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September 25, 2025

-VIA ELECTRONIC FILING-

Mr. Adam Teitzman
Division of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 20250002-EG

Dear Mr. Teitzman:

Attached for electronic filing in the above docket is the prepared supplemental direct testimony of Florida Power & Light Company ("FPL") witness Richard L. Hume. This testimony is submitted in support of FPL's Amended Petition for Approval of Energy Conservation Cost Recovery Factors for the Period January 2026 through December 2026.

Please feel free to contact me with any questions regarding this filing.

Sincerely,

/s/ Joel T. Baker

Joel T. Baker
Fla. Bar No. 0108202

JTB
Enclosure

Florida Power & Light Company

700 Universe Boulevard, Juno Beach, FL 33408

CERTIFICATE OF SERVICE
Docket No. 20250002-EG

I **HEREBY CERTIFY** that a true and correct copy of the foregoing was served by electronic mail this 25th day of September 2025 to the following:

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By: s/ Joel T. Baker

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Fla. Bar No. 0108202

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2 **FLORIDA POWER & LIGHT COMPANY**

3 **SUPPLEMENTAL DIRECT TESTIMONY OF RICHARD L. HUME**

4 **DOCKET NO. 20250002-EG**

5 **SEPTEMBER 25, 2025**

6
7 **Q. Please state your name, business address, employer and position.**

8 A. My name is Richard L. Hume. My business address is 700 Universe Boulevard,
9 Juno Beach, Florida 33408. I am employed by Florida Power & Light Company
10 ("FPL" or the "Company") as Sr. Manager, Clause Accounting and Analysis, FPL
11 Finance.

12 **Q. Have you previously filed testimony in this docket?**

13 A. Yes. On May 1, 2025, I submitted direct testimony in this docket, together with
14 Exhibit LSN-1 to the direct testimony of Lonzelle Siri Noack, in support of FPL's
15 Energy Conservation Cost Recovery ("ECCR") final true-up for the period January
16 1, 2024 through December 31, 2024. On August 1, 2025, I submitted direct
17 testimony in this docket, together with Exhibit LSN-2 to the direct testimony of
18 Lonzelle Siri Noack, in support of FPL's Actual/Estimated 2025 ECCR True-Up and
19 the Projected 2026 ECCR Factors.

20 **Q. What is the purpose of your supplemental testimony?**

21 A. The purpose of my supplemental testimony is to provide and sponsor alternative
22 projected 2026 ECCR Factors to be applied to bills issued during the period of
23 January 1, 2026 through December 31, 2026, if the proposed 2025 Stipulation and

1 Settlement Agreement currently pending in FPL's 2025 rate case in Docket No.
2 20250011-EI (the "2025 Rate Case Settlement Agreement") is approved by the
3 Commission.¹

4 **Q. Are you sponsoring or co-sponsoring any exhibits in this proceeding?**

5 A. Yes. I am co-sponsoring Exhibit LSN-3, submitted in this docket with the
6 Supplemental Testimony of Lonzelle Siri Noack. Specifically, I sponsor
7 Alternative Schedule C-1, and co-sponsor Alternative Schedule C-2, in Exhibit
8 LSN-3. The specific sections of Alternative Schedule C-2 that I am sponsoring are
9 identified in the Table of Contents in Exhibit LSN-3. These alternative schedules
10 were used to calculate FPL's alternative 2026 ECCR Factors to be applied for the
11 period of January 1, 2026 through December 31, 2026, in the event the Commission
12 approves the pending 2025 Rate Case Settlement Agreement.²

13 **Q. Please describe the impact of the pending 2025 Rate Case Settlement**
14 **Agreement to the proposed 2026 ECCR Factors.**

15 The 2025 Rate Case Settlement Agreement provides that, "effective January 1,
16 2026, all clause factors shall be allocated using the 4CP and 12% Average Demand
17 methodology for Production Plant and 4CP for Transmission Plant," and that "FPL
18 will reflect this revised allocation methodology in the 2025 clause proceedings by
19 filing revised clause factors that take effect January 1, 2026, subject to the

1 The 2025 Rate Case Settlement Agreement is provided as Attachment 1 to Joint Motion for Approval of Settlement Agreement in Docket No. 20250011-EI, *available at*: <https://www.floridapsc.com/pscfiles/library/filings/2025/08075-2025/08075-2025.pdf>.

2 In the event the Commission declines to approve the 2025 Rate Case Settlement Agreement in Docket No. 20250011-EI, then the Commission should approve the 2026 ECCR Factors set forth in the Exhibit LSN-2 submitted with the testimony of Lonzelle Siri Noack filed on August 1, 2025.

