

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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

VOLUME 20
PAGES 4541 - 4724

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Wednesday, October 15, 2025

TIME: Commenced: 9:00 a.m.
Concluded: 6:50 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
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9 Southern Alliance for Clean Energy (SACE).

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1 APPEARANCES CONTINUED:

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4 Harper, 1300 Thomaswood Drive, Tallahassee, FL 32308;
5 appearing on behalf of Floridians Against Increased
6 Rates, Inc. (FAIR).

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9 appearing on behalf of Americans for Affordable Clean
10 Energy, Inc. (AACE), Circle K Stores, Inc., RaceTrac,
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15 Florida Public Service Commission (Staff).

16 ADRIA HARPER, GENERAL COUNSEL; MARY ANNE
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I N D E X

2	WITNESS:	PAGE
3	PANEL: SCOTT BORES, JAMES M. COYNE,	
4	TIFFANY C. COHEN & TIM OLIVER:	
	Examination by Ms. Moncada	4594
5	Prefiled Direct Testimony of Scott Bores	4596
	Prefiled Direct Testimony of James M. Coyne	4621
6	Prefiled Direct Testimony of Tiffany C. Cohen	4627
	Prefiled Direct Testimony of Tim Oliver	4642
7	Examination by Ms. Wessling	4653
	Examination by Ms. Christensen	4671
8	Examination by Mr. Ponce	4693

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EXHIBITS

NUMBER:		ID	ADMITTED
373-379	As identified in the CEL		4592
1404-1414	As identified in the CEL		4720

1 P R O C E E D I N G S

2 (Transcript follows in sequence from Volume
3 19.)

4 CHAIRMAN LA ROSA: All right. Good morning,
5 everybody. Let's go ahead and find our seats and
6 let's get started. I will give you a few
7 instructions on how we are going to proceed today.

8 All right. Today is October 15th. We are now
9 entering Phase II of this hearing, so go ahead and
10 officially call the Phase II to, order if that's
11 even necessary.

12 Since a few attorneys were excused for
13 portions of the Phase I of this hearing, let's take
14 appearances.

15 First, I will note the following have been
16 excused from the Prehearing Officer from attendance
17 at the Phase II portion of this hearing. So
18 let's -- oh, so that's Electrify America, Armstrong
19 World Industries and EVgo Services.

20 Let's go ahead and take appearances, starting
21 with Florida Power & Light.

22 MR. BURNETT: Good morning, Commissioners,
23 John Burnett on behalf of Florida Power & Light. I
24 will also enter an appearance for Maria Moncada,
25 Will Cox, Chris Wright and Joel Baker.

1 CHAIRMAN LA ROSA: Okay. We just going to go
2 left to right.

3 MS. MOYLE: Serena Moyle from the Moyle Law
4 Firm on behalf of Florida Industrial Power Users
5 Group.

6 CHAIRMAN LA ROSA: Great. Thank you.

7 MR. BREW: Good morning. For the Florida
8 Retail Federation, I am James Brew, and I would
9 like to note an appearance for Laura Baker.

10 CAPTAIN RIVERA: Good morning. On behalf of
11 Federal Executive Agencies, I am Captain Michael A.
12 Rivera. With me is Major Leslie Newton. Thank
13 you.

14 MS. EATON: Good morning, Commissioners.
15 Stephanie Eaton here on behalf of Walmart, Inc.
16 And I would also like to enter an appearance for my
17 colleague Stephen Lee. Thank you.

18 MR. MAY: Good morning, Mr. Chairman and
19 Commissioners. Bruce May with the law firm of
20 Holland & Knight, appearing on behalf of FEIA. I
21 would also like to put in an appearance for my
22 colleagues, Kevin Cox and Kathryn Isted.

23 Kathryn Isted will be participating actively.
24 She and I are going to tag-team Phase II of this
25 case, so she should be here. I just wanted you to

1 recognize her when she shows up.

2 MR. GARNER: Good morning, Commissioners.
3 William Garner on behalf of the Southern Alliance
4 for Clean Energy.

5 MR. SCHEF WRIGHT: Good morning,
6 Commissioners. Robert Scheffel Wright on behalf of
7 Floridians Against Increased Rates. I would also
8 like to enter an appearance for my law partner John
9 T. Lavia, III. Thank you.

10 MR. MARSHALL: Good morning, Commissioners.
11 Bradley Marshall on behalf of Florida Rising, the
12 League of United Latin American Citizens of
13 Florida, better known as LULAC, and the Environment
14 Confederation of Southwest Florida, better known as
15 ECOSWF. I would also like to enter an appearance
16 for Jordan Luebke and Danielle McManamon.
17 Thank you.

18 MS. WESSLING: Good morning, Commissioners.
19 Ali Wessling on behalf of the Florida Office of
20 Public Counsel. I would also like to enter an
21 appearance for Walt Trierweiler, the Public
22 Counsel, Patricia Christensen, Octavio Ponce and
23 Austin Watrous. Thank you.

24 MR. SELF: Good morning, Mr. Chairman and
25 Commissioners. Floyd Self of the Berger Singerman

1 Law Firm on behalf of Americans for Affordable
2 Clean Energy, Circle K, RaceTrac and Wawa, who are
3 generally referred to in this proceeding as the
4 Fuel Retailers.

5 CHAIRMAN LA ROSA: Thank you. Staff?

6 MR. STILLER: Shaw Stiller on behalf of Public
7 Service Commission staff. I would like to also
8 enter an appearance experience for Timothy Sparks.

9 MS. HELTON: And Mary Anne Helton and Samantha
10 Cibula here as your Advisors, along with your
11 General Counsel, Adria Harper.

12 CHAIRMAN LA ROSA: Great. Thank you.

13 Let's go to preliminary matters. Any
14 preliminary matters that we need to address before
15 we jump into exhibits?

16 MR. STILLER: Staff is unaware of any
17 preliminary matters.

18 CHAIRMAN LA ROSA: Parties, any preliminary
19 matters?

20 OPC.

21 MS. WESSLING: Yes. Thank you, Mr. Chair.

22 With your permission, we would just like to
23 enter a few preliminary positions and objections,
24 if I could?

25 CHAIRMAN LA ROSA: Sure.

1 MS. WESSLING: First, we respectfully renew
2 our objection to the denial of our motion for the
3 joint motion to approve the customer majority
4 agreement.

5 We would also renew our position that FPL
6 waived the eight-month, 12-month clock when it
7 filed its motion to suspend procedural calendar and
8 is not entitled to new rates as of January 1st,
9 2026.

10 We also respectfully object to the witness
11 panels, because we believe we were not provided
12 sufficient notice.

13 We respectfully object preemptively to a
14 witness trying to deflect to another witness
15 instead of answering a question about a matter that
16 is directly contained in that witness' testimony.

17 We respectfully object preemptively to a
18 witness who did not answer questions on a subject
19 by either objection or deflection to another
20 witness, and then answering or interjecting
21 testimony on that testimony.

22 We respectfully maintain our objection to a
23 witness who did not file testimony on a specific
24 subject, but then providing testimony in this
25 hearing on that matter.

1 And we also respectively object preemptively
2 to any reference to the 2021 Settlement Agreement,
3 or any prior settlement agreement, as precedent for
4 this settlement, either in whole or in part.

5 CHAIRMAN LA ROSA: Thank you.

6 MS. WESSLING: And we also -- I believe, there
7 is somewhat of a recent stipulation to some
8 exhibits that we haven't -- Ms. Christensen was
9 kind of circling around, and I don't think we heard
10 from EVgo, AWI or FIPUG yet, but there are some
11 request for admissions on -- or Electrify America,
12 but there are some request for admissions that are
13 on the CEL, I believe they are CEL Exhibits 1404
14 through 1414, and those parties that we have spoken
15 to, include FPL, I don't believe had any objection
16 -- please speak up if that's incorrect -- but I
17 don't believe there was any objection to just
18 stipulating to those exhibits being entered into
19 the record, but I will refer to anyone else who
20 wants to chime in on that.

21 CHAIRMAN LA ROSA: Staff, any comments on
22 that?

23 We are going to -- we will -- at some point
24 before we start getting into witness testimony, we
25 are going to take a break. So If that's an

1 opportunity maybe to get with the parties.

2 Obviously, we see everyone who is here, and I think
3 some of the folks you mentioned are not here.

4 MS. WESSLING: We will do that. Thank you.

5 CHAIRMAN LA ROSA: Great.

6 FEL?

7 MR. MARSHALL: We just wanted to second those
8 objections for the record. And as a second,
9 inquire procedurally how the Commission is
10 envisioning the questioning of the panel of
11 witnesses to work, whether, you know, as we stated
12 earlier, we do have, you know, attorneys prepared
13 to question certain witnesses, and swapping, you
14 know, swapping attorneys out, and the question is,
15 is whether the Commission is envisioning that all
16 of OPC's questions would be asked of the entire
17 panel, and then it would be passed on, or whether
18 on would be allowed to question a witness and then
19 pass that witness on for further questioning, so
20 there is more of a continuous record in that
21 regard?

22 CHAIRMAN LA ROSA: The intention is is that
23 OPC will question all the witnesses at that point.
24 How they question them is completely, of course, up
25 to them.

1 I think there was a question in there
2 regarding counsel, as far as swapping out counsel.
3 If you would like to swap out counsel and,
4 obviously, you know, two parties here, FEL and OPC,
5 obviously, has numerous counsel, just let me know,
6 and I am happy to give, you know, a two-or
7 three-minute timeout if we need to do that between
8 to gather thoughts and direction, and then that
9 counsel can continue to go and ask questions.

10 Does that answer your question?

11 MR. MARSHALL: Yes, it does. Thank you, Mr.
12 Chairman.

13 MR. SCHEF WRIGHT: Thank you, Mr. Chairman.

14 CHAIRMAN LA ROSA: Hold on one second.
15 Commissioner Fay?

16 COMMISSIONER FAY: Thank you, Mr. Chairman.

17 I just want to get clarity from FEL first. So
18 what I understand from OPC is these are preemptive
19 motions related to the settlement portion of the
20 hearing. Are you seconding all of those
21 objections?

