witness Scott Bores has testified that FPL was kind enough to do for the
22 residential and small business customers in the SIP negotiating sessions. The CMP
23 have made significant concessions on the ROE by offering a 10.6% ROE that greatly

1 exceeds the national average of ROEs. All committed intervenors recommended lower
2 ROEs by a full percentage point, except FIPUG who had an unexplained range position
3 of 9.81% to 10.5%.

4
5 The CMPP also concedes on a significant amount of other costs. In my opinion, the
6 OPC's original position that a revenue sufficiency exists is well supported, unlike
7 FPL's request and the SIPP. In fact, I believe that an even lower settlement than the
8 \$867,000,000 in 2026 and the added \$403,000,000 in 2027 would be justified. I would
9 also think that some other concessions made in the CMPP are more than generous.
10 While I may not agree with the extent of the concessions, in my expert opinion and
11 given the extent of my experience testifying across the country over nearly 50 years, it
12 is very obvious that the CMPP is more than adequate, especially in light of the
13 weaknesses in FPL's petition, to provide FPL an opportunity to achieve its midpoint
14 ROE and would yield rates that are much closer than those in the SIPP to being fair,
15 just, and reasonable and in the public interest.

16

17 **Q. WHAT OTHER CONCESSIONS IN THE CMPP DID YOU THINK WERE**
18 **SIGNIFICANT?**

19 **A.** The proposed CMPP has a GBRA that is similar to allowing for a SoBRA. The OPC
20 opposed the SoBRA in its direct testimony filed on June 9, 2025. This is a significant
21 allowance for providing FPL an opportunity to extend the rate plan from 2 years to 4
22 years, as well as reducing financial risk that should be factored in determining the ROE.

1 The CMPP allows for increasing the Storm Damage Reserve from \$220,000,000 to
2 \$300,000,000, which I was opposed to as discussed in my June 9, 2025, direct
3 testimony. This concession I feel is significant since it reduces risk and suggests the
4 10.6% ROE is even more generous than it would otherwise be on a stand-alone basis.
5 Allowing the SoBRA resources that were opposed by the OPC in conjunction with the
6 GBRA is clearly a significant concession in allowing recovery without a rate case as
7 well as reducing financial risk that should be factored in determining the ROE.

8

9 Acceptance of the Company depreciation study and dismantlement study is significant
10 considering the OPC's 2026 recommended adjustment for the FPL request was
11 \$164,501,000 and \$52,961,000, respectively, on a jurisdictional basis.

12

13 **Q. WHAT ELEMENTS IN THE CMPP REFLECT A REASONABLE**
14 **RECOGNITION OF ISSUES AS IDENTIFIED IN THE COMMISSION'S**
15 **FIRST PREHEARING ORDER?**

16 **A.** The CMPP factored in a reasonable amount of some of the OPC recommended payroll
17 adjustment. I continue to believe the full adjustment I recommended was justified since
18 the Company failed to provide evidence and/or support for the added positions
19 requested and the Company's overstatement of payroll expense of the forecasted O&M
20 percentage in 2026 and 2027 by applying 66.11% and 66.96%, respectively as shown
21 on Exhibit HWS-2, Schedule C-4 compared to the 2024 O&M percentage of 56.57 and
22 the historical average of 60.56%. This is further indication that the concessions and
23 compromises by the CMPs are very conservative in favor of FPL.

1 Another aspect of the CMPP that I highlight is that there is an adjustment for a portion
2 of my recommended incentive compensation adjustment. Based on past Commission
3 precedent in litigated cases, this takes into consideration that all of the incentive
4 compensation was excluded, while, in another case, a large adjustment was made to
5 exclude incentive compensation. This is further indication that the concessions and
6 compromise by the CMPP are very conservative in favor of FPL.

7

8 The CMPP excluded a portion of the OPC–recommended adjustments for maintenance
9 costs and PHFU, which is further evidence of the conservative approach the CMPs took
10 relative to FPL.

11

12 **Q. WHAT ARE SOME REVENUE AND EXPENSE ADJUSTMENTS IN OPC’S**
13 **DIRECT TESTIMONY THAT WERE NOT ADJUSTED BY THE CMPP?**

14 **A.** There was not an adjustment for the understatement of sales and customer growth. I do
15 not see adjustments for various benefits, even though those would be a flow through of
16 the payroll adjustment. There is no insurance adjustment, no injuries and damages
17 adjustment, no uncollectible adjustment, no dues adjustment, no economic
18 development adjustment, no depreciation rate adjustment, no dismantlement
19 adjustment, no depreciation adjustment on plant exclusions, no payroll tax adjustment,
20 and no property tax adjustment. Those adjustments conceded by the CMPs total to
21 over \$480,000,000 alone. That number would increase significantly by the portion of
22 expenses only partially recognized. Of course, it goes without saying that the 2.4%
23 from the original request that the SIP “negotiators” effectively shaved off the non-ROE

1 portion of the FPL ask in the SIPP does not even come close to compromising on that
2 level of costs.

3

4 **Q. WHY ARE YOU EMPHASIZING THE IMPORTANCE OF BOTH THE**
5 **CONCESSION IN THE ROE AND OTHER COSTS?**

6 **A.** In my decades of consulting in utility regulatory proceedings, settlements traditionally
7 require concessions on both the ROE and other costs by the utility and intervenors. A
8 common element in a settlement is to make reference to the settlement of all issues. In
9 this proceeding, six of the ten SIPs typically took no position on the cost issues, three
10 SIPs (FIPUG, Walmart, and FRF) either agreed with OPC or stated a position, and
11 SACE varied with “no position,” or stated a position, including agreeing with OPC’s
12 ROE recommendation. The SIPP claimed to settle all issues. This assertion is
13 confusing since most of the SIPs took no position or agreed with OPC. It is manifestly
14 unclear what interests were settled and by whom and under what representational
15 authority. I suspect this aspect of the SIPP will be addressed by attorneys, but in my
16 professional experience, I am unaware of circumstances where anyone can just walk in
17 off the street and settle a case for other parties they do not represent. Apparently, as
18 long as the special interest parties were given a rate to please them individually, the
19 impact on the majority of customers was of no concern. Despite the special interests’
20 bias reflected in the SIPP, the CMPs offered a proposal that was overly generous in my
21 opinion, but still one that is a vast improvement over the SIPP and one that would
22 benefit all intervenors, customers, and FPL.

1 **Q. IN SOME OF THE DEPOSITIONS OF THE SIP CORPORATE**
2 **REPRESENTATIVES THAT CONCLUDED ON SEPTEMBER 18, 2025, SOME**
3 **OF THEM EFFECTIVELY STATED THAT THE PUBLIC INTEREST IS**
4 **ADVANCED BY THE FACT THAT THE SIPP REVENUE REQUIREMENT IS**
5 **LOWER THAN THAT CONTAINED IN FPL’S INITIAL RATE CASE FILING.**
6 **ARE YOU AWARE OF SUCH CLAIMS, AND IF SO, WHAT IS YOUR**
7 **OPINION OF THAT ASSERTION?**

8
9 **A.** I have reviewed all of the transcripts that have been produced. Based on my extensive
10 experience and expertise, I can say that such a claim is nonsense. A simple reduction
11 in a revenue requirement ask is not evidence of the public interest being served. I have
12 demonstrated throughout my testimony that the Company’s Initial Rate Case Filing
13 was grossly overstated – especially as it relates to the 11.9% ROE – and that the SIP
14 “negotiators” achieved little or no substantive concessions from FPL. A public interest
15 standard that finds value in any reduction, no matter how small or immaterial, to the
16 Company’s ask would be no standard at all. I would strongly urge the Commission to
17 give zero weight to these assertions in their public interest determination.

18
19 **Q. DO YOU HAVE ANY OTHER OBSERVATIONS RELEVANT TO THE**
20 **CORPORATE REPRESENTATIVE DEPOSITIONS NOW THAT YOU HAVE**
21 **HAD A CHANCE TO REVIEW THE TRANSCRIPTS?**

22
23 **A.** I am shocked at the degree to which the SIPs, through their corporate representatives,
24 indicated their self-serving, narrow interest in their involvement in producing the SIPP.

1 Their appalling lack of understanding of the issues is evident from the depositions. As
2 I noted elsewhere in my testimony, these special interest parties only participated in the
3 SIPP on behalf of their special interests. Their efforts were not for the benefit of all
4 customers or the public interest. It is inconceivable that “negotiators” with such narrow
5 scopes of interest and an abject lack of understanding of the most basic elements of the
6 case and the SIPP could be enabled or authorized to compromise on behalf of all
7 customers and on all 130 issues of the case and create an agreement that is not even
8 remotely in the public interest.

9

10 **VII. SUMMARY**

11 **Q. WHAT IS YOUR CONCLUSION REGARDING THE SIPP?**

12 **A.** The OPC proposed appropriate adjustments in direct testimony in response to FPL’s
13 petition request resulting in a revenue sufficiency of at least \$620,492,000. When
14 compared to FPL’s December 31, 2026, projected test year requested revenue
15 requirement increase of \$1,544,780,000, there is a \$2,165,272,000 difference. The SIPP
16 only addressed approximately 25% of the difference and the vast majority of that
17 difference was achieved just by reducing an unrealistic half-billion dollar revenue
18 requirement level of requested ROE. The fact is that there is no supported cost of
19 service with documentation and/or testimony to justify costs underlying the SIPP (i.e.,
20 it is a “black box”) which is inconsistent with what regulatory requirements are – for
21 determining fair, just, and reasonable rates. The Commission should also factor into its
22 public interest determination whether a settlement with select customers that is
23 designed to benefit those few customers at the expense of the majority customers

1 should be approved. In my opinion and based on my experience, the SIPP lacks validity
2 and must be rejected.

3

4 The CMPP contains significant and extremely generous concessions, unlike the SIPP,
5 by offering an approximate 68.7% concession $((\$620,492,000 + \$867,000,000 =$
6 $\$1,487,492,000)/\$2,165,272,000)$. My opinion discounts the fact that the cost-of-
7 service filing was not supported with documentation and/or testimony to justify costs
8 underlying the CMPP (i.e., it is *mostly* a “black box”), which would ordinarily be
9 contrary to what regulatory requirements are – for determining fair, just, and reasonable
10 rates. Compared to the SIPP, however, the CMPP does implement some cost-based
11 adjustments and is thus further superior to the SIPP in this regard. The Commission
12 should factor into its decision that the SIPP, with select customers, is designed to benefit
13 those few customers at the expense of the majority customers, and the CMPP has a
14 lower revenue requirement, less of an excessive ROE, and contains no problematic
15 RSM. The CMPP is clearly superior and much closer to meeting the public interest
16 standard and yielding fair, just, and reasonable rates.

17

18 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY ON THIS PART OF**
19 **THE DOCKET?**

20 **A.** Yes, it does at this time. Please note that just because I have not provided a criticism
21 or mention of every single aspect of the SIPP, it should in no way be interpreted that
22 my silence means that I have expressed support for, or agreement with, such
23 provision(s).

Line No.	Comparison Description	(A) Company As Filed Amount	(B) Per Settlement Amount	(C) OPC As Filed Amount	(D) CMP Settlement Amount
<u>2026</u>					
1	Jurisdictional Adjusted Rate Base	\$ 75,129,876	Unknown	\$ 73,222,063	Unknown
2	Required Rate of Return	7.63%	7.15%	6.24%	6.95%
3	Jurisdictional Income Required	\$ 5,731,953		\$ 4,570,754	
4	Jurisdictional Adj. Net Operating Income	\$ 4,580,123		\$ 5,033,474	
5	Income Deficiency (Sufficiency)	\$ 1,151,831		\$ (462,720)	\$ -
6	Earned Rate of Return	6.10%		6.87%	
7	Net Operating Income Multiplier	1.34115	1.341150	1.34097	1.340967
8	Revenue Deficiency (Sufficiency)	\$ 1,544,780	\$ 945,000	\$ (620,492)	\$ 867,000
9	Proposed Settlement	\$ 945,000		\$ 867,000	
10	Settlement (Reduction) Increase	\$ (599,780)		\$ 1,487,492	
11	Difference in Initial Filings			\$ 2,165,272	
<u>2027</u>					
12	Jurisdictional Adjusted Rate Base	\$ 80,751,580	Unknown	\$ 77,715,918	Unknown
13	Required Rate of Return	7.64%	7.16%	6.24%	6.95%
14	Jurisdictional Income Required	\$ 6,173,269		\$ 4,851,234	
15	Jurisdictional Adj. Net Operating Income	\$ 4,325,766		\$ 4,824,987	
16	Income Deficiency (Sufficiency)	\$ 1,847,503	\$ -	\$ 26,247	\$ -
17	Earned Rate of Return	5.36%		6.21%	
18	Net Operating Income Multiplier	1.34113	1.341130	1.34097	1.340967
19	Revenue Deficiency (Sufficiency)	\$ 2,477,747	\$ 705,000	\$ 35,196	\$ 403,000
20	Revenue Increase Requested	\$ 1,550,393		\$ -	
21	Rate Increase Requested (Post 2026 Increase)	\$ 927,354		\$ -	
22	Proposed Settlement	\$ 705,000		\$ 403,000	
23	Settlement (Reduction) Increase	\$ (222,354)		\$ 403,000	

Revenue Requirement
(Thousands of Dollars)

		Page 1 of 3		
Line No.	Description	Company As Filed Amount (A)	Per Settlement Amount (B)	Impact of Change To ROE
1	Jurisdictional Adjusted Rate Base	\$ 75,129,876	\$ 75,129,876	
2	Required Rate of Return	7.63%	7.15%	
3	Jurisdictional Income Required	\$ 5,731,953	\$ 5,371,192	
4	Jurisdictional Adj. Net Operating Income	\$ 4,580,123	\$ 4,580,123	
5	Income Deficiency (Sufficiency)	\$ 1,151,831	\$ 791,069	
6	Earned Rate of Return	6.10%	6.10%	
7	Net Operating Income Multiplier	1.34115	1.34115	
8	Revenue Deficiency (Sufficiency)	\$ 1,544,780	\$ 1,060,943	\$ 483,837
9	Settlement Revenue Requirement	\$ 945,000	\$ 945,000	
10	Other Cost Reduction		\$ 115,943	\$ 115,943
11	Revenue Requirement Reduction	\$ 599,780		\$ 599,780

Source/Notes

Col. A: Company MFR Schedule A-1

Revenue Requirement
(Thousands of Dollars)

Page 2 of 3

Line No.	Description	Company As Filed Amount (A)	Per Settlement Amount (B)	Impact of Change To ROE
1	Jurisdictional Adjusted Rate Base	\$ 80,751,580	\$ 80,751,580	
2	Required Rate of Return	7.64%	7.16%	
3	Jurisdictional Income Required	\$ 6,173,269	\$ 5,783,526	
4	Jurisdictional Adj. Net Operating Income	\$ 4,325,766	\$ 4,325,766	
5	Income Deficiency (Sufficiency)	\$ 1,847,503	\$ 1,457,760	
6	Earned Rate of Return	5.36%	5.36%	
7	Net Operating Income Multiplier	1.34113	1.34113	
8	Revenue Deficiency (Sufficiency)	\$ 2,477,747	\$ 1,955,045	\$ 522,702
9	Revenue Increase Requested 2026	\$ 1,550,393	\$ 945,000	\$ 605,393
10	Rate Increase Requested (Post 2026 Increase)	\$ 927,354	\$ 1,010,045	\$ (82,691)
11	Settlement Revenue Requirement	\$ 705,000	\$ 705,000	
12	2026 ROE Change Flowthrough		\$ 305,045	\$ 305,045
13	Revenue Requirement Reduction	\$ 222,354		\$ 222,354

Source/Notes

Col. A: Company MFR Schedule A-1

Cost of Capital
(Thousands of Dollars)

Page 3 of 3

Line No.	Class of Capital	Per Company	Ratio	Cost Rate	Company Weighted Cost Rate	Rate Base & Def. Inc. Tax Adjustments	Settlement Capital Structure	Settlement Cost Rate	Settlement Weighted Cost Rate
December 31, 2026									
1	Common Equity	37,620,169	50.07%	11.90%	5.96%		37,620,169	10.95%	5.48%
2	Long Term Debt	24,527,244	32.65%	4.64%	1.51%		24,527,244	4.64%	1.51%
3	Short Term Debt	974,390	1.30%	3.80%	0.05%		974,390	3.80%	0.05%
4	Customer Deposits	614,374	0.82%	2.15%	0.02%		614,374	2.15%	0.02%
5	Investment Tax Credits	750,400	1.00%	9.03%	0.09%		750,400	8.46%	0.08%
6	FAS 109 Deferred Income Tax	2,406,257	3.20%	0.00%	0.00%		2,406,257	0.00%	0.00%
7	Deferred Income Tax	8,237,043	10.96%	0.00%	0.00%		8,237,043	0.00%	0.00%
8	Total	75,129,876	100.00%		7.63%	-	75,129,877		7.15%
December 31, 2027									
9	Common Equity	40,471,873	50.12%	11.90%	5.96%		40,471,873	10.95%	5.49%
10	Long Term Debt	26,288,409	32.55%	4.69%	1.53%		26,288,409	4.69%	1.53%
11	Short Term Debt	1,146,622	1.42%	3.79%	0.05%		1,146,622	3.79%	0.05%
12	Customer Deposits	650,527	0.81%	2.15%	0.02%		650,527	2.15%	0.02%
13	Investment Tax Credits	725,070	0.90%	9.06%	0.08%		725,070	8.48%	0.08%
14	FAS 109 Deferred Inc. Tax	2,413,243	2.99%	0.00%	0.00%		2,413,243	0.00%	0.00%
15	Deferred Income Tax	9,055,836	11.21%	0.00%	0.00%		9,055,836	0.00%	0.00%
16	Total	80,751,580	100.00%		7.64%	-	80,751,580		7.16%
Capitalization									
December 31, 2026		Per FP&L	Effective	Final	Adjusted	Adjs. To	Per FP&L		
Ratio of Debt & Equity Components		Amounts	FP&L Ratio	FP&L Ratio	Allocations	Capitalization Cap. Struct.	Rate Base		
		(a)	(b)	(c)	(d)	(e) = (a -d)	75,129,876		
17	Common Equity	37,620,169	59.60%	59.60%	-	37,620,169	75,129,876		
18	Long Term Debt	24,527,244	38.86%	38.86%	-	24,527,244	-		
19	Short Term Debt	974,390	1.54%	1.54%	-	974,390	-		
20		63,121,803	100.00%	100.00%	-	63,121,803	-		
December 31, 2027									
Ratio of Debt & Equity Components		Per FP&L	Effective	Final	Adjusted	Capitalization	Rate Base		
		Amounts	FP&L Ratio	FP&L Ratio	Allocations	Cap. Struct.			
		(a)	(b)	(c)	(d)	(e) = (a -d)	80,751,580		
21	Common Equity	40,471,873	59.60%	59.60%	-	40,471,873	80,751,580		
22	Long Term Debt	26,288,409	38.71%	38.71%	-	26,288,409	-		
23	Short Term Debt	1,146,622	1.69%	1.69%	-	1,146,622	-		
24		67,906,904	100.00%	100.00%	-	67,906,904	-		

The per Company amounts are from MFR Sch. D-1a.

Florida Power & Light

SCHEDULES OF HELMUTH SCHULTZ III
TABLE OF CONTENTS

Schedule No.	Schedule Title
A	Revenue Requirement
A-1	Net Operating Income Multiplier
B	Adjusted Rate Base
B-1	Rate Base Adjustments
B-2	Plant In Service Adjustment
B-3	Capital Expenditures
B-4	Accumulated Depreciation Adjustment
B-5	Plant Held for Future Use Adjustment
B-6	Cash Working Capital Adjustment
C	Net Operating Income
C-1	Net Operating Income Adjustments
C-2	Revenue
C-3	Other Revenue
C-4	Payroll Expense
C-5	Incentive Compensation
C-6	Payroll Benefits & Taxes
C-7	Insurance Expense
C-8	Injuries & Damages Expense
C-9	Directors & Officers Liability Insurance Expense
C-10	Rate Case Expense
C-11	Uncollectible Expense
C-12	Planned Generation Maintenance
C-13	Planned Transmission Maintenance
C-14	Revision to Proposed Depreciation Rates
C-15	Dismantlement Study
C-16	Property Taxes
C-17	Dues
C-18	Income Tax Expense
C-19	Interest Synchronization Adjustment
D	Cost of Capital
D-1	Deferred Income Tax

Revenue Requirement
(Thousands of Dollars)

Schedule A
Page 1 of 2

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 75,129,876	\$ 73,222,063	Schedule B-1
2	Required Rate of Return	7.63%	6.95%	Schedule D
3	Jurisdictional Income Required	\$ 5,731,953	\$ 5,088,577	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ 4,580,123	\$ 5,033,474	Schedule C-1
5	Income Deficiency (Sufficiency)	\$ 1,151,831	\$ 55,103	Line 3 - Line 4
6	Earned Rate of Return	6.10%	6.87%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.34115	1.340967	Schedule A-1
8	Revenue Deficiency (Sufficiency)	\$ 1,544,780	\$ 73,891	Line 5 x Line 7
9	Revenue Sufficiency		620,492	HWS Exhibit-2
10	Revenue Impact in ROE Change		\$ 694,383	Line 8 + Line 9
11	Settlement Increase		\$ 1,487,492	HWS Exhibit-8
12	Other Cost Conceded		\$ 793,109	Line 11 - Line 10

Source/Notes

Col. A: Company MFR Schedule A-1

Revenue Requirement
(Thousands of Dollars)

Schedule A
Page 2 of 2

Line No.	Description	Per Company Amount (A)	Per OPC Amount (B)	Col. (B) Reference
1	Jurisdictional Adjusted Rate Base	\$ 80,751,580	\$ 77,715,918	Schedule B-1
2	Required Rate of Return	7.64%	6.95%	Schedule D
3	Jurisdictional Income Required	\$ 6,173,269	\$ 5,399,486	Line 1 x Line 2
4	Jurisdictional Adj. Net Operating Income	\$ 4,325,766	\$ 4,824,987	Schedule C-1
5	Income Deficiency (Sufficiency)	\$ 1,847,503	\$ 574,498	Line 3 - Line 4
6	Earned Rate of Return	5.36%	6.21%	Line 4 / Line 1
7	Net Operating Income Multiplier	1.34113	1.340967	Schedule A-1
8	Revenue Deficiency (Sufficiency)	\$ 2,477,747	\$ 770,383	Line 5 x Line 7
9	Revenue Increase Requested	\$ 1,550,393	\$ 867,000	
10	Rate Increase Requested (Post 2026 Increase)	\$ 927,354	\$ (96,617)	
11	Settlement Revenue Requirement		\$ 403,000	
12	Other Cost Conceded		\$ 499,617	

Source/Notes

Col. A: Company MFR Schedule A-1

Net Operating Income Multiplier

Page 1 of 2

Line No.	Description	Per Company Percent	Percent
1	Revenue Requirement	100.000%	100.0000%
2	Bad Debt Rate, per OPC	<u>0.124%</u>	<u>0.110%</u>
3	Net Before Income Taxes	99.876%	99.890%
4	State Income Tax Rate (Effective)	<u>5.500%</u>	<u>5.500%</u>
5	State Income Tax	<u>5.493%</u>	<u>5.494%</u>
6	Net Before Federal Income Tax	94.383%	94.396%
7	Federal Income Tax Rate (Effective)	<u>21.000%</u>	<u>21.000%</u>
8	Federal Income Tax	<u>19.820%</u>	<u>19.823%</u>
9	Revenue Expansion Factor	74.563%	74.573%
10	Net Operating Income Multiplier	<u>1.34115</u>	<u>1.34097</u>

Above amounts are from the Company's filing Schedule C-44, with the exception of the bad debt rate, which is based on the OPC recommended rate.

Net Operating Income Multiplier

Page 2 of 2

Line No.	Description	Per Company Percent	Percent
1	Revenue Requirement	100.000%	100.000%
2	Bad Debt Rate, per OPC	0.122%	0.110%
3	Net Before Income Taxes	99.878%	99.890%
4	State Income Tax Rate (Effective)	5.500%	5.500%
5	State Income Tax	5.493%	5.494%
6	Net Before Federal Income Tax	94.385%	94.396%
7	Federal Income Tax Rate (Effective)	21.000%	21.000%
8	Federal Income Tax	19.821%	19.823%
9	Revenue Expansion Factor	74.564%	74.573%
10	Net Operating Income Multiplier	1.34113	1.34097

Above amounts are from the Company's filing Schedule C-44, with the exception of the bad debt rate, which is based on the OPC recommended rate.

Adjusted Rate Base
(Thousands of Dollars)

Schedule B
Page 1 of 2

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	Citizens Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 86,274,360	\$ (1,125,625)	\$ 85,148,735
2	Accumulated Depreciation & Amortization	17,683,082	(125,443)	17,557,639
3	Net Plant in Service	68,591,278	(1,000,182)	67,591,096
4	Construction Work in Progress	2,012,666		2,012,666
5	Plant Held for Future Use	1,475,168	(931,860)	543,308
6	Nuclear Fuel	745,109		745,109
7	Total Net Plant	72,824,221	(1,932,042)	70,892,179
8	Total Working Capital	2,305,655	24,229	2,329,884
9	Other Rate Base Adjustments	-	-	-
10	Total Rate Base	\$ 75,129,876	\$ (1,907,813)	\$ 73,222,063

Source/Notes

Col. A: Company MFR Schedule B-1
Col. B: See Schedule B-1, page 1

Adjusted Rate Base
(Thousands of Dollars)

Schedule B
Page 2 of 2

Line No.	Rate Base Components	Adjusted Juris. Total Amount per Company (A)	Citizens Adjustments (B)	Adjusted Juris. Total Amount per Citizens (C)
1	Plant in Service	\$ 93,279,289	\$ (2,302,079)	\$ 90,977,210
2	Accumulated Depreciation & Amortization	19,515,489	(397,420)	19,118,069
3	Net Plant in Service	73,763,800	(1,904,659)	71,859,141
4	Construction Work in Progress	2,119,109		2,119,109
5	Plant Held for Future Use	1,533,409	(1,153,488)	379,921
6	Nuclear Fuel	840,565		840,565
7	Total Net Plant	78,256,883	(3,058,147)	75,198,736
8	Total Working Capital	2,494,697	22,485	2,517,182
9	Other Rate Base Adjustments	-		-
10	Total Rate Base	\$ 80,751,580	\$ (3,035,662)	\$ 77,715,918

Source/Notes

Col. A: Company MFR Schedule B-1

Col. B: See Schedule B-1, page 2

Adjusted Rate Base-Summary of Adjustments
(Thousands of Dollars)

Schedule B-1
Page 1 of 2

Line No.	Adjustment Title	Witness Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Plant in Service Adjustments					
1	Overstatement of Projected Plant in Service 2026	J. Dauphinois/B-2	\$ (1,173,444)	0.959249	\$ (1,125,625)
2			0		0
3			-		-
4	<i>Total Plant in Service</i>		<u>\$ (1,173,444)</u>		<u>\$ (1,125,625)</u>
Accumulated Depreciation Adjustments					
5	Revision to Proposed Depreciation Rates	William Dunkel/C-14	(83,495)	Various	\$ (82,251)
6	Reduction to Dismantlement Costs	William Dunkel/C-15	(27,619)	0.958795	(26,481)
7	Overstatement of Projected 2026 Accum. Deprec. Balance	J. Dauphinois/B-2	\$ (17,421)	0.959249	\$ (16,711)
8			-		-
9			-		-
10	<i>Total Accumulated Depreciation</i>		<u>\$ (128,534)</u>	Variuos	<u>\$ (125,443)</u>
Construction Work in Progress					
11			\$ -		\$ -
12	<i>Total Construction Work in Progress</i>		<u>\$ -</u>		<u>\$ -</u>
Plant Held for Future Use					
13	Remove excess properties	Schedule B-5	\$ (973,972)	0.956763	\$ (931,860)
14			-		-
15	<i>Total Plant Held for Future Use</i>		<u>\$ (973,972)</u>		<u>\$ (931,860)</u>
Working Capital Adjustments					
16	Plant Daniel Adjustment	Schedule B-6 P.5	\$ 29,488	0.970860	\$ 28,629
17	Remove Unamortized Rate Case Expense	Schedule C-10	(4,400)	1.000000	(4,400)
18	<i>Total Working Capital</i>		<u>\$ 25,088</u>		<u>\$ 24,229</u>
19	Rate Base Adjustments				<u>(1,907,813)</u>

Adjusted Rate Base-Summary of Adjustments
(Thousands of Dollars)

Schedule B-1
Page 2 of 2

Line No.	Adjustment Title	Witness Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Plant in Service Adjustments					
1	Overstatement of Projected Plant in Service 2027	J. Dauphinois/B-2	\$ (2,399,274)	0.95949	(2,302,079)
2			-		0
3			-		0
4	<i>Total Plant in Service</i>		<u>\$ (2,399,274)</u>		<u>(2,302,079)</u>
Accumulated Depreciation Adjustments					
5	Revision to Proposed Depreciation Rates	William Dunkel/C-14	\$ (255,449)	Various	(251,669)
6	Reduction to Dismantlement Costs	William Dunkel/C-15	(82,856)	0.959034	(79,448)
7	Overstatement of Projected 2027 Accum. Deprec. Balance	J. Dauphinois/B-2	(69,102)	0.95949	(66,303)
8			-		0
9			-		0
10	<i>Total Accumulated Depreciation</i>		<u>\$ (407,407)</u>		<u>(397,420)</u>
Construction Work in Progress					
11			<u>\$ -</u>		<u>0</u>
12	<i>Total Construction Work in Progress</i>		<u>\$ -</u>		<u>0</u>
Plant Held for Future Use					
13	Remove excess properties	Schedule B-5	\$ (1,205,189)	0.957101	(1,153,488)
14					0
15	<i>Total Plant Held for Future Use</i>		<u>\$ (1,205,189)</u>		<u>(1,153,488)</u>
Working Capital Adjustments					
16	Plant Daniel Adjustment	Schedule B-6 P.5	\$ 26,384	0.971341	25,628
17	Remove Unamortized Rate Case Expense	Schedule C-10	(3,143)	1.000000	(3,143)
18	<i>Total Working Capital</i>		<u>\$ 23,241</u>		<u>22,485</u>
19	Rate Base Adjustments				<u>(3,035,662)</u>

Summary of Solar Plant Adjustment
(Thousands of Dollars)

Schedule B-2
Page 1 of 3

Line No.	Description	(A) 2025	(B) 2026	(C) 2027	Source
<u>2026 Solar Project A</u>					
1	Average Net Plant	1,576	838,064	883,878	OPC POD - 15
2	Average Accumulated Depreciation	18	12,617	38,344	
3	Average Plant in Service	1,594	850,681	922,222	
4	Depreciation Expense	36	25,161	26,294	OPC POD - 15
<u>2026 Solar Project B</u>					
5	Average Net Plant	579	312,878	441,700	OPC POD - 15
6	Average Accumulated Depreciation	7	4,617	15,730	
7	Average Plant in Service	586	317,494	457,430	
8	Depreciation Expense	13	9,207	13,020	OPC POD - 15
<u>2027 Solar Project A</u>					
9	Average Net Plant	462	451	407,068	OPC POD - 15
10	Average Accumulated Depreciation	5	16	6,157	
11	Average Plant in Service	467	467	413,225	
12	Depreciation Expense	11	11	12,272	OPC POD - 15
<u>2027 Solar Project B</u>					
13	Average Net Plant	1,497	1,462	297,389	OPC POD - 15
14	Average Accumulated Depreciation	17	52	4,518	
15	Average Plant in Service	1,514	1,514	301,907	
16	Depreciation Expense	35	35	8,897	OPC POD - 15
<u>2027 Solar Project C</u>					
17	Average Net Plant	3,248	3,169	199,048	OPC POD - 15
18	Average Accumulated Depreciation	40	119	3,045	
19	Average Plant in Service	3,288	3,288	202,093	
20	Depreciation Expense	80	80	5,773	OPC POD - 15
<u>2027 Solar Project D</u>					
21	Average Net Plant	0	0	101,089	OPC POD - 15
22	Average Accumulated Depreciation	0	0	1,307	
23	Average Plant in Service	0	0	102,396	
24	Depreciation Expense	0	0	2,614	OPC POD - 15
25	Average Plant in Service Reduction		1,173,444	2,399,274	
26	Average Accumulated Depreciation Reduction		17,421	69,102	
27	Depreciation Expense Reduction		34,493	68,869	

Source: OPC witness James Dauphinais.