1 Commission's approval of the factor calculations." Thus, if the 2025 Rate Case
2 Settlement Agreement is approved, this modification to the allocation of the ECCR
3 clause costs will need to be reflected in the 2026 ECCR Factors.

4 **Q. Are there any other changes needed to the revenue requirements to be**
5 **recovered through the 2026 ECCR Factors if the 2025 Rate Case Settlement**
6 **Agreement is approved?**

7 A. Yes. The weighted average cost of capital ("WACC") used to calculate the revenue
8 requirements to be recovered through the 2026 ECCR Factors will need to be
9 revised to reflect a mid-point return on equity ("ROE") of 10.95% if the 2025 Rate
10 Case Settlement Agreement is approved. The calculation of the revised WACC is
11 provided in Alternative Form 9P of Exhibit LSN-3.

12
13 Additionally, the 2026 ECCR Factors submitted with Exhibit LSN-2 to the direct
14 testimony of Lonzelle Siri Noack were calculated using the composite depreciation
15 rates for distribution/transmission as reflected in the settlement of FPL's 2021 rate
16 case approved in Commission Order No. PSC-2021-0446-S-EI in Docket No.
17 20210015-EI. However, if the 2025 Rate Case Settlement Agreement is approved,
18 the composite depreciation rates used to calculate the 2026 ECCR Factors will need
19 to be updated to reflect the depreciation parameters and resulting rates set forth in
20 FPL's 2025 Depreciation Study included as part of the 2025 Rate Case Settlement
21 Agreement. This modification to depreciation expense for the 2026 costs is
22 reflected in Exhibit LSN-3.

23

1 Finally, if the 2025 Rate Case Settlement Agreement is approved, load control
2 credits for the Commercial Industrial Load Control and Commercial Industrial
3 Demand Reduction programs would be modified. This modification is included in
4 the total costs shown in Exhibit LSN-3.

5 **Q. If the Commission approves the 2025 Rate Case Settlement Agreement, would**
6 **that result in any changes to the net true-up and actual/estimated true-up**
7 **amount for 2025?**

8 A. No. Approval of the 2025 Rate Case Settlement Agreement would not result in any
9 impacts to the 2025 net true-up and actual/estimated true-up amount. As previously
10 filed, Schedule C-3, pages 30 and 31 in Exhibit LSN-2, provide the calculation of
11 FPL's 2025 ECCR end-of-period net true-up and actual/estimated true-up amounts.
12 The end-of-period net true-up amount to be carried forward to the 2026 ECCR
13 Factors is an over-recovery of \$8,468,624 (Exhibit LSN-2, Schedule C-3, page 30,
14 line 11). This over-recovery includes: (i) the 2024 final net true-up over-recovery,
15 inclusive of interest, of \$3,826,632 (Exhibit LSN-2, Schedule C-3, page 30, line
16 7a) consistent with the Company's May 1, 2025 filing; and (ii) the 2025
17 actual/estimated true-up over-recovery, including interest, of \$4,641,992 (Exhibit
18 LSN-2, Schedule C-3, page 30, lines 5 plus 6) for the period January 2025 through
19 December 2025. The 2025 actual/estimated true-up is based on actual data for the
20 period January 2025 through June 2025 and revised estimates for the period July
21 2025 through December 2025.

1 **Q. Have you provided an alternative schedule showing the allocation of projected**
2 **revenue requirements by retail rate class using the cost allocation**
3 **methodologies set forth in the 2025 Rate Case Settlement Agreement?**

4 A. Yes. Alternative Schedule C-1, page 3 in Exhibit LSN-3 provides the factors for
5 the allocation of the revenue requirements to the retail rate classes using the cost
6 allocation methodologies set forth in the 2025 Rate Case Settlement Agreement.

7 **Q. Have you provided an alternative schedule showing the calculation of the 2026**
8 **ECCR Factors based on the updated ECCR revenue requirements and**
9 **modified cost allocation if the 2025 Rate Case Settlement Agreement is**
10 **approved?**

11 A. Yes. Alternative Schedule C-1, page 4 in Exhibit LSN-3 provides the calculations
12 of the projected 2026 ECCR Factors by rate class. In the event the Commission
13 approves the 2025 Rate Case Settlement Agreement pending in Docket No.
14 20250011-EI, the alternative 2026 ECCR Factors set forth in Alternative Schedule
15 C-1 of Exhibit LSN-3 should be approved to be applied to bills for the period of
16 January 1, 2026 through December 31, 2026.

17 **Q. Does this conclude your supplemental testimony?**

18 A. Yes.