22 MR. MARSHALL: Give me one minute. I don't
23 know that we need to second -- we second most of
24 the objections, especially including the references
25 to the 2021 settlement, but I don't -- we don't

1 preemptively object to a witness, you know, after
2 answering a question, being able to -- you know, if
3 other witnesses think they have additional
4 information to provide that is on that question,
5 providing that information.

6 CHAIRMAN LA ROSA: Does that answer your
7 question? I might have a question related to that.

8 COMMISSIONER FAY: Yeah. I mean, I am not --
9 I am not sure -- it answers part of my question,
10 because my understanding, based on some of the
11 conversations, were just that we had folks opining,
12 and they responded to something, and then the same
13 -- similar question was asked directly to another
14 witness, they could do that. But it sounds like
15 there is an objection to that component from OPC,
16 and I wanted to make sure that I understood that
17 you guys either had an issue with that or didn't
18 just procedurally?

19 MR. MARSHALL: Yeah, we do not have an issue
20 with once a witness answers the question, if it's
21 directed to them, passing that on to other
22 witnesses for additional context or information.

23 COMMISSIONER FAY: Okay. Great. Because I
24 mean -- Mr. Chairman, I know you provided
25 directive, but I support, that. I don't see any

1 reason that an additional witness can't give their
2 response to the same question. I don't want to
3 prohibit that in any way.

4 CHAIRMAN LA ROSA: We are not -- I don't think
5 we are trying to discourage that.

6 COMMISSIONER FAY: Okay.

7 CHAIRMAN LA ROSA: Yeah, I don't want to
8 discourage that.

9 COMMISSIONER FAY: Okay.

10 CHAIRMAN LA ROSA: Is that helpful?

11 MR. MARSHALL: Yes.

12 CHAIRMAN LA ROSA: FAIR?

13 MR. SCHEF WRIGHT: Thank you. And I think we
14 are clear on that. I think we covered this
15 yesterday, I think it was, when Mr. Brew and I
16 brought it up.

17 If we ask a witness a question, we want that
18 witness to answer the questions. If the witness
19 concludes his or her answer and then says, you
20 might get more information from so and so or -- and
21 passes to somebody else, that's okay. But if we
22 ask the question, say, of Ms. Cohen, we want her to
23 answer the question first, and then she can pass it
24 on. She can't just say, oh, that's a better
25 question for so and so. That's the only gist of

1 that.

2 Regarding the other objections, just so that
3 there is no conceivable claim of waiver, we are
4 going to note that we join the objections for
5 purposes of preserving our rights to pursue them
6 later.

7 Thank you.

8 CHAIRMAN LA ROSA: And if it's helpful,
9 we'll -- I will give further instructions to the
10 witnesses.

11 MR. SCHEF WRIGHT: Yeah.

12 CHAIRMAN LA ROSA: As counsel, when you ask
13 questions, if you want to ask directly -- a
14 question directly of a witness and only have that
15 witness respond, you can give that instruction and,
16 you know, then we can go back if you want to hear
17 further from another witness. I don't want to -- I
18 don't want you to feel like you don't have control
19 of the wheel.

20 MR. SCHEF WRIGHT: Thank you.

21 CHAIRMAN LA ROSA: Sure.

22 Anybody else? FRF.

23 MR. BREW: Yes. I just had a clarification
24 question --

25 CHAIRMAN LA ROSA: Certainly.

1 MR. BREW: -- Mr. Chairman. Ms. Wessling
2 mentioned a minute ago she wanted to stipulate
3 Exhibits 1404 to 1414, and I didn't know if any
4 action had been taken on that.

5 CHAIRMAN LA ROSA: No action has been taken.
6 What I asked if during a break that will come here
7 shortly, that can be discussed of the parties, or
8 anyone that's still outlying on those, and then
9 bring that back and make sure that we assemble that
10 into the record.

11 MR. BREW: Very good. Thank you.

12 MR. BURNETT: Mr. Chairman, sorry, one from
13 me. Like the similar Phase I, I don't want my
14 silence on OPC's objection about waiver of
15 statutory clocks to be construed as agreement on
16 that.

17 CHAIRMAN LA ROSA: Noted.

18 Anybody else?

19 All right. Then, let's go ahead and move into
20 the record. Any exhibits?

21 MR. STILLER: Yes, Mr. Chair. The
22 Comprehensive Exhibit List, or CEL, that was
23 compiled by staff will be used for Phase II, as it
24 was in Phase I, Exhibits 1 through 1522 were marked
25 for identification at the beginning of Phase I.

1 Exhibits 1277 through 1522 relate to Phase II, and
2 the prefiled exhibits will be moved at the
3 conclusion of the panel cross-examination.

4 CHAIRMAN LA ROSA: Excellent.

5 As we discussed earlier in Phase I, each party
6 was given the opportunity to reserve time for their
7 opening statements to this portion, which is
8 obviously Phase II. As a reminder, there will be
9 no sharing of time between the individual parties.
10 For the record, FPL reserved the entire 20 minutes.

11 So let's go ahead and start with opening
12 statements with FPL, and then we will go to OPC,
13 FEL and FAIR, which all have approximately 10
14 minutes -- let me just make sure my notes are
15 correct -- approximately five minutes each, five
16 minutes, so five of your 10 minutes, five minutes
17 still remaining for OPC, and FAIR. Then we will
18 continue with FIPUG and others. And I will just
19 pick up from there when they are finished.

20 So let's with FPL, 20 minutes.

21 MR. BURNETT: Thank you, Mr. Chairman.

22 Commissioners, I will keep my remarks brief
23 this morning, because the merits of FPL's
24 settlement agreement speak for themselves. While
25 you will hear a lot about who participated in this

1 settlement, who did not, what percentage of our
2 customers take service on various rates and other
3 similar issues, the ultimate facts of this
4 settlement are undeniable.

5 In this settlement, FPL has agreed to reduce
6 the revenue increase proposed in its initial
7 petition by 30 percent. In Peninsular Florida, the
8 average annual increase in a residential customer
9 bill through 2029 would be about two percent, which
10 is remarkable given the rate of inflation we see
11 today.

12 Even more remarkable, residential bills for
13 Northwest Florida customers will remain relatively
14 flat in 2026 and 2027, and will increase by less
15 than one percent through 2029.

16 Importantly. FPL's bills will remain well
17 below the national average through 2029. Further,
18 and by design, residential customers will receive
19 the lowest increase under the settlement than any
20 other customer types.

21 Even with a rate increase proposed in the
22 settlement, FPL residential customer bills will be
23 paying -- FPL residential customers will be paying
24 bills lower next year than they were 20 years ago
25 prior when adjusted for inflation. Very few, if

1 any, providers of goods and services can say this.

2 Focusing on small commercial customers, you
3 will hear critics of the proposed settlement
4 agreement decry the impacts on these customers
5 without acknowledging that these commercial
6 customers will receive the second lowest cumulative
7 rate increase over the term compared to other
8 commercial and industrial customers.

9 Compared to the average monthly bill that
10 these small commercial customers see now, the
11 average anticipated monthly bill resulting from the
12 proposed settlement agreement is about \$7 higher in
13 2026, and \$10 higher in 2027, with an average
14 annual increase of 2.3 percent through the end of
15 the decade. Again, a remarkable set of facts given
16 the environment that we find ourselves in today.

17 The Commission should feel confident that
18 these facts alone demonstrate that FPL's proposed
19 settlement agreement is in the public interest, but
20 our story does not end there. With the proposed
21 rate stabilization mechanism, similar to what the
22 Commission has approved in previous settlements,
23 FPL will be able to maintain low bills and high
24 reliability for customers for the full four-year
25 term, avoiding the need for additional rate

1 increases.

2 Simply put, FPL works every single day to
3 provide our customers with the best combination of
4 high reliability, resiliency and low bills of any
5 electric utility in the country, and we aim to
6 continue this exception additional level of
7 service.

8 The proposed settlement agreement will allow
9 FPL to continue its long established track record
10 of providing service that is in the best interest
11 of all of our customers, and will allow us to do
12 what we do best for our customers over the next
13 four years.

14 While the non-signatories will likely spend
15 the rest of our time here offering distractions in
16 an attempt to deny these undeniable truth, you will
17 not hear one piece of credible evidence that
18 dispels the facts that I just discussed.

19 We thank the Commission for this opportunity
20 to present our settlement agreement on behalf our
21 company and the 12 million Floridians that we are
22 privileged to serve.

23 Thank you.

24 CHAIRMAN LA ROSA: Thank you.

25 OPC.

1 MS. WESSLING: Thank you, and good morning.

2 And just to briefly respond to Mr. Burnett,
3 the only reason we are here, and that we have been
4 here for the last week-and-a-half, is because of
5 FPL and their outrageous request in this case,
6 which has continued through the settlement
7 agreement.

8 Settlement agreements must be in the public
9 interest, not the special interests. The rates
10 that result from there must be fair, just and
11 reasonable. And what FPL and the special interest
12 signatories filed on August 20th fails on both
13 counts.

14 5.3 million of FPL's six million customer
15 accounts are completely unrepresented in FPL and
16 the special interest parties' purported settlement
17 agreement. On this basis alone, it cannot satisfy
18 the public interest requirement.

19 Additionally, FPL and the special interest
20 signatories claim that their agreement solves all
21 issues in this docket. The fact that we are here
22 today having this hearing proves that not to be
23 true. It settles nothing.

24 FPL claims that their deal with the special
25 interest parties represents a compromise between

1 FPL and a, quote, diverse coalition of customer
2 groups. As will become clear, not only do FPL and
3 the special interest signatories want to settle
4 with themselves in order to have their cake and eat
5 it too, they also want you to make residential and
6 small commercial customers pay for it.