Summary of Plant Additions
(Thousands of Dollars)

Schedule B-2
Page 2 of 3

Line No.	Plant Category	(A) 2020	(B) 2021	(C) 2022	(D) 2023	(E) 2024	Annual Five Year Avg.	2022-2024 Three Year Avg.
ACTUALS								
1	Steam Production	331,498	107,868	82,397	53,284	99,348	134,879	78,343
2	Nuclear Production	310,537	283,441	228,126	268,422	300,589	278,223	265,712
3	Solar Production	1,305,904	853,937	485,868	1,312,648	3,124,064	1,416,484	1,640,860
4	Other Renewable Production				57,732	16,358	14,818	24,697
5	Other Production	545,418	1,006,419	1,907,564	1,022,828	963,315	1,089,109	1,297,902
6	Transmission Plant	588,138	1,027,044	1,639,133	878,129	1,346,607	1,095,810	1,287,956
7	Distribution Plant	1,952,469	2,221,983	2,511,780	2,840,847	2,670,425	2,439,501	2,674,351
8	Battery/Energy Storage	30,969	287,729	18,388	720	55,344	78,630	24,817
9	General Plant	94,586	141,237	338,238	361,281	228,887	232,846	309,469
10	Amortizable Plant	(142,699)	557,771	658,139	609,668	471,721	430,920	579,842
11	Grand Total	5,016,820	6,487,429	7,869,633	7,405,559	9,276,658	7,211,220	8,183,950
12	Retirements to Plant	1,055,518	2,594,953	1,453,259	1,726,310	1,853,787		
FORECASTED								
		2022	2023	2025	2026	2027		2025-2027 Three Year Avg.
13	Steam Production	60,392	43,722	31,945	27,940	13,955		24,613
14	Nuclear Production	284,890	324,487	255,140	390,348	363,254		336,247
15	Solar Production			1,255,327	1,193,093	1,568,941		1,339,120
16	Other Renewable Production			398	399	58,891		19,896
17	Other Production	2,355,115	1,335,927	504,035	617,368	741,067		620,823
18	Transmission Plant	2,059,560	1,141,037	2,137,613	1,350,232	1,178,613		1,555,486
19	Distribution Plant	2,695,267	2,771,610	3,072,536	2,705,459	2,545,492		2,774,496
20	Battery/Energy Storage			526,080	1,992,844	1,263,732		1,260,885
21	General Plant	555,787	412,202	105,053	103,242	140,739		116,345
22	Amortizable Plant	334,551	215,469	574,818	548,554	1,291,274		804,882
24	Total Depreciable Plant	8,345,562	6,244,454	8,462,945	8,929,479	9,165,958		8,852,794
25	Retirements to Depreciable Plant	3,104,572	875,399	812,105	893,939	982,396		
26	Retirements to Accum. Deprec.	3,104,572	875,399		893,939	982,396		
27	Projected Difference vs Historical Avg.	(475,929)	1,161,105	(278,995)	(745,529)	(982,008)		(668,844)
28	Average Plant Adds		3,122,227	4,231,473	4,464,740	4,582,979		
29	Excess Plant 2025			(139,497)	(278,995)	(278,995)		
30	Excess Plant 2026				(372,764)	(745,529)		
31	Excess Plant 2027					(491,004)		
32	Proposed Plant Adjustment		0	(139,497)	(651,759)	(1,515,528)		

Source:

Columns A-E lines 1-12 are from OPC 8-221.
Columns A and B lines 13-25 are from Docket No. 20210015-EI Schedule B-7,
Columns C-E , lines 13-25 are from MFR Schedule B-7.
Columns A-B , line 26 is from MFR Schedule B-9 in Docket No. 20210015-EI and Columns C-E are from MFR Schedule B-9.

Summary of Plant Adjustment - Clause Factored
(Thousands of Dollars)

Schedule B-2
Page 3 of 3

Line No.	Description	(A) 2025	(B) 2026	(C) 2027	Source
1	Total Depreciable Plant Adds	8,462,945	8,929,479	9,165,958	
2	Excess Plant 2025	(139,497)	(278,995)	(278,995)	Page 1 of 2
3	Excess Plant 2026		(372,764)	(745,529)	Page 1 of 2
4	Excess Plant 2027			(491,004)	Page 1 of 2
5	Proposed Adjustment	(139,497)	(651,759)	(1,515,528)	
6	Prorate Clause Plant	10,501	54,921	134,378	L. 5 x L. 14
7	OPC Plant Adjustment Net	(128,996)	(596,838)	(1,381,150)	
8	Plant in Service	91,633,102	98,507,202	106,880,598	Co Sch. B-1
9	Environmental Cost Recovery	(1,676,434)	(1,703,407)	(1,718,797)	Co Sch. B-2
10	Capacity Cost Recovery	(157,280)	(155,696)	(153,887)	Co Sch. B-2
11	Conservation Cost Recovery	(44,221)	(45,669)	(43,047)	Co Sch. B-2
12	Storm Protection Plan Cost Recovery	(5,020,144)	(6,396,062)	(7,561,070)	Co Sch. B-2
13	Adjusted Plant By Year	84,735,023	90,206,368	97,403,797	
14	Percentage of Clause Plant	7.53%	8.43%	8.87%	1 - L. 13/L. 8
15	Depreciation Rate	2.79%	2.80%	2.80%	
16	Depreciation Adjustment	(3,599)	(16,711)	(38,672)	L. 7 x L. 15
17	Accumulated Depreciation	(1,799)	(11,955)	(39,647)	

Source: Columns B-E , lines 1-2 are from MFR Schedule B-7, column A is from response to OPC 12-332.
Line 15 is based on OPC Witness Dunkel.

Summary of Plant Expenditures
 (Millions of Dollars)

Schedule B-3
 Page 1 of 1

Line No.	Plant Type	2021	2022	2023	2024	2025	2026	2027
FORECAST								
1	Steam Production	160	176	102	90	59	54	16
2	Nuclear Production	489	596	508	397	500	670	686
3	Solar Ptroduction	0	0	0	0	1,120	1,721	2,033
4	Other Renewable Production	0	0	0	0	0	29	31
5	Other Production	1,688	2,791	4,114	2,581	340	658	888
6	Transmission Plant	1,789	1,390	1,075	1,485	1,378	1,453	1,451
7	Distribution Plant	2,790	2,732	2,269	2,454	3,119	2,843	2,793
8	Battery Storage	0	0	0	0	1,108	2,090	1,044
9	General Plant	428	412	503	481	786	979	951
10	Intangible Plant	351	140	390	369	26	17	13
11	Total	<u>7,695</u>	<u>8,238</u>	<u>8,962</u>	<u>7,856</u>	<u>8,436</u>	<u>10,513</u>	<u>9,905</u>
ACTUAL								
12	Steam Production	157	152	91	72			
13	Nuclear Production	534	587	469	437			
14	Solar Ptroduction							
15	Other Renewable Production							
16	Other Production	2,040	3,021	3,949	2,788			
17	Transmission Plant	1,862	1,504	1,331	1,546			
18	Distribution Plant	2,654	3,019	3,018	2,823			
19	Battery Storage							
20	General Plant	439	461	426	547			
21	Intangible Plant	395	346	417	449			
22	Total	<u>8,080</u>	<u>9,090</u>	<u>9,701</u>	<u>8,661</u>			
23	Actual Over (Under) Forecast	385	851	738	805			

Source: Response to OPC 8-222

Summary of Accumulation of Depreciation Adjustment
(Thousands of Dollars)

Schedule B-4
Page 1 of 1

Line No.	Plant Category	(A) 2025	(B) 2026	(C) 2027	Source
1	Plant Adjustment 2026		(17,421)		Sch. B-2, P. 1
2	Plant Adjustment 2027			(69,102)	Sch. B-2, P. 1
3					
4	Depreciation Study		(83,495)	(255,449)	
5	Dismantelment Study		(27,619)	(82,856)	
6					
7					
8					
9		<u>0</u>	<u>(128,534)</u>	<u>(407,407)</u>	

Summary of Plant Held For Future Use
 (Thousands of Dollars)

Schedule B-5
 Page 1 of 3

Line No.	Plant Category	(A) Ending 2024	(B) Ending 2025	(C) Beginning 2026	(D) Ending 2026	(E) Beginning 2027	(F) Ending 2027
	<u>FORECASTED</u>						
1	Steam Production			5,554	5,554	5,554	5,554
2	Transmission Plant			100,686	107,211	107,211	128,153
3	Distribution Plant			80,164	73,375	73,375	74,756
4	General Plant			37,573	24,755	24,755	24,755
5	Renewables			1,084,560	1,412,090	1,412,090	1,344,246
6	Total PHFU	<u>1,131,425</u>	<u>1,308,537</u>	<u>1,308,537</u>	<u>1,622,985</u>	<u>1,622,985</u>	<u>1,577,464</u>
7	Average	1,122,882	1,270,738		1,541,832		1,602,140
8	Separation Factors				<u>0.956763</u>		<u>0.957101</u>
9	Jurisdictional Adj Utility				1,475,219		1,533,409
10	Transmission Plant	Page 2 of 3			(56,082)		(76,665)
11	Distribution Plant	Page 2 of 3			(17,518)		(31,099)
12	Renewables	Page 3 of 3			<u>(900,372)</u>		<u>(1,097,425)</u>
13					(973,972)		(1,205,189)
14	Separation Factors				<u>0.956763</u>		<u>0.957101</u>
15	OPC Jurisdictional Adjustment				<u>(931,860)</u>		<u>(1,153,488)</u>
16	OPC Recommended PHFU Reduction				<u>543,359</u>		<u>379,921</u>

Source:

Lines 1-5 are from response to OPC Eighth Set of Interrogatories 230.

Line 7 is from MFR Schedule B-1 and MFR Schedule B-15.

Summary of Plant Held For Future Use
(Thousands of Dollars)

Schedule B-5
Page 2 of 3

Line No.	Plant Category	(A) 1/1/2026	(B) 12/31/2026	(C) 1/1/2027	(D) 12/31/2027	(E) Date Acquired	(F) In-Service Date
<u>Transmission</u>							
1	Bickett-Zoysia ROW	0	0	0	1,500	2027-2028	Dec-28
2	Alico-Terry ROW	0	1,099	1,099	5,154	2026-2027	Dec-28
3	Valencia ROW	0	2,000	2,000	3,300	2026-2028	Dec-28
4	Parker-Callaway ROW	0	0	0	1,675	2027	Jun-29
5	Shalimar Loop ROW	0	0	0	142	2027-2028	Jun-29
6	Brook Injection ROW	0	1,010	1,010	7,197	2026-2028	Dec-29
7	Punta Gorda Injection ROW	0	0	0	2,027	2027-2029	Dec-29
8	Cost Myaka ROW	2,207	2,207	2,207	2,207	2025	Dec-30
9	Ft. Myers SC ROW	0	12,331	12,331	12,331	2026	Jan-31
10	Arch Creek	683	683	683	683	Dec-93	Dec-28
11	Conservation-Levee 500KV Line	5,672	5,672	5,672	5,672	Apr-95	Feb-32
12	Levee-South Dade	2,325	2,325	2,325	2,325	Jul-77	Jun-32
13	Rima Sub & Rima Volusia	620	620	620	620	Oct-88	Mar-34
14	Desoto-Orange River	901	901	901	901	Jul-78	Dec-34
15	Future Solar ROWs	3,959	3,959	3,959	3,959	Various	Various
16	New Transmission ROW	28,504	34,488	34,488	36,344	Various	Various
17		<u>44,870</u>	<u>67,294</u>	<u>67,294</u>	<u>86,036</u>		
18	Average		56,082		76,665		
<u>Distribution</u>							
19	Green Cove Substation	48	62	62	62	2025-2026	Jan-28
20	Valentine Substation	113	7,573	7,573	7,573	2026	Jan-28
21	Wilson Grove Substation	0	168	168	1,572	2026-2027	Jul-28
22	Breakfast Point Substation	0	0	0	2,798	2027	Nov-28
23	Julia Substation	0	145	145	1,575	2026-2027	Nov-28
24	Radiant-Chester Substation	0	0	0	565	2027	Nov-28
25	Silverleaf Substation	0	0	0	1,440	2027	Nov-28
26	Wild Heron Substation	0	0	0	2,253	2027	Nov-28
27	Lake Pk Expansion Substation	0	114	114	7,574	2026-2027	Dec-28
28	Federation Substation	0	600	600	600	2025	Nov-30
29	Challenger	252	252	252	252	Nov-94	Jun-30
30	Terminal	135	135	135	135	Aug-94	Jun-30
31	Satori	118	118	118	118	Oct-94	Dec-30
32	New Substations	<u>12,029</u>	<u>13,174</u>	<u>13,174</u>	<u>13,340</u>	Various	Various
33		<u>12,695</u>	<u>22,341</u>	<u>22,341</u>	<u>39,857</u>		
34	Average		17,518		31,099		

Source: Response to OPC Eighth Set of Interrogatories 230.

Florida Power & Light
Projected Test Year Ended December 31, 2027
Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
Schedule B-5
Exhibit HWS-10, Page 17 of 54

Summary of Plant Held For Future Use
(Thousands of Dollars)

Schedule B-5
Page 3 of 3

		(A)	(B)	(C)	(D)	(E)	(F)
Line No.	Plant Category	1/1/2026	12/31/2026	1/1/2027	12/31/2027	Date Acquired	In-Service Date
Renewables							
1	Gum Creek Solar Energy Center	5,735	5,735	5,735	5,735	Sep-25	Jul-28
2	Grapefruit Solar Energy Center	0	8,621	8,621	8,621	May-26	Jul-29
3	Mango Solar Energy Center	0	8,621	8,621	8,621	May-26	Jul-29
4	Redroot Solar Energy Center	0	8,621	8,621	8,621	May-26	Jul-29
5	Waxweed Solar Energy Center	0	8,621	8,621	8,621	May-26	Jul-29
6	Weyerhaeuser Property (Addl Land for New River Solar Energy Center)	5,446	5,446	5,446	5,446	Jan-25	Jul-28
7	Martin Solar Energy Center	217	217	217	217	Dec-09	Oct-30
8	Hendry Clean Energy Center	36,425	36,425	36,425	36,425	Jun-11	Jun-32
9	Gopher Ridge Property	33,600	33,600	33,600	33,600	Dec-24	Various 2032-2033
10	Tesoro Groves Property	76,777	76,777	76,777	76,777	May-23	Various 2030
11	US Sugar Corp Property	25,218	25,218	25,218	25,218	Dec-23	Various 2030
12	Edentown Property	20,021	20,021	20,021	20,021	Sep-24	Various 2030-2031
13	Williams Farms - 6300 Property	32,202	32,202	32,202	32,202	Dec-22	Various 2030-2031
14	Good Grove Investments Property	30,075	30,075	30,075	30,075	Jun-23	Various 2030-2033
15	Sunbreak Farms Property	29,901	29,901	29,901	29,901	Apr-22	Various 2031
16	IFC - SE Groves (Valencia) Property	24,179	24,179	24,179	24,179	Dec-22	Various 2031
17	Phillips Forest Property	12,687	12,687	12,687	12,687	Jan-24	Various 2032
18	Barron Collier 1 Property	24,000	24,000	24,000	24,000	Jan-25	Various 2032-2033
19	El Maximo Ranch Holdings Property	212,143	212,143	212,143	212,143	Nov-23	Various 2033-2038
20	Future Solar Land	4,998	4,998	4,998	4,998	Dec-24	TBD
21	Beaty 1 Property	63,060	63,060	63,060	63,060	Feb-25	TBD
22	PAI Townsend Grove Property	14,890	14,890	14,890	14,890	Apr-25	TBD
23	Bickett 1 Property - Charlotte	41,670	41,670	41,670	41,670	May-25	TBD
24	Bickett 2 Property - Desoto	15,600	15,600	15,600	15,600	May-25	TBD
25	Barron Collier 2 Property	0	25,000	25,000	25,000	Jan-26	TBD
26	Beaty 2 Property	0	55,200	55,200	55,200	Feb-26	TBD
27	A. Duda & Sons, Inc Property	0	258,644	258,644	258,644	May-26	TBD
28	North Joshua Grove Property	0	9,727	9,727	9,727	May-26	TBD
29	Tamiami Citrus Property	0	0	0	11,050	May-27	TBD
30		708,843	1,091,900	1,091,900	1,102,950		
31	Average		900,372		1,097,425		
32	PHFU Average		973,972		1,205,189		

Source: Response to OPC Eighth Set of Interrogatories 230.

Summary of Cash Working Capital
(Thousands of Dollars)

WORKING CAPITAL - 13 MONTH AVERAGE

DOCKET NO.: 20250011-EI

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	A/C NO.	COMPONENT	TEST YEAR JURISDICTIONAL AMOUNT	COMMISSION & COMPANY ADJUSTMENTS	TEST YEAR AMOUNT PER COMPANY	OPC ADJUSTMENTS	TEST YEAR AMOUNT PER OPC
1		CURRENT AND ACCRUED ASSETS					
2							
3	131	CASH	6,567		6,567		6,567
4	134	OTHER SPECIAL DEPOSITS	5,002		5,002		5,002
5	135	WORKING FUNDS	1		1		1
6	142	CUSTOMER ACCOUNTS RECEIVABLE	1,137,032		1,137,032		1,137,032
7	143	OTHER ACCOUNTS RECEIVABLE	145,314		145,314		145,314
8	144	ACCUM PROV UNCOLLECTIBLE ACCOUNTS	(7,324)		(7,324)		(7,324)
9	146	ACCOUNT RECEIVABLE FROM ASSOC COMPANIES	66,333	(66,333)	0		0
10	151	FUEL STOCK	223,883		223,883		223,883
11	154	PLANT MATERIALS AND OPERATING SUPPLIES	1,060,363	(51,740)	1,008,623		1,008,623
12	163	STORES EXPENSE UNDISTRIBUTED	(1,218)		(1,218)		(1,218)
13	165	PREPAYMENTS	104,676	(24,771)	79,905		79,905
14	171	INTEREST & DIVIDENDS RECEIVABLE	349	(349)	0		0
15	172	RENTS RECEIVABLE	18,708	(18,708)	0		0
16	173	ACCRUED UTILITY REVENUES	397,701		397,701		397,701
17	174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	21,261	(21,261)	0		0
18		CURRENT AND ACCRUED ASSETS	3,178,648	(183,162)	2,995,486	0	2,995,486
19							0
20		DEFERRED DEBITS					0
21							0
22	182.2	UNRECOVERED PLANT AND REGULATORY COSTS	1,025,465	(1,009,241)	16,224		16,224
23	182.3	OTHER REGULATORY ASSETS	468,688	(214,786)	253,902	29,488	283,390
24	183	PRELIM SURVEY & INVESTIGATION CHARGES	214,380		214,380		214,380
25	184	CLEARING ACCOUNTS	32		32		32
26	185	TEMPORARY FACILITIES	856		856		856
27	186	MISCELLANEOUS DEFERRED DEBITS	2,341,557	(9,661)	2,331,896	(4,400)	2,327,496
28	187	DEFERRED LOSSES DISPOSITION UTIL PLANT	1		1		1
29	188	RESEARCH, DEV & DEMONSTRAT EXPENDITURES	0		0		0
30		DEFERRED DEBITS	4,050,980	(1,233,688)	2,817,292	25,088	2,842,380
31							0
32							0
33		CURRENT AND ACCRUED ASSETS AND DEFERRED DEBITS	7,229,628	(1,416,850)	5,812,778	25,088	5,837,866
34							
35							

Summary of Cash Working Capital
(Thousands of Dollars)

WORKING CAPITAL - 13 MONTH AVERAGE

DOCKET NO.: 20250011-EI

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	ACCOU NT NO.	COMPONENT	TEST YEAR JURISDICTIONAL AMOUNT	COMMISSION & COMPANY ADJUSTMENTS	TEST YEAR AMOUNT PER COMPANY	OPC ADJUSTMENT S	TEST YEAR AMOUNT PER OPC
1		OTHER NONCURRENT LIABILITIES					
2							
3	228.1	ACCUM PROVISION - PROPERTY INSURANCE	(150,577)	150,577	0		0
4	228.2	ACCUM PROVISION - INJURIES & DAMAGES	(19,300)		(19,300)		(19,300)
5	228.3	ACCUM PROVISION - PENSION & DEFERRED BENEFITS	(70,317)	6,551	(63,766)		(63,766)
6	228.4	ACCUM PROVISION - OPERATING RESERVES	(204,590)		(204,590)		(204,590)
7	229	ACCUMULATED PROVISION FOR RATE REFUNDS	0		0		0
8	230	ASSET RETIREMENT OBLIGATION - LIABILITY	(2,314,107)	2,314,107	0		0
9		OTHER NONCURRENT LIABILITIES	(2,758,890)	2,471,235	(287,655)	0	(287,655)
10							0
11		CURRENT AND ACCRUED LIABILITIES					0
12							0
13	232	ACCOUNTS PAYABLE	(934,841)	108	(934,733)		(934,733)
14	234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(56,907)		(56,907)		(56,907)
15	235	CUSTOMER DEPOSITS - MARGIN CALL COLLATERAL	(3,217)	3,193	(23)		(23)
16	236	TAXES ACCRUED	(572,669)		(572,669)		(572,669)
17	237	INTEREST ACCRUED	(343,709)		(343,709)		(343,709)
18	241	TAX COLLECTIONS PAYABLE	(127,445)		(127,445)		(127,445)
19	242	MISC CURRENT AND ACCRUED LIABILITIES	(816,556)	20,691	(795,866)		(795,866)
20		CURRENT AND ACCRUED LIABILITIES	(2,855,344)	23,992	(2,831,352)	0	(2,831,352)
21							0
22		DEFERRED CREDITS					0
23							0
24	252	CUSTOMER ADVANCES FOR CONSTRUCTION	(4,515)		(4,515)		(4,515)
25	253	OTHER DEFERRED CREDITS	(293,136)	7,661	(285,476)		(285,476)
26	254	OTHER REGULATORY LIABILITIES	(4,836,338)	4,756,895	(79,443)		(79,443)
27							0
28	256	DEFERRED GAINS DISPOSITION UTILITY PLANT	(18,682)		(18,682)		(18,682)
29		DEFERRED CREDITS	(5,152,672)	4,764,555	(388,116)	0	(388,116)
30							0
31		NONCURRENT, CURRENT AND ACCRUED LIABILITIES	(10,766,906)	7,259,783	(3,507,123)	0	(3,507,123)
32							
33		WORKING CAPITAL ALLOWANCE	(3,537,278)	5,842,933	2,305,655	25,088	2,330,743
34							
35							

Summary of Cash Working Capital
(Thousands of Dollars)

WORKING CAPITAL - 13 MONTH AVERAGE

Schedule B-6
Page 3 of 5

DOCKET NO.: 20250011-EI

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	ACCOUNT NO.	COMPONENT	TEST YEAR JURISDICTIONAL AMOUNT	COMMISSION & COMPANY ADJUSTMENTS	TEST YEAR AMOUNT PER COMPANY	OPC ADJUSTMENTS	TEST YEAR AMOUNT PER OPC
1		CURRENT AND ACCRUED ASSETS					
2							
3	131	CASH	0		0		0
4	134	OTHER SPECIAL DEPOSITS	5,004		5,004		5,004
5	135	WORKING FUNDS	1		1		1
6	142	CUSTOMER ACCOUNTS RECEIVABLE	1,209,589		1,209,589		1,209,589
7	143	OTHER ACCOUNTS RECEIVABLE	134,163		134,163		134,163
8	144	ACCUM PROV UNCOLLECTIBLE ACCOUNTS	(7,388)		(7,388)		(7,388)
9	146	ACCOUNT RECEIVABLE FROM ASSOC COMPANIES	66,677	(66,677)	0		0
10	151	FUEL STOCK	219,801		219,801		219,801
11	154	PLANT MATERIALS AND OPERATING SUPPLIES	1,074,538	(54,815)	1,019,723		1,019,723
12	163	STORES EXPENSE UNDISTRIBUTED	(1,244)		(1,244)		(1,244)
13	165	PREPAYMENTS	102,518	(21,778)	80,740		80,740
14	171	INTEREST & DIVIDENDS RECEIVABLE	349	(349)	0		0
15	172	RENTS RECEIVABLE	18,730	(18,730)	0		0
16	173	ACCRUED UTILITY REVENUES	398,633		398,633		398,633
17	174	MISCELLANEOUS CURRENT AND ACCRUED ASSETS	21,693	(21,693)	0		0
18		CURRENT AND ACCRUED ASSETS	3,243,065	(184,042)	3,059,022	0	3,059,022
19							0
20		DEFERRED DEBITS					0
21							0
22	182.2	UNRECOVERED PLANT AND REGULATORY COSTS	953,011	(939,279)	13,732		13,732
23	182.3	OTHER REGULATORY ASSETS	407,602	(181,082)	226,520	26,384	252,904
24	183	PRELIM SURVEY & INVESTIGATION CHARGES	238,667		238,667		238,667
25	184	CLEARING ACCOUNTS	32		32		32
26	185	TEMPORARY FACILITIES	856		856		856
27	186	MISCELLANEOUS DEFERRED DEBITS	2,395,450	(9,461)	2,385,989	(3,143)	2,382,846
28	187	DEFERRED LOSSES DISPOSITION UTIL PLANT	(4)		(4)		(4)
29	188	RESEARCH, DEV & DEMONSTRAT EXPENDITURES	0		0		0
30		DEFERRED DEBITS	3,995,614	(1,129,822)	2,865,793	23,241	2,889,034
31							0
32							0
33		CURRENT AND ACCRUED ASSETS AND DEFERRED DEBITS	7,238,679	(1,313,864)	5,924,814	23,241	5,948,055
34							
35							