7 What will also become clear is that FPL has
8 doubled down on their attempts to squeeze as much
9 money as possible out of FPL customers at least the
10 next four years. The other signatories seem not to
11 mind as long as their large commercial and
12 industrial customers are satisfied.

13 There are several poisoned pills in this
14 special interest deal, each of which independently
15 establish that this settlement is not in the public
16 interest. That includes the so-called rate
17 stabilization mechanism, which includes \$1.155
18 billion of customer cash that FPL already
19 collected, and that FPL intends to transfer to
20 shareholders, and then, in their own words,
21 recollect from customers for the next 30 years to
22 pay the same tax expense twice, plus carrying
23 costs.

24 Additionally, another poison pill is the 10.95
25 midpoint ROE, which is 122 basis points above the

1 national average.

2 Another poison pill is the grossly inflated
3 rate base to the tune of billions of dollars, which
4 is unsupported by a rushed and poorly executed
5 resource adequacy analysis.

6 Another poison pill is the meaningless land
7 acquisition provision of the settlement when they
8 admit that they already have enough land to build
9 237 more solar farms. They already have the land
10 for that. And their promise to try to sell up to
11 \$200 million of excess solar land rings hollow,
12 when you consider that they explicitly reserve the
13 right to purchase a \$293 million property to build
14 even more solar in the future. This is merely a
15 token attempt to appear reasonable without actually
16 being reasonable, and you must not fall for it.

17 We will show that all of these toxic
18 provisions and the harms that they will inflict
19 upon ratepayers will be tragically swept under the
20 rug if you approve the so-called agreement.

21 Remember that FPL customers do not have the
22 option of saying no to FPL because they don't have
23 a choice of their electric company. You do have
24 the option of saying no to FPL. You have many
25 other options in this case, including the proposed

1 customer majority parties' settlement agreement
2 which is attached to Mr. Schultz's testimony.

3 At the end of this case, the Florida Office of
4 Public Counsel will ask that you follow the law and
5 your conscious and reject the special interest
6 settlement agreement.

7 Thank you.

8 CHAIRMAN LA ROSA: Thank you.

9 FEL.

10 MR. MARSHALL: Thank you. Good morning,
11 Commissioners.

12 As you know, Florida Rising, LULAC and ECOSWF
13 are associations of mainly residential customers,
14 and Florida Rising, itself, is a GS customer of
15 FPL. Customer classes that make up over 98 percent
16 of FPL's customers. These are the over 98 percent
17 of customers that are being burdened by the
18 so-called settlement. So-called because, as we
19 will show, everyone in the settlement got pretty
20 much everything they wanted. FPL gets a massive
21 rate increase with financial mechanisms paid for by
22 current customers, and to be paid for again by
23 future customers starting in 2030 to keep FPL at
24 the top of its range, while large load special
25 interest customers get practically no rate

1 increase, especially when considering the increase
2 to CDR and CILC credits push beyond any measure of
3 being cost-effective. A really good deal when you
4 never get interrupted and never expect to get
5 interrupted.

6 Residential and small business customers
7 contributes more load and demand response at a
8 fraction of the cost, yet get no increase in their
9 credit, because there is one rule for large
10 customers, take everything you can get, and one
11 rule for residential and small business customers,
12 pay, pay and pay more for the one-percent of
13 customers to get a great deal, and for FPL to get
14 everything they want and the highest profits in the
15 nation. That's the undeniable truth.

16 You heard about the RS increase in rates for
17 residential customers. The undeniable truth is
18 that there is an over 24 percent increase in base
19 rates in the settlement for residential customers.
20 For GS, it's almost 26 percent increase in base
21 rates.

22 Just as an example of how this isn't a true
23 compromise, as you heard, there was a range in the
24 as-filed case for how much of the rate increase to
25 put onto residential and small business customers.

1 The highest proposal from the special interest
2 parties would have pushed 55 percent of the rate
3 increase on the residential and small business
4 customers. Yet in this settlement, over 65 percent
5 of the rate increase is going onto residential and
6 small business customers. That's the undeniable
7 truth.

8 Extraordinarily, small business customers came
9 out of this deal with an increase over 300 percent
10 higher than if FPL's original petition had been
11 approved in full. Going into a negotiation, you
12 would think the worst you could do would be the
13 most extreme proposal, FPL's original proposal
14 approved 100 percent in full by this commission.
15 Yet FPL claims they represented GS customers in
16 these negotiations, and came up with a deal that
17 took that proposed increase and multiplied it by a
18 factor with more than three.

19 With representatives like that, who needs
20 adversaries? If I went into a negotiation and came
21 out with a deal over three times as worse as the
22 worst case litigation outcome, I am pretty sure I
23 would be sued for malpractice. Where is the
24 compromises? Where is the give and take? All we
25 see is take, take, take, and more financial burdens

1 placed on Florida's residential customers and small
2 business community.

3 We said at the beginning that residential and
4 small business customers who are being disconnected
5 for being unable to afford their bills by the
6 millions in FPL's territory are tired of paying
7 more than their fair share. They want to pay their
8 fair share and no more.

9 Instead, under this so-called settlement, they
10 are being asked to pay more than ever to
11 cross-subsidize the elite classes that can afford
12 their own representation in this proceeding, and
13 that are willing to rubber stamp FPL's proposal to
14 give FPL everything they want in exchange for
15 making the residential and small business community
16 pay to give the elite large load customers
17 everything they want. That's the undeniable truth.

18 All we want to do is go back to basics of cost
19 causation and the matching principle, principles
20 completely abandoned by this so-called settlement.
21 These are not radical ideas, even though treated as
22 such. The best we will hear about cost causation
23 is incorporation by non-reference of a black box
24 negotiated methodology for 2021 that was
25 specifically said to be non-precedential. That is

1 not how contracts work. And even if were true,
2 which it is not, almost all customers are still
3 moving further away from parity, as we will show.

4 After hearing the evidence, we will be asking,
5 begging you to please reject this deal. Fair
6 share, cost causation, that's what we will be
7 asking for.

8 Thank you.

9 CHAIRMAN LA ROSA: Thank you.

10 FAIR.

11 MR. SCHEF WRIGHT: Thank you, Mr. Chairman.

12 Good morning, and good morning, Commissioners.

13 Good morning, customers.

14 On behalf of FAIR and our members, thank you
15 again for the opportunity to address you today.

16 The regulatory principles that govern FPL's
17 main case also apply to this case. Pursuant to the
18 regulatory compact and Chapter 366, the Commission
19 must set rates for FPL that are fair, just and
20 reasonable, including a reasonable ROE, and the
21 outcome must, consistent with Section 366.01, be in
22 the public interest.

23 Regarding ROE. While FPL has reduced its
24 request in the special interest parties settlement
25 from the initial 11.90 percent to 10.95 percent,

1 this new ROE is still grossly excessive. Compared
2 to the explicit standard articulated by the United
3 States Supreme Court in Bluefield, equal to that
4 being earned by companies with comparable risks in
5 the same general part of the country in the same
6 time period, this 10.95 percent is 90 to 100 basis
7 points too high. This translates to 450 to \$500
8 million a year more than FPL needs to attract
9 capital.

10 Added to the Bluefield standard the fact that
11 FPL's earnings have been consistently at or near
12 the ceiling of its range for the past
13 eight-and-a-half years, and the fact that FPL's
14 business risk is obviously not high, as
15 demonstrated by its flat excessive earnings, and
16 the fact that its sole equity shareholder has not
17 fold told FPL that it needs FPL rates to be set
18 based on any specific ROE in order to continue
19 providing equity capital, and we assert that the
20 Commission should, in whatever context it decides
21 the issue, settlement or full case, set ROEs --
22 FPL's ROE level at a level no greater than 10.05
23 percent, the average for vertically integrated
24 utilities in the U.S. over the past two years. If
25 you view this case as an all or nothing on the SIP

1 settlement, then you must reject it.

2 In response to FPL's arguments that you should
3 consider current conditions, we simply point out
4 that the Georgia PSC just approved a settlement
5 with Georgia Power with an ROE of 10.5 percent to
6 be effective through 2028, and you -- you, this
7 commission recently approved an ROE of 10.3 percent
8 for Duke Energy that will remain in effect through
9 2027.

10 You cannot ignore FPL's history of
11 consistently earning at or near 100 basis points of
12 above its authorized midpoint ROE for the past
13 eight-and-a-half years. In this light, we submit
14 to you that you should follow your own prior
15 statements that the midpoint ROE is the fair and
16 reasonable return, and the Florida Supreme Court's
17 dicta in Gulf Power V Wilson, noting that the PSC
18 can reduce a utility's rates if it is considered --
19 consistently earning at or near the ceiling of its
20 authorized range.

21 With respect to FPL's having reduced its
22 original ROE and revenue requirements request in
23 SIP settlement, we respond simply. They claim that
24 they want to provide service, and will provide
25 service at the lowest possible cost. Lowest

1 possible cost means lowest possible cost. They do
2 not need 10.95 percent. They do not need the
3 additional billions of dollars that that ROE would
4 provide to them. They do not need a TAM that
5 would -- unless conceivably capped at the midpoint
6 ROE that the fair and reasonable ROE determined by
7 you.

8 FPL has used the RSAM to earn -- achieve
9 earnings way above its midpoint for
10 eight-and-a-half years, and we have every reason to
11 expect it to use the RSM, including a bunch of TAM,
12 to do the same over the next four years if you let
13 them. Customers will continue paying for this
14 because of higher rate base and amortization of the
15 TAM balance.

16 Any suggestion or notion that FPL represented
17 the interests of residential customers in designing
18 this settlement is unfounded. They never asked
19 AARP or any individual FPL customer or customers
20 their position on the settlement. This conclusion
21 is fully demonstrated by the fact that the five
22 parties in this case who actually represent the
23 interests, the real economic interest of
24 residential customers, are sitting down at this
25 ends of the table opposing it.

1 The CMP's proposal offers FPL the opportunity
2 to realize more than \$5 billion in additional base
3 rate revenues over the next four years, with an ROE
4 of 10.6 percent, which is still higher than any
5 approved by any PSC since 2023. This is part of a
6 proposed comprehensive package of terms that the
7 Commission could approve and achieve a fair result.

8 The terms of the CMP's proposal are generous
9 to FPL, and would result in fair, just and
10 reasonable rates that serve the public interest far
11 better than the SIP's settlement. If you view this
12 as an all or nothing proposition, then you must
13 reject the SIP's settlement.

14 Thank you again.

15 CHAIRMAN LA ROSA: Great. Thank you.

16 My records have FIPUG next at 10 minutes.

17 MS. MOYLE: FIPUG strongly supports the
18 settlement agreement at issue in this case. Put
19 simply, competent, substantial evidence supports
20 the settlement agreement as being in the public
21 interest, and the resulting rates being fair, just
22 and reasonable.

23 Respectfully, the settlement agreement is a
24 fair resolution to a complex rate case, and should
25 be approved. This competent, substantial evidence

1 has been put feeder by scores of exhibits and more
2 than a full week of witness testimony in Phase I of
3 the proceeding, namely the rate case as filed.

4 This Phase I evidence shows the disparate
5 positions taken by the parties on numerous issues.
6 Phase II of the proceeding is focused on the
7 settlement agreement itself, and reflects agreement
8 reached on all issues in the case.

9 This settlement agreement includes hotly
10 contested issues as return on equity, revenue
11 requirements, rate design, the amount of new solar
12 facilities, land held for future use, the four-year
13 time period of FPL is contractually precluded from
14 seeking new base rates, FPL's equity ratio, rate
15 allocation among the rate classes, the appropriate
16 amount of commercial/industrial load control
17 credits and commercial/industrial demand reduction
18 credits for customers who agree to be interrupted,
19 new large load tariffs, changes to the contribution
20 in aid of execution tariff.

21 The settlement agreement before the Commission
22 for consideration reflects negotiated compromises.
23 The record will reflect the respective parties'
24 change of position on most of the key issues in the
25 case.

1 Additionally, the testimony filed in support
2 of the settlement by FPL witnesses makes clear the
3 settlement agreement is in the public interest.
4 FIPUG respectfully requests the Commission to
5 approve the settlement agreement as filed.

6 CHAIRMAN LA ROSA: Great. Thank you.

7 The remaining parties, my notes indicate that
8 FEA, EVgo, even though they are not here, and
9 Walmart presented opening statements. Everyone
10 else has five minutes. I am going to ask FEA, EVgo
11 and Walmart just, please, be brief.

12 Let's go ahead and let's start with FRF.

13 MR. BREW: Thank you, Chairman and
14 Commissioners. Good morning again.

15 The Florida Retail Federation is a signatory
16 to the settlement agreement. We support the
17 agreement in its entirety. It's a carefully
18 balanced package resulting in just and reasonable
19 rates through the end of 2029. As in any rate
20 settlement, it is the balance struck that is
21 compelling more than individual discrete elements.
22 With that said, let me just add a few insights.

23 From an FRF perspective, from a purely
24 structural viewpoint, we concluded that securing
25 predictable base rates over a four-year term, where

1 we remain free to take positions for or against of
2 a utility's SoBRA request was far preferable to two
3 years of rate increases followed by what we judge
4 would almost certainly be yet another base rate
5 case in two years. The approach there was just
6 much better for all consumers.

7 Second, with respect to cost of service and
8 revenue allocation, which will be discussed. I
9 have been doing this a longtime. It's extremely
10 difficult to do a negotiated settlement where you
11 have to pick somebody's version of the cost of
12 service and results. In order to get to a
13 negotiated agreement, you have to sit down and
14 exchange views and come up with a formula that is
15 generally acceptable, and that's exactly what this
16 settlement did.

17 The approach that was adopted capped the
18 residential increase at 95 percent of the overall
19 system increase. This provides an appropriate
20 accommodation to the residential customers, which
21 make up 90 percent of the customer accounts, and
22 that difference was paid for by all the other rate
23 classes, but still provides an overall increase
24 that is fair to all rate schedules.

25 Second, FPL has over 900 megawatts of CILC/CDR

1 participants in its rate case -- in its service
2 territory. The settlement provides a modest
3 increase to that credit, but does not change the
4 operative performance requirements to the tariff.
5 There is ample record evidence to support the
6 credit increase, but it's really important to
7 appreciate the exceptionally demanding performance
8 requirements of the programs, and the critics of
9 that program either dismiss or do not understand of
10 the high system value that the program has long
11 provided.

12 This is a highly reliable emergency capacity
13 program that can be activated based solely on FPL's
14 determination of system need. FPL is authorized to
15 activate this program on short notice, and
16 extremely short notice, 15 minutes, if there is a
17 system emergency.

18 You can activate a battery on short notice,
19 but a four-hour battery is done in four hours.
20 Under this, the CDR program, FPL can activate that
21 load reduction for four hours, and, if needed,
22 extend it to six, or extend it to eight hours, in
23 other words, for as long as it takes, in FPL's
24 judgment, to resolve that emergency. You don't
25 have generators like that.

1 Over the decades, because it's non-firm load,
2 FPL has avoided construction of hundreds of
3 megawatts of generation that would otherwise be in
4 rate base today. There has never been any dispute
5 about that. The credits don't reflect that
6 embedded benefit. Even though ratepayers across
7 this system have enjoyed it for decades.

8 Finally, with respect to the overall base rate
9 increase itself, the proposed settlement increases
10 are higher than any end user would want. My
11 preferred number is zero. Notwithstanding that,
12 you have to sit down and figure out what makes
13 sense overall, and here, an overall increase that,
14 for residential, is about 9.1 percent. Given the
15 circumstances that are prevailing, and the massive
16 amount of rate bases that have been added, is an
17 overall balanced outcome for all consumers. We
18 urge you to approve the settlement as proposed with
19 no modifications.

20 Thank you.

21 CHAIRMAN LA ROSA: I'm going to go to Walmart
22 next.

23 MS. EATON: Thank you, Commissioners, for all
24 the time and attention that you have given to the
25 parties as we have collectively presented evidence

1 on FPL's as-filed petition during the hearing so
2 far. We also appreciate the opportunity to provide
3 brief comments on the August 20th, 2025, Settlement
4 Agreement.

5 After filing its testimony and participating
6 in discovery, Walmart participated in deposition
7 and in testimony in this case. You heard from Mr.
8 Chriss and Ms. Perry, who were with us on
9 October 10th. And we note that FPL's rebuttal
10 testimony that you have just heard address some but
11 not all of Walmart's recommendations set forth in
12 their direct testimony.

13 For example, Mr. -- FPL's rebuttal testimony
14 of Mr. Oliver did not accept Mr. Chriss' EV rate
15 design recommendations, nor did Mr. Coyne's ROE
16 recommendation coincide with that of Ms. Perry, and
17 other intervenors; thus, Walmart and the signatory
18 intervenors have engaged in good faith settlement
19 negotiations with FPL subject to an NDA. These
20 negotiations among signatory intervenors and FPL
21 culminated in the settlement agreement that you
22 will now consider.

23 Considering the August 20th, 2025, Settlement
24 Agreement as a whole, Walmart believes the
25 agreement is in the public interest, and results in

1 fair, just and reasonable rates. Walmart supports
2 the Commission's thoughtful review of the signatory
3 settlement agreement, and believes that the
4 evidence presented during this portion of the
5 hearing, as well as evidence you have already
6 heard, will support your approval of the settlement
7 agreement in whole and without modification.

8 Thank you.

9 CHAIRMAN LA ROSA: Thank you.

10 Let's go to FEA.

11 MR. MAY: Good morning, Mr. Chairman and
12 Commissioners. It's been a long seven days --

13 CHAIRMAN LA ROSA: I was going to FEA, but
14 that's --

15 MR. MAY: Oh, I'm sorry. Excuse me.

16 CHAIRMAN LA ROSA: I am sorry. I did have to
17 look up.

18 FEA.

19 CAPTAIN RIVERA: Good morning, Mr. Chairman
20 and Commissioners. As Major Newton explained last
21 week, FEA intervened in this case to ensure that
22 federal taxpayer dollars allocated to critical
23 facilities across Florida, including federal
24 military installations from Navel Air Station
25 Pensacola to Homestead Air Reserve Base, the

1 Department of Homeland Security locations, national
2 parks, federal aviation administrative facilities,
3 Veteran's Administration locations, Post Office,
4 and even recruiting stations are all within federal
5 FPL's service territory.

6 On August 20th, 2025, the FEA joined other
7 signatories in agreeing to the stipulation and
8 settlement before you today. We believe the
9 settlement represents a fair and reasonable
10 compromise, balancing the interests of all parties
11 and serving the best interest of FPL customers, the
12 broader public interest that this commission is
13 charged with safeguarding.

14 As you know, energy costs are a significant
15 and direct burden on operational budgets of our
16 military installations and other federal
17 facilities. These funds directly impact mission
18 critical activities such as training, equipping our
19 service members and maintaining essential
20 infrastructure. Unnecessary increases in energy
21 cost force installation commanders to make
22 difficult choices, potentially diverting resources
23 from vital mission requirements. Our
24 responsibility is to ensure these decisions are
25 only driven by genuine necessity and are based on

1 fair, reasonable and cost-based rates. Therefore,
2 the FEA requests that this commission approve the
3 stipulation and settlement as filed. We believe it
4 is a responsible and justifiable outcome that
5 protects federal taxpayer dollars and ensures the
6 continued operational readiness of federal
7 facilities across Florida.