Summary of Cash Working Capital
(Thousands of Dollars)

WORKING CAPITAL - 13 MONTH AVERAGE

DOCKET NO.: 20250011-EI

(\$000)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	ACCOUNT NO.	COMPONENT	TEST YEAR JURISDICTIONAL AMOUNT	COMMISSION & COMPANY ADJUSTMENTS	TEST YEAR AMOUNT PER COMPANY	OPC ADJUSTMENTS	TEST YEAR AMOUNT PER OPC
1		OTHER NONCURRENT LIABILITIES					
2							
3	228.1	ACCUM PROVISION - PROPERTY INSURANCE	(152,138)	152,138	0		0
4	228.2	ACCUM PROVISION - INJURIES & DAMAGES	(31,378)		(31,378)		(31,378)
5	228.3	ACCUM PROVISION - PENSION & DEFERRED BENEFITS	(63,351)	5,232	(58,119)		(58,119)
6	228.4	ACCUM PROVISION - OPERATING RESERVES	(209,703)		(209,703)		(209,703)
7	229	ACCUMULATED PROVISION FOR RATE REFUNDS	0	0	0		0
8	230	ASSET RETIREMENT OBLIGATION - LIABILITY	(2,404,911)	2,404,911	0		0
9		OTHER NONCURRENT LIABILITIES	(2,861,481)	2,562,281	(299,200)	0	(299,200)
10							0
11		CURRENT AND ACCRUED LIABILITIES					0
12							0
13	232	ACCOUNTS PAYABLE	(914,950)	108	(914,842)		(914,842)
14	234	ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES	(56,927)		(56,927)		(56,927)
15	235	CUSTOMER DEPOSITS - MARGIN CALL COLLATERAL	(3,218)	3,195	(23)		(23)
16	236	TAXES ACCRUED	(537,817)		(537,817)		(537,817)
17	237	INTEREST ACCRUED	(373,722)	0	(373,722)		(373,722)
18	241	TAX COLLECTIONS PAYABLE	(130,038)		(130,038)		(130,038)
19	242	MISC CURRENT AND ACCRUED LIABILITIES	(794,393)	21,112	(773,281)		(773,281)
20		CURRENT AND ACCRUED LIABILITIES	(2,811,063)	24,415	(2,786,650)	0	(2,786,650)
21							0
22		DEFERRED CREDITS					0
23							0
24	252	CUSTOMER ADVANCES FOR CONSTRUCTION	(4,607)		(4,607)		(4,607)
25	253	OTHER DEFERRED CREDITS	(275,170)	7,476	(267,694)		(267,694)
26	254	OTHER REGULATORY LIABILITIES	(4,736,921)	4,683,402	(53,519)		(53,519)
27							0
28	256	DEFERRED GAINS DISPOSITION UTILITY PLANT	(18,449)		(18,449)		(18,449)
29		DEFERRED CREDITS	(5,035,146)	4,690,878	(344,268)	0	(344,268)
30							0
31		NONCURRENT, CURRENT AND ACCRUED LIABILITIES	(10,707,691)	7,277,574	(3,430,117)	0	(3,430,117)
32							
33		WORKING CAPITAL ALLOWANCE	(3,469,012)	5,963,710	2,494,697	23,241	2,517,939
34							
35							

Summary of Plant Daniel Adjustment
(Thousands of Dollars)

Cash Working Capital
Page 5 of 5

Line No.	Description	(A) Reg Asset 2026	(B) Amortization 2026	(C) Description	(D) Reg Asset 2027	(E) Amortization 2027
1	Dec-25	31,040		Dec-26	27,936	
2	Jan-26	30,781	259	Jan-27	27,677	259
3	Feb-26	30,523	259	Feb-27	27,419	259
4	Mar-26	30,264	259	Mar-27	27,160	259
5	Apr-26	30,005	259	Apr-27	26,901	259
6	May-26	29,747	259	May-27	26,643	259
7	Jun-26	29,488	259	Jun-27	26,384	259
8	Jul-26	29,229	259	Jul-27	26,125	259
9	Aug-26	28,971	259	Aug-27	25,867	259
10	Sep-26	28,712	259	Sep-27	25,608	259
11	Oct-26	28,453	259	Oct-27	25,349	259
12	Nov-26	28,195	259	Nov-27	25,091	259
13	Dec-26	27,936	259	Dec-27	24,832	259
14	Expense		3,104			3,104
15	Regulatory Asset	29,488			26,384	
Jurisdictional						
16	Other Operation & Maintenance		(5,457)			(5,342)
17	Taxes Other Than Income		(2,789)			(2,789)
18	Operating Expense Adjustment		(8,246)			(8,131)

Source: Lines 1-15 are based on Order No. PSC-2025-0139-PAA-EI
Lines 1-15 are based on Order No. PSC-2025-0139-PAA-EI
Lines 16-18 are from Company Exhibit LF-6.

Adjusted Net Operating Income
(Thousands of Dollars)

Schedule C
Page 1 of 2

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	Citizens Adjustments (B)	Adjusted Jurisdictional Total per Citizens (C)
1	Revenues from Sales	9,641,439	133,032	9,774,471
2	Other Operating Revenues	243,330	(1,684)	241,646
3				
4	Total Operating Revenues	9,884,769	131,348	10,016,117
5				
6	Operating Expenses			
7	Other Operation & Maintenance	1,307,821	(304,018)	1,003,803
8	Fuel and Interchange (Non-recoverable)	14,543		14,543
9	Depreciation & Amortization	3,097,560	(248,793)	2,848,767
10	Taxes Other Than Income	903,354	(39,859)	863,495
11	Income Taxes	(18,213)	270,667	252,454
12	Gain/Loss on Disposition of Utility Plant	(420)		(420)
13				
14	Total Operating Expenses	5,304,646	(322,003)	4,982,642
15				
16	Net Operating Income	4,580,123	453,350	5,033,474

Source/Notes

Col. A: Company Schedule C-1
Col. B See Schedule C-1, Page 1

Adjusted Net Operating Income
(Thousands of Dollars)

Schedule C
Page 2 of 2

Line No.	Description	Adjusted Jurisdictional Total per Company (A)	Citizens Adjustments (B)	Adjusted Jurisdictional Total per Citizens (C)
1	Revenues from Sales	9,711,780	150,475	9,862,255
2	Other Operating Revenues	281,395	(1,684)	279,711
3				
4	Total Operating Revenues	9,993,175	148,791	10,141,966
5				
6	Operating Expenses			
7	Other Operation & Maintenance	1,334,947		1,334,947
8	Fuel and Interchange (Non-recoverable)	14,785	(307,915)	(293,130)
9	Depreciation & Amortization	3,343,500	(291,631)	3,051,869
10	Taxes Other Than Income	943,334	(54,728)	888,606
11	Income Taxes	30,877	303,843	334,720
12	Gain/Loss on Disposition of Utility Plant	(33)		(33)
13				
14	Total Operating Expenses	5,667,409	(350,431)	5,316,979
15				
16	Net Operating Income	4,325,766	499,222	4,824,987

Source/Notes

Col. A: See Company Schedule C-1

Col. B See Schedule C-1, Page 2

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Schedule C-1
Page 1 of 2

Line No.	Adjustment Title	Witness/Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Operating Revenue Adjustments					
1	Increase in Base Revenues from Retail Sales	Jacob Thomas/C-2	\$ 133,032	1.000000	\$ 133,032
2				1.000000	-
3	subtotal				<u>\$ 133,032</u>
Other O & M					
4	Payroll Adjustment	C-4	(129,285)	0.973274	\$ (125,830)
5	Excess Incentive Compensation Payroll Adjustment	C-5	(75,698)	0.962985	(72,896)
6	Long-Term Incentive Compensation	C-5	(15,067)	0.967790	(14,582)
7	SERP	OPC 1-25	(3,588)	0.967790	(3,472)
8	Pension & Benefit Adjustment	C-6	(12,491)	0.969171	(12,106)
9	Insurance Adjustment	C-7	(14,176)	0.962292	(13,642)
10	Injuries & Damages Adjustment	C-8	(28,862)	0.962292	(27,773)
11	Directors & Officers Liability Insurance	C-9	(4,820)	0.962292	(4,638)
12	Uncollectible Expense Reduction	C-11	(2,121)	1.000000	(2,121)
13	Uncollectible Expense Increase Associated w/ Revenue Adj.	C-11	146	1.000000	146
14	Planned Generation Maintenance	C-12	(11,400)	0.958490	(10,927)
15	Planned Transmission Maintenance	C-13	(11,528)	0.916533	(10,566)
16	Plant Daniel Adjustment	B-6 P. 5	(5,457)	0.968770	(5,287)
17	Dues - Non-Industry	C-17	(334)	0.969171	(324)
18	Dues - Economic Development	C-17	(4,159)	0.969171	(4,030)
19	subtotal				<u>\$ (304,018)</u>
Depreciation & Amortization					
20	Revision to Proposed Depreciation Rates	William Dunkel/C-14	(166,990)	Various	(164,501)
21	Dismantlement Amortization	William Dunkel/C-15	(55,237)	0.958793	(52,961)
22	Remove Rate Case Expense Amortization	C-10	(1,257)	1.000000	(1,257)
23	Impact of Adjustments to PIS on Depreciation	J. Dauphinois/B-2	(34,493)	0.959249	(33,087)
24	Plant Daniel Adjustment	B-6 P. 5	3,104	0.970860	3,014
25	subtotal				<u>\$ (248,793)</u>
Taxes Other Than Income					
26	Payroll Tax Adjustment	C-6	(9,157)	0.969171	\$ (8,875)
27	Property Taxes	C-16	(29,397)	0.960942	(28,249)
28	Plant Daniel Adjustment	B-6 P. 5	(2,789)	0.980720	<u>\$ (2,735)</u>
29	subtotal				<u>\$ (39,859)</u>
Income Taxes					
30	Impact of other adjustments	C-18		Various	\$ 184,356
31	Interest Synchronization Adjustment	C-19	90,307	0.955755	86,311
32					
33	subtotal				<u>\$ 270,667</u>
34	Other Income - Lease Revenue	C-3	\$ 1,684	1.000000	<u>1,684</u>
35	NOI Adjustment				<u>\$ 453,350</u>

Notes

Jurisdictional Separation Factors from MFR Schedule C-4 or other schedules within the Company's filing.

Net Operating Income-Summary of Adjustments
(Thousands of Dollars)

Schedule C-1
Page 2 of 2

Line No.	Adjustment Title	Witness/Reference	Total Adjustment	Jurisdictional Separation Factor	Jurisdictional Amount
Operating Revenue Adjustments					
1	Increase in Base Revenues from Retail Sales	Jacob Thomas/C-2	\$ 150,475	1.000000	\$ 150,475
2				1.000000	-
3	subtotal				<u>\$ 150,475</u>
Other O & M					
4	Payroll Adjustment	C-4	(143,473)	0.972930	\$ (139,589)
5	Excess Incentive Compensation Payroll Adjustment	C-5	(81,022)	0.962949	(78,020)
6	Long-Term Incentive Compensation	C-5	(15,513)	0.969694	(15,043)
7	SERP	OPC 1-25	(3,590)	0.967790	(3,475)
8	Pension & Benefit Adjustment	C-6	(14,467)	0.969690	(14,029)
9	Insurance Adjustment	C-7	(14,858)	0.969190	(14,400)
10	Injuries & Damages Adjustment	C-8	(3,981)	0.969190	(3,858)
11	Directors & Officers Liability Insurance	C-9	(5,169)	0.969190	(5,010)
12	Uncollectible Expense Reduction	C-11	(1,915)	1.000000	(1,915)
13	Uncollectible Expense Increase Associated w/ Revenue Adj.	C-11	166	1.000000	166
14	Planned Generation Maintenance	C-12	(10,217)	0.969190	(9,902)
15	Planned Transmission Maintenance	C-13	(13,805)	0.969190	(13,379)
16	Plant Daniel Adjustment	B-6 P. 5	(5,342)	0.969190	(5,177)
17	Dues - Non-Industry	C-17	(324)	0.969694	(314)
18	Dues - Economic Development	C-17	(4,095)	0.969694	(3,970)
19	subtotal				<u>\$ (307,915)</u>
Depreciation & Amortization					
20	Revision to Proposed Depreciation Rates	William Dunkel/C-14	(176,920)	Various	(174,336)
21	Dismantlement Amortization	William Dunkel/C-15	(55,237)	0.959034	(52,974)
22	Remove Rate Case Expense Amortization	C-10	(1,257)	1.000000	(1,257)
23	Impact of Adjustments to PIS on Depreciation	J. Dauphinois/B-2	(68,869)	0.95949	(66,079)
24	Plant Daniel Adjustment	B-6 P. 5	3,104	0.971341	3,015
25	subtotal				<u>\$ (291,631)</u>
Taxes Other Than Income					
26	Payroll Tax Adjustment	C-6	(9,710)	0.969690	\$ (9,416)
27	Property Taxes	C-16	(44,274)	0.961683	(42,577)
28	Plant Daniel Adjustment	B-6 P. 5	(2,789)	0.980590	(2,735)
29	subtotal				<u>\$ (54,728)</u>
Income Taxes					
30	Impact of other adjustments	C-18		Various	\$ 204,391
31	Interest Synchronization Adjustment	C-19	106,601	0.932940	99,452
32					
33	subtotal				<u>\$ 303,843</u>
34	Other Income - Lease Revenue	C-3	\$ 1,684	1.000000	<u>1,684</u>
35	NOI Adjustment				<u>\$ 499,222</u>

Notes

Jurisdictional Separation Factors from MFR Schedule C-4 or other schedules within the Company's filing.

Florida Power & Light
Projected Test Year Ended December 31, 2026
Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
Schedule C-2
Exhibit HWS-10, Page 27 of 54

Revenue
(Thousands of Dollars)

Schedule C-2
Page 1 of 1

Line No.	Description	2024 Revenue	2025 Revenue	2026 Revenue	2027 Revenue
1	Revenue Per FP&L	9,532,201	9,545,327	9,641,439	9,711,780
2	Revenue Adjustment			133,032	150,475
3					
4	Revenue Adjustment		0	133,032	150,475
5	Adjusted Revenue		9,545,327	9,774,471	9,862,255

Source:
Line 1 is from MFR C-1
Line 2 is from OPC witness Jacob Thomas.

Other Revenue
(Thousands of Dollars)

Schedule C-3
Page 1 of 1

Line No.	Description	2022	2023	2024	2025	2026	2027
1	PHFU			1,122,882	1,270,738	1,541,832	1,602,140
2	% Change				13.17%	21.33%	3.91%
3	Revenue	1,435	2,963	3,390	3,266	3,266	3,266
4	% Change		106.48%	14.41%	-3.66%	0.00%	0.00%
5	Per Company					3,266	3,266
					PHFU		
6	El Maximo				212,143	(1,230)	(1,230)
7	Hendry Clean Energy/Hendry Solar Energy *				36,425	(57)	(57)
8	Hendry Clean Energy/Hendry Solar Energy *					(7)	(7)
9	Hendry Clean Energy/Hendry Solar Energy *					(1)	(1)
10	Hendry Clean Energy/Hendry Solar Energy *					(61)	(61)
11	IFC SE Grove (Valencia)				24,179	(71)	(71)
12	Good Grove				30,075	(117)	(117)
13	US Sugar				25,218	0	0
14	Williams Farm				32,202	(140)	(140)
15	Other Revenue Adjustment				360,242	(1,684)	(1,684)
16						1,582	1,582
17	FP&L Requested Rate of Return				7.63%		
18	Cost to Customers				27,486		

Source:

Lines 3, 5 and 6-14 are from response to Staff's Fifth Set Of Interrogatories No. 114

* Removed all revenue associated with both properties even though only Hendry Clean Energy was excluded.

Payroll
(Thousands of Dollars)

Page 1 of 2

Line No.	Year	(A) O&M	(B) Capital	(C) Recoverable	(D) Total	(E) O&M%	(F) Capital%
1	2021	734,141	338,352	17,811	1,090,304	67.33%	31.03%
2	2022	698,087	420,655	30,911	1,149,652	60.72%	36.59%
3	2023	697,893	464,785	35,555	1,198,233	58.24%	38.79%
4	2024	682,049	488,316	35,254	1,205,620	56.57%	40.50%
5	Historical	2,812,170	1,712,107	119,532	4,643,809	60.56%	36.87%
6	2025 YTD	171,155	124,587	8,627	304,369	56.23%	40.93%
7	2025	722,405	359,993	28,585	1,110,983	65.02%	32.40%
8	2026	749,836	355,980	28,415	1,134,231	66.11%	31.39%
9	2027	775,925	353,554	29,278	1,158,758	66.96%	30.51%
		<u>Employees</u>	<u>Total</u>	<u>O&M%</u>	<u>O&M</u>	<u>FP&L O&M</u>	<u>OPC PR Adjust.</u>
10	2021	9,390	1,090,304				
11	2022	8,966	1,149,652				
12	2023	9,154	1,198,233				
13	2024	9,112	1,205,620				
14	2025	9,277	1,110,983	56.57%	628,511	722,405	(93,894)
15	2026	9,382	1,134,231	56.57%	641,663	749,836	(108,173)
16	2027	9,427	1,158,758	56.57%	655,539	775,925	(120,387)
		<u>Employees</u>	<u>O&M</u>	<u>Average O&M Pay</u>	<u>Employees Per OPC</u>	<u>O&M Per OPC</u>	<u>OPC PR Adjust.</u>
17	2025	9,277	722,405	77.871	9,066	705,974	(16,431)
18	2026	9,382	749,836	79.923	9,090	726,499	(23,337)
19	2027	9,427	775,925	82.309	9,114	750,163	(25,763)
20	Citizens Adjustment to O&M Allocation				<u>2025</u> (93,894)	<u>2026</u> (108,173)	<u>2027</u> (120,387)
21	Employee Count Adjustment				(16,431)	(23,337)	(25,763)
22	Citizens O&M Allocation Offset				<u>(1,389)</u>	<u>2,226</u>	<u>2,677</u>
					<u>(111,713)</u>	<u>(129,285)</u>	<u>(143,473)</u>

Source: Page 2 of 2 HWS Exhibit 2 Schedule C-3.

Payroll
(Thousands of Dollars)

Page 2 of 2

Line No.	(A) 2021	(B) 2022	(C) 2023	(D) 2024	(F) YTD 2025	(G) 2025	(H) 2026	(I) 2027
1 January	9,439	9,206	8,977	9,234	9,046			
2 February	9,451	9,184	9,043	9,170	9,085			
3 March	9,470	9,127	9,095	9,133	9,066			
4 April	9,463	9,091	9,097	9,123				
5 May	9,411	8,853	9,090	9,092				
6 June	9,390	8,809	9,138	9,089				
7 July	9,390	8,841	9,190	9,099				
8 August	9,393	8,850	9,230	9,111				
9 September	9,383	8,898	9,261	9,089				
10 October	9,348	8,917	9,260	9,077				
11 November	9,332	8,915	9,250	9,054				
12 December	9,206	8,900	9,217	9,074				
13 Average Excluding Affiliates	9,390	8,966	9,154	9,112	9,066	0	0	0
14 Avg Per MFR C-35			9,154	9,112		9,277	9,382	9,427
15 Historical Average	9,390	8,966	9,154	9,112				
16 Planned Employees	9,835	9,548	9,914	9,720		9,277	9,382	9,427
Total	2021	2022	2023	2024	YTD 2025	2025	2026	2027
17 O&M-Base	652,262	616,184	611,589	602,378	152,539	663,121	685,816	711,435
18 O&M - OT	81,879	81,903	86,304	79,671	18,616	59,284	64,020	64,490
19 O&M Total	734,141	698,087	697,893	682,049	171,155	722,405	749,836	775,925
20 Capital-Base	278,250	309,074	366,028	352,894	99,465	326,652	323,111	320,378
21 Capital - OT	60,102	111,581	98,757	135,422	25,121	33,341	32,869	33,176
22 Capital Total	338,352	420,655	464,785	488,316	124,587	359,993	355,980	353,554
23 Recoverable - Base	15,886	27,256	30,372	30,040	7,414	28,562	28,392	29,255
24 Recoverable - OT	1,925	3,655	5,183	5,214	1,214	23	23	23
25 Recoverable Total	17,811	30,911	35,555	35,254	8,627	28,585	28,415	29,278
26 Total	1,090,304	1,149,652	1,198,233	1,205,620	304,369	1,110,983	1,134,231	1,158,758
27 O&M %	67.33%	60.72%	58.24%	56.57%	56.23%	65.02%	66.11%	66.96%
28 Capital %	31.03%	36.59%	38.79%	40.50%	40.93%	32.40%	31.39%	30.51%
29 Recoverable %	1.63%	2.69%	2.97%	2.92%	2.83%	2.57%	2.51%	2.53%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
30 Non-Officer Incentive	91,126	96,807	103,528	107,063	27,106	113,729	118,914	124,039
31 LT Incentive				15,658		16,880	17,688	18,261
32 Total Incentive	91,126	96,807	103,528	122,721	27,106	130,609	136,602	142,300
34 Total Payroll	1,181,430	1,246,460	1,301,761	1,328,341	331,475	1,241,593	1,270,834	1,301,058
35 Per MFR C-35			1,402,680	1,453,207		1,363,659	1,406,498	1,437,740

Source: Lines 1-13 is from response to OPC 11-326.
Line 15 is from corrected response to OPC 1-16.
Line 16 is from corrected response to OPC 6-124.
Lines 17-26, are from response to OPC-11-327.

Incentive Compensation
(Thousands of Dollars)

Schedule C-5
Page 1 of 1

Line No.	Year	Non-Officer Performance	Base O&M	Capital	Other	Clause	O&M %	Capital %
1	2021	91,126	65,930	23,277		1,919	72.35%	25.54%
2	2022	96,807	64,788	29,138		2,882	66.92%	30.10%
3	2023	103,528	68,813	30,896		3,819	66.47%	29.84%
4	2024	107,063	68,867	34,484		3,713	64.32%	32.21%
5	2025 YTD	27,106	17,400	8,880		915	64.19%	32.76%
<u>FORECASTED</u>								
6	2025	113,729	70,765	39,720		3,244	62.22%	34.92%
7	2026	118,914	75,870	39,852		3,292	63.80%	33.51%
8	2027	124,039	81,205	39,322		3,513	65.47%	31.70%
		<u>Performance Long Term</u>	<u>O&M</u>	<u>Capital</u>	<u>Other</u>	<u>Clause</u>	<u>O&M %</u>	<u>Capital %</u>
9	2024	15,658	12,568	3,090	0	0	80.26%	19.74%
<u>FORECASTED</u>								
10	2025	16,880	13,504	3,376			80.00%	20.00%
11	2026	17,688	14,150	3,538			80.00%	20.00%
12	2027	18,261	14,609	3,652			80.00%	20.00%
<u>INCENTIVE PLANS</u>								
	<u>2026</u>	<u>Officer</u>	<u>Non-Officer Annual Cash</u>	<u>Long Term</u>	<u>Stock Based</u>	<u>Total</u>		
13	Per Book O&M	95,451	84,316	14,150	4,159	198,075		
14	Affiliate Charges	(36,917)	(5,196)	(549)	(1,352)	(44,014)		
15	Adj O&M	58,534	79,120	13,601	2,806	154,061		
16	Juris O&M	56,729	76,191	13,182	2,720	148,822		
17	Clause	0	(3,295)	0	0	(3,295)		
18	Executive Adj	(56,729)	0	0	(1,320)	(58,049)		
19	Base O&M	0	72,896	13,182	1,400	87,478		
20	OPC Jurisdictional Adjustment		(72,896)	(13,182)	(1,400)	(87,478)		
	<u>2027</u>							
21	Per Book O&M	104,192	90,567	14,609	4,323	213,691		
22	Affiliate Charges	(42,286)	(5,895)	(567)	(1,474)	(50,222)		
23	Adj O&M	61,905	84,673	14,042	2,849	163,469		
24	Juris O&M	60,029	81,535	13,616	2,763	157,944		
25	Clause	0	(3,516)	0	0	(3,516)		
26	Executive Adj	(60,029)	0	0	(1,336)	(61,365)		
27	Base O&M	0	78,020	13,616	1,427	93,062		
28	OPC Jurisdictional Adjustment		(78,020)	(13,616)	(1,427)	(93,063)		

Source: Lines 1 - 8 are from response to OPC 11-328.
Lines 9 - 12 are from response to OPC 8-313.
Lines 13-19 and 21-27 are from Supplemental OPC 1-24.

Payroll Benefits and Taxes
(Thousands of Dollars)

Schedule C-6
Page 1 of 2

Line No.	Year	2025	2026	Jurisdictional 2026	2027	Jurisdictional 2027
1	FP&L Payroll (C-35)	1,363,359	1,406,498		1,437,740	
2	Payroll Fringes (C-35)	184,924	201,064		210,856	
3	Payroll Taxes (C-35)	(95,161)	(95,764)		(95,748)	
4	Pension & Benefits (C-35)	89,763	105,300		115,108	
5	Pension & Benefit Rate (C-35)	6.58%	7.49%		8.01%	
6	Payroll Tax Rate (C-35)	6.98%	6.81%		6.66%	
7	FP&L O&M Payroll		749,836		775,925	
8	O&M Payroll Taxes (C-4)		31,222	30,259	31,410	30,458
9	Company Adjust.		(18)	(18)	(18)	(18)
10	Base O&M PR Tax		31,204	30,241	31,392	30,440
11	Payroll Tax Rate	L.10/L. 7	4.16%	4.16%	4.05%	4.05%
12	Citizens Payroll Adjustment		(129,285)		(143,473)	
13	Incentive Comp. Adjustment		(90,765)		(96,535)	
14	Total Compensation Adjustment		(220,050)		(240,008)	
15	Payroll Tax Adjustment	L.14 x L. 7	(9,157)	(8,875)	(9,710)	(9,416)
16	O&M Pension & Benefits (C-4)		42,563	41,251	46,772	45,354
17	Pension & Benefit Rate	L. 16/L. 7	5.68%	5.68%	6.03%	6.03%
18	Pension & Benefit Adjustment	L.14 x L. 17	(12,491)	(12,106)	(14,467)	(14,029)
19	O&M Pension & Benefits (C-4)		42,583	41,270	46,794	45,376
20	Company Adjust.		(20)	(19)	(22)	(22)
21	Base Rate O&M		42,563	41,251	46,772	45,354

Source:

Line 7 FP&L O&M Payroll is from response to OPC-11-327.

Lines 9 and 20 are from response to OPC POD 1-16

Payroll Benefits and Taxes
(Thousands of Dollars)

Schedule C-6
Page 2 of 2

Line No.	Year	2020	2021	2022	2023	2024	Average
<u>Account 926 MFR C-6</u>							
1	Budgeted	47,009	29,130	53,696	34,971	46,394	42,240
2	Actual	32,073	43,259	57,185	25,443	40,061	39,604
3	Actual Over (Under) Budget	(14,936)	14,129	3,489	(9,528)	(6,333)	(2,636)
<u>Employee Benefits</u>							
		2021	2022	2023	2024	2026	2027
4	Medical	96,875	86,021	89,936	95,718	107,097	112,506
5	Dental	3,770	3,273	3,728	3,640	4,214	4,291
6	Life	1,898	1,839	2,456	2,523	2,798	2,870
7	Disability/FMLA	2,989	5,025	2,351	4,037	6,354	6,379
8	Education Assistance	1,721	2,211	3,822	4,801	6,180	6,432
9	Health & Welfare Other	21,350	7,367	14,479	15,886	15,905	16,266
10	Health & Welfare Benefits	128,603	105,735	116,773	126,605	142,548	148,744
11	Pension	(106,148)	(91,705)	(123,989)	(101,680)	(104,044)	(102,131)
12	OPEB	(3,560)	3,907	8,420	7,929	7,189	6,882
13	401k	42,345	40,765	42,824	43,549	47,288	48,943
14	Retirement	(67,362)	(47,033)	(72,746)	(50,201)	(49,567)	(46,306)
15	Workers Comp	6,148	7,488	8,522	9,943	12,317	12,669
16	Payroll Tax	89,463	89,346	100,091	105,081	95,764	95,748
17	Benefits by Law	95,612	96,834	108,613	115,024	108,081	108,417
18	Total	156,852	155,537	152,640	191,428	201,062	210,855
19	Percentage Increase (Decrease)		-0.84%	-1.86%	25.41%	5.03%	4.87%

Source: Lines 1-3 are based on MFR C-6.

Lines 4-17 for 2021-2024 is from response to OPC Interrogatory No. 6-129.

Lines 4-17 are from MFR Schedule C-35.