8 Thank you.

9 CHAIRMAN LA ROSA: Thank you.

10 All right, Mr. May, it's probably my fault
11 because I mispronounced your association's name,
12 like, three times.

13 MR. MAY: That's fine. I am acronym
14 challenged, so I apologize.

15 CHAIRMAN LA ROSA: All good. You are
16 recognized, sir.

17 MR. MAY: Good morning, Mr. Chairman and
18 Commissioners. It's been a long seven days, so I
19 am going to try to make this short.

20 During Phase I, you heard that F-E-I-A, FEIA,
21 intervened because of two basic concerns. First,
22 it believed the rates, terms and conditions of the
23 LLCS tariff that FPL initially proposed for large
24 data centers were not commercially viable. Second,
25 FEIA had concerns about the overall base rate

1 increase that FPL initially requested.

2 You also heard that data centers seek cost
3 competitive rates, predictable pricing and
4 reasonable terms and conditionals for their service
5 contracts.

6 On Monday, you heard from Witness Provine that
7 FEIA fully accepts this commission's longstanding
8 principle of cost causation, which operates to
9 ensure that the general body of ratepayers are not
10 being called on to subsidize data centers.

11 It was with these principles in mind that FEIA
12 began to consider the efficacy and the possibility
13 of a settlement agreement, to be sure the record
14 will show, and has shown, that FEIA did not obtain
15 all of the terms that it requested. It ultimately
16 entered into this settlement agreement that's
17 before you today for two overarching reasons.
18 First, the settlement calls for FPL to reduce the
19 revenue increase that it initially proposed by
20 30 percent. Second, it provides for a commercially
21 viable data center tariff that has robust
22 safeguards that ensure the integrity of our grid
23 and protect the general body of ratepayers from
24 having to subsidize data centers.

25 Not only will the general body of ratepayers

1 be protected, as Dr. Mangum testified on Monday,
2 the general body of ratepayers and the rest of
3 Florida will also benefit from the substantial
4 property tax revenues generated by data centers,
5 which we believe there will reduce local tax
6 burdens for all ratepayers and all taxpayers in
7 FPL's service area.

8 Likewise, as the testimony has and will show,
9 new data center customers will enable FPL to spread
10 its fixed cost over a greater volume of electricity
11 sales, thus, contributing to the lower unit cost of
12 electricity for all customers.

13 Commissioners, for all of these reasons, we
14 believe the testimony you will hear during this
15 second phase will show that the settlement
16 agreement is a thoughtful compromise, that advances
17 the public interest, it provides robust safeguards
18 to protect the general body of ratepayers and
19 results in fair, just and reasonable rates. FEIA
20 encourages the Commission to approve the settlement
21 as filed.

22 Thank you.

23 CHAIRMAN LA ROSA: Great. Thank you.

24 SACE.

25 MR. GARNER: Thank you, Mr. Chairman and

1 Commissioners.

2 The Southern Alliance for Clean Energy, or
3 SACE, is a nonprofit clean energy education and
4 advocacy organization. It advocates on behalf of
5 itself and its thousands of members across the
6 southeastern United States and in Florida for
7 energy efficiency, utility decarbonization, solar
8 power adoption and electric transportation. SACE
9 intervened in this rate case to further these
10 purposes, and believes that the settlement
11 agreement helps to do that.

12 The settlement agreement maintains FPL's pace
13 in diversifying its power generation mix away from
14 its 70 percent dependency on methane gas. It grows
15 FPL's use of advanced storage technology,
16 increasing reliability and flexibility within its
17 system, and it positions FPL to avoid fossil fuel
18 consumption and costs for decades into the future,
19 not merely for the term of the agreement. This is
20 an important hedge against natural gas price
21 volatility that will critically provide stability
22 for ratepayers over the next several years, but
23 also well into the future.

24 In addition, the settlement agreement improves
25 FPL's efforts to incentivize electric power

1 mobility, which will, over time, help to reduce
2 transportation energy costs for consumers by
3 decreasing demand for gasoline and diesel.

4 While the settlement agreement results in an
5 increase -- in increased rates for consumers, it
6 delivers a significant 30 percent decrease in the
7 company's revenue requirement compared with the
8 filed rate case, and positions FPL to better
9 provide fuel cost savings for decades to come,
10 while keeping the rate increase for average
11 customers below the rate of inflation.

12 For these reasons and others, SACE believes
13 that the settlement agreement taken as a whole is
14 in the public interest and you should approve it.

15 CHAIRMAN LA ROSA: Great. Thank you.

16 Fuel Retailers.

17 MR. SELF: Thank you, Mr. Chairman and
18 Commissioners. Good morning.

19 While the Fuel Retailers stations and
20 convenience stores are customers of FPL serving the
21 traveling public, our primary interest in this case
22 has been the EV charging issues raised by FPL in
23 its petition. This stipulation does not do
24 everything that we want it, but it significantly
25 addresses our key concerns.

1 First, and most importantly, it increases the
2 rates that FPL charges at its public charging
3 stations, and it caps the number of public charging
4 stations that FPL has. This helps to ensure that
5 monopoly ratepayers are not cross-subsidizing this
6 otherwise competitive service.

7 Second, it creates and funds a make-ready
8 program. This make-ready was not a part of FPL's
9 filed case, but it was requested by several of the
10 parties in this matter. As set forth in the
11 settlement, this program builds on what you
12 approved in the Duke rate case last year.

13 This make-ready program creates a far more
14 favorable regulatory environment for public -- for
15 private investment and public EV charging that will
16 provide the traveling public more ubiquitous access
17 to public charging stations at competitive prices.

18 The evidence will show that this settlement on
19 these EV issues is in the public interest, as is
20 the entire settlement agreement, and we urge your
21 approval of it as filed.

22 Thank you.

23 CHAIRMAN LA ROSA: Thank you.

24 And let the record reflect that EVgo has,
25 obviously, been excused.

1 All right. Let's move to stipulations.

2 Staff, any additional stipulations that we need to
3 discuss?

4 MR. STILLER: Staff is unaware of any
5 additional stipulations, but just a reminder that
6 witnesses Herndon and Gorman have already provided
7 testimony for this phase of the trial.

8 CHAIRMAN LA ROSA: Excellent. Thank you for
9 that note.

10 So before we go to witness testimony, we will
11 take that timeout, as I mentioned, and allow you
12 the time necessary to discuss with the other
13 parties.

14 MS. WESSLING: Thank you, Mr. Chair.

15 CHAIRMAN LA ROSA: Five minutes good, or 10
16 minutes? 10 minutes?

17 MS. WESSLING: 10 would probably be better.

18 CHAIRMAN LA ROSA: Yeah, let's do 10 minutes.
19 It's 9:52, so let's go 10:02 let's reconvene.

20 Thank you.

21 MS. WESSLING: Thank you.

22 (Brief recess.)

23 CHAIRMAN LA ROSA: All right. If we can go
24 ahead and grab out seats, we can get started. I
25 apologize for the few extra minutes that were

1 necessary.

2 I am going to open with Ms. Wessling.

3 MS. WESSLING: I am happy to go, but are we
4 going to be doing the introduction like we did,
5 where FPL will introduce each of the witnesses and
6 do summaries, or just --

7 CHAIRMAN LA ROSA: Wasn't there something that
8 was worked out at the break?

9 MS. WESSLING: Oh, yes. I am sorry. Did you
10 talk to the other folks?

11 MS. CHRISTENSEN: Let me address that real
12 briefly.

13 CHAIRMAN LA ROSA: Sure.

14 MS. CHRISTENSEN: I have spoken with all of
15 the parties that are present in the room. FIPUG
16 has asked if we could wait until later today until
17 Mr. Moyle is present and that can be clarified with
18 him.

19 CHAIRMAN LA ROSA: Okay.

20 MS. CHRISTENSEN: The only other parties I
21 have not heard a response from are not present in
22 the room. That's Electrify America, EVgo and AWI.
23 Although, hopefully that will not be a problem. I
24 just have to wait -- I have sent an email. We will
25 wait and see if they give me an email response. I

1 don't know if they were -- I assume they were all
2 excused from the hearing, but I just have to wait
3 and see whether or not they respond. But the other
4 parties are in agreement with allowing their
5 responses to the request for admissions to be
6 entered into the record.

7 CHAIRMAN LA ROSA: Okay. So we will just
8 bring it back up at lunch, or just you guys will
9 update me at lunch?

10 MS. CHRISTENSEN: It may be a little bit later
11 than that. It may be this afternoon. We may have
12 to readdress it at the end of the day or at the
13 beginning of the day tomorrow.

14 CHAIRMAN LA ROSA: That's fine, however it
15 works is fine.

16 MS. WESSLING: And then I did speak with
17 Ms. Moncada briefly, and there are some exhibits,
18 starting with OPC 373, that's our first cross --
19 settlement cross exhibit, and that -- those
20 comments were inadvertently left out of the
21 original Exhibit J. I think there is no objection
22 to that being entered in. And 374 through 379 were
23 officially recognized, but just sort of, you know,
24 in an abundance of caution, we would just ask that
25 those be entered in as well as that official

1 recognition exhibit.

2 CHAIRMAN LA ROSA: Okay. Are there objections
3 to those? Okay. No objections by the parties.

4 MS. MONCADA: No objection.

5 CHAIRMAN LA ROSA: All right. Then so moved.

6 MS. WESSLING: Thank you.

7 (Whereupon, Exhibit Nos. 373-379 were received
8 into evidence.)

9 CHAIRMAN LA ROSA: So just as a reminder to
10 the witnesses, you are still under oath from a few
11 days ago, so not necessary to swear you in
12 officially. That, obviously, was done prior.

13 And then just as a reminder, the witness
14 summaries are limited to five minutes for each,
15 unless -- or 10 minutes if you are also testifying
16 both direct and rebuttal combined.

17 As with opening statements, brevity is always
18 appreciated, and especially in this case, as we are
19 trying to move things forward to get to questioning
20 cross-examination. It appears as if we have quite
21 a few witnesses, obviously, here throughout today
22 and tomorrow.