Insurance Expense
(Thousands of Dollars)

Schedule C-7
Page 1 of 1

Line No.		(A) 2020	(B) 2021	(C) 2022	(D) 2023	(E) 2024	(F) Average
Acct 924 PROPERTY INSURANCE:							
1	Prop. Insurance - Other		\$19,865	20,707	23,194	26,053	\$22,455
2	Prop. Insurance - Nuclear (PSL and PTN)		8,789	8,436	8,249	8,498	\$8,493
3	Prop. Insurance - Nuclear Dist. Refund (PSL and PTN)		(19,393)	(28,640)	(6,088)	(15,008)	(\$17,282)
4	Prop. Insurance - Nuclear Outage (PSL and PTN)		1,891	1,929	1,928	2,036	\$1,946
5	Prop. Insurance - Nuclear Outage Dist. Refund (PSL and PTN)		(3,999)	(6,223)	(2,794)	(3,261)	(\$4,069)
6	FMPA and Participation Agreement Reimbursement		(340)	(442)	(324)	(253)	(\$340)
7	Other miscellaneous		1	8	0	(4)	\$1
8	Total		\$6,814	(4,225)	24,165	18,062	\$11,204
Acct 925 LIABILITY INSURANCE:							
9	Liability Insurance - Other		\$9,047	11,859	14,779	16,147	\$12,958
10	Liability Insurance - Nuclear (PSL and PTN)		4,701	4,754	4,900	5,341	4,924
11	Liability Insurance - Nuclear Refund (PSL and PTN) (3)		(2,337)	(2,363)	(2,472)	(2,808)	(2,495)
12	Liability Insurance - Workers Compensation		2,976	1,983	4,938	3,562	3,365
13	St. Lucie 2 Participant Credit Workers Compensation		(191)	(95)	(197)	(103)	(146)
14	Total		\$14,196	16,138	21,948	22,139	\$18,605
Acct 924 PROPERTY INSURANCE:							
		2025	2026	OPC Amount	2027	OPC Amount	
15	Prop. Insurance - Other	\$27,628	28,900	28,900	29,371	29,371	
16	Prop. Insurance - Nuclear (PSL and PTN)	8,962	9,317	9,317	9,596	9,596	
17	Prop. Insurance - Nuclear Dist. Refund (PSL and PTN)	(8,215)	(8,215)	(11,256)	(8,215)	(11,256)	
18	Prop. Insurance - Nuclear Outage (PSL and PTN)	2,081	2,164	2,164	2,229	2,229	
19	Prop. Insurance - Nuclear Outage Dist. Refund (PSL and PTN)	(1,785)	(1,785)	(2,445)	(1,785)	(2,445)	
20	FMPA and Participation Agreement Reimbursement	(505)	(540)	(540)	(578)	(578)	
21	Other miscellaneous	16	17	17	17	17	
22	Total	\$28,183	29,858	26,157	30,635	26,933	
23		156%	106%		103%		
24	OPC Recommended Adjustment			(3,702)		(3,702)	
Acct 925 LIABILITY INSURANCE:							
25	Liability Insurance - Other	\$29,513	31,337	20,862	33,375	22,218	
26	Liability Insurance - Nuclear (PSL and PTN)	6,237	6,549	6,549	6,842	6,842	
27	Liability Insurance - Nuclear Refund (PSL and PTN) (3)	(2,654)	(2,612)	(2,612)	(2,881)	(2,881)	
28	Liability Insurance - Workers Compensation	3,879	4,000	4,000	4,130	4,130	
29	St. Lucie 2 Participant Credit Workers Compensation	(32)	(32)	(32)	(32)	(32)	
30		\$36,942	39,242	28,767	41,433	30,277	
31		167%	106%		106%		
32	OPC Recommended Adjustment			(10,475)		(11,156)	
33	Total			(14,176)		(14,858)	

Source:

Actual and budgeted insurance is from response to corrected OPC Interrogatory 1-43.

NOTE: The Company did not provide 2020 information as requested.

Injuries & Damages Expense
 (Thousands of Dollars)

Schedule C-8
 Page 1 of 1

Line No.	Description	(A) <u>2021</u>	(B) <u>2022</u>	(C) <u>2023</u>	(D) <u>2024</u>	(E) <u>Average</u>
<u>Actuals</u>						
1	Injuries & Damages Reserve	13,869	14,682	27,921	15,322	\$17,949
2	Injuries & Damages Claims	2,915	2,814	2,408	1,945	\$2,521
3	Total	<u>16,784</u>	<u>17,496</u>	<u>30,330</u>	<u>17,267</u>	<u>\$20,469</u>
<u>Forecasted</u>						
		<u>2025</u>	<u>2026</u>	<u>2027</u>		
4	Injuries & Damages Reserve	15,322	46,091	21,210		
5	Injuries & Damages Claims	3,240	3,240	3,240		
6	Total	<u>18,562</u>	<u>49,331</u>	<u>24,450</u>		
7	OPC Recommended Expense		<u>20,469</u>	<u>20,469</u>		
8	OPC Recommended Adjustment		<u>(28,862)</u>	<u>(3,981)</u>		

Source:

Actual and budgeted Injuries & Damages are from response to OPC Interrogatory 12-331.

Florida Power & Light
 Projected Test Year Ended December 31, 2026
 Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
 Schedule C-9
 Exhibit HWS-10, Page 36 of 54

Directors & Officers Liability Insurance Expense
 (Thousands of Dollars)

Schedule C-9
 Page 1 of 1

CONFIDENTIAL				
Line No.	Description/Year	(A)	(B)	(C)
		D&O Liability Insurance Expense	D&O Liability Insurance Expense	Percentage Increase
1	2022	2,353	2,353	
2	2023	2,647	2,647	12.52%
3	2024	3,272	3,272	23.58%
4				
5	2025	4,116	4,116	25.81%
6	2026	4,820	4,820	17.11%
7	2027	5,169	5,169	7.25%
8	Percentage Change 2022 to 2027			<u>219.71%</u>
9	Adjustment to remove D&O Liability Insurance Expense		<u>2026</u> <u>(4,820)</u>	<u>2027</u> <u>(5,169)</u>

Source:
 Column A, Lines 1 -7: Response to OPC 1-44.

Florida Power & Light
Projected Test Year Ended December 31, 2006

Docket No. 20250011-EI
Schedule C-10
Exhibit HWS-10, Page 37 of 54

Rate Case Expense
(Thousands of Dollars)

Schedule C-10
Page 1 of 1

Line No.	Description	2025 Amount	2026 Amount	2027 Amount	Reference
1	Company Rate Case Expense Adjustment		1257	1,257	MFR Sch. C-2
2	Rate Case Expense in Base O&M				
3	Total Rate Case Expense in Test Year	-	1,257	1,257	
4	Citizens Adjustment to Remove Rate Case Expense	-	(1,257)	(1,257)	
5	Citizens Adjustment to Remove Unamortized Rate Case Expense Balance from Rate Base		(4,400)	(3,143)	MFR Sch. B-2
<u>Outside Consultants</u>		<u>160021-EI</u>	<u>2021015-EI</u>	<u>20250011-EI</u>	
6	Dismantlement Study	325	474	500	
7	Depreciation Study	301	288	550	
8	Benchmarking	228	510	500	
9	Legal	885	980	600	
10	Regulatory Consulting	127	207	428	
11	ROE	292	295	500	
12	Cost of Service		22	305	
13	Various Outside Consultants		407	1,022	
14	Outside Consulting Total	2,157	3,183	4,405	
<u>Various</u>					
15	Hotel, lodging & meals			342	
16	Administrative			183	
17	Other			99	
18	Various Total	1,278	1,970	624	
19	Total	3,435	5,153	5,029	

Source/Notes:

Line 5 is from response to OPC First Set of Interrogatories No. 52

Current case Lines 6-19 are from excel spread sheet for MFR Schedule C-10 from response to OPC POD 1-14.

Prior cases lines 6-19 are from response to OPC First Set of Interrogatories No. 52.

Uncollectible Expense

(Thousands of Dollars)

Schedule C-11
Page 1 of 1

Line No.	Year	Net Write-Offs	Adjusted Gross Revenues	Bad Debt Factor
1	2021	14,515	11,342,105	0.128%
2	2022	14,377	15,418,793	0.093%
3	2023	18,395	16,978,327	0.108%
4	2024	20,190	15,865,050	0.127%
5	Total 2021 - 2024	67,477	59,604,274	0.113%
6	Total 2022 - 2024	52,962	48,262,170	0.110%
7	Adjusted Gross Revenues, per FP&L		<u>2026</u> 15,645,129	<u>2027</u> 15,740,698
8	FP&L Requested Bad Debt Rate		0.124%	0.122%
9	Bad Debt Expense (Net Write-Offs), per FP&L		<u>19,331</u>	<u>19,230</u>
10	OPC Recommended Bad Debt Rate		<u>0.110%</u>	<u>0.110%</u>
11	OPC Recommended Bad Debt Expense		<u>17,210</u>	<u>17,315</u>
12	Adjustment to Bad Debt Expense		<u>(2,121)</u>	<u>(1,915)</u>
13	OPC Recommended Revenue Adjustment		133,032	150,475
14	OPC Recommended Bad Debt Rate		<u>0.110%</u>	<u>0.110%</u>
15	Expense Adjustment Based on Added Revenue		<u>146</u>	<u>166</u>

Source:

Amounts from Company MFR Sch. C-11.
Lines 1-4 are from OPC 1-36.

Planned Generation Maintenance
 (Thousands of Dollars)

Schedule C-12
 Page 1 of 3

Line No.	Year	Budget	Actual	Actual Over (Under)	Percentage
<u>Non-Nuclear Generation</u>					
1	2020	39,644	34,160	(5,484)	-13.83%
2	2021	33,595	31,960	(1,635)	-4.87%
3	2022	35,537	23,273	(12,264)	-34.51%
4	2023	21,141	14,313	(6,828)	-32.30%
5	2024	10,998	6,458 *	(4,539)	-41.27%
6	2025 YTD Feb	4,004	2,256	(1,748)	-43.66%
7	Five Year Average	28,183	22,033	(6,150)	-21.82%
<u>OPC Adjustment</u>					
8	2025	15,216 *			-21.82%
9	2026	22,035 *		(4,809)	-21.82%
10	2027	22,304 *		(4,867)	-21.82%
<u>Nuclear Generation</u>					
11	2020	95,247	87,480	(7,767)	-8.15%
12	2021	108,804	103,333	(5,471)	-5.03%
13	2022	73,693	63,069	(10,624)	-14.42%
14	2023	97,026	72,982	(24,044)	-24.78%
15	2024	79,832	75,589	(4,243)	-5.32%
16	Five Year Average	90,921	80,491	(9,581)	-10.54%
<u>OPC Adjustment</u>					
17	2025	58,479			-10.54%
18	2026	62,553		(6,592)	-10.54%
19	2027	50,763		(5,349)	-10.54%
20	2026		Total	(11,400)	L.9 + L.18
21	2027		Total	<u>(10,217)</u>	L.10 + L.19

Source:

Company response to OPC 1-55. The 2020 and 2021 Non-Nuclear Generation were corrected.

* Company response to OPC 5-108.

Planned Nuclear Generation Maintenance
(Thousands of Dollars)

Schedule C-12
Page 2 of 3

Line No.	Year/Unit	Budget	Actual	Actual Over (Under)	Percentage
<u>2020</u>					
1	St, Lucie Unit 1	3,796	5,718	1,921	50.62%
2	St, Lucie Unit 2	26,171	25,506	(665)	-2.54%
3	Turkey Point Unit 3	37,958	27,594	(10,364)	-27.30%
4	Turkey Point Unit 4	27,322	28,663	1,341	4.91%
5	Total	95,247	87,480	(7,767)	-8.15%
<u>2021</u>					
6	St, Lucie Unit 1	32,354	31,548	(806)	-2.49%
7	St, Lucie Unit 2	37,563	37,761	199	0.53%
8	Turkey Point Unit 3	38,888	33,831	(5,057)	-13.00%
9	Turkey Point Unit 4	0	193	193	
10	Total	108,804	103,333	(5,471)	-5.03%
<u>2022</u>					
11	St, Lucie Unit 1	29,437	26,084	(3,353)	-11.39%
12	St, Lucie Unit 2	7,277	5,287	(1,990)	-27.35%
13	Turkey Point Unit 3	0	1,395	1,395	
14	Turkey Point Unit 4	36,979	30,304	(6,675)	-18.05%
15	Total	73,693	63,069	(10,624)	-14.42%
<u>2023</u>					
16	St, Lucie Unit 1	0	616	616	
17	St, Lucie Unit 2	34,765	20,504	(14,261)	-41.02%
18	Turkey Point Unit 3	31,932	26,284	(5,648)	-17.69%
19	Turkey Point Unit 4	30,329	25,578	(4,751)	-15.67%
20	Total	97,026	72,982	(24,044)	-24.78%
<u>2024</u>					
17	St, Lucie Unit 1	25,443	23,172	(2,271)	-8.93%
18	St, Lucie Unit 2	24,600	25,594	993	4.04%
19	Turkey Point Unit 3	29,789	28,013	(1,775)	-5.96%
20	Turkey Point Unit 4	0	(1,190)	(1,190)	
21	Total	79,832	75,589	(4,243)	-5.32%

Source:
Company response to OPC1-55; Attachment 5.

Florida Power & Light
Projected Test Year Ended December 31, 2026
Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
Schedule C-12
Exhibit HWS-10, Page 41 of 54

Forecasted Solar Expense
(Thousands of Dollars)

Schedule C-12
Page 3 of 3

Line No.	Year	2026	2027
1	2026 Solar Project A	2,200	2,400
2	2026 Solar Project B	800	1,200
3	2027 Solar Project A	0	1,100
4	2027 Solar Project B	0	800
5	2027 Solar Project C	0	500
6	2027 Solar Project D	0	200
7	Total	3,000	6,200

Source: OPC POD 15

Planned Transmission Maintenance
 (Thousands of Dollars)

Schedule C-13
 Page 1 of 1

Line No.	Year	Budget	Actual	Actual Over (Under)	Percentage
	<u>Transmission</u>				
1	2020	152,300	139,200	(13,100)	-8.60%
2	2021	187,300	167,400	(19,900)	-10.62%
3	2022	190,200	180,000	(10,200)	-5.36%
4	2023	198,400	152,700	(45,700)	-23.03%
5	2024	93,500	90,700	(2,800)	-2.99%
6	2025 YTD			0	
7	Five Year Average	<u>164,340</u>	<u>146,000</u>	<u>(18,340)</u>	-11.16%
8	Three Year Average	<u>160,700</u>	<u>141,133</u>	<u>(19,567)</u>	-12.18%
				<u>OPC Adjustment</u>	
9	2025	98,000			-11.16%
10	2026	103,300		<u>(11,528)</u>	-11.16%
11	2027	123,700		<u>(13,805)</u>	-11.16%

Source:

Company response to OPC 1-56. The 2025 year-to-date was not provided as requested.

Florida Power & Light
 Projected Test Year Ended December 31, 2026
 Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
 Schedule C-14
 Exhibit HWS-10, Page 43 of 54

Revision to Proposed Depreciation Rates
 (Thousands of Dollars)

Schedule C-14
 Page 1 of 4

Line No.	Description	Jurisdictional		Reference
		12/31/2026 Rates	12/31/2027 Rates	
1	Adjustment to Steam Production Plant Deprec. Exp.	(16,168)	(16,037)	Pages 2-3
2	Adjustment to Nuclear Prod. Plant Deprec. Exp.	(15,710)	(16,218)	Pages 2-3
3	Adjustment to Solar Production Plant Deprec. Exp.	(1,505)	(1,655)	Pages 2-3
4	Adjustment to Other Production Plant Deprec. Exp.	(9,337)	(9,534)	Pages 2-3
5	Adjustment to Transmission Plant Deprec. Exp.	(2,958)	(3,212)	Pages 2-3
6	Adjustment to Distribution Plant Deprec. Exp.	(124,266)	(132,619)	Pages 2-3
7	Adjustment to Battery/Energy Plant Deprec. Exp.	(604)	(1,429)	Pages 2-3
8	Adjustment to General Plant Deprec. Exp.	<u>3,559</u>	<u>3,784</u>	Pages 2-3
9	Revised Depreciation Rate Adjustment	<u>(166,990)</u>	<u>(176,920)</u>	Pages 2-3
10	Adjust Accum. Deprec. For Change In Deprec. Rates	<u>(83,495)</u>	<u>(88,460)</u>	
11	Cumulative Adjustment to Accumulated Depreciation	<u>(83,495)</u>	<u>(255,449)</u>	
		<u>Total</u>		
12	Revised Jurisdictional Depreciation Rate Adjustment	<u>(164,501)</u>	<u>(174,336)</u>	Pages 2-4
13	Adjust Accum. Deprec. For Change In Deprec. Rates	<u>(82,251)</u>	<u>(87,168)</u>	
14	Cumulative Adjustment to Accumulated Depreciation	<u>(82,251)</u>	<u>(251,669)</u>	

The above adjustment reflects the impact of the depreciation rates recommended by
 Citizens witness William Dunkel.

Florida Power & Light
Projected Test Year Ended December 31, 2026
Revision to Proposed Depreciation Rates
(Thousands of Dollars)

Docket No. 20250011-EI
Schedule C-14
Exhibit HWS-10, Page 44 of 54

Schedule C-14
Page 2 of 4

Line No.	Description	Amount	Reference:
<u>Steam Production Plant</u>			
1	13-Month Average Steam Production Plant, per FP&L	2,178,163	MFR Sch. B-7
2	Citizens Recommended Steam Depreciation Rate	3.09%	William Dunkel
3	Citizens Base Production Plant Depreciation Expense	67,327	
4	Steam Production Plant Depreciation Expense, per FP&L	83,494	L1 * 3.83%
5	Adjustment to Steam Production Plant Depreciation Expense	(16,168)	L3 - L4
6	Jurisdictional Separation Factor	0.957007	MFR Sch. C-4; P.10; L.1
7	Jurisdictional Adjustment	(15,473)	
<u>Nuclear Production Plant</u>			
8	13-Month Average Nuclear Production Plant, per FP&L	9,173,075	MFR Sch. B-7
9	Citizens Recommended Nuclear Depreciation Rate	2.43%	William Dunkel
10	Citizens Nuclear Production Plant Depreciation Expense	222,692	
11	Nuclear Production Plant Depreciation Expense, per FP&L	238,403	L8 * 2.6%
12	Adjustment to Nuclear Production Plant Depreciation Expense	(15,710)	L10 - L.11
13	Jurisdictional Separation Factor	0.945578	MFR Sch. C-4; P.10; L.13
14	Jurisdictional Adjustment	(14,855)	
<u>Solar Production Plant</u>			
15	13-Month Average Solar Production Plant, per FP&L	10,986,589	MFR Sch. B-7
16	Citizens Recommended Solar Depreciation Rate	3.00%	William Dunkel
17	Citizens Solar Production Plant Depreciation Expense	329,122	
18	Solar Production Plant Depreciation Expense, per FP&L	330,628	L15 * 3.01%
19	Adjustment to Solar Production Plant Depreciation Expense	(1,505)	L17 - L.18
20	Jurisdictional Separation Factor	0.959212	MFR Sch. C-4; P.10; L.23
21	Jurisdictional Adjustment	(1,444)	
<u>Other Production Plant</u>			
22	13-Month Average Other Production Plant, per FP&L	16,567,382	MFR Sch. B-7
23	Citizens Recommended Other Production Depreciation Rate	3.62%	William Dunkel
24	Citizens Other Production Plant Depreciation Expense	600,367	
25	Other Production Plant Depreciation Expense, per FP&L	609,704	L22 * 3.68%
26	Adjustment to Other Production Plant Depreciation Expense	(9,337)	L24 - L.25
27	Jurisdictional Separation Factor	0.953201	MFR Sch. C-4; P.11; L.8
28	Jurisdictional Adjustment	(8,900)	
<u>Transmission</u>			
29	13-Month Average Transmission Plant, per FP&L	15,036,459	MFR Sch. B-7
30	Citizens Recommended Transmission Depreciation Rate	2.16%	William Dunkel
31	Citizens Transmission Plant Depreciation Expense	324,934	
32	Transmission Plant Depreciation Expense, per FP&L	327,893	L29 * 2.18%
33	Adjustment to Transmission Plant Depreciation Expense	(2,958)	L24 - L.25
34	Jurisdictional Separation Factor	0.894446	MFR Sch. C-4; P.11; L.18
35	Jurisdictional Adjustment	(2,646)	
<u>Distribution Plant</u>			
36	13-Month Average Distribution Plant, per FP&L	34,927,439	MFR Sch. B-7
37	Citizens Recommended Distribution Depreciation Rate	2.62%	William Dunkel
38	Citizens Distribution Plant Depreciation Expense	914,368	
39	Distribution Plant Depreciation Expense, per FP&L	1,038,634	L36 * 2.97%
40	Adjustment to Distribution Plant Depreciation Expense	(124,266)	L24 - L.25
41	Jurisdictional Separation Factor	0.998296	MFR Sch. C-4; P.12; L.9
42	Jurisdictional Adjustment	(124,954)	
<u>Energy Storage</u>			
43	13-Month Average Energy Storage Plant, per FP&L	1,556,289	MFR Sch. B-7
44	Citizens Recommended Energy Storage Depreciation Rate	5.00%	William Dunkel
45	Citizens Energy Storage Plant Depreciation Expense	77,814	
46	Energy Storage Plant Depreciation Expense, per FP&L	78,418	L43 * 2.97%
47	Adjustment to Energy Storage Plant Depreciation Expense	(604)	L24 - L.25
48	Jurisdictional Separation Factor	0.959260	MFR Sch. C-4; P.12; L.17
49	Jurisdictional Adjustment	(579)	
<u>General Plant</u>			
50	13-Month Average General Plant, per FP&L	1,827,867	MFR Sch. B-7
51	Citizens Recommended General Depreciation Rate	3.20%	William Dunkel
52	Citizens General Plant Depreciation Expense	58,422	
53	General Plant Depreciation Expense, per FP&L	54,863	MFR Sch. C-4, p. 21, L. 19
54	Adjustment to General Plant Depreciation Expense	3,559	L24 - L.25
55	Jurisdictional Separation Factor	0.969481	MFR Sch. C-4; P.12; L.28
56	Jurisdictional Adjustment	3,450	
57	Total Adjustment	(166,990)	
58	Total Jurisdictional Adjustment Adjustment	(164,501)	
59	Total Plant Per FP&L Schedule B-7	92,253,263	
60	Citizens Plant Depreciation Expense	2,595,047	2.81%

Line No.	Description	Amount	Reference:
<u>Steam Production Plant</u>			
1	13-Month Average Steam Production Plant, per FP&L	2,160,581	MFR Sch. B-7
2	Citizens Recommended Steam Depreciation Rate	3.09%	William Dunkel
3	Citizens Base Production Plant Depreciation Expense	66,783	
4	Steam Production Plant Depreciation Expense, per FP&L	82,820	L.1 * 3.83%
5	Adjustment to Steam Production Plant Depreciation Expense	(16,037)	L.3 - L.4 (16,156)
6	Jurisdictional Separation Factor	0.957096	MFR Sch. C-4; P.10; L.28
7	Jurisdictional Adjustment	(15,349)	
<u>Nuclear Production Plant</u>			
8	13-Month Average Nuclear Production Plant, per FP&L	9,469,584	MFR Sch. B-7
9	Citizens Recommended Nuclear Depreciation Rate	2.43%	William Dunkel
10	Citizens Nuclear Production Plant Depreciation Expense	229,861	
11	Nuclear Production Plant Depreciation Expense, per FP&L	246,109	L.8 * 2.6%
12	Adjustment to Nuclear Production Plant Depreciation Expense	(16,218)	L.10 - L.11 (15,543)
13	Jurisdictional Separation Factor	0.946106	MFR Sch. C-4; P.10; L.8
14	Jurisdictional Adjustment	(15,344)	
<u>Solar Production Plant</u>			
15	13-Month Average Solar Production Plant, per FP&L	12,082,361	MFR Sch. B-7
16	Citizens Recommended Solar Depreciation Rate	3.00%	William Dunkel
17	Citizens Solar Production Plant Depreciation Expense	361,949	
18	Solar Production Plant Depreciation Expense, per FP&L	363,804	L.15 * 3.01%
19	Adjustment to Solar Production Plant Depreciation Expense	(1,855)	L.17 - L.18 (1,368)
20	Jurisdictional Separation Factor	0.959447	MFR Sch. C-4; P.10; L.18
21	Jurisdictional Adjustment	(1,588)	
<u>Other Production Plant</u>			
22	13-Month Average Other Production Plant, per FP&L	16,916,449	MFR Sch. B-7
23	Citizens Recommended Other Production Depreciation Rate	3.62%	William Dunkel
24	Citizens Other Production Plant Depreciation Expense	613,017	
25	Other Production Plant Depreciation Expense, per FP&L	622,550	L.22 * 3.68%
26	Adjustment to Other Production Plant Depreciation Expense	(9,534)	L.24 - L.25 (9,299)
27	Jurisdictional Separation Factor	0.953453	MFR Sch. C-4; P.11; L.1
28	Jurisdictional Adjustment	(9,090)	
<u>Transmission</u>			
29	13-Month Average Transmission Plant, per FP&L	16,324,095	MFR Sch. B-7
30	Citizens Recommended Transmission Depreciation Rate	2.16%	William Dunkel
31	Citizens Transmission Plant Depreciation Expense	352,780	
32	Transmission Plant Depreciation Expense, per FP&L	355,972	L.29 * 2.16%
33	Adjustment to Transmission Plant Depreciation Expense	(3,212)	L.24 - L.25 (2,819)
34	Jurisdictional Separation Factor	0.900102	MFR Sch. C-4; P.11; L.13
35	Jurisdictional Adjustment	(2,891)	
<u>Distribution Plant</u>			
36	13-Month Average Distribution Plant, per FP&L	37,275,334	MFR Sch. B-7
37	Citizens Recommended Distribution Depreciation Rate	2.62%	William Dunkel
38	Citizens Distribution Plant Depreciation Expense	975,833	
39	Distribution Plant Depreciation Expense, per FP&L	1,108,453	L.36 * 2.97%
40	Adjustment to Distribution Plant Depreciation Expense	(132,819)	L.24 - L.25 (119,815)
41	Jurisdictional Separation Factor	0.998148	MFR Sch. C-4; P.12; L.3
42	Jurisdictional Adjustment	(132,374)	
<u>Energy Storage</u>			
43	13-Month Average Energy Storage Plant, per FP&L	3,684,368	MFR Sch. B-7
44	Citizens Recommended Energy Storage Depreciation Rate	5.00%	William Dunkel
45	Citizens Energy Storage Plant Depreciation Expense	184,218	
46	Energy Storage Plant Depreciation Expense, per FP&L	185,647	L.43 * 2.97%
47	Adjustment to Energy Storage Plant Depreciation Expense	(1,429)	L.24 - L.25 (379)
48	Jurisdictional Separation Factor	0.959504	MFR Sch. C-4; P.12; L.11
49	Jurisdictional Adjustment	(1,371)	
<u>General Plant</u>			
50	13-Month Average General Plant, per FP&L	1,943,851	MFR Sch. B-7
51	Citizens Recommended General Depreciation Rate	3.20%	William Dunkel
52	Citizens General Plant Depreciation Expense	62,129	
53	General Plant Depreciation Expense, per FP&L	58,344	MFR Sch. C-4, p. 21, L. 19
54	Adjustment to General Plant Depreciation Expense	3,784	L.24 - L.25 3,475
55	Jurisdictional Separation Factor	0.969936	MFR Sch. C-4; P.12; L.22
56	Jurisdictional Adjustment	3,671	
57	Total Adjustment	(176,920)	(161,325)
58	Total Jurisdictional Adjustment Adjustment	(174,336)	
59	Total Plant Per FP&L Schedule B-7	99,856,633	
60	Citizens Plant Depreciation Expense	2.85% 2,846,579	

Revision to Proposed Depreciation Rates
(Thousands of Dollars)

Schedule C-14
Page 4 of 4

Line No.	FP&L Plant Stratification	Cost 2025	Company Depr.	Company Rate	OPC Depr.	OPC Rate	Forecasted YE 2025	B-7 Average Plant 2026	2027
<u>Steam</u>									
1	Gulf Clean Energy	1,059,684	54,695	5.16%	46,604	4.40%	1,059,367	1,057,380	1,036,405
2	Scheer Steam Plant	405,576	28,740	7.09%	20,674	5.10%	405,577	411,214	509,959
3	Manatee Steam Plant	711,345	0	0.00%	0	0.00%	711,467	709,569	614,196
4		2,176,605	83,435	3.83%	67,278	3.09%	2,176,409	2,178,163	2,160,561
<u>Nuclear</u>									
5	St Lucie Nuclear Plant	4,600,350	106,722	2.32%	99,805	2.17%	4,600,350	4,642,326	4,789,956
6	Turkey Point Nuclear Plant	4,475,216	129,147	2.89%	120,520	2.69%	4,475,217	4,530,748	4,679,639
7		9,075,567	235,868	2.60%	220,325	2.43%	9,075,567	9,173,075	9,469,594
<u>Solar</u>									
8	Solar Production	9,836,220	294,643	3.00%	294,643	3.00%			
9	Space Coast Solar	61,663	2,624	4.26%	1,859	3.01%			
10	Discovery Solar	83,042	3,048	3.67%	2,493	3.00%			
11	Small Scale Solar	5,018	200	3.99%	152	3.03%			
12		9,985,944	300,514	3.01%	299,146	3.00%	9,985,852	10,986,589	12,082,381
<u>Other Production</u>									
13	Combined Cycle	15,164,819	569,936	3.76%	556,633	3.67%			
14	Peaker Plants	1,334,864	37,277	2.79%	41,281	3.09%			
15		16,499,683	607,213	3.68%	597,914	3.62%	16,499,911	16,567,382	16,916,449
16	<u>Total Production</u>	37,737,798					37,737,739	38,905,209	40,628,985
<u>Transmission</u>									
17	Transmission	14,286,673	311,542	2.18%	308,732	2.16%	14,500,695	15,036,459	16,324,095
18		14,286,673	311,542	2.18%	308,732	2.16%	14,500,695	15,036,459	16,324,095
<u>Distribution</u>									
19	Distribution	33,620,114	999,758	2.97%	880,143	2.62%	33,620,568	34,927,439	37,275,334
20		33,620,114	999,758	2.97%	880,143	2.62%	33,620,568	34,927,439	37,275,334
<u>Energy Storage</u>									
21	Energy Storage Plant	977,884	49,273	5.04%	48,894	5.00%	977,884	1,556,289	3,684,368
22		977,884	49,273	5.04%	48,894	5.00%	977,884	1,556,289	3,684,368
<u>General Plant</u>									
23	General Plant	1,785,098	53,579	3.00%	57,055	3.20%	1,785,919	1,827,867	1,943,851
24		1,785,098	53,579	3.00%	57,055	3.20%	1,785,919	1,827,867	1,943,851
25	<u>Total</u>	88,407,565	2,641,183	2.99%	2,479,487	2.80%	88,622,805	92,253,262	99,856,633
26	Difference				(161,696)				

Source: William Dunkel

Florida Power & Light
 Projected Test Year Ended December 31, 2026
 Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
 Schedule C-15
 Exhibit HWS-10, Page 47 of 54

Dismantlement Study
 (Thousands of Dollars)

Schedule C-15
 Page 1 of 1

Line No.	Description	FP&L	Jurisdictional		Reference
			12/31/2026 Rates	12/31/2027 Rates	
1	Solar Dismantlement	22,161	21,248	21,253	Exhibit NWA -2
2	Fossil Dismantlement	24,264	23,264	23,270	Exhibit NWA -2
3	Battery Storage Dismantlement	1,235	1,184	1,185	Exhibit NWA -2
4	Other Renewables	20	19	19	Exhibit NWA -2
5	Current Accrual	47,681	45,716	45,727	
6	Solar Dismantlement	38,403	36,820	36,830	Exhibit NWA -2
7	Fossil Dismantlement	3,988	3,824	3,825	Exhibit NWA -2
8	Battery Storage Dismantlement	16,260	15,590	15,594	Exhibit NWA -2
9	Other Renewables	94	91	91	Exhibit NWA -2
10	ECRC Adjustment	810	777	777	Exhibit NWA -2
11	FP&L Adjustment	59,556	57,102	57,116	MFR C-2
12	FP&L Total	107,237	102,818	102,844	
13	Citizens Recommended Dismantlement Cost	52,000	49,857	49,869	William Dunkel
14	Adjust Dismantlement Expense	(55,237)	(52,961)	(52,974)	Line 13 - Line 12
15	Adjust Accumulated Depreciation		(26,481)	(79,448)	

Source: OPC witness Willain Dunkel.