23 To the extent possible, I ask the witnesses to
24 do their best answering the questions as they are
25 asked. Please let's also give witnesses the

1 opportunity to clarify their responses. Even a yes
2 or no question is, you know, if that's asked,
3 please answer it that way first, and then clarify
4 afterwards.

5 As you can see, we have accommodated with OPC,
6 so we have, of course, four counsel members of OPC
7 that are here. I am assuming that you will go in
8 somewhat of an order, but if there is a passing of
9 one counsel to the other, just maybe just look my
10 direction, or whatnot, and we will just kind of see
11 how that flows. If there is a timeout that's
12 necessary to be taken, or you would like to swap
13 out counsel, just let me know and we will do that
14 to accommodate.

15 As I was mentioning earlier, if you want to
16 direct a question to a specific witness, have that
17 witness only answer, please just let them know
18 that. If it's an open question and, you know, just
19 feel free to direct it to whomever it's necessary.
20 And we will, obviously gauge as that goes and
21 clarify in clarification is necessary.

22 So I am going to go ahead and pass it over to
23 FPL for introduction.

24 MS. MONCADA: Mr. Chairman, if I may, I just
25 wanted to give you a sneak preview in light of what

1 you just said. I plan to introduce all four
2 witnesses in order to get their testimonies into
3 the record, but only Mr. Bores will deliver a
4 summary. I do believe it will be under five
5 minutes, but I plan to do that after the testimony
6 goes in, if that's okay.

7 CHAIRMAN LA ROSA: Okay, that's fine.

8 MS. MONCADA: Thank you.

9 Whereupon,

10 SCOTT BORES
11 JAMES M. COYNE
12 TIFFANY C. COHEN
13 TIM OLIVER

14 were called as a witness, having been previously duly
15 sworn to speak the truth, the whole truth, and nothing
16 but the truth, was examined and testified as follows:

17 EXAMINATION

18 BY MS. MONCADA:

19 **Q Good morning, Mr. Bores.**

20 A Good morning.

21 **Q Did you file 23 pages of settlement direct**
22 **testimony on September 3rd of this year?**

23 A Yes, I did.

24 **Q Do you have any corrections to that testimony?**

25 A No, I did not.

Q If I asked you the same questions contained in
 your settlement direct testimony, would your answers be

1 **the same?**

2 A Yes.

3 MS. MONCADA: Mr. Chairman, I would ask that
4 Mr. Bores' settlement direct testimony be entered
5 into the record.

6 CHAIRMAN LA ROSA: So moved.

7 MS. MONCADA: Thank you.

8 (Whereupon, settlement prefiled direct
9 testimony of Scott Bores was inserted.)

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BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT TESTIMONY OF SCOTT R. BORES

Filed: September 3, 2025

1 **I. INTRODUCTION**

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

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

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

6 A. Yes.

7 **Q. Are you sponsoring or co-sponsoring any exhibits with this testimony?**

8 A. Yes. I am co-sponsoring Exhibit SRB-10 – FPL Proposed 2025 Rate Settlement
9 Agreement.

10 **Q. What is the purpose of your settlement testimony?**

11 A. The purpose of my settlement testimony is to explain why the Stipulation and
12 Settlement filed on August 20, 2025 (the “Proposed Settlement Agreement” or
13 “Settlement”), taken as a whole, is in the public interest and should be approved by the
14 Florida Public Service Commission (“Commission” or “FPSC”). My testimony also
15 will discuss new provisions that were not part of FPL’s original February 28, 2025
16 petition as well as provisions reflected in the original petition that are modified under
17 the Proposed Settlement Agreement.

18 **Q. Please explain why the Proposed Settlement Agreement is in the public interest.**

19 A. The Proposed Settlement Agreement would resolve all issues in FPL’s base rate case
20 filed February 28, 2025 in a manner that is supported by the majority of the customer
21 groups that intervened in this proceeding: Florida Industrial Power Users Group,
22 Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart
23 Inc., EVgo Services LLC, Americans for Affordable Clean Energy, Inc., Circle K

1 Stores, Inc., RaceTrac, Inc., Wawa, Inc., Electrify America LLC, Federal Executive
2 Agencies, Armstrong World Industries, Inc. and the Southern Alliance for Clean
3 Energy. The Settlement would be in effect from January 1, 2026 through December
4 31, 2029 or when FPL's base rates are next reset in a general base rate proceeding,
5 whichever is later ("the Term"). If approved, the Proposed Settlement Agreement will
6 allow FPL to continue to provide high reliability and excellent customer service, all
7 while keeping bills significantly below the national average for FPL's customers.

8

9 Taken as a whole, the Proposed Settlement Agreement will provide base rate
10 predictability for FPL customers for a minimum of four years and will allow FPL to
11 continue its focus on improving service as well as creating additional efficiencies in
12 operations and maintaining strong customer value, all while keeping bills low.

13 **Q. Some parties who have not joined in the Settlement state that FPL has made a**
14 **deal with only one percent of its customers without any regard to the needs of**
15 **residential and small commercial customers. Is this true?**

16 A. Not at all. Critics of the Settlement apparently do not understand, or they fail to fairly
17 acknowledge, the fact that FPL acts for the benefit of all 6 million of its customers each
18 and every day in every aspect of what we do. FPL does not leave that commitment
19 behind when it negotiates settlements, nor could it reasonably do so with the oversight
20 provided by the Commission. Critics of the Settlement use soundbites and media clips,
21 sometimes inaccurately, to suggest that FPL has not looked out for all of its customers
22 in the Settlement. FPL, on the other hand, supports the Settlement with actual facts,

1 such as the fact that the parties to the Proposed Settlement Agreement represent the
2 consumers of approximately 45% of all the electricity that FPL sells.

3 **Q. What facts does FPL have that show residential and small commercial customers**
4 **will benefit from the Proposed Settlement Agreement?**

5 A. FPL has agreed to reduce the revenue increase proposed in its initial petition by
6 approximately 30%. As described in greater detail in the settlement testimony of FPL
7 witness Cohen, in peninsular Florida, the typical residential customer would see an
8 average annual increase of about 2% from now through the end of the decade. That's
9 lower than the current rate of inflation. Typical residential customers in Northwest
10 Florida would see their bills remain relatively flat in 2026 and 2027, with increases of
11 less than 1% through 2029. Importantly, we project FPL's typical residential bills will
12 remain well below the national average through 2029. Further, by design under the
13 Settlement, residential customers will receive the lowest percentage rate increase of all
14 customers. Even with the rate increase proposed in the Settlement, FPL typical
15 residential customers will be paying bills that are roughly 20% lower next year than
16 they were 20 years prior, when adjusted for inflation.

17

18 Focusing on small commercial customers, critics of the Proposed Settlement
19 Agreement do not want to acknowledge that these commercial customers will actually
20 receive the lowest cumulative percentage rate increase over the Term compared to the
21 other commercial and industrial rate classes. Compared to the average monthly bill
22 that these small commercial customers see today, the average annual rate increase is
23 2.4% through 2029.

1 Broadening the focus to all customers, no rate class will receive an increase higher than
2 1.5 times the system average increase consistent with the Commission's policy.
3 Finally, I will discuss later in my testimony other modifications and additions to FPL's
4 original Petition that are reflected in the Proposed Settlement Agreement that benefit
5 all customers generally – and some that benefit residential customers specifically.
6

7 **II. NEW FEATURES IN THE PROPOSED SETTLEMENT AGREEMENT**

8 **Q. Please describe the features introduced in the Proposed Settlement that were not**
9 **included in FPL's original filing.**

10 A. Parties to the Settlement propose that the following new features be implemented
11 during the Term:

- 12 • A residential customer financial assistance program for income-qualifying
13 customers, along with prohibitions on power disconnections under certain heat
14 or cold weather conditions;
- 15 • A prohibition on natural gas financial hedging;
- 16 • A provision making clear that FPL will use the Vandolah power plant as a
17 system asset for all of its customers, should FPL be successful in obtaining the
18 necessary regulatory approvals to acquire it; and
- 19 • An agreement to support an energy efficiency opt out program for certain large
20 customers should one be filed in the future.

1 **Q. Would you please describe each of these additions and explain why they**
2 **contribute to the Proposed Settlement Agreement being in the public interest?**

3 A. Yes. I will begin with the new residential financial assistance program. Today, FPL
4 residential customers who meet certain income-eligibility requirements may receive
5 payment assistance from federal programs such as the Low-Income Home Energy
6 Assistance Program (“LIHEAP”) or the Emergency Home Energy Assistance for the
7 Elderly Program (“EHEAP”). LIHEAP and EHEAP funding is available for customer
8 households at or below 150% of the federal poverty guideline or 60% of the state
9 median income, whichever is higher, as determined by agencies that administer the
10 programs.

11

12 In addition to government assistance, FPL currently combines donations from
13 shareholders, employees and customers to FPL’s “Care To Share,” a program that
14 likewise helps customers. In 2021, FPL modified Care To Share by adopting the
15 United Way’s eligibility criteria: Asset Limited, Income Constrained, Employed
16 (“ALICE”). ALICE criteria is broader than that of LIHEAP/EHEAP as it includes
17 households that earn above the federal poverty level but not enough to afford basic
18 necessities. Adoption of the ALICE criteria helps FPL residential customers who
19 would not otherwise qualify for federal assistance. From 2022 through the end of 2025,
20 FPL estimates that it will have provided approximately \$15 million of payment
21 assistance through Care To Share to help residential customers in need. The Settlement
22 proposes to expand the assistance available to qualifying customers.

1 **Q. Please describe the additional payment assistance component of the Settlement.**

2 A. As described in Paragraph 27 of the Proposed Settlement Agreement, FPL will provide
3 \$15 million of funding for customers who qualify for payment assistance based on
4 ALICE criteria. With this funding, FPL hopes to reach residential customers in need
5 that would not qualify for federal government assistance through LIHEAP or EHEAP.
6 The \$15 million over four years would essentially match the ALICE criteria-based
7 assistance disbursed during 2022 through 2025 from Care To Share alone.

8 **Q. Is the \$15 million funding proposed in the Settlement replacing LIHEAP, EHEAP**
9 **or FPL's Care To Share program?**

10 A. Absolutely not. The entire \$15 million of funding under the Proposed Settlement
11 Agreement is over and above the assistance that will be available through government
12 assistance and Care To Share. This new addition to FPL's request provides more
13 assistance to FPL's residential customers than is available to them today and thus
14 further promotes the Proposed Settlement Agreement as being in the public interest.

15 **Q. Please describe the weather-related disconnection policy included in the Proposed**
16 **Settlement Agreement.**

17 A. Under the terms of the Settlement, FPL agrees not to disconnect residential customers
18 for nonpayment of bills based on certain hot and cold weather conditions. Regarding
19 hot weather, FPL will not disconnect customers for nonpayment of bills if they are
20 located in an FPL operational district with a forecasted 95-degree temperature or
21 warmer for the day based on FPL's meteorological forecasts, or where a heat advisory
22 is issued by the National Weather Service. The Settlement also provides that FPL will
23 not disconnect power for nonpayment of bills for any residential customer in an FPL

1 operational district with a forecasted temperature of 32 degrees or cooler for the day,
2 based on FPL's meteorological forecasts. This new addition to FPL's request helps
3 protect customers in challenging temperature conditions and adds to the Proposed
4 Settlement Agreement as being in the public interest.

5 **Q. Has FPL agreed to terminate natural gas financial hedging prospectively for the**
6 **Term of the Proposed Settlement Agreement?**

7 A. Yes. In FPL's 2016 Settlement Agreement, the parties for the first time agreed that
8 FPL would discontinue its natural gas financial hedging program, and this was again
9 agreed upon in FPL's 2021 Settlement Agreement. Though FPL believes there is
10 benefit to customers in reducing fuel price volatility through financial hedging, in
11 consideration of the overall context of this Proposed Settlement Agreement, FPL
12 believes it is reasonable to continue not to use natural gas financial hedges
13 prospectively through the Term. A prohibition of this nature has been found to be in
14 the public interest within the totality of those previous settlement agreements.

15 **Q. Please describe the new provision regarding the Vandolah facility.**

16 A. FPL has entered into a Purchase and Sale Agreement to acquire the 660 MW Vandolah
17 Generating Facility from Northern Star Generation LLC, with the transaction expected
18 to close on June 1, 2027, subject to federal regulatory approvals. Consistent with the
19 Proposed Settlement Agreement, FPL will not use the Vandolah facility exclusively to
20 serve data centers or other large load customers. If acquired, the Vandolah facility will
21 be integrated into FPL's overall generation portfolio to serve all customer classes and
22 to help meet FPL's forecasted load growth and resource adequacy criteria. This

1 additional clarification ensures that Vandolah will be a system resource that will benefit
2 all of FPL's customers and is thus in the public interest.

3 **Q. Finally, will you please explain the new energy efficiency opt-out feature?**

4 A. Yes, FPL has agreed to support a petition that commercial and industrial customers
5 may file in the future to opt out of certain mandated energy efficiency programs if they
6 can show that, through self-funded energy efficiency that they perform on their own,
7 verifiable energy efficiency savings will be gained without any subsidization from the
8 general body of FPL's customers. Such a provision enhances the public interest if large
9 customers who are naturally incented to perform expensive energy efficiency measures
10 on their own are encouraged to do so, at their cost, without being subsidized by the
11 general body of FPL's customers.

12

13 **III. MODIFIED PROVISIONS IN THE PROPOSED SETTLEMENT**

14 **Q. Does the Proposed Settlement Agreement contain elements that have been**
15 **modified compared to those that FPL requested in its original Petition?**

16 A. Yes. The Proposed Settlement Agreement contains the following elements that have
17 been modified compared to FPL's original filing:

- 18 • 2026 and 2027 revenue requirements reduced;
- 19 • Return on equity (or "ROE") reduced;
- 20 • Prohibition on FPL purchasing any new land for solar projects and commitment
21 to best commercial efforts to sell \$200 million of existing owned land for the
22 benefit of customers;

- 1 • An adjustment to the depreciable life of the Scherer Unit 3 generating plant that
2 reduces depreciation expense for customers;
- 3 • Limitations on FPL's ability to deploy new electric vehicle ("EV") charging
4 programs, modifications to FPL's existing EV tariffs ensuring compliance with
5 section 366.94 of the Florida Statutes and a Make-Ready program to incent
6 private investment in EV chargers;
- 7 • Increasing the amortization period of capital recovery schedules to result in a
8 reduction to amortization expense for customers;
- 9 • Changes to FPL's Large Load Customer Service ("LLCS") tariffs and
10 recommended Contribution in Aid of Construction ("CIAC") proposal to
11 resolve disputes between impacted customers and ensure adequate protection
12 from new major project expenses for the general body of FPL's customers;
- 13 • Moving FPL's 2027 solar projects into a Solar and Battery Base Rate
14 Adjustment ("SoBRA") mechanism and adding a cost/benefit ratio test for solar
15 projects;
- 16 • Changing the Tax Adjustment Mechanism in FPL's original filing to a more
17 comprehensive Rate Stabilization Mechanism ("RSM") to avoid general base
18 rate increases in 2028 and 2029, along with changes to FPL's Asset
19 Optimization program to further help in this regard;
- 20 • Revised cost allocation methodology to resolve disputes between the parties
21 and yield a balanced approach to cost allocation; and

- Increases to credits provided to customers participating in FPL's interruptible load tariffs to ensure continued participation in those programs for the benefit of the general body of FPL's customers.

FPL witnesses Cohen, Coyne, Oliver and I will describe each of the various additions and modifications and explain how, taken in the context of the Settlement as a whole, the resulting proposal is in the public interest.

Q. Please address the reduced revenue requirement set forth in the Proposed Settlement Agreement.

A. Under the Settlement, the increase in the typical 1,000-kWh FPL residential customer bill would be far below FPL's original proposal. FPL has agreed to reduce the base rate revenue request to be effective January 2026 by 39%, from \$1.545 billion to \$945 million. The base rate revenue request to be effective January 2027 is reduced by 24%, from \$927 million to \$705 million. Together with the anticipated 2027 SoBRA, described more fully below, the Settlement reduces the overall 2026 and 2027 base revenue request by approximately 30%. In the context of the Proposed Settlement Agreement, these reduced amounts support FPL's ongoing commitment to meet the resiliency and reliability needs of our fast-growing state, while keeping customer bills well below the national average.

FPL witness Cohen explains that the average annual increase in residential customer bills from this year through the end of 2029 would be about 2% in peninsular Florida and less than 1% in Northwest Florida. And, in Northwest Florida, residential customer

1 bills will remain relatively flat in 2026 and 2027. The reduced bill impact benefits all
2 of FPL's customers.

3 **Q. Please explain how the ROE in the Proposed Settlement Agreement is in the public**
4 **interest.**

5 A. In the context of the broader Settlement – and together with FPL's equity ratio – the
6 10.95% mid-point ROE provides a fair and reasonable allowed return on equity as
7 further discussed by FPL witness Coyne. The cost of capital proposed in the Settlement
8 preserves the Company's financial strength, enabling it to continue to attract capital on
9 reasonable terms. This, along with the RSM described below, provides FPL the
10 financial strength it needs to continue to attract capital to make investments for the
11 benefit of customers and maintain its strong balance sheet to withstand inherent
12 uncertainties. FPL witness Coyne further describes the appropriateness of the ROE in
13 the context of the Settlement as a whole.

14 **Q. Please explain how the Settlement provision that bars FPL from purchasing any**
15 **new land for solar projects and commits FPL to best commercial efforts to sell**
16 **\$200 million of existing owned land benefits customers.**

17 A. As explained by FPL witness Oliver, by focusing our land portfolio on the most
18 developmentally advanced and strategically important properties and relinquishing
19 properties that are less mature, FPL can adjust the land portfolio for the benefit of our
20 customers. Additionally, the sale of land valued up to \$200 million is expected to
21 benefit customers through amortization of any gains, which will reduce revenue
22 requirements.

1 **Q. Please describe why adjusting the depreciable life of the Scherer Unit 3 generating**
2 **plant is in the public interest.**

3 A. Adjusting the depreciable life of Scherer Unit 3 reduces depreciation expense for
4 customers. In its original filing, FPL proposed a 2035 retirement date for Plant Scherer
5 Unit 3. FPL's current depreciation rates approved as part of FPL's 2021 settlement
6 agreement reflect a retirement date of 2047. As one element of the Proposed Settlement
7 Agreement, the estimated retirement date will remain at 2047 for purposes of
8 calculating depreciation rates under the Settlement. This results in a reduction to base
9 depreciation expense of \$6.7 million in 2026 and \$6.8 million in 2027 relative to the
10 amounts included in FPL's original filing. .

11 **Q. Please describe how the modifications to FPL's existing EV tariffs and the**
12 **proposed Make-Ready program serve the public interest.**

13 A. As described in the settlement testimony of FPL witness Oliver, modifications of tariffs
14 and programs associated with EV chargers incentivize private investment, which
15 supports EV infrastructure development and Florida's economic competitiveness. Any
16 costs associated with these EV tariffs and programs are designed to be fully covered by
17 program revenues over the life of the EV charging assets. Foremost among the
18 modifications:

- 19 • FPL will create an additional Demand Limiter tariff, GSLD-2EV, for customers
20 exceeding 2,000 kW demand, expanding options for larger charging operations;
- 21 • FPL's Utility-Owned Public Charging ("UEV") rate will be increased to
22 \$0.45/kWh in 2026 with scheduled increases of \$0.02/kWh in 2027, \$0.01/kWh

1 in 2028, and \$0.01/kWh in 2029. These UEV rates will maintain competitive
2 market pricing; and

- 3 • FPL will create a Make-Ready program that provides developers and other FPL
4 customers a credit that offsets the costs of EV charging station installations,
5 thereby spurring more private infrastructure investment without subsidization
6 by the general body of customers.