(a) Amount in FP&L Column line 11 is from response to OPC First Set of Production No. 14.

Property Taxes
(Thousands of Dollars)

Schedule C-16
Page 1 of 1

Line No.	Description	12/31/2025 Taxes	12/31/2026 Taxes	12/31/2027 Taxes	Reference
<u>Plant Adjustment</u>					
1	Property Tax Per FP&L		993,972	1,053,060	MFR C-4
2	Projected Taxable Value	58,076,000	62,612,000	66,277,000	OPC 1-77 & 80
3	FP&L Plant		100,049,034	108,482,738	MFR B-1
4	Taxable Value Ratio to Plant		62.58%	61.09%	
5	Effective Tax Rate		0.01588	0.01589	L. 1/ L. 2
6	Plant Adjustment Per Citizens		(1,173,444)	(2,399,274)	Sch. B-2
7	PHFU Adjustment		<u>(973,972)</u>	<u>(1,205,189)</u>	Sch. B-5
8	Plant Reduction		<u>(2,147,416)</u>	<u>(3,604,463)</u>	
9	Plant Ratio Adjustment		(1,343,881)	(2,202,129)	L. 8 x L. 4
10	OPC Recommended Effective Tax Rate		<u>1.57%</u>	<u>1.57%</u>	
11	Estimated Property Tax Adjustment		(21,099)	(34,573)	OPC POD-15
12	Plant Daniel Adjustment		<u>2,665</u>	<u>2,811</u>	
13	OPC Adjustment		<u>(18,434)</u>	<u>(31,763)</u>	
<u>Rate Adjustment</u>					
14	Estimated Taxable Values	58,076,000	62,612,000	66,277,000	OPC 1-80
15	OPC Recommended Effective Tax Rate		<u>0.015700</u>	<u>0.015700</u>	Schedule F-8
16	OPC Estimated Property Taxes		<u>983,008</u>	<u>1,040,549</u>	
17	Property Tax Per FP&L		<u>993,972</u>	<u>1,053,060</u>	MFR C-4
18	OPC Recommended Rate Adjustment		<u>(10,964)</u>	<u>(12,511)</u>	
19	Total Property Tax Adjustment		(29,397)	(44,274)	L. 13 + L.18
20	Jurisdictional Factor		<u>0.960942</u>	<u>0.961683</u>	MFR C-4
21	Jurisdictional Adjustment		<u>(28,249)</u>	<u>(42,577)</u>	L. 19 x L. 20
		<u>Taxable</u>	<u>Increase</u>	<u>Tax Rate</u>	
22	2021	35,335,179		1.69%	OPC 1-77
23	2022	41,057,161	16.19%	1.63%	OPC 1-77
24	2023	47,791,737	16.40%	1.62%	OPC 1-77
25	2024	50,633,391	5.95%	1.59%	OPC 1-77
26	2025	58,076,000	14.70%		OPC 1-80
27	2026	62,612,000	7.81%		OPC 1-80
28	2027	66,277,000	5.85%		OPC 1-80

Dues
(Thousands of Dollars)

Page 1 of 1

Line No.	Description	Total	2026 Per Company	Per OPC	OPC Adjustment	2027 Per Company	Per OPC	OPC Adjustment
<u>Non-Industry Dues</u>								
		<u>2024</u>						
1	Chamber of Commerce	219						
2	Economic Development	70						
3	Other	217						
4	Total	<u>505</u>	<u>334</u>	<u>0</u>	<u>(334)</u>	<u>324</u>	<u>0</u>	<u>(324)</u>
<u>Industry Dues</u>								
5	Economic Development		9,241	9,241		9,099	9,099	
6			5%	50%		5%	50%	
7			<u>462</u>	<u>4,621</u>	<u>(4,159)</u>	<u>455</u>	<u>4,549</u>	<u>(4,095)</u>
8	Jurisdictional		448		<u>(4,030)</u>	441		<u>(3,970)</u>

Source: Economic Development detail provided in response to OPC POD-14.

Florida Power & Light
 Projected Test Year Ended December 31, 2026
 Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
 Schedule C-18
 Exhibit HWS-10, Page 50 of 54

Income Tax Expense
 (Thousands of Dollars)

Schedule C-18
 Page 1 of 1

Line No.	Description	Amount
	<u>Projected Test Year Ending December 31, 2026</u>	
1	Jurisdictional Operating Income Adjustments (1)	\$ 727,385
2	Composite Income Tax Rate (2)	<u>25.345%</u>
3	Adjustment to Income Tax Expense	<u>\$ 184,356</u>
	<u>Projected Test Year Ending December 31, 2027</u>	
4	Jurisdictional Operating Income Adjustments (1)	\$ 806,433
5	Composite Income Tax Rate (2)	<u>25.345%</u>
6	Adjustment to Income Tax Expense	<u>\$ 204,391</u>

Source:

(1) Schedule C-1, Page 2

(2) Calculated using Florida state income tax rate of 5.50% and federal income tax rate of 21%.

Interest Synchronization Adjustment
(Thousands of Dollars)

Schedule C-19
Page 1 of 2

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 73,222,063	Schedule B-1
2	Weighted Cost of Debt	<u>1.58%</u>	Note (1)
3	Interest Deduction for Income Taxes	\$ 1,154,303	
4	Interest Deduction, per Company	<u>\$ 1,382,969</u>	MFR Schedule C-22/C-23
5	Increase (Decrease) in Deductible Interest	\$ (228,666)	
6	Consolidated Income Tax Rate	<u>25.345%</u>	
7	Reduction (Increase) to Income Tax Expense	\$ (57,955)	
8	FPL Interest Synchronization Adjustment	<u>\$ 32,352</u>	MFR Schedule C-2/C-3
9	Citizens Adjustment to Interest Synchronization	<u><u>\$ (90,307)</u></u>	

Notes

(1) Based on weighted cost of debt and weighted cost of customer deposits, as shown on Schedule D.

Interest Synchronization Adjustment
(Thousands of Dollars)

Schedule C-19
Page 2 of 2

Line No.	Description	Amount	Reference
1	Adjusted Jurisdictional Rate Base, per Citizens	\$ 77,715,918	Schedule B-1
2	Weighted Cost of Debt	<u>1.59%</u>	Note (1)
3	Interest Deduction for Income Taxes	\$ 1,235,139	
4	Interest Deduction, per Company	<u>\$ 1,509,273</u>	MFR Schedule C-22/C-23
5	Increase (Decrease) in Deductible Interest	\$ (274,134)	
6	Consolidated Income Tax Rate	<u>25.345%</u>	
7	Reduction (Increase) to Income Tax Expense	\$ (69,479)	
8	FPL Interest Synchronization Adjustment	<u>\$ 37,122</u>	MFR Schedule C-2/C-3
9	Citizens Adjustment to Interest Synchronization	<u><u>\$ (106,601)</u></u>	

Notes

(1) Based on weighted cost of debt and weighted cost of customer deposits, as shown on Schedule D.

Florida Power & Light
Projected Test Year Ended December 31, 2026
Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
Schedule D
Exhibit HWS-10, Page 53 of 54

Cost of Capital
(Thousands of Dollars)

Schedule D
Page 1 of 1

OPC										
Line No.	Class of Capital	Per Company	Ratio	Cost Rate	Company Weighted Cost Rate	Rate Base & Def. Inc. Tax Adjustments	Citizens Capital Structure	Ratio	Citizens Cost Rate	Citizens Weighted Cost Rate
December 31, 2026										
1	Common Equity	37,620,169	50.07%	11.90%	5.96%	(1,088,409)	36,531,760	49.89%	10.60%	5.29%
2	Long Term Debt	24,527,244	32.65%	4.64%	1.51%	(709,610)	23,817,634	32.53%	4.64%	1.51%
3	Short Term Debt	974,390	1.30%	3.80%	0.05%	(28,191)	946,199	1.29%	3.80%	0.05%
4	Customer Deposits	614,374	0.82%	2.15%	0.02%		614,374	0.84%	2.15%	0.02%
5	Investment Tax Credits	750,400	1.00%	9.03%	0.09%		750,400	1.02%	8.25%	0.08%
6	FAS 109 Deferred Income Tax	2,406,257	3.20%	0.00%	0.00%		2,406,257	3.29%	0.00%	0.00%
7	Deferred Income Tax	8,237,043	10.96%	0.00%	0.00%	(81,604)	8,155,439	11.14%	0.00%	0.00%
8	Total	75,129,876	100.00%		7.63%	(1,907,813)	73,222,064	100.00%		6.95%
December 31, 2027										
9	Common Equity	40,471,873	50.12%	11.90%	5.96%	(1,751,274)	38,720,599	49.82%	10.60%	5.28%
10	Long Term Debt	26,288,409	32.55%	4.69%	1.53%	(1,137,536)	25,150,873	32.36%	4.69%	1.52%
11	Short Term Debt	1,146,622	1.42%	3.79%	0.05%	(49,616)	1,097,006	1.41%	3.79%	0.05%
12	Customer Deposits	650,527	0.81%	2.15%	0.02%		650,527	0.84%	2.15%	0.02%
13	Investment Tax Credits	725,070	0.90%	9.06%	0.08%		725,070	0.93%	8.27%	0.08%
14	FAS 109 Deferred Inc. Tax	2,413,243	2.99%	0.00%	0.00%		2,413,243	3.11%	0.00%	0.00%
15	Deferred Income Tax	9,055,836	11.21%	0.00%	0.00%	(97,236)	8,958,600	11.53%	0.00%	0.00%
16	Total	80,751,580	100.00%		7.64%	(3,035,662)	77,715,918	100.00%		6.95%
Capitalization										
December 31, 2026		Per FP&L	Effective	Ratio	Adjusted	Adj. To				
Ratio of Debt & Equity Components		Amounts	FP&L Ratio	Per OPC*	Allocations	Reflect OPC Cap. Struct.		Rate Base		
		(a)	(b)	(c)	(d)	(e) = (a -d)	Per FP&L	75,129,876		
17	Common Equity	37,620,169	59.60%	59.60%	(1,137,044)	36,483,125	Per OPC	73,222,063		
18	Long Term Debt	24,527,244	38.86%	38.86%	(741,319)	23,785,925	Adjustment	(1,907,813)		
19	Short Term Debt	974,390	1.54%	1.54%	(29,450)	944,940				
20		63,121,803	100.00%	100.00%	(1,907,813)	61,213,990				
December 31, 2027										
Ratio of Debt & Equity Components		Per FP&L	Effective	Ratio	Adjusted	Reflect OPC				
		Amounts	FP&L Ratio	Per OPC*	Allocations	Cap. Struct.		Rate Base		
		(a)	(b)	(c)	(d)	(e) = (a -d)	Per FP&L	80,751,580		
21	Common Equity	40,471,873	59.60%	59.60%	(1,809,226)	38,662,647	Per OPC	77,715,918		
22	Long Term Debt	26,288,409	38.71%	38.71%	(1,175,178)	25,113,231	Adjustment	(3,035,662)		
23	Short Term Debt	1,146,622	1.69%	1.69%	(51,258)	1,095,364				
24		67,906,904	100.00%	100.00%	(3,035,662)	64,871,242				

The per Company amounts are from MFR Sch. D-1a.

* The Capitalization Ratio and cost rates are sponsored by Citizens Witness Daniel Lawton.

Florida Power & Light
Projected Test Year Ended December 31, 2026
Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
Schedule D-1
Exhibit HWS-10, Page 54 of 54

Deferred Income Tax (Estimated)
(Thousands of Dollars)

Schedule D-1
Page 1 of 1

Line No.	Description	2026 Amount	2027 Amount	Tax Impact
1	DEF BOOK	3,457,069	3,730,963	
2	DEF TAX	5,516,729	6,079,646	
3	Ratio	1.5958	1.6295	
4	Citizens Depreciation Adjustment 2027		(197,588)	
5	2027 Deferred Tax Adjustment Rate Base		(321,972)	<u>(81,604)</u>
6	Citizens Depreciation Adjustment 2026	(240,415)		
7	2026 Deferred Tax Adjustment Rate Base	(383,650)		<u>(97,236)</u>

Note: Used tax rate of 25.345%
Source: Lines 1 & 2 are from MFR C-22.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Rate Increase by Florida
Power & Light Company

DOCKET NO. 20250011-EI
DATED: August 26, 2025

**JOINT MOTION TO APPROVE CUSTOMER MAJORITY PARTIES’
STIPULATION AND SETTLEMENT AGREEMENT**

The Citizens of the State of Florida, by and through the Florida Office of Public Counsel, Florida Rising, Inc., LULAC Florida, Inc., better known as the League of United Latin American Citizens of Florida, Environmental Confederation of Southwest Florida, Inc.,¹ and Floridians Against Increased Rates, Inc. (“FAIR”), (collectively the “Customer Majority Parties” or “CMPs”)² pursuant to Rule 28-106.204, Florida Administrative Code., hereby requests that the Florida Public Service Commission (“FPSC” or “Commission”) approve the Customer Majority Parties’ Stipulation and Settlement Agreement included with this motion as Attachment One (“Majority Settlement Agreement”), and states:

Background

1. On February 28, 2025, Florida Power & Light Company (“FPL”) filed a Petition for Rate Increase (“Petition”) with the Commission, along with Minimum Filing Requirement schedules (“MFRs”) and the accompanying pre-filed direct testimony and exhibits of 17 expert witnesses in support of its Petition (collectively “Initial Rate Case Filing”).

¹ Florida Rising, Inc., LULAC Florida, Inc., better known as the League of United Latin American Citizens of Florida, Environmental Confederation of Southwest Florida, Inc. are collectively known as “FEL.”

² “The Office of Public Counsel is the ‘statutorily created representative of all FPL ratepayers’ in proceedings before the Commission.” *Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 909 n. 10 (Fla. 2023) (*FAIR 2023*). See also § 350.0611. In a rate case, OPC is led by the overall public interest, emphasizing the need for reasonable revenue requirements. FAIR’s and FEL’s membership consists almost entirely of residential customers, plus some small businesses. Residential customers alone constitute 89% of FPL’s customer base, and small commercial (GS) customers constitute 9% of FPL’s customer base. Together, they represent over 61% of total energy sales.

2. The Customer Majority Parties consist of the OPC, FEL, and FAIR. The Customer Majority Parties collectively engaged in the vast majority of discovery, including 37 sets of written discovery consisting of over 1,000 interrogatories and requests for production of documents and noticed and primarily conducted all of the 35 depositions conducted in the case. The customer portion of the SIPs conducted significantly less discovery limited narrowly to their targeted and specific parochial interests. The OPC filed expert testimony of seven witnesses across a broad spectrum of the case challenging the merits of the Petition. FEL also filed testimony of four witnesses across a broad spectrum of the case, including a nationally renowned expert, challenging the merits of the Petition. FAIR also filed direct testimony of two witnesses. The Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services LLC, Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., Wawa, Inc., Electrify America LLC, Federal Executive Agencies, Armstrong World Industries, Inc. and Southern Alliance for Clean Energy (hereinafter, together with FPL, the “Special Interest Parties” or “SIPs”) also intervened in the docket. The Commission held customer service hearings between May 28, 2025, and June 6, 2025. OPC and FEL participated in the customer service hearings, while the SIPs did not. On July 9, 2025, FPL filed the rebuttal testimony and exhibits of 16 expert witnesses.

3. In its Petition, in exchange for a Commission-ordered multi-year stay out provision, which the Commission has previously held to be unenforceable under the rate case-litigated outcome,³ FPL requested approval for a four-year rate plan consisting of two base rate revenue increases in 2026 and 2027 followed by Solar and Battery Base Rate Adjustments (“SoBRAs”) in

³ PSC Order No. PSC-2023-0177-FOF-GU, Docket No. 20220069-GU, p. 5, *In re: Petition for rate increase by Florida City Gas*.

2028 and 2029 totaling 4,470 MW of solar and battery storage. The initial total base revenue increase requested is \$1.545 billion based on a projected 2026 test year and an additional base rate revenue increase of \$927 million based on a projected 2027 test year. The Petition also includes FPL's request to be allowed to seize customer prepaid federal income taxes to establish a Tax Adjustment Mechanism ("TAM"), in the amount of \$1.717 billion to replace its current Reserve Surplus Amortization Mechanism ("RSAM"), in order to boost its monthly earnings and then to re-collect these funds seized from customers. FPL's Petition seeks Commission approval of an unconscionable return on equity ("ROE") of 11.9 percent, an inflated equity ratio of 59.6 percent, the rapid amortization of Battery ITC's and certain cost-of-service and rate design changes. On August 8, 2025, at approximately 4 P.M. on the last business day before the scheduled start of the hearing on the Petition, FPL filed a Notice of Settlement in Principle and Joint Motion to Suspend Schedule and Amend Procedural Order. The customer elements of the SIPs indicated their support for suspending the schedule and joined in the motion.⁴ Although no signed term sheet or settlement document was indicated or produced, after hearing, the Commission granted the motion on Monday, August 11, 2025. This decision was memorialized in Order No. PSC-2025-0304-PCO-EI, issued on August 4, 2025. On August 20, 2025, the SIPs filed their proposal ("SIP Agreement") for resolution of the case.

4. As a result of the extensive discovery and expert testimony filed to oppose all aspects of this rate increase, the Consumer Majority Parties have a comprehensive grasp of the weaknesses in the company's Petition and have combined that knowledge to create a recommended Majority

⁴ On August 8, 2025, before the close of business, the Customer Majority Parties filed a letter notifying the Commission and parties of their opposition to continuance of the hearing. On the morning of Monday August 11, 2025, before the noticed start of the scheduled hearing, the CMPs also filed a Joint Response in Opposition to Joint Motion to Suspend Schedule and Amend Procedural Order despite being entitled to seven days to file the response.

Settlement Agreement that more closely represents the facts in the record and the controlling legal authority, to produce rates that are nondiscriminatory, fair, just, and reasonable for the general body of rate payers. This Majority Settlement Agreement is submitted as a counter proposal by parties representing a full spectrum of consumer interests, under a reservation of rights that does not waive the full legal rights of the CMP in the event the Commission fails to approve this agreement.⁵ The Majority Settlement Agreement contains proposed resolutions which fully resolve all of the issues in Docket No. 20250011-EI and results in customer rates that are actually in the public interest and not disproportionately favorable to the Special Interest Parties.

5. The Majority Settlement Agreement, like the SIP Agreement, is not a unanimous agreement of all the parties in this docket. Each of the CMPs has expressly agreed that the Majority Settlement Agreement is in the public interest, that they will, subject to certain reservation of rights including the requirement to litigate certain foundational aspects of the FPL Petition, support approval of this Majority Settlement Agreement by the Commission, and that they will not appeal a final order approving it. The CMPs also expressly agree that no individual provision, by itself, necessarily represents a position of any substantially affected party in any future proceeding, and the CMPs further agree that no signatory to this Majority Settlement Agreement shall assert or

⁵ The CMPs acknowledge that 11 years ago, the Florida Supreme Court affirmed the Commission's approval of a non-unanimous, contested settlement where the OPC *was not* a party (see *Citizens of State v. Fla. Pub. Serv. Comm'n*, 146 So. 3d 1143 (Fla. 2014) (*Citizens 2014*) and that the Court recently affirmed a contested, non-unanimous settlement where the OPC *was* a party, it did so while expressly noting that the OPC represented all customers by statute (*FAIR 2023 at n. 10*). See also, Order PSC-2021-0446-S-EI as amended by Order PSC-2021-0446A-S-EI and supplemented by Order PSC-2024-0078-FOF-EI (hereinafter, the "2021 Rate Settlement Order"), *aff'd by Fla. Rising, Inc. v. Fla. Pub. Serv. Comm'n*, __ So. 3d __, 50 Fla. L. Weekly S198 (Fla. July 17, 2025) (*FAIR 2025*). No Court has ruled that the public interest standard requires the utility to be a party to a non-unanimous rate case settlement agreement. The totality of the circumstances presented by the current FPL rates case are such that a fair question is presented as to the applicability of *Citizens 2014* and *FAIR 2025*, given the acknowledgement in footnote 10 of *FAIR 2023*. Accordingly, the CMPs state that this stipulation and settlement agreement is offered in compromise of the positions of the Customer Majority Party signatories have taken in this docket. No position taken in this agreement by any Customer Majority Party shall be considered a waiver of any party's right to challenge FPL's Petition in a hearing and on appeal regarding disputed facts and law in this docket pursuant to Chapter 120 and Chapter 366, Florida Statutes and the Florida and United States Constitutions. The Customer Majority Parties are filing this in response to the Special Interest Parties' settlement agreement filed on August 20, 2025.

represent in any future proceeding in any forum that another signatory to this Majority Settlement Agreement endorses any specific provision of this Majority Settlement Agreement by virtue of that party's signature on, or participation in, this Majority Settlement Agreement.

6. The major elements, the evidence supporting them, and why the Majority Settlement Agreement and its major components are in the public interest are summarized in the table below. The CMPs would note that, importantly, the Majority Settlement Agreement does not include a double taxation scheme dubbed by FPL as the TAM or any other form of Reserve Surplus Mechanism.

Issue	FPL Filing	SIP Agreement	Majority
Midpoint ROE	11.9%	10.95%	10.6%
Residential Base Rates Bill 2026+	\$92.77 monthly/1,000kWh	\$89.17 monthly/1,000kWh	\$86.25 monthly/1,000kWh
General Service Base Rates Bill 2026+	\$103.00 monthly/1,200kWh	\$110.67 monthly/1,200kWh	\$96.31 monthly/1,200kWh
Cumulative Rate Increase+	\$9.819 billion	\$6.903 billion	\$5.241 billion
2026-2029 Excess Profit Opportunity from TAM+	\$1.717 billion	\$1.155 billion	\$0

+Estimates based on available information

A more comprehensive comparison of the major differences between FPL's Filing, the SIP Agreement, and the Majority Settlement Agreement is included in Exhibit A. Exhibit A indicates where the values are estimated.

7. The terms of the Majority Settlement Agreement are as follows:

a. *Term [paragraph 1]*. The Majority Settlement Agreement provides for a minimum term of two years ending December 31, 2027, with an option for FPL to extend the term for a limited proceeding agreement for GBRA filing after 2027 in lieu of a General Base Rate

proceeding [sub paragraph 4(h)] during which time FPL would not be allowed to petition for general base rate relief except for limited exceptions specified in the agreement.

b. *Ratemaking Adjustments. [paragraph 2].* The CMPs have agreed on adjustments in compromise of their positions taken in testimony filed by their experts. These adjustments are supported by competent substantial evidence and will support fair, just and reasonable rates. The Majority Settlement Agreement also requires FPL to record all remediation and repair costs of the damage resulting from multiple washouts of the Kayak Solar Energy Center construction site in Holt, Florida. The company should be required to reflect these adjustments below the line for all applicable regulatory purposes including earnings surveillance.

c. *Return on Equity and Equity Ratio and Overall Rate of Return [paragraph 3].* The Majority Settlement Agreement establishes a midpoint return on equity (“ROE”) of 10.60 percent with an ROE range from 9.60 percent to 11.6 percent, which the CMP agree will allow the company to earn a reasonable return on rate base as required by Section 366.041, Florida Statutes. This agreed-to midpoint ROE falls squarely within the middle of the range of ROE midpoints recommended by FPL’s expert (11.9 percent) and OPC’s expert (9.2 percent), is supported by testimony from FPL witness Coyne and OPC witness Lawton, and is near, but above, the midpoint ROEs approved by the FPSC through litigation and settlement in 2024, i.e., 10.5 percent for Tampa Electric⁶ and 10.3 percent for Duke Energy Florida.⁷ Moreover, the CMPs’ proposed compromise 10.6 percent midpoint ROE is higher than any ROE approved by any public utilities commission for any public utility in 2024 or 2025. The record evidence accordingly supports the Majority Settlement Agreement ROE midpoint of 10.6 percent, and that this midpoint ROE will result in

⁶ Order No. PSC-2025-0038-FOF-EI, issued February 3, 2025, in Docket Nos. 20240026-EI, 20230139-EI, and 20230090-EI (appeal pending).

⁷ Order No. PSC-2024-0472-AS-EI, issued November 12, 2024, in Docket No. 20240025-EI.

rates that are fair just and reasonable. To award an ROE that is significantly higher, the Commission would have to find that the economic risk profile of Florida's largest electric utility is significantly higher than Florida's much smaller investor-owned utilities, which is counter to the record. The Majority Settlement Agreement preserves the company's equity ratio (investor sources) at 59.6 percent as proposed by the company in its Initial Rate Case Filing. This equity ratio is not only much higher than the Florida's other, smaller IOUs, but is noticeably larger than that of the companies in FPL's expert witness's proxy group of "similar companies." Although it is higher than the equity ratio(s) recommended by the CMPs [see, e.g., Direct Testimony of Lawton, pp. 55, 58, Rabago, pp. 18-19], the agreed-to equity ratio is the equity ratio approved by the Commission for the last 25 years [FPL witness Bores Direct Testimony, p. 47]. The resulting overall rate of return set in the Majority Settlement Agreement will be materially lower than the 7.57 percent overall rate of return proposed by the company in its Initial Rate Case Filing and will allow the company to earn a reasonable return on rate base as required by Section 366.041, Florida Statutes.

d. *Revenue Increases; Overall Revenues are Less Than Company's Initial Proposal and the SIP Agreement [paragraph 4(a) and 4(b)].* FPL will be authorized to increase base rates by \$867 million effective on the first day of the first billing cycle of January 2026 and by \$403 million effective the first day of the first billing cycle of January 2027. These rate increases are based on the revenue requirements inclusive of the annual impact of the four-year amortization of the full qualifying investment tax credits ("ITC") of all battery storage facilities added during the period of 2025 - 2027, where applicable. Relative to the company's Initial Rate Case Filing, the Majority Settlement Agreement reflects a significant overall reduction of the company's proposed total 2026 and 2027 revenue requirements. It authorizes new base rates and charges effective

January 1, 2026, a step-increase effective January 1, 2027, for a total increase in the level of base rates for the two-year term period of \$1.270 billion, as compared to the FPL proposed increase of \$2.472 billion and the \$1.650 billion increase the SIPs have proposed over the same period. As a percentage of the total revenue requested by the company, the total increases reflected in the Majority Settlement Agreement are: (i) within the range of the percentages of total increases approved by the Commission in recently litigated and settled electric and gas rate cases and (ii) result in rates that yield residential customer bills that are significantly lower than the bill that would have resulted from the Commission approving the company's proposed rate increase as filed. For example, a 1,000 kWh RS class (residential) current base rates customer bill will be approximately 6.15 percent higher under the Majority Settlement Agreement than current rates, which is only about 43.4 percent of the 14.18 percent increase that would have resulted from approval of base rates included in the company's Initial Rate Case Filing and is significantly less than the same rate from the SIP's Agreement. A 1,200 kWh GS class (small business) current base rates customer bill will be approximately 3.93 percent lower under the Majority Settlement Agreement than current rates, compared to the 10 percent increase in GS customer base rates that would have resulted from the SIP's Agreement. Exhibit B to this motion shows a calculation of the estimate of the selected, typical customer bills under current rates, the company's proposed rates, the SIP agreement's proposed rates, and the reasonably estimated rates and bills resulting from the Majority Settlement Agreement. The Majority Settlement Agreement reflects an express agreement by the CMPs that the resulting revenue increase included in the Majority Settlement Agreement is supported by the record, represents a fair compromise that considers the CMP and SIP positions, and results in rates that are fair, just, and reasonable, and as contemplated in

Florida's energy policy, the resulting typical customer bills are significantly more affordable than the bill impacts initially proposed.

e. *Customer Rates, Miscellaneous Service Charges, and Tariff Language. [sub paragraphs 4(c) and (a)].* The Majority Settlement Agreement includes a request for the Commission to direct FPL to develop tariffs to reflect the base rates and charges resulting from Paragraphs 4(c) and 4(d) of the Majority Settlement Agreement and are fair, just, and reasonable as discussed throughout this motion. The agreed-to tariff wording changes reflect edits identified by the CMPs during settlement negotiations. Because of the timing and circumstances of this motion coming on the heels of the last-minute filing of the SIPs' Agreement, the CMPs request that the Commission direct FPL to file tariffs conforming to the outcome of the expected approval of the more reasonable and fair outcome of this Majority Settlement Agreement.

f. *Commercial/Industrial Load Control ("CILC") Tariff and the Commercial/Industrial Demand Reduction ("CDR") Rider [sub paragraph 4(e)].* FPL proposed to reduce the level of these credits. The Majority Settlement Agreement preserves (and thus increases over the level filed by FPL) the currently effective benefits to the CILC and CDR customers of (i) the energy and demand charges for business and commercial rates and the utility-controlled demand rates resulting from the recalculation of rates and charges resulting from Paragraphs 4(c) and 4(d), and (ii) the level of utility-controlled demand credits for customers receiving service pursuant to FPL's CILC tariff and the CDR rider shall each be the same as those currently in effect. Recovery of the credits will continue through the CILC and CDR credits through the energy conservation cost recovery ("ECCR") Clause. FEL maintains that any CDR/CILC credits must be cost-effective and reflective of the reliability of FPL's

system. Maintaining the current levels is a compromise reflecting the importance of those credits to the signatories of the SIP agreement.

g. *Cost of Service Methodology and Revenue Allocation [sub paragraph 4(j)]*. In its Initial Rate Case Filing, the company proposed adopting the 12 CP and 25% Average Demand cost of service methodology. The Majority Settlement Agreement establishes the 12 CP and 1/13 Average Demand methodology for Production Plant, (ii) 12CP for Transmission Plant and (iii) FPL's proposed methodology for allocating Distribution Plant, limited by the Commission's traditional gradualism test. The resulting revenue allocation compromise is in the public interest because it fairly balances financial impacts across the company's customer classes and results in customer rates that are fair, just, and reasonable. FEL maintains that the FPL 12 CP and 25% Average Demand is well-supported by FPL's and FEL's pre-filed testimony in this case, but that this paragraph reflects a compromise in favor of the SIPs that can still be reasonably supported by the record that will be developed.

h. *Base Rates Frozen [sub paragraph 4(g)]*. The base rates and charges (and credits) established pursuant to the Majority Settlement Agreement are frozen during the initial two-year term. The Majority Settlement Agreement provides that FPL shall not be allowed to circumvent the base rate freeze by deferring costs incurred during the term of the Majority Settlement Agreement and recovering them later. Such base rate freeze provisions are instrumental in such agreements, along with other procedural provisions, and are common in rate case settlement agreements⁸ and promote the public interest by promoting administrative certainty and efficiency and protecting the utility and its customers if unforeseen business conditions develop.

⁸ See, e.g., FPL's 2021 Settlement Agreement, Order No. PSC-2021-0446-S-EI, issued December 2, 2021; Tampa Electric Company's 2021 Agreement at, Order No. PSC-2021-0423-S-EI, issued November 10, 2021; and DEF 2024 Agreement at, Order No. PSC-2024-0472-AS-EI, issued November 12, 2024.

i. *Limited Proceeding Agreement for GBRA Filing After 2027 In Lieu of a General Base Rate Proceeding [sub paragraph 4(h)]*. Relative to FPL's concerns regarding cash and earnings in 2028 and 2029, the CMPs believe that FPL will receive significant cash in the form of Contributions in Aid of Construction (CIAC) from hyperscaler/data center customers that is not recognized in the Initial Rate Case Filing, and the CMPs further believe that FPL will realize additional revenues and earnings in 2028 and 2029 resulting from FPL's underforecasted sales and revenue growth that is not recognized in the CMP's proposal. Beyond these likely additional cash and revenue benefits to FPL, the Majority Settlement Agreement further addresses the out years' earnings situation by including a commitment by the CMPs that they could not and would not object to the filing of a Generation Base Rate Adjustment limited proceeding.

For the period January 1, 2027, through December 31, 2029, FPL may, one time only, file for limited rate relief as described in this paragraph. FPL shall have the option to extend the minimum term and increase base rates in 2028 and 2029 by adding resources with a demonstrated need as discussed below. FPL may elect, at its sole option, on a one time basis, to agree not to file a general base rate case for rates effective earlier than the first day of the first billing cycle of January 2030, if the company provides notice by January 15, 2027 that it intends to file a limited proceeding (or proceedings as may be necessary to implement the provisions of Paragraph 13) for a consolidated Generation Base Rate Adjustment ("GBRA") that may consist of, up to and including, the solar and battery resources contained in its Initial Rate Case Filing for the years 2028 and 2029, the calendar year revenue requirement of which (including the impacts of 2027 SoBRA additions) is estimated to be \$195 million in 2028 and \$174 million in 2029 – calculated using a 10.6 percent midpoint ROE – based on the filed in-service dates, subject to and calculated pursuant to the provisions of Paragraph 13. This filing may include the addition of the net revenue

requirement (including the impact of any battery storage resources that are avoided) associated with the Vandolah Generating Facility (“Vandolah”) (at approximately 660 MW) and including the required, directly associated transmission facilities calculated on an annual revenue requirement limit through December 31, 2029, using a 10.6 percent midpoint ROE. If FPL makes this election, the CMPs commit and agree that they will not oppose such a limited proceeding GBRA filing; however, the CMPs do not waive any rights to challenge solar and battery resources additions pursuant to Paragraph 13 or the economic or resource need of the Vandolah assets used and useful to serve the retail customers of FPL for cost-recovery purposes in the consolidated GBRA petition. The CMPs further commit to refrain from seeking to convert such proceeding into a vehicle for a “rate case” type inquiry concerning the expenses, investment, or financial results of operations of the company and shall not apply any form of earnings test or measure (other than application of the WACC containing the authorized ROE in calculating the GBRA revenue requirement for plant additions), or consider previous or current base rate earnings in such a proceeding.⁹ Multiple base rate increases may be authorized pursuant to the single GBRA filing, but any base rate increase(s) implemented under this GBRA provision must be synchronized with the in-service date of the respective generation asset(s).

This provision is in the public interest because it reasonably balances the company’s need for timely recovery of the costs associated with resolving its claimed economic challenges with the desires of customers for rate predictability and safe and reliable electric services. The specialized and targeted nature of the limited proceeding opportunity facilitated the ability of the

⁹ The CMPs expect that the Commission would enforce these forbearance provisions as to all substantially affected parties to the same extent that it would be willing to do so in any consideration of the SIP Agreement.

CMPs to reach agreement to propose a conditional third and fourth year (s) in the term of this Majority Settlement Agreement.

j. *Minimum Bill. [paragraph 4(i).]* The Majority Settlement Agreement preserves minimum bill for residential and commercial classes (RS-1, RS-T1, GS-1, and GS-T1) at \$25. FPL's own data shows a significant number of low-income, low energy users will be impacted by the proposal to increase the \$25 minimum bill to \$30. Maintaining the current minimum bill will ensure that the affordability crises gripping many Floridians will not be worsened for these low energy users and results in rates that are fair, just, and reasonable, and as contemplated in Florida's energy policy, more affordable bills.

k. *FPL/Gulf Transition Differential Eliminated. [paragraph 4(j)].* The Majority Settlement Agreement equalizes rates between the legacy FPL and Gulf Power territories effective on the first day of the first billing cycle of January 2026. These adjustments result in rates that are fair, just, and reasonable, and as contemplated in Florida's energy policy, the resulting typical customer bills are significantly more affordable than the bill impacts initially proposed.

l. *Earnings-Based Termination Provision. [paragraph 5].* This standard provision is substantially identical to the current provision from the 2021 FPL Settlement. The Majority Settlement Agreement contains standard settlement agreement provisions that specify the relief available to the company and substantially affected parties if the company's earned rate of return on equity falls below 9.6 percent or above 11.6 percent on a thirteen-month average basis during its term. These procedural provisions are common in rate case settlement agreements¹⁰ and

¹⁰ Similar provisions are included in the agreements cited in footnote 8.

promote the public interest by promoting administrative certainty and efficiency and protecting the utility and its customers if unforeseen business conditions develop.

m. *FPL's Large Load Contract Service Tariffs LLCS-1, LLCS-2, and LLCS Service Agreement Tariffs ("LLCS Tariffs") [paragraph 6].* The LLCS Tariffs largely mirror the Initial Rate Case Filing, except that the take-or-pay demand charge is 80 percent of the otherwise applicable demand charge instead of the originally filed 90 percent level. This 80 percent requirement is bounded by the originally filed 90 percent, the 65 percent sought by the FEIA (data centers) party, and the 70 percent contained in the rebuttal testimony of FPL witness Cohen. While the CMPs have compromised to accept the 80 percent level as appropriate for settlement purposes, that provision alone is substantially insufficient to fully mitigate the subsidization that will be placed on the general body of rate payers and communities if any of these committed large load hyperscale data centers fail to materialize. FPL's retreat from the proposed 90 percent to 70 percent without negotiated value reflects a missed opportunity to require that these companies bring their "A" game to Florida and reflects a failure to balance the huge economic benefits of data center employment in Florida with the commensurate risks of subsidization.

The CMPs' 80 percent proposal also provides better protections for FPL's favorable credit metrics and ratings than SIP Agreement without creating a disincentive to financially responsible ultra large customers to connect to the FPL system. This provision also provides additional flexibility to prospective eligible customers in execution of required agreements in conjunction with necessary engineering studies. Under these circumstances, this provision is consistent with the public interest by promoting administrative certainty and efficiency and working to protect the utility and its customers if unforeseen business conditions develop.

Without proper safeguards, the rollout of data centers in Florida will likely encounter the well-known challenges detailed in EPRI's June 2025 White Paper on data centers.¹¹ The compromises contained within the proposed 80 percent "take or pay demand charge," do not fully insulate the general body of ratepayers and impacted local communities from potential financial repercussions resulting from the construction and operation of these large campuses. The CMPs' proposed Data Center Workshop provides a collaborative framework for impacted stakeholders to create a disciplined planning structure that anticipates and promptly resolves challenges as they arise. As data centers come on-line and more information about their financial impact becomes known, the Commission should exercise its oversight authority and the expertise of their talented Staff, to promote the positive implementation of data centers throughout Florida, while protecting the general body of rate paying customers from subsidization.

n. *FPL's Proposed Contribution in Aid of Construction ("CIAC") Tariff Modification [paragraph 7].* The Majority Settlement Agreement requires approval of the CIAC tariff modifications as proposed in the Initial Rate Case Filing. This provision is amply supported in the record by the testimony of FPL expert witnesses Cohen and DeVarona. Under these circumstances, this provision is consistent with the public interest by promoting administrative certainty and efficiency and working to protect the utility and its customers if unforeseen business conditions develop.

o. *FPL's Commercial Electric Vehicle Charging Services Rider (CEVCS-1), Electric Vehicle Charging Infrastructure Rider (GSD-IEV), Electric Vehicle Charging Infrastructure Rider (GSLD-IEV), Utility-Owned Public Charging for Electric Vehicles (UEV), and FPL's*

¹¹ Electric Power Research Institute, Data Centers: Considerations for Community Integration and Affordability 1-6 (June 2025). <https://www.epri.com/research/products/00000000300203184>.

Residential Electric Vehicle Charging Services (RS-1EV and RS-2EV) (the “EV Home Program”) [paragraph 8]. The CMPs agree with the SIPs that FPL should exit the private, competitive EV industry so as not to undermine the private competitive market and to raise their rates on their existing chargers. The CMPs do not support the transfer of \$20 million of money provided by the general body of FPL customers to fund EV-charging “make ready” programs, which benefit only the special interest EV signatories of the SIP agreement. Thus, this provision of the SIP agreement has been excluded from the Majority Settlement Agreement.

p. *Cost Recovery Clause [paragraph 9].* The Majority Settlement Agreement preserves the 12CP and 1/13th Average Demand methodology for Production Plant and 12CP for Transmission Plant for applicable clause proceedings.

q. *Non-Base Rate Bypass Provision Exception. [paragraph 16].* This standard provision, when considered along with the provisions in Paragraph 4(g), is substantially identical to the current provision from the 2021 FPL Settlement. It creates a limited safety net exception to the base rate freeze and anti-bypass provisions in paragraph 4(g). These procedural provisions are common in rate case settlement agreements¹² and promote the public interest by promoting administrative certainty and efficiency and protecting the utility and its customers if unforeseen business conditions develop.

r. *Nuclear Cost Recovery Clause Statutes and Rule Implementation Preservation. [paragraph 11].* This standard provision is substantially identical to the current provision from the 2021 FPL Settlement. It preserves FPL’s right to continue the implementation of the provisions of the nuclear cost recovery law and rule, as provided in law.

¹² Similar provisions are included in the agreements cited in footnote 8.

s. *Storm Accrual, Reserve, and Cost Recovery [paragraph 12]*. The Majority Settlement Agreement reflects agreement among the CMPs to adopt the storm cost recovery mechanism proposed in FPL's Initial Rate Case Filing which is supported in the direct testimony of FPL witness Bores, p. 50-53. It also includes standard settlement agreement language¹³ governing the process under which the company may seek a storm damage cost recovery surcharge on customer bills and increases the monthly bill limit under certain circumstances as well as the circumstances under which the limit can be increased or the recovery period extended. The storm reserve target is increase to \$300 million. These provisions are in the public interest because they further enable the Commission's administratively efficient process for ensuring timely recovery of named tropical storm damage restoration costs and maintain the status quo for the company's storm accrual and reserve.

t. *Solar and Battery Base Rate Adjustments ("SoBRA") [paragraph 13]*. The CMPs have proposed that the Commission approve the SoBRA provisions as filed by the Commission and modified by the SIP Agreement, with certain modifications in the public interest. The CMPs' proposal adds additional guardrails in the form of including the 2027 batteries, which are subject to review, as necessary, to provide reliable generation capacity, and further acknowledges that the revenue requirement associated with the base rate increase included for recovery pursuant to Paragraph 4(b) impacts the potential for additional cost recovery pursuant to the GBRA provision of Paragraph 4(h). The Majority Settlement Agreement prohibits double-recovery of any approved of resource additions. The Majority Settlement Agreement also limits the impact of carbon emission taxes used in CPVRR analyses to the extent that the impact of such taxes is reflected in law.

¹³ Similar provisions are included in the agreements cited in footnote 8.

u. *Corporate Income Tax Changes [paragraph 14]*. Although the company did not propose a corporate income tax change provision in its Initial Rate Case Filing, the Majority Settlement Agreement includes standard income tax change language not inconsistent with the language included in the FPL 2021 settlement agreement,¹⁴ Tampa Electric Company's 2017 and 2021 Settlement Agreements,¹⁵ and Duke Energy Florida's 2024 rate case settlement agreement.¹⁶ The provision updates the \$500 million threshold contained in the 2021 FPL Settlement in Paragraph 13(b)(ii) to \$750 million to account for the approximate 50% growth in rate base and reconciled capital structure over the period 2022 to 2026. This type of provision is common in rate case settlement agreements and is in the public interest because it promotes administrative certainty and efficiency and protect the public interest if unforeseen tax changes occur.

v. *Depreciation, Dismantlement, and Capital Recovery Schedules [paragraphs 15-18]*. The Majority Settlement Agreement requires that capital recovery schedules shall be amortized over ten (10) years as filed on February 28, 2025, and includes the amortization of Plant Daniel recovery costs, pursuant to Order No. PSC-2025-0222-S-EI. This provision is supported by the direct testimony of FPL witness Keith Ferguson, pp. 11-14, and avoids the increased accumulation of carrying costs associated with a longer amortization period and minimizes intergenerational inequity. The Majority Settlement Agreement also contains language accepting the depreciation and dismantlement parameters rates and accruals supported in the company's testimony to be used by the company during its term. It also synchronizes the filing of the company's next depreciation and dismantlement studies with the filing of the company's next general base rate increase request so that depreciation rates can be considered within the context

¹⁴ FPL 2021 Settlement Agreement at ¶8, Order No. PSC-2021-0446-S-EI, issued December 2, 2021.

¹⁵ 2017 Amended and Restated Stipulation and Settlement Agreement at ¶9, PSC-2017-0456-S-EI, issued November 27, 2017, and 2021 Agreement at ¶11, Order No. PSC-2021-0423-S-EI, issued November 10, 2021.

¹⁶ DEF 2024 Agreement at ¶19, Order No. PSC-2024-0472-AS-EI, issued November 12, 2024.

of a rate case. These procedural provisions are common in rate case settlement agreements¹⁷ and promote the public interest by preventing FPL from affecting earnings by changing depreciation and amortization rates during the term while promoting administrative predictability and efficiency.

w. *Long Duration Battery Storage Pilot [paragraph 22]*. The Customer Majority Parties agree that FPL's decision to pursue the Long Duration Battery Storage Pilot is prudent, and they waive any right to challenge this Pilot, other than the reasonableness of amounts actually expended, in any proceeding addressing the recoverability of the Long Duration Battery Storage Pilot costs. The CMPs note that the Long Duration Battery Storage Pilot costs described herein are not incremental to the revenue requirements set forth in Paragraph 4 and do not create additional base rate recovery during the term of this Majority Settlement Agreement.

x. *Land Acquisition and Disposition [paragraph. 23]*. Any land or land rights acquired by FPL during the term shall be included below-the-line for accounting purposes and shall not be included in rate base until a final prudence determination has been made in a future base rate proceeding. Upon approval of this Majority Settlement Agreement, FPL will utilize best commercial efforts to sell the long-held properties, which have been held but not placed into service for an average of 22 years. All sales of property held for future use by FPL shall be at fair market value. Gains or losses will be treated in accordance with Commission policy.

y. *Acquisition of Vandolah Power Company, LLC [paragraph 24]*. If FPL's Section 203 Application for the acquisition of Vandolah Power Company, LLC, a natural gas/oil-fired 660 MW generating facility, is approved by the Federal Energy Regulatory Commission, and Vandolah is integrated into FPL's system, Vandolah shall be utilized and dispatched as a system resource for

¹⁷ Similar provisions are included in the agreements cited in footnote 8.

the benefit of the general body of ratepayers, to the same extent and in the same manner as all generation resources in service before August 26, 2025. Unlike the SIP agreement, the Majority Settlement Agreement ensures that Vandolah will benefit the general body of ratepayers.

z. *Financial Hedging Prohibition [paragraph 25]*. The CMPs agree that natural gas financial hedging shall be prohibited during the term of this agreement and any extensions thereof.

aa. *Assistance Programs and Policies for Residential Customers [paragraphs 26 and 27]*. The CMPs agree that the SIP agreement provides a reasonable starting point for protecting residential customers and agrees to the inclusion of those provisions of the SIP agreement in the Majority Settlement Agreement.

bb. *Other Standard Language [paragraphs 31 through 35]*. Paragraphs 31 through 35 reflect legal and procedural terms and conditions commonly included in rate case settlement agreements¹⁸ and are in the public interest because they promote administrative certainty and efficiency and protect the procedural rights of all parties to this case.

8. The Majority Settlement Agreement, taken as a whole, and as further described in detail in this motion, is in the public interest and should be approved by the Commission because, among other things, the Majority Settlement Agreement:

- a. Results in customer base rates and charges that are fair, just, and reasonable;
- b. Gives the company an opportunity to earn a fair rate of return on equity and fair overall rate of return on rate base during the term while protecting the interests of customers and the company via an allowed earning range;
- c. Enhances certainty and predictability for customers, and financial certainty and predictability for the company;

¹⁸ Similar provisions are included in the agreements cited in footnote 8.

d. Remains the highest ROE currently authorized in the State of Florida and would remain the highest in the lower 48 states. The revenue opportunity that would result from this agreement over 4 years of \$5.241 billion¹⁹ would be the largest cumulative revenue increase in the State of Florida and perhaps the country;

e. Provides sufficient revenues to allow FPL to continue to provide safe and reliable electric services and improving the customer experience;

f. Supports economic development within FPL's service territory and generally for Florida;

g. Results in typical bills that are more consistent with the affordability considerations contained in Florida's energy policy;

h. Promotes future administrative and regulatory efficiency by including agreed-to procedures that would apply if storm damage costs exceeded certain threshold levels or if tax changes occur;

i. Rejects the double taxation scheme dubbed by FPL as the TAM or any other form of RSM and preserves the Commission long-held adherence to the matching principle and avoiding intergenerational inequities;

j. Prevents a completely avoidable, large revenue requirement shortfall and rate increase beginning in 2030 that would otherwise be created by the TAM, RSM, and accelerated ITC flow-through;

k. Equitably distributes the revenue requirements among all customers, and moves all customer classes closer to parity; and

¹⁹ [(\$867 million *4) + (\$403 million *3) + (\$195 million*2) +\$174 million = \$5.241 billion] Pursuant to Paragraph 4(h), this does not include the indeterminate revenue requirement associated with the future acquisition of Vandolah, pursuant to election by FPL and approval by the Commission.

1. Provides FPL an opportunity to extend the minimum term of the Majority Settlement Agreement by electing to exercise the GBRA option and thus further defer rate case expense.

9. The standard for approving a settlement agreement is whether it is in the public interest.²⁰ The Majority Settlement Agreement is in the public interest for the reasons specified above and as specified in the Majority Settlement Agreement itself. The signatories to the Majority Settlement Agreement agree and ask the Commission to find that the Majority Settlement Agreement is: (a) in the public interest; (b) results in base rates and charges that are fair, just, and reasonable; and (c) resolves all issues in the company's rate case.

10. The CMPs entered into the Majority Settlement Agreement and the discussions that resulted in it, each for their own reasons, but all in recognition that the cumulative total of the regulatory activity currently before the Commission is greater than normal. To maximize the administrative and regulatory efficiency benefits inherent in the Majority Settlement Agreement for all parties to the case, the Commission, and the public, the CMPs request that the Commission: (a) set this motion and the Majority Settlement Agreement for consideration at an appropriate

²⁰ *Floridians Against Increased Rates v. Clark*, 371 So. 3d 905, 910 (Fla. 2023). See also Order No. PSC-2020-0084-S-EI, issued March 20, 2020, in Docket No. 20190061-EI (Petition for Approval of Solar Together program and tariff, by Florida Power & Light Company) at 5, citing *Sierra Club v. Brown*, 243 So. 3d 903, 910-913 (Fla. 2018); Order No. PSC-2013-0023-S-EI, issued on January 14, 2013, in Docket No. 20120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; Order No. PSC-2011-0089-S-EI, issued February 1, 2011, in Docket Nos. 20080677-EI and 20090130-EI, In re: Petition for increase in rates by Florida Power & Light Company and In re: 2009 depreciation and dismantlement study by Florida Power & Light Company; Order No. PSC-10-0398-S-EI, issued June 18, 2010, in Docket Nos. 20090079-EI, 20090144-EI, 20090145-EI, and 20100136-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc., In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc., In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc., and In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.; Order No. PSC-2005-0945-S-EI, issued September 28, 2005, in Docket No. 20050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

special hearing as soon as possible, and (b) approve the Majority Settlement Agreement, and order that FPL file tariffs to implement the decision approving this Majority Settlement Agreement.

11. The undersigned counsel has consulted with counsel for FPL and the SIP's parties in this docket and is authorized to represent that they object to this motion.

12. The CMPs conferred with FPL, the Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services LLC, Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., Wawa, Inc., Electrify America LLC, Federal Executive Agencies, Armstrong World Industries, Inc. and Southern Alliance for Clean Energy. Collectively, they oppose the motion.

WHEREFORE, the Customer Majority Parties respectfully request that the Commission enter a Final Order:

(a) finding that the Majority Settlement Agreement, attached as Exhibit C, is: (i) in the public interest; (ii) results in base rates and charges that are fair, just and reasonable; and (iii) resolves all the issues in Docket No. 20250011-EI;

(b) approving the Majority Settlement Agreement and directing that FPL file tariffs implementing it; and

(c) closing this docket.

DATED this 26th day of August, 2025.

Corrected 8/26/2025

Respectfully submitted,

Florida Office of Public Counsel
111 West Madison Street, Suite 812
Tallahassee, FL 32399-1400

By: **/s/Walt Trierweiler**
Walt Trierweiler
Public Counsel

Counsel for the Citizens of the State of Florida

Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, FL 32301

By: **/s/Bradley Marshall**
Bradley Marshall

*Counsel for LULAC Florida, Inc., Florida Rising, and
Environmental Cor.federation of Southwest Florida, Inc.*

Floridians Against Increased Rates
Gardner, Bist, Bowden, Dee, LaVia, Wright,
Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

By: **/s/Robert Scheffel Wright**
Robert Scheffel Wright

Counsel for Floridians Against Increased Rates, Inc.

CERTIFICATE OF SERVICE
DOCKET NO. 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 26th day of August, 2025, to the following:

Adria Harper
Shaw Stiller
Timothy Sparks
Florida Public Service Commission
Office of General Counsel
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
aharper@psc.state.fl.us
sstiller@psc.state.fl.us
tsparks@psc.state.fl.us
discovery-gcl@psc.state.fl.us

Kenneth A. Hoffman
Florida Power & Light Company
134 West Jefferson Street
Tallahassee, FL 32301-1713
ken.hoffman@fpl.com

John T. Burnett
Maria Moncada
Christopher T. Wright
Joel Baker
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408-0420
john.t.burnett@fpl.com
maria.moncada@fpl.com
christopher.wright@fpl.com
joel.baker@fpl.com

Jon C. Moyle, Jr.
Karen A. Putnal
Moyle Law Firm, P.A.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com
mqualls@moylelaw.com

Leslie R. Newton
Ashley N. George
Thomas A. Jernigan
Michael A. Rivera
James B. Ely
Ebony M. Payton
Federal Executive Agencies
139 Barnes Drive, Suite 1
Tyndall Air Force Base, FL 32403
leslie.newton.1@us.af.mil
ashley.george.4@us.af.mil
thomas.jernigan.3@us.af.mil
michael.rivera.51@us.af.mil
james.ely@us.af.mil
ebony.payton.ctr@us.af.mil

Nikhil Vijaykar
Yonatan Moskowitz
Keyes & Fox LLP
580 California St., 12th Floor
San Francisco, CA 94104
nvijaykar@keyesfox.com
ymoskowitz@keyesfox.com

Katelyn Lee
Lindsey Stegall
EVgo Services, LLC
1661 E. Franklin Ave.
El Segundo, CA 90245
katelyn.lee@evgo.com
lindsey.stegall@evgo.com

Bradley Marshall
Jordan Luebke
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, FL 32301
bmarshall@earthjustice.org
jluebke@earthjustice.org
flcaseupdates@earthjustice.org

Danielle McManamon
Earthjustice
4500 Biscayne Blvd., Suite 201
Miami, FL 33137
dmcmanamon@earthjustice.org

James W. Brew
Laura Wynn Baker
Joseph R. Briscar
Sarah B. Newman
Stone Mattheis Xenopoulos & Brew
1025 Thomas Jefferson St., NW
Suite 800 West
Washington, D.C. 20007
jbrew@smxblaw.com
lwb@smxblaw.com
jrb@smxblaw.com
sbn@smxblaw.com

Stephen Bright
Jigar J. Shah
Electrify America, LLC
1950 Opportunity Way, Suite 1500
Reston, Virginia
steve.bright@electrifyamerica.com
jigar.shah@electrifyamerica.com

Stephanie U. Eaton
Spilman Thomas & Battle
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com

Steven W. Lee
Spilman Thomas & Battle
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
slee@spilmanlaw.com

William C. Garner
Law Office of William C. Garner
3425 Bannerman Road
Unit 105, No. 414
Tallahassee, FL 32312
bgarner@wcglawoffice.com

D. Bruce May
Kevin W. Cox
Kathryn Isted
Holland & Knight LLP
315 S. Calhoun Street, Suite 600
Tallahassee, FL 32301
bruce.may@hklaw.com
kevin.cox@hklaw.com
kathryn.isted@hklaw.com

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Bowden, Dee, LaVia,
Wright, Perry & Harper
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

Brian A. Ardire
Armstrong World Industries, Inc.
2500 Columbia Avenue
Lancaster, PA 17603
baardire@armstrongceilings.com

Alexander W. Judd
Duane Morris LLP
100 Pearl Street, 13th Floor
Hartford, CT 06103
ajudd@duanemorris.com

Floyd R. Self
Ruth Vafek
Berger Singerman, LLP
313 N. Monroe Street, Suite 301
Tallahassee, FL 32301
fself@bergersingerman.com
rvafek@bergersingerman.com

Robert E. Montejo
Duane Morris LLP
201 S Biscayne Blvd., Suite 3400
Miami, FL 33131-4325
remontejo@duanemorris.com

/s/ Walt Trierweiler
Walt Trierweiler
Public Counsel
trierweiler.walt@leg.state.fl.us

EXHIBIT A
**COMPARISON OF MAJOR ELEMENTS OF FPL FILING, SIP AGREEMENT, AND
MAJORITY SETTLEMENT AGREEMENT**

Issue	FPL Filing	SIP Agreement	Majority
Midpoint ROE	11.9%	10.95%	10.6%
Residential Base Rates Bill 2026+	\$92.77 monthly/1,000kWh	\$89.17 monthly/1,000kWh	\$86.25 monthly/1,000kWh
Residential Base Rates Bill 2027+	\$99.82	\$95.10	\$89.86
General Service Base Rates Bill 2026+	\$103.00 monthly/1,200kWh	\$110.67 monthly/1,200kWh	\$96.31 monthly/1,200kWh
General Service Base Rates Bill 2027+	\$109.67	\$118.93	\$98.02
2026 Revenue Requirements	\$1.545 billion	\$945 million	\$867 million
2027 Revenue Requirements+	\$927 million	\$770 million	\$403 million
2028 Revenue Requirements+	\$296 million*	\$283 million*	\$195 million**
2029 Revenue Requirements+	\$266 million*	\$247 million*	\$174 million**
Cumulative Rate Increase+	\$9.819 billion	\$6.903 billion	\$5.241 billion
2026-2029 Excess Profit Opportunity from TAM+	\$1.717 billion	\$1.155 billion	\$0
2030 Recollection+	<p>\$57 million Recollection Cost</p> <p>\$104 million ADIT loss effect on WACC</p> <p>RSM Double Recovery</p> <p>\$316 million ITC swing-back</p>	<p>\$38.5 million Recollection Cost</p> <p>\$70 million ADIT loss effect on WACC</p> <p>RSM Double Recovery</p> <p>\$315 million ITC swing-back</p>	<p>\$0 No Recollection Cost</p> <p>\$0 No loss effect on WACC</p> <p>No RSM Double Recovery</p> <p>\$0 No ITC swing-back</p>

+Estimates based on available information

*Excludes possible GBRA for Vandolah

**Does not include revenue from possible Vandolah GBRA

Exhibit B

Docket No. 20250011-EI
CMPP
Exhibit HWS-11, Page 29 of 63

	Incremental Revenue Requirement	Percent of as-filed Incremental Revenue Requirement	Total Sample Base Rates Bill	*Typical* Base Rates Bill Percent Increase
RS Current 1,000 kWh			\$ 81.25	
RS 2026 As-filed	\$ 807,171,000.00		\$ 92.77	14.18%
RS 2026 SIP agreement	\$ 566,221,000.00	70.1%	\$ 89.17	9.75%
RS 2026 CMP Settlement*	\$ 343,237,000.00	42.5%	\$ 86.25	6.15%
GS Current 1,200 kWh			\$ 100.25	
GS 2026 As-filed	\$ 24,932,000.00		\$ 103.00	2.74%
GS 2026 SIP agreement	\$ 77,357,000.00	310.3%	\$ 110.67	10.39%
GS 2026 CMP Settlement*	\$ (27,787,000.00)	-111.5%	\$ 96.31	-3.93%
GSD Current 17,520 kWh/50 kW			\$ 1,049.99	
GSD 2026 As-filed	\$ 439,605,000.00		\$ 1,324.63	26.16%
GSD 2026 SIP agreement	\$ 182,670,000.00	41.6%	\$ 1,163.65	10.82%
GSD 2026 CMP Settlement*	\$ 329,519,000.00	75.0%	\$ 1,253.16	19.35%
GSLD-1 Current 219k kWh/600 kW			\$ 12,613.75	
GSLD-1 2026 As-filed	\$ 146,581,000.00		\$ 16,052.12	27.26%
GSLD-1 2026 SIP agreement	\$ 57,678,000.00	39.3%	\$ 13,942.70	10.54%
GSLD-1 2026 CMP Settlement*	\$ 134,000,000.00	91.4%	\$ 15,661.81	24.16%
GSLD-2 Current 1,124k kWh/2.8k kW			\$ 58,040.66	
GSLD-2 2026 As-filed	\$ 49,827,000.00		\$ 74,862.62	28.98%
GSLD-2 2026 SIP agreement	\$ 18,739,000.00	37.6%	\$ 64,229.87	10.66%
GSLD-2 2026 CMP Settlement*	\$ 45,750,000.00	91.8%	\$ 73,464.89	26.57%
RS Current 1,000 kWh			\$ 81.25	
RS 2027 As-filed	\$ 1,307,096,000.00		\$ 99.82	22.86%
RS 2027 SIP agreement	\$ 988,595,000.00	75.6%	\$ 95.10	17.05%
RS 2027 CMP Settlement*	\$ 597,608,000.00	45.7%	\$ 89.86	10.60%
GS Current 1,200 kWh			\$ 100.25	
GS 2027 As-filed	\$ 71,406,000.00		\$ 109.67	9.40%
GS 2027 SIP agreement	\$ 135,074,000.00	189.2%	\$ 118.93	18.63%
GS 2027 CMP Settlement*	\$ (15,737,000.00)	-22.0%	\$ 98.02	-2.22%
GSD Current 17,520 kWh/50 kW			\$ 1,049.99	
GSD 2027 As-filed	\$ 655,644,000.00		\$ 1,456.01	38.67%
GSD 2027 SIP agreement	\$ 319,483,000.00	48.7%	\$ 1,246.94	18.76%
GSD 2027 CMP Settlement*	\$ 397,990,000.00	60.7%	\$ 1,294.74	23.31%
GSLD-1 Current 219k kWh/600 kW			\$ 12,613.75	
GSLD-1 2027 As-filed	\$ 231,342,000.00		\$ 18,070.23	43.26%
GSLD-1 2027 SIP agreement	\$ 100,065,000.00	43.3%	\$ 14,945.38	18.48%
GSLD-1 2027 CMP Settlement*	\$ 161,373,000.00	69.8%	\$ 16,329.78	29.46%
GSLD-2 Current 1,124k kWh/2.8k kW			\$ 58,040.66	
GSLD-2 2027 As-filed	\$ 78,976,000.00		\$ 84,583.08	45.73%
GSLD-2 2027 SIP agreement	\$ 32,550,000.00	41.2%	\$ 68,802.91	18.54%
GSLD-2 2027 CMP Settlement*	\$ 65,651,000.00	83.1%	\$ 80,469.52	38.64%

*Estimation based on best available information of impact of CMP Settlement and tariffs FPL would be directed to file.

EXHIBIT C

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida Power &
Light Company.

DOCKET NO.: 20250011-EI

FILED: August 26, 2025

CUSTOMER MAJORITY PARTIES'
STIPULATION AND SETTLEMENT AGREEMENT

WHEREAS, Citizens of the State of Florida, through the Florida Office of Public Counsel, Florida Rising, Inc., LULAC Florida, Inc., better known as the League of United Latin American Citizens of Florida, Environmental Confederation of Southwest Florida, Inc., and Floridians Against Increased Rates, Inc., (collectively the “Customer Majority Parties” or “CMPs”) have signed this Stipulation and Settlement Agreement (the “Majority Settlement Agreement”); and

WHEREAS, on December 2, 2021, the Florida Public Service Commission (“FPSC” or “Commission”) entered Final Order PSC-2021-0446-S-EI approving a stipulation and settlement of FPL’s rate case in Docket No. 20210015-EI, and on December 9, 2021, the Commission entered Amendatory Final Order PSC-2021-0446A-S-EI, and on March 25, 2024, the Commission entered Supplemental Final Order PSC-2024-0078-FOF-EI; and

WHEREAS, on February 28, 2025, Florida Power & Light (“FPL”) filed a petition (“Petition”) with the Commission for approval of base rate increases consisting of (i) an increase in rates and charges sufficient to generate additional total annual revenues of \$1.545 billion to be effective January 1, 2026; (ii) an increase in rates and charges sufficient to generate additional total annual revenues of \$927 million to be effective January 1, 2027; (iii) 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 so-called “non-cash” mechanism that would accelerate the flowback of certain deferred tax liabilities (“DTL”) to customers, which would

operate in a similar manner to the so-called “non-cash” mechanisms contained in prior FPL multi-year 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 (iv) a mechanism to address potential changes to tax laws or regulations; and

WHEREAS, the Customer Majority Parties collectively engaged in the vast majority of discovery, including over 37 sets of written discovery consisting of over 1,000 interrogatories and requests for production of documents and noticed and primarily conducted all of the 35 depositions in the case; and

WHEREAS, the Customer Majority Parties to this Majority Settlement Agreement have undertaken to resolve the issues raised in Docket No. 20250011-EI so as to protect all FPL customers from the unfair, unjust, and unreasonable rates that would result from the Stipulation and Settlement Agreement, filed by FPL and a number of limited interest parties dominated by large industrial and commercial customer interests (hereinafter, together with FPL, the “Special Interest Parties” or “SIPs”), which parties collectively represent a tiny fraction of FPL customers; and

WHEREAS, the Customer Majority Parties have entered into this Majority Settlement Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as a part of the negotiated exchange of consideration among the Customer Majority Parties to this Majority Settlement Agreement, each has agreed to concessions to the others with the expectation that all provisions of the Majority Settlement Agreement will be enforced by the Commission as to all matters addressed herein with respect to all substantially affected persons regardless of whether a court ultimately determines such matters to reflect Commission policy, upon acceptance of the Majority Settlement Agreement as provided herein and upon approval in the public interest;

WHEREAS, as this Majority Settlement Agreement is offered in compromise of the positions the Customer Majority Party signatories have taken in this docket, and no position taken in this Majority Settlement Agreement by any Customer Majority Party shall be considered a waiver of any Customer Majority Party's right to challenge FPL's Petition in a hearing and in any appeal regarding disputed issues of fact and law in this docket pursuant to Chapters 120 and 366, Florida Statutes and the Florida and United States Constitutions. The Customer Majority Parties are filing this in response to the Special Interest Parties' stipulation and settlement agreement filed on August 20, 2025; and

NOW, THEREFORE, in consideration of the foregoing and the covenants contained herein, the Customer Majority Parties hereby stipulate and agree:

1. Upon approval by this Commission, this Majority Settlement Agreement will become effective on January 1, 2026 (the "Implementation Date") and continue until FPL's base rates are next reset in a general base rate proceeding (the "Term"); provided, however, that FPL may place interim rates into effect subject to refund pursuant to Paragraph 5 of this Majority Settlement Agreement. The minimum term of this Majority Settlement Agreement shall be two years, from the Implementation Date through December 31, 2027 (the "Minimum Term").
2. The Customer Majority Parties propose adjustments to rate base, net operating income, and cost of capital, as shown in Attachment A. Those adjustments will not be challenged during the Term for purposes of FPL's Earnings Surveillance Reports or clause filings and will be used for proceedings conducted pursuant to section 366.071, Florida Statutes. Additionally, all costs to fully remediate the damage resulting from multiple washouts of the Kayak Solar Energy Center construction site in Holt, Florida, to the

Wilkinson Creek communities shall not be charged to customers and shall be recorded below the line.

Cost of Capital

3. FPL's authorized rate of return on common equity ("ROE") shall be a range of 9.6 percent to 11.6 percent and shall be used for all purposes. All rates, including those established in clause proceedings during the Term, shall be set using a 10.6 percent ROE. An equity ratio of 59.6 percent equity ratio shall be used for all regulatory purposes from January 1, 2026 to the end of the Term (and thereafter until the company's general base rates and charges are revised by a Final Order of the Commission as the result of the next subsequent general base rate proceeding), including, but not limited to, cost recovery clauses, riders, recovery mechanism(s), interim rates (to the extent authorized), and earnings surveillance reporting.

Base Revenue Requirements, Tariffs, Service Charges and Credits

4. (a) Effective on January 1, 2026, FPL shall be authorized to increase its base rates and service charges by an amount that is intended to generate an additional \$867 million of annual revenues, inclusive of the annual impact of the four-year amortization of the full qualifying investment tax credits ("ITC") of all battery storage facilities added during 2025, based on the projected 2026 test year billing determinants set forth in FPL's 2026 MFRs filed with the Petition.

(b) Effective January 1, 2027, FPL shall be authorized to increase its base rates by an amount that is intended to generate an additional \$403 million over the Company's then current base rates, inclusive of the annual impact of the four-year amortization of the full qualifying ITCs of all battery storage facilities added during 2025, based on the

projected 2027 test year billing determinants set forth in FPL's 2027 MFRs filed with the Petition. Additionally, to the extent that any batteries are approved for construction in 2027 pursuant to Paragraph 13, FPL would also be authorized to recover the revenue requirement associated with those batteries.

(c) The Customer Majority Parties have agreed that approval of this Majority Settlement Agreement requires that the Commission direct FPL to file tariffs conforming to this Majority Settlement Agreement, and the Customer Majority Parties request that the Commission order the company to file those tariffs, as described in Paragraph 4(a) above, which sheets shall become effective no sooner than the first day of the first billing cycle of January 2026. The Customer Majority Parties also request that the tariffs include the rates and charges resulting from approval of this Majority Settlement Agreement.

(d) The Customer Majority Parties have agreed that approval of this Majority Settlement Agreement requires that the Commission direct FPL to file tariffs conforming to this Majority Settlement Agreement, and the Customer Majority Parties request that the Commission order the company to file those tariffs, as described in Paragraph 4(b) above, which tariff sheets shall become effective no sooner than the first day of the first billing cycle of January 2027. The Customer Majority Parties also request that the tariffs include the rates and charges resulting from approval of this Majority Settlement Agreement. The company shall develop the base rates and charges for this increase using the billing determinants for 2027 that the company will use to develop its cost recovery clause factors for 2027. The Commission shall direct FPL to file its proposed tariffs to implement the 2027 increase and supporting schedules no later than July 31, 2026, to enable the Commission to consider and approve the tariffs such that the company may

provide timely notice to customers and implement the new tariffs effective no sooner than the first day of the first billing cycle of January 2027.

(e) As part of the negotiated exchange of consideration among the Customer Majority Parties to this Majority Settlement Agreement, (i) the energy and demand charges for business and commercial rates and the utility-controlled demand rates resulting from the recalculation of rates and charges resulting from Paragraphs 4(c) and 4(d), and (ii) the level of utility-controlled demand credits for customers receiving service pursuant to FPL's Commercial/Industrial Load Control ("CILC") tariff and the Commercial/Industrial Demand Reduction ("CDR") rider shall each be the same as those currently in effect. FPL shall be entitled to recover the CILC and CDR credits through the energy conservation cost recovery ("ECCR") Clause. The Customer Majority Parties agree that no changes in these credits shall be implemented any earlier than the effective date of new FPL base rates implemented pursuant to a general base rate proceeding, and that such new CILC and CDR credits shall only be implemented prospectively from such effective date. At such time as FPL's base rates are reset in a general base rate proceeding, the CILC and CDR credits shall be reset.

(f) The cost-of-service study that applies (i) the 12CP and 1/13 Average Demand methodology for Production Plant, (ii) 12CP for Transmission Plant and (iii) FPL's proposed methodology for allocating Distribution Plant, limited by the Commission's traditional gradualism test found in Order No. PSC-2009-0283-FOF-EI, pp. 86-87. The revenue allocation in the Majority Settlement Agreement is based on a policy that no rate or revenue class receives (nor shall receive) an increase greater than 1.5 times the system average percentage increase in total and no class receives (nor shall receive) a decrease in rates. To the extent that application of the revenue allocations resulting from

the Majority Settlement Agreement cost of service methodology causes there still to be excess revenues from classes overpaying after the application of the 1.5 times the system average percentage increase, the Customer Majority Parties either support or do not oppose the Commission directing that any excess be proportionately allocated to reduce the rates of rate classes that would otherwise be entitled to a rate decrease as indicated by the cost of service study.

(g) Base rates and credits applied to customer bills in accordance with this Paragraph 4 shall not be changed during the Minimum Term except as otherwise permitted in this Majority Settlement Agreement. As a part of this base rate freeze, the Company will not seek Commission approval to defer for later recovery in rates, any costs incurred or reasonably expected to be incurred from the Implementation Date through and including December 31, 2027, which are of the type which traditionally or historically have been or would be recovered in base rates, unless such deferral and subsequent recovery is expressly authorized herein or otherwise agreed to in writing by the Customer Majority Parties.

(h) Generation Base Rate Adjustment (“GBRA”)

For the period January 1, 2027, through December 31, 2029, FPL may, one time only, file for limited rate relief as described in this paragraph. FPL shall have the option to extend the Minimum Term and increase base rates in 2028 and 2029 by adding resources with a demonstrated need as discussed below. FPL may elect, at its sole option, on a one time basis, to agree not to file a general base rate case for rates effective earlier than the first day of the first billing cycle of January 2030, if the company provides notice by January 15, 2027 that it intends to file a limited proceeding (or proceedings as may be necessary to implement the provisions of Paragraph 13) for a consolidated Generation

Base Rate Adjustment (“GBRA”) that may consist of, up to and including, the solar and battery resources contained in its original filing for the years 2028 and 2029, the calendar year revenue requirement of which (including the impacts of 2027 SoBRA additions) is estimated to be \$195 million in 2028 and \$174 million in 2029 – calculated using a 10.6 percent midpoint ROE – based on the filed in-service dates, subject to and calculated pursuant to the provisions of Paragraph 13. This filing may include the addition of the net revenue requirement (including the impact of any battery storage resources that are avoided) associated with the Vandolah Generating Facility (at approximately 660 MW) and including the required, directly associated transmission facilities calculated on an annual revenue requirement limit through December 31, 2029, using a 10.6 percent midpoint ROE. If FPL makes this election, the CMPs commit and agree that they will not oppose such a limited proceeding GBRA filing; however, the CMPs do not waive any rights to challenge solar and battery resources additions pursuant to Paragraph 13 or the economic or resource need of the Vandolah Generating Facility for cost-recovery purposes, for purposes of the consolidated GBRA petition. The CMPs further commit to refrain from seeking to convert such proceeding into a vehicle for a “rate case” type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure (other than application of the WACC containing the authorized ROE in calculating the GBRA revenue requirement for plant additions), or consider previous or current base rate earnings in such a proceeding.¹ Multiple base rate increases may be authorized pursuant to the single GBRA filing, but any base rate increase(s) implemented under this GBRA

¹ The CMPs expect that the Commission would enforce these forbearance provisions as to all substantially affected parties to the same extent that it would be willing to do so in any consideration of the SIP Agreement.

provision must be synchronized with the in-service date of the respective generation asset(s).

(i) Minimum Bill

The minimum bill for residential and commercial classes (RS-1, RS-T1, GS-1, and GS-T1) shall be no more than \$25.

(j) Transition Rider Charge and Credit

The transition rider charge for Northwest Florida (legacy Gulf Power), referenced on Tariff Sheet 8.030.3, and the transition rider credit, heretofore applicable to legacy FPL, referenced on Tariff Sheet 8.303.2, shall both be eliminated effective on the first day of the first billing cycle of January 2026.

Termination

5. (a) Notwithstanding Paragraph 4 above, if FPL's earned return on common equity falls below the bottom of its authorized range during the Minimum Term on an FPL monthly earnings surveillance report stated on an FPSC actual, adjusted basis (as defined below), FPL may petition the Commission to amend its base rates, either as a general base rate proceeding under Sections 366.06 and 366.07, Florida Statutes, or pursuant to a limited proceeding under Section 366.076, Florida Statutes. Throughout this Majority Settlement Agreement, "FPSC actual, adjusted basis" and "actual adjusted earned return" shall mean results reflecting all adjustments to FPL's books required by the Commission by rule or order, but excluding pro forma, weather-related adjustments. If FPL files a petition to initiate a general base rate proceeding pursuant to this provision, FPL may also request an interim rate increase pursuant to the provisions of Section 366.071, Florida Statutes. Further, it is not the intent of the Customer Majority Parties to limit the rights of any substantially affected person to petition the Commission for a

review of FPL's base rates. In any proceeding initiated pursuant to this Paragraph 5(a), nothing in this Majority Settlement Agreement shall limit the rights of any substantially affected person.

(b) Notwithstanding Paragraph 4 above, if during the Minimum Term of this Majority Settlement Agreement, FPL's earned return on common equity exceeds the top of its authorized ROE range reported in an FPL monthly earnings surveillance report stated on an FPSC actual, adjusted basis, any party shall be entitled to petition the Commission for a review of FPL's base rates. Further, it is not the intent of the Customer Majority Parties to limit the rights of any substantially affected person to petition the Commission for a review of FPL's base rates. In any proceeding initiated pursuant to this Paragraph 5(b), nothing in this Majority Settlement Agreement shall limit the rights of any substantially affected person.

(c) Notwithstanding Paragraph 4 above, this Majority Settlement Agreement shall terminate upon the effective date of any final order issued in any such proceeding pursuant to this Paragraph 5 that changes FPL's base rates.

(d) This Paragraph 5 shall not: (i) be construed to bar or limit FPL to any recovery of costs otherwise contemplated by this Majority Settlement Agreement nor, in any proceeding initiated after a base rate proceeding filed pursuant to this Paragraph 5, shall any substantially affected person be prohibited from taking any position or asserting the application of law or any right or defense in litigation related to FPL's efforts to recover such costs; (ii) apply to any request to change FPL's base rates that would become effective after this Majority Settlement Agreement terminates; or (iii) limit any substantially affected person's rights in proceedings concerning changes to base rates that would become effective subsequent to the termination of this Majority Settlement

Agreement to argue that FPL's authorized ROE range or any other element used in deriving its revenue requirements or rates should differ from the range set forth in this Majority Settlement Agreement.

Large Load Contract Service

6. FPL's Large Load Contract Service Tariffs LLCS-1, LLCS-2, and LLCS Service Agreement tariffs ("LLCS Tariffs") shall be approved as filed on February 28, 2025, with the following modifications:
 - (a) The minimum take-or-pay demand charge for the LLCS Tariffs shall be 80 percent.
 - (b) The Commission shall direct FPL to prepare schedules reflecting the LLCS base, non-fuel energy, and applicable demand charges based on the cost of capital in Paragraph 3 and the other relevant terms of this Majority Settlement Agreement.
 - (c) The language in the LLCS Tariffs requiring that "[a]ll service required by the Customer at a Single Location shall be furnished through primary metering at the available transmission voltage at the interconnecting transmission substation(s)," is not intended to aggregate load across multiple locations in order to apply LLCS Tariffs to the customer. The LLCS Tariffs specifically mandate that each location maintain its own dedicated metering arrangement.
 - (d) With respect to the engineering and system impact studies ("System Studies") required for applicants seeking service under the LLCS Tariffs:
 - (i) The customer will have six months to execute the Construction and Operating Agreement and pay the CIAC, if any, based on the tariff in effect at that time, such period to run from the later of (x) the date on which FPL provides the Engineering Study or (y) the date the LLCS Tariff becomes effective.

- (ii) The customer is entitled, upon request, to one 3-month extension per study (9 months total) to execute the Construction and Operating Agreement.
- (iii) The customer is not guaranteed capacity until the LLCS Service Agreement is executed and all deposits are paid.
- (iv) If the maximum acceptance period is reached and the customer does not complete paragraphs 6(d)(i) through (iii) above, the System Study will be considered null and void.
- (v) The System Study package includes a milestone schedule based on durations and not specific dates. The extension of the acceptance period does not shorten the milestone schedule. In the event the customer extends the acceptance period pursuant to Paragraph 6(d)(ii), the load ramp schedule may need to adjust to accommodate the milestone schedule.
- (vi) For System Studies accepted before the LLCS Tariff takes effect, upon approval by the Commission for good cause shown, the customer has until September 30, 2026 to execute the LLCS Service Agreement.

Contribution in Aid of Construction Tariff

- 7. FPL's proposed Contribution in Aid of Construction ("CIAC") tariff modification shall be approved as filed on February 28, 2025. FPL shall file a schedule attached to its monthly Earnings Surveillance Report that shows the incremental amount of CIAC collected pursuant to the tariff modification approved under this Paragraph.

Electric Vehicle Programs

- 8. (a) FPL's Commercial Electric Vehicle Charging Services Rider (CEVCS-1), Electric Vehicle Charging Infrastructure Rider (GSD-1EV), Electric Vehicle Charging Infrastructure Rider (GSLD-1EV), Utility-Owned Public Charging for Electric Vehicles

(UEV), and FPL's Residential Electric Vehicle Charging Services (RS-1EV and RS-2EV) (the "EV Home Program") tariffs shall be approved as filed, with the following modifications:

- (i) FPL's GLD-1EV and GSLD-1EV Riders shall become permanent (i.e., nonpilot);
 - (ii) FPL shall create a new GSLD-2EV Rider to allow for demand greater than 2,000 kW, which Rider shall also be permanent (i.e., non-pilot). This new rate schedule will not become effective until the new rate can be established in FPL's upgraded billing system. Until such time as the new rate schedule is established, existing customers will be allowed to exceed 2,000 kW of demand and remain in GSLD-1EV.
 - (iii) FPL shall increase the rate for UEV to \$0.45/kWh. FPL agrees to increase the rate for UEV by an additional \$0.02/kWh (to \$0.47/kWh) on January 1, 2027, an additional \$0.01/kWh (to \$0.48/kWh) on January 1, 2028, and an additional \$0.01/kWh (to \$0.49/kWh) on January 1, in 2029.
 - (iv) The CEVCS-1 shall continue as a pilot program, i.e., it will not become a permanent tariff program, and shall not be expanded, i.e., there will be no changes to the eligibility and other requirements of the current pilot program.
- (b) The Customer Majority Parties agree that these programs comply with the requirements of Section 366.94, Florida Statutes.
- (c) FPL shall not initiate further new investment in or construction of new FPL-owned public fast-charging infrastructure during the Term of the Majority Settlement Agreement, other than maintenance of existing ports and other existing FPL-owned public fast-charging infrastructure. Provided, however, FPL shall be permitted to

complete any ongoing construction of FPL-owned public fast-charging infrastructure that was initiated prior to the Term of this Majority Settlement Agreement, for a total of not more than 585 FPL-owned ports.

Cost Recovery Clauses

9. Effective January 1, 2026, all clause factors shall be allocated using the 12CP and 1/13th Average Demand methodology for Production Plant and 12CP for Transmission Plant.
10. Nothing shall preclude the Company from requesting Commission approval for recovery of costs (a) that are of a type which traditionally, historically and ordinarily would be, have been, or are presently recovered through cost recovery clauses or surcharges, or (b) that are incremental costs not currently recovered in base rates which the Legislature or Commission determines are clause recoverable subsequent to the approval of this Majority Settlement Agreement. FPL will not be allowed to recover through cost recovery clauses costs of types or categories that have been, and traditionally, historically and ordinarily would be, recovered through base rates; the Customer Majority Parties recognize that an authorized governmental entity may impose requirements on FPL involving new or atypical kinds of costs (including but not limited to, for example, requirements related to cyber security) in connection with the imposition of such requirements, and the Legislature and/or Commission may authorize FPL to recover those related costs through a cost recovery clause.
11. Nothing in this Majority Settlement Agreement shall preclude FPL from requesting the Commission to approve the recovery of costs that are recoverable through base rates under the nuclear cost recovery statute, Section 366.93, Florida Statutes, and Commission Rule 26-6.0423, F.A.C. Nothing in this Majority Settlement Agreement

prohibits a substantially affected person from participating without limitation in nuclear cost recovery proceedings and proceedings related thereto and opposing FPL's requests.

Storm Cost Recovery Mechanism

12. FPL will be permitted to recover prudently incurred storm restoration costs through the storm cost recovery mechanism described below:

(a) Nothing in this Majority Settlement Agreement shall preclude FPL from petitioning the Commission to seek recovery of costs associated with any tropical systems named by the National Hurricane Center or its successor (Storm Costs) without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. Recovery of storm costs from customers will begin, on an interim basis, sixty days following the filing of a cost recovery petition and tariff with the Commission. Consistent with the rate design method approved in Order No. PSC-2006-0464-FOF-EI, the storm cost recovery (known as the Storm Surcharge) will be based on a 12-month recovery period if the estimated storm costs do not exceed \$5.00/1,000 kWh on monthly residential customer bills. The \$5.00/1,000 kWh cap will apply in aggregate for a calendar year for the purpose of the interim recovery.

(b) In the event the storm costs exceed that level, FPL may defer the additional storm restoration costs in excess of \$5.00/1,000 kWh on its balance sheet to be recovered in a subsequent year or years as determined by the Commission; provided, however, that FPL may petition the Commission to allow recovery of more than \$5.00/1,000 kWh in the event its storm costs in a given calendar year exceed that amount, inclusive of the amount needed to replenish the storm reserve to the level in Paragraph 12(c) below. The period of recovery for amounts in excess of \$5.00/1,000 kWh lies within the Commission's discretion. The Customer Majority Parties to this Majority Settlement

Agreement are not precluded from participating in any such proceedings and opposing the amount of FPL's claimed costs but not the mechanism agreed to herein, provided that it is applied in accordance with this Majority Settlement Agreement.

(c) All storm related costs subject to interim recovery under the storm cost recovery mechanism will be calculated and disposed of pursuant to Section 25-6.0143, F.A.C., and will be limited to costs resulting from a tropical system named by the National Hurricane Center or its successor, to the estimate of incremental costs above the level of storm reserve prior to the storm and to the replenishment of the storm reserve to \$300 million.

(d) Any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure or consider previous or current base rate earnings.

(e) To the extent FPL over-collects storm costs from customers pursuant to the storm cost recovery mechanism, FPL will refund the over-collected amounts in the same manner in which FPL collected those amounts from each customer.

Solar and Battery Base Rate Adjustments ("SoBRA")

13. FPL will be authorized to petition the Commission to recover through its base rates costs for solar generation projects that enter service in 2027, 2028 and 2029 and battery storage projects that enter service in 2027, 2028 and 2029 and to reflect in such request for cost recovery the associated impacts of projected Production Tax Credits ("PTCs") and the four-year amortization of any ITCs that result.

(a) FPL projects that for the purposes of cost recovery set forth in this Paragraph 13, it will undertake the construction of solar projects totaling approximately 1,192 MW in

2027, 1,490 MW in 2028, and 1,788 MW in 2029, and battery storage projects totaling 820 MW in 2027, 600 MW in 2028, and 600 MW in 2029. FPL is authorized to recover its costs of these projects through a SoBRA. FPL will demonstrate the prudence of any SoBRA project(s) at the time it makes its initial filing in the Fuel and Purchased Power Cost Recovery Docket the year prior to the project's expected in-service date (the "SoBRA Proceeding"). No substantially affected person is precluded from fully participating in any such SoBRA Proceeding but they may not object to FPL's right to petition for such recovery under this Paragraph 13.

(i) For solar projects, FPL must prove the prudence of any SoBRA project(s) by a preponderance of the evidence that the solar projects subject to its SoBRA petition are Cumulative Present Value Revenue Requirement ("CPVRR") beneficial within 10 years and have a cost benefit ratio of 1.15 to 1 compared to the projected system CPVRR without the solar projects. FPL must also demonstrate that the cost of the components, engineering, and construction are reasonable.

(ii) To demonstrate a resource need for the solar or battery storage projects subject to a SoBRA petition, FPL must prove by a preponderance of the evidence a reliability need for such incremental capacity or energy. FPL must also demonstrate that the selected portfolio of projects are the lowest cost resource available to timely meet the resource need, and the cost of the components, engineering, and construction are reasonable.

(iii) Any CPVRR analyses utilized under these subsections shall not include actual or projected state or Federal carbon emission taxes unless in effect. To the extent that legislation or regulation enacts carbon emission taxes, the impact of such taxes may only be included in a CPVRR analysis in the years they will be in effect.

(b) In a SoBRA proceeding, FPL also will submit for approval (i) the revenue requirements associated with the solar and battery projects to be installed during the in-service year and the impact of the conclusion of any four-year amortization of ITCs in the previous year, and (ii) the appropriate percentage increase in base rates needed to collect the estimated revenue requirements (“SoBRA Factor”). Paragraphs 13(c) through 13(e) below set forth the methodology for calculating the revenue requirements and SoBRA Factor. Under no circumstances shall anything in this Majority Settlement Agreement be interpreted to allow for double-recovery of any approved resource additions.

(c) The SoBRA revenue requirement is intended to recover the incremental jurisdictional revenue requirement based on the first 12 months of operations of the solar and battery storage projects and associated facilities (the “Annualized Base Revenue Requirement”) beginning no sooner than the date the project is placed in-service, and excluding any land component that is already included in base rates as Plant Held for Future Use. The revenue requirement computations for the SoBRAs will be based on the following: (i) estimated capital expenditures for each solar or battery storage project, net of any plant held for future use projected in FPL’s 2026 or 2027 Projected Test Years, (ii) estimated depreciation expense and related accumulated depreciation calculated using the depreciation rates for similar assets in FPL’s 2025 Depreciation Study, (iii) estimated operating and maintenance and property tax expenses, and (iv) estimated income tax expense, including tax credits. The revenue requirements will be calculated using FPL’s approved midpoint ROE and an incremental capital structure based on investor sources that is adjusted to reflect the depreciation-related accumulated

deferred income tax proration adjustment that is required by Treasury Regulation §1.167(1)-1(h)(6).

(d) The SoBRA revenue requirements will reflect the impacts associated with projected PTCs and the conclusion of four-year ITC amortization accounting related to battery storage facilities placed in-service and reflected in the previous years. At the time FPL calculates the revenue requirement, it will also include any revenue requirement reduction resulting from projected PTCs and the revenue needed to account for the conclusion of the four-year ITC amortization associated with the 2025 battery storage facilities (as part of the 2029 SoBRA revenue requirement).

(e) The SoBRA Factor is based on the ratio of projected jurisdictional annual revenue requirements of the SoBRA project and the projected retail base revenues from the sales of electricity during the first 12 months of operation. The corresponding fuel savings associated with the SoBRA project will be reflected in the fuel factors effective upon the in-service date. The SoBRA Factor, once approved by the Commission, will be implemented on the first billing cycle day following commercial operation of the solar and battery storage projects, by adjusting Base Charges (e.g., base charge, energy charge, demand charge) for all service classes by an equal percentage.

(f) In the event that actual capital costs are lower than the estimated capital costs reflected in the initial SoBRA revenue requirement filing, FPL will calculate a final SoBRA revenue requirement based on the same inputs and methodology used for the initial SoBRA revenue requirement, except the calculation will be updated with actual capital expenditures. The difference between the cumulative base revenues since the implementation of the initial adjustment and the cumulative base revenues that would have resulted if the revised adjustment had been in place during the same time period

will be credited to customers through the Capacity Cost Recovery Clause (“CCR Clause”) with interest at the 30-day commercial paper rate as specified in Rule 25-6.109, F.A.C.. In addition, on a going forward basis, base rates will be adjusted to reflect the revised SoBRA Factor.

(g) In the event that actual capital costs for the solar projects or battery storage projects are higher than the projection on which the revenue requirements are based, FPL would include the incremental costs in its monthly earnings surveillance report and reflect these costs in its next base rate proceeding. Any higher-than-projected costs are subject to a prudence review in FPL’s next base rate proceeding.

(h) For each solar project, battery storage project, and four-year ITC amortization and ITC conclusion approved pursuant to this Paragraph 13, the base rate increase shall be based upon FPL’s billing determinants for the first twelve (12) months following such project’s commercial in-service date, where such billing determinants are those used in FPL’s then most-current CCR Clause filings with the Commission, including, to the extent necessary, projections of such billing determinants into a subsequent calendar year so as to cover the first twelve (12) months of revenue requirements of each such solar project’s operation.

(i) Each SoBRA is to be reflected on FPL’s customer bills by increasing base charges and base non-clause recoverable credits by an equal percentage contemporaneously. The calculation of the percentage change in rates is based on the ratio of the jurisdictional Annualized Base Revenue Requirement and the forecasted retail base revenues from the sales of electricity during the first twelve months of operation. FPL will begin applying the incremental base rate charges for each SoBRA to meter readings made on and after the commercial in-service date of that solar or battery generation site.

(j) FPL's base rates applied to customer bills, including the effects of the SoBRAs as implemented pursuant to this Majority Settlement Agreement (i.e., uniform percent increase for all rate classes applied to base revenues), shall continue in effect until next reset by the Commission in a general base rate proceeding.

Tax Law Changes

14. The following terms will apply in the event any new permanent change in federal or state tax law or tax regulations (referred to herein as the "new tax law") is effective during the Minimum Term and until base rates are next modified by the Commission:

(a) FPL will submit within 60 days of the effective date of the change in law a petition to open a separate docket for the purpose and limited scope of addressing the base revenue requirement impact of the new tax law. FPL will submit the calculations reflecting the impact on base revenue requirements and ask the Commission to establish an expedited procedural schedule that will allow intervenors time to review and, if necessary, respond to FPL's filing. FPL will be authorized to adjust base rates upon confirmation by the Commission that FPL appropriately calculated the impacts pursuant to the methodology set forth in Paragraph 14(b).

(b) The impact of the new tax law shall be calculated as follows: FPL will compare FPL's revenue requirements utilizing the new tax law against FPL's Commission-approved revenue requirements utilizing current tax law. The difference in revenue requirements will demonstrate the impact of the new tax law and that difference will be the amount of FPL's base rate adjustments for 2026 and 2027, as applicable. The adjustment for 2027 revenue requirements will remain in place for 2028 and 2029 to the extent that FPL has not exercised the option to request a general base rate increase. To the extent applicable, rate adjustments approved through proposed SoBRA or GBRA

mechanism, pursuant to Paragraphs 4(h) or 13, in 2028 and 2029 will reflect then-current tax law.

(c) For the time period between the effective date of the new tax law and implementation of new tax-adjusted base rates, FPL will defer the impact of the new tax law to the balance sheet for collection or refund through the CCR Clause.

(d) Deficient or excess ADIT created by such tax law changes will be deferred as a regulatory asset or regulatory liability on the balance sheet and included within FPL's capital structure. If the new tax law continues to prescribe the use of the Average Rate Assumption Method, FPL will flow back or collect the protected excess or deficient ADIT over the underlying assets' remaining life to ensure compliance with Internal Revenue Service normalization rules. If the Tax Reform law or act is silent on the flow-back or collection period for parts or all of the Excess and/or Deficient Deferred Taxes, and there are no other statutes or rules that govern the flow-back or collection period for "unprotected" amounts, then there is a rebuttable presumption that the following flow-back or collection period(s) will apply: (i) if the cumulative "unprotected" regulatory asset/liability balance is less than \$750 million, the flow-back/collection period for the cumulative balance will be five years; or (ii) if the cumulative "unprotected" regulatory asset/liability balance is equal to or greater than \$750 million, the flowback/collection period for the cumulative balance will be ten years.

Capital Recovery Schedules

15. FPL shall be authorized to establish capital recovery schedules which shall be amortized over ten (10) years as filed on February 28, 2025.

Depreciation and Dismantlement

16. FPL's 2025 Depreciation Study, filed as Exhibit NWA-1, satisfies Rule 25-6.0436, F.A.C. and FPL's obligation to file a depreciation study.
17. FPL's 2025 Dismantlement Study, filed as Exhibit NWA-2, satisfies Rule 25-6.04364, F.A.C., and FPL's obligation to file a dismantlement study.
18. At such time as FPL shall next file a general base rate proceeding, it shall simultaneously file new depreciation and dismantlement studies and propose to reset depreciation rates and dismantlement accruals in accordance with the results of those studies. The Customer Majority Parties will support consolidation of proceedings, if needed, to reset FPL's base rates, depreciation rates and dismantlement accruals.
19. *Intentionally Left Blank*
20. *Intentionally Left Blank*
21. *Intentionally Left Blank*

Long Duration Battery Storage Pilot

22. FPL shall be authorized to implement its Long Duration Battery Storage Pilot described in the direct testimony of Tim Oliver. This Pilot will allow FPL to gain valuable experience with advanced battery storage technologies, including (a) validating the performance and grid reliability of long-duration energy systems, (b) evaluating alternative storage technologies as complements to conventional lithium-ion batteries, (c) developing criteria for vendors regarding safety and delivery schedules, (d) optimizing charging operations to leverage low-cost solar energy during periods of reduced load, and (e) optimizing discharging operations to complement conventional batteries during extended periods of high load. The Pilot will be limited to two long-

duration battery storage systems each capable of dispatching up to 10 MW of power and storing a total of 100 megawatt-hours of energy. FPL estimates that the Long Duration Battery Storage Pilot can be put in service in 2027 at an estimated cost of \$78 million. The Customer Majority Parties agree that FPL's decision to pursue the Long Duration Battery Storage Pilot is prudent, and they waive any right to challenge this Pilot, other than the reasonableness of amounts actually expended, in any proceeding addressing the recoverability of the Long Duration Battery Storage Pilot costs. The Long Duration Battery Storage Pilot costs described herein are not incremental to the revenue requirements set forth in Paragraph 4.

Land Acquisition and Disposition

23. Any land or land rights acquired by FPL during the Term shall be included below the line for accounting purposes and shall not be included in rate base until a final prudence determination has been made in a future base rate proceeding. Upon approval of this Majority Settlement Agreement, FPL will utilize best commercial efforts to sell the long-held properties listed in Attachment B, which have been held but not placed into service for an average of 22 years. All sales of property held for future use by FPL shall be at fair market value. Gains or losses will be treated in accordance with Commission policy.

Acquisition of Vandolah Power Company, LLC

24. If FPL's Section 203 Application for the acquisition of Vandolah Power Company, LLC ("Vandolah"), a natural gas/oil-fired 660 MW generating facility, is approved by the Federal Energy Regulatory Commission, and Vandolah is integrated into FPL's system, the Vandolah assets used and useful to serve the retail customers of FPL shall be utilized and dispatched as a system resource for the benefit of the general body of ratepayers, to

the same extent and in the same manner as all generation resources in service before August 26, 2025. It not the intent of this paragraph to limit the rights of any substantially affected person's participation in any proceeding relating to Vandolah, pursuant to Paragraph 4(h).

Natural Gas Financial Hedges

25. FPL shall not financially hedge natural gas during the Minimum Term and any extensions thereof. FPL shall not be prohibited from filing a petition and proposed risk management plan with the Commission to address natural gas financial hedging following expiration of the Minimum Term or any extensions thereof.

Assistance Programs and Policies for Residential Customers

26. During the Term of this Majority Settlement Agreement, FPL shall not disconnect for nonpayment of bills for any customer in an FPL operational district with either (i) a forecasted 95-degree or higher temperature for the day, based on FPL's meteorological forecasts, or where a heat advisory is issued by the National Weather Service; or (ii) a forecasted temperature of 32 degrees or lower for the day, based on FPL's meteorological forecasts.
27. FPL shall accrue and provide a one-time funding of \$15 million during the Term to provide payment assistance (offsetting receivables) to customers that satisfy the United Way's "Asset Limited Income Constrained, Employed" (ALICE) criteria. This funding is in addition FPL's Care To Share Program, which FPL states is funded from voluntary contributions by shareholders, employees and customers.
28. *Intentionally Left Blank*

Miscellaneous

29. The Commission shall establish a workshop to explore a less-restrictive data center tariff that optimizes the potential mutual benefits of Florida's roll-out of large load data centers while protecting the customers, natural resources, and beauty of our state.
30. The Commission shall establish a workshop to explore the uniform use of a stochastic loss of load probability model to evaluate the impact of the significant additions of renewable generation and storage resources on grid reliability in a transparent format.
31. No party to this Majority Settlement Agreement will request, support, or seek to impose a change in the application of any provision hereof. Except as provided in Paragraph 5, a party to this Majority Settlement Agreement will neither seek nor support any change in FPL's base rates or credits applied to customer bills, including limited, interim or any other rate decreases, that would take effect prior to expiration of the Minimum Term, except for any such reduction requested by FPL or as otherwise provided for in this Majority Settlement Agreement. No substantially affected person is prohibited from seeking interim, limited, or general base rate relief, or a change to credits, to be effective following the latter of the expiration of the Minimum Term or any extensions thereof.
32. Nothing in this Majority Settlement Agreement will preclude FPL from filing and the Commission from approving any new or revised tariff provisions or rate schedules requested by FPL, provided that such tariff request does not increase any existing base rate component of a tariff or rate schedule during the Term unless the application of such new or revised tariff, service or rate schedule is optional to FPL's customers.
33. The provisions of this Majority Settlement Agreement are contingent on approval of this Majority Settlement Agreement in its entirety by the Commission without

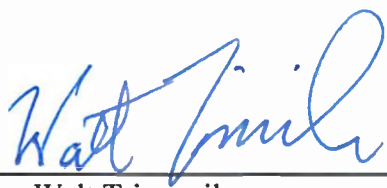
modification. The Customer Majority Parties agree that approval of this Majority Settlement Agreement is in the public interest. The Customer Majority Parties further agree that, subject to the rights and requirement of each of them to challenge, in a hearing in this docket, FPL's February 28, 2025 Petition and case as filed, they will support this Majority Settlement Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Majority Settlement Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Majority Settlement Agreement or the subject matter hereof. No Customer Majority Party will assert in any proceeding before the Commission or any court that this Majority Settlement Agreement or any of the terms in the Majority Settlement Agreement shall have any precedential value, except to enforce the provisions of this Majority Settlement Agreement. Approval of this Majority Settlement Agreement in its entirety will resolve all matters and issues in Docket No. 20250011-EI pursuant to and in accordance with Section 120.57(4), Florida Statutes. This docket will be closed effective on the date the Commission Order approving this Majority Settlement Agreement is final, and no Customer Majority Party shall seek appellate review of any order approving this Majority Settlement Agreement issued in this Docket and each Customer Majority Party shall oppose such review. This Majority Settlement Agreement is offered in compromise of the positions that the Customer Majority Party signatories have taken in this docket, and no position taken in this Majority Settlement Agreement by any Customer Majority Party shall be considered a waiver of any Customer Majority Party's right to challenge FPL's Petition in a hearing and in any appeal regarding disputed issues of fact and law in this docket pursuant to Chapters 120

and 366, Florida Statutes and the Florida and United States Constitutions. The Customer Majority Parties are specifically filing this in response to the Special Interest Parties' settlement agreement filed on August 20, 2025.

34. This Majority Settlement Agreement is dated as of August 26, 2025. It may be executed in counterpart originals, and a scanned .pdf copy of an original signature shall be deemed an original. Any person or entity that executes a signature page to this Majority Settlement Agreement shall become and be deemed a party as if it was a Customer Majority Party with the full range of rights and responsibilities provided hereunder, notwithstanding that such person or entity is not listed in the first recital above and executes the signature page subsequent to the date of this Majority Settlement Agreement, it being expressly understood that the addition of any such additional party(ies) shall not disturb or diminish the benefits of this Majority Settlement Agreement to any current Customer Majority Party.
35. All provisions of this Majority Settlement Agreement survive the Minimum Term unless expressly stated herein.

In Witness Whereof, the Customer Majority Parties evidence their acceptance and agreement with the provisions of this Majority Settlement Agreement by their signature.

Florida Office of Public Counsel
111 West Madison Street, Suite 812
Tallahassee, FL 32399-1400

By: 
Walt Trierweiler
Public Counsel

Counsel for the Citizens of the State of Florida

Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301

By: Bradley Marshall
Bradley Marshall

*Counsel for LULAC Florida Inc., Florida Rising, Inc., and Environmental Confederation
of Southwest Florida, Inc.*

Floridians Against Increased Rates, Inc.
Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308

By: 
Robert Scheffel Wright

Counsel for Floridians Against Increased Rates, Inc.

Attachment B

Docket No. 20250011-EI

CMPP

Exhibit HWS-11, Page 63 of 63

Florida Power & Light
 Projected Test Year Ended December 31, 2026
 Projected Test Year Ended December 31, 2027

Docket No. 20250011-EI
 HWS Exhibit 4
 Plant Held For Future Use

Summary of Plant Held For Future Use - Long Held
 (Thousands of Dollars)

Line No.	(A) Plant Category	(A) Plant	(B) Beginning 2026	(C) Ending 2026	(D) Ending 2027	(E) Date Acquired	(F) In-Service Date	(G) Years Held
1	TRANSMISSION	FL Line to Portsaid Sub	27	0	0	Jan-95	Nov-26	29
2	TRANSMISSION	FL Englewood-Placida-Myakka	298	0	0	Dec-03	Dec-26	21
3	TRANSMISSION	FL Galloway-South Miami Loop	1,834	1,834	0	Oct-05	Jun-27	19
4	TRANSMISSION	FL Arch Creek	683	683	683	Dec-93	Dec-28	31
5	TRANSMISSION	FL Memphis Loop Transmission	811	811	811	Jun-12	Jun-30	12
6	TRANSMISSION	FL Commerce Substation	179	179	179	Oct-07	Nov-31	17
7	TRANSMISSION	FL Conservation-Levee 500KV Line	5,672	5,672	5,672	Apr-95	Feb-32	29
8	TRANSMISSION	FL Levee-South Dade	2,325	2,325	2,325	Jul-77	Jun-32	47
9	TRANSMISSION	FL Volusia-Smyrna 115kv	566	566	566	Mar-02	Jan-34	22
10	TRANSMISSION	FL Rima Sub & Rima Volusia	620	620	620	Oct-88	Mar-34	36
11	TRANSMISSION	FL Green Transmission Switch Station	9,778	9,778	9,778	Sep-06	Jun-34	18
12	TRANSMISSION	FL Harbor Punta Gorda	738	738	738	Sep-08	Jun-34	16
13	TRANSMISSION	FL Pt Sewell Sandpiper	1,767	1,767	1,767	Feb-08	Jun-34	16
14	TRANSMISSION	FL Desoto-Orange River	901	901	901	Jul-78	Dec-34	46
15	TRANSMISSION	FL Pirolo	1,365	1,365	1,365	Dec-12	Dec-34	12
16	TRANSMISSION	FL Possum Transmission Switch Station	752	752	752	Mar-08	Dec-34	16
17	DISTRIBUTION	FU' Broadmoor	937	937	937	Aug-01	Sep-24	23
18	DISTRIBUTION	FU' Treeline Substation	1,740	0	0	Jan-08	Oct-26	16
19	DISTRIBUTION	FU' Portsaid Substation	487	0	0	Dec-95	Nov-26	29
20	DISTRIBUTION	FU' Hickson Substation	2	2	2	Feb-02	Jun-28	22
21	DISTRIBUTION	FU' Chester Substation	375	375	375	Feb-04	Nov-28	20
22	DISTRIBUTION	FU' Deerwood Substation	787	787	787	Jan-06	Dec-29	18
23	DISTRIBUTION	FU' Challenger	252	252	252	Nov-94	Jun-30	30
24	DISTRIBUTION	FU' Terminal	135	135	135	Aug-94	Jun-30	30
25	DISTRIBUTION	FU' Hargrove Substation	866	866	866	Jun-05	Dec-30	19
26	DISTRIBUTION	FU' Minton Substation	1,001	1,001	1,001	Feb-04	Dec-30	20
27	DISTRIBUTION	FU' Powerline Substation	2,510	2,510	2,510	Dec-02	Dec-30	22
28	DISTRIBUTION	FU' Satori	118	118	118	Oct-94	Dec-30	30
29	DISTRIBUTION	FU' Asante Substation	3,156	3,156	3,156	Jun-04	Jun-31	20
30	DISTRIBUTION	FU' Commerce Substation	2,739	2,739	2,739	Feb-07	Nov-31	17
31	DISTRIBUTION	FU' Ely Substation Expansion	508	508	508	Feb-02	Jun-32	22
32	DISTRIBUTION	FU' Green Frog	232	232	232	Feb-01	Jun-32	23
33	DISTRIBUTION	FU' Memphis Substation	1,029	1,029	1,029	Jan-07	Jun-32	17
34	DISTRIBUTION	FU' Rodeo Substation	2,047	2,047	2,047	Dec-12	Jun-32	12
35	DISTRIBUTION	FU' Ziladen Substation	2,510	2,510	2,510	Aug-02	Jun-32	22
36	DISTRIBUTION	FU' Oyster Substation	469	469	469	Sep-04	Dec-34	20
37	DISTRIBUTION	FU' Pennsocco Expansion	1,580	1,580	1,580	Dec-10	Dec-34	14
38	RENEWABLES	FU' Hendry Solar Energy Center	5,139	5,139	0	Jun-11	Jan-27	13
39	RENEWABLES	FU' Martin Solar Energy Center	217	217	217	Dec-09	Oct-30	15
40	RENEWABLES	FU' Hendry Clean Energy Center	36,425	36,425	36,425	Jun-11	Jun-32	13
41			<u>93,577</u>	<u>91,024</u>	<u>84,050</u>			<u>874</u>
42	Average			92,300	87,537			21.85

Source: Company response to OPC 8-230.

Florida Power & Light Company
Docket No. 20250011-EI
FEL's Sixteenth Set of Interrogatories
Interrogatory No. 196
Page 1 of 1

QUESTION:

Please refer to FPL's response to FEL's Fifteenth Set of Interrogatories, Interrogatory No. 184, that the "Proposed Settlement Agreement reflects a negotiated compromise of differing and competing positions by parties representing a broad range of interests and customers." Please explain whether that includes parties representing the interests of small business (GS) and residential (RS) customers, and, if so, which parties represented those interests in agreeing to the referenced cost of service methodology.

RESPONSE:

The Proposed Settlement Agreement reflects a negotiated compromise of differing and competing positions by parties representing a broad range of interests and customers. The settlement parties include organizations with diverse missions and customer bases that collectively considered impacts across all customer segments during negotiations. Throughout all such settlement negotiations, FPL represented the interests of all customer classes, including, but not limited to, the customers served under the GS and RS rate schedules.

The parties to the settlement engaged in comprehensive discussions that evaluated the effects of the proposed cost of service methodology on residential and small business customers, among others. The fact that several signatory parties maintain GS accounts as part of their operations demonstrates their direct familiarity with small business rate impacts and provides practical insight into how the settlement's provisions affect this customer segment. The resulting framework demonstrates a meaningful representation of customer interests, including residential and small business customers, that was achieved through the consideration and compromise of multiple parties and will benefit all customers.

Florida Power & Light Company
Docket No. 20250011-EI
Staff's Twenty-Fifth Set of Interrogatories
Interrogatory No. 546
Page 1 of 1

QUESTION:

Please provide an updated LF-12 from witness Fuentes' Rebuttal Testimony to reflect the proposed adjustments made within the Settlement Agreement.

RESPONSE:

The base rate revenue increases for 2026 of \$945 million and 2027 of \$705 million reflected in Paragraphs 4(a) and 4(b), as well as all other components identified in the Settlement Agreement, were each separately negotiated components agreed to by the parties as part of a comprehensive settlement agreement. Although the Settlement Agreement identifies certain components which could be used to calculate updates to the 2026 and 2027 Projected Test Year revenue requirements reflected on Exhibit LF-12 in FPL witness Fuentes's rebuttal testimony (e.g. ROE, equity ratio, etc.), the base rate revenue increases in the Settlement Agreement are not based on a formulaic or mathematical calculation that assumes a particular rate base, net operating income, or weighted average cost of capital. Rather, it is the result of the give-and-take that resulted in the collective terms that comprise the proposed Settlement Agreement. Therefore, FPL is unable to provide an updated Exhibit LF-12 based on the proposed adjustments as reflected in the Settlement Agreement.