7 **Q. Please describe how the Proposed Settlement Agreement modifies the**
8 **amortization period of the capital recovery schedules requested in FPL's base rate**
9 **filing.**

10 A. In its original filing, FPL proposed to amortize its capital recovery schedules over 10
11 years. As one element of the Settlement, the amortization period was extended to 20
12 years. This results in a reduction to base amortization expense of \$9.4 million in 2026
13 and \$11.9 million in 2027.

14
15 The extended amortization period was one element that facilitated a reduction in
16 revenue requirements, which benefits customers immediately. Additionally, the assets
17 that will replace the retired assets will provide cost and/or reliability benefits such that
18 future customers will benefit for many years from the decision to retire the assets in
19 question.

20 **Q. Please explain the changes to FPL's recommended CIAC proposal and LLCS**
21 **tariffs.**

22 A. The CIAC proposal and LLCS tariffs are discussed in greater detail in FPL witness
23 Cohen's settlement testimony. FPL's original petition proposed changes to CIAC and

1 proposed new LLCS tariffs, both of which were designed to protect the general body
2 of customers against the risks associated with significant costs to install new or
3 upgraded facilities to serve a particular customer's new or incremental load. Under the
4 Proposed Settlement Agreement, the new CIAC tariff provisions will apply to all new
5 non-governmental applicants that require new or upgraded facilities with a total
6 estimated cost of \$50 million or more at the point of delivery. As modified by the
7 Settlement, the CIAC tariff meets the purpose of helping to protect the general body of
8 customers from the burden of the aforementioned costs.

9

10 The LLCS tariffs are largely the same as the proposal set forth in FPL witness Cohen's
11 rebuttal testimony under FPL's base rate petition (filed July 9, 2025) with changes to
12 the Company's internal policy on the timing and process for administering applications
13 for the customer's LLCS project. The process changes will provide LLCS customers
14 greater transparency and afford them additional flexibility and time to plan, finance,
15 and construct their projects. As modified by the Proposed Settlement Agreement, the
16 LLCS tariffs are a reasonable compromise of competing positions and will continue to
17 meet the objectives to ensure that FPL has a tariff and service agreement available to
18 serve customers and that the cost-causer bears primary responsibility and risk for the
19 significant generation investments required to serve them.

20 **Q. Please describe the benefits of the RSM included in the Proposed Settlement**
21 **Agreement.**

22 A. The RSM is a non-cash mechanism that, like similar mechanisms approved by the
23 Commission in the past, supports the overall capital structure for FPL without seeking

1 additional cash from customers; will allow FPL to address unexpected expenses and
2 revenue impacts without seeking a rate increase; and will provide FPL's customers
3 long-term bill and economic stability. The lower base revenue increases enabled by
4 the RSM provide significant benefits to customers through lower rates.

5

6 The flexibility of the RSM allows FPL to commit to the Term of the Proposed
7 Settlement Agreement even with additional revenue needed in 2028 and 2029, as well
8 as factors affecting FPL's earnings that are beyond the Company's control, such as
9 interest rate volatility, inflation, trade policy impacts, geopolitical uncertainties, and
10 associated market disruptions. The RSM additionally eliminates the necessity for
11 costly and procedurally intensive base rate proceedings during the Term, providing
12 administrative efficiency benefits. Most importantly, the extended period of rate
13 certainty will enable FPL to continue to improve its customer value proposition through
14 lower operating costs, improved service reliability and superior customer service
15 delivery.

16 **Q. Please describe how the RSM differs from the Tax Adjustment Mechanism**
17 **included as a component of FPL's original rate petition.**

18 A. The Tax Adjustment Mechanism, known as "TAM," refers to a non-cash mechanism
19 that FPL requested be funded with \$1.7 billion of unprotected deferred tax liabilities
20 ("DTL"). The Proposed Settlement Agreement modifies the funding sources for a non-
21 cash mechanism by reducing the amount comprised of DTLs and substituting other
22 sources:

- 1 • *Unprotected DTLs*: \$1.155 billion of unprotected DTLs related to tax repairs
- 2 and mixed service costs, reduced from \$1.717 billion in the original petition;
- 3 • *Reserve Surplus Amortization Mechanism (“RSAM”) Carryover*: the remaining
- 4 balance of FPL’s existing RSAM as of January 1, 2026; and
- 5 • *2025 investment tax credits (“ITC”)*: the amount of ITCs associated with the
- 6 522 MW battery storage project expected to enter service in 2025.

7

8 FPL will report the aggregate amount of the three elements in an attachment that will

9 be filed with its December 2025 earnings surveillance report. The aggregate amount

10 will establish the total amount available for utilization as part of the RSM over the

11 Term (the “RSM Amount”).

12 **Q. What is FPL asking the Commission to approve in order to implement the**

13 **proposed RSM?**

14 A. FPL seeks Commission authorization to establish the following regulatory accounting

15 treatments:

- 16 • A regulatory liability associated with the unprotected DTL related to tax repairs
- 17 and mixed service costs in the amount of \$1.155 billion as of January 1, 2026.
- 18 The regulatory liability represents the full amount of the reduction in deferred
- 19 tax expense projected to be provided to customers over the Term.
- 20 • An equal offsetting regulatory asset associated with the unprotected DTL
- 21 related to tax repairs and mixed service costs in the amount of \$1.155 billion as
- 22 of January 1, 2026. The regulatory asset represents the amount of deferred taxes
- 23 that will be recovered in future periods over the average life of the underlying

assets. The regulatory asset will be amortized over 30 years beginning upon the first use of the regulatory liability described above.

- A regulatory liability associated with the 2025 ITCs that will be amortized over the Term.

In addition to the RSM, during the Term, FPL will recognize in base rates the customers' share of the gains generated through FPL's Asset Optimization Program approved by Order PSC-2021-0446-S-EI as amended by Order PSC-2021-0446A-S-EI and supplemented by Order PSC-2024-0078-FOF-EI. The gains will be recognized in the month in which they are generated. The Settlement further provides that 100% of any annual gains in excess of \$150 million will be provided to all customers through the Fuel Cost Recovery Clause.

Q. Does the Proposed Settlement Agreement impose conditions on FPL's use of the RSM?

A. Yes, the Settlement includes a number of conditions that safeguard customers' interests. Pursuant to Paragraph 21(b) of the Proposed Settlement Agreement, FPL may utilize the RSM flexibly during the Term subject to the following conditions:

- The ITC and RSAM components must be utilized first, to the extent available, before FPL can amortize the unprotected DTLs. The Company may record debits (increases to expense) or credits (decreases to expense) in any accounting period, at its sole discretion, to achieve the pre-established ROE for that period.

- For any period in which FPL’s actual FPSC adjusted ROE would otherwise fall below 9.95%, FPL must amortize any remaining RSM to at least increase the ROE to 9.95%.
- FPL may not amortize the RSM in an amount that results in FPL achieving an FPSC adjusted ROE greater than 11.95%.
- If a debit to expense is required to keep FPL from exceeding an 11.95% FPSC adjusted ROE, and such debit would result in FPL exceeding the total RSM amount, the debit amount that remains necessary to not exceed the top of its authorized ROE range will be applied to increase the storm reserve as an unfunded amount. Any unfunded storm reserve balance must be depleted prior to using the funded reserve to recover storm costs.

Q. Can FPL commit to a four-year settlement agreement without the RSM?

A. No. FPL will continue to invest on behalf of its customers in 2028 and 2029. In the absence of the RSM, FPL projects that it would need to seek additional cash-based rate relief. Customers benefit substantially through the avoidance of two years of additional general base rate increases during the second half of the Term.

Q. Please detail the proposed modifications to the SoBRA mechanism.

A. The Settlement proposes three modifications designed to establish incremental benefits for customers: (i) application of the SoBRA mechanism to 2027 solar projects, (ii) stricter criteria for demonstrating economic need and (iii) clarification of components to be excluded from the revenue requirement calculation.

1 *Years solar is subject to SoBRA.* FPL's original petition contemplated solar additions
2 in each year of the four-year plan. That remains so. However, under the Proposed
3 Settlement Agreement, FPL's 1,192 MW of 2027 solar additions are excluded from the
4 general base rate increase and instead will be subject to the SoBRA, including the
5 stricter requirements I will describe. FPL is also permitted to petition for up to 1,490
6 MW of solar generation in 2028 and 1,788 MW of solar generation in 2029. Solar
7 additions for all three years will be subject to the processes and proof demanded by the
8 SoBRA mechanism as modified by the Proposed Settlement Agreement.

9

10 *Economic need.* As set forth in the original base rate petition, FPL may obtain approval
11 for a SoBRA if it demonstrates an economic need or a reliability need. The Proposed
12 Settlement Agreement imposes additional economic criteria FPL must satisfy for solar
13 projects. In particular, FPL must show that, compared to not installing the projects, the
14 planned solar projects reduce the cumulative present value of revenue requirements
15 within 10 years and have a cost-benefit ratio of 1.15 to 1. These additional strictures
16 provide all customers greater certainty that savings will be realized, and that savings
17 will materialize sooner.

18

19 *Revenue requirement calculation.* As with the original petition, FPL will recover the
20 revenue requirements associated with the solar and battery storage projects, as well as
21 the impact of the conclusion of the one-year ITC flow-through accounting treatment
22 associated with the battery storage projects placed in service the prior year. The
23 Proposed Settlement Agreement clarifies that the capital expenditures upon which the

1 revenue requirement calculation will be based exclude land costs identified as plant
2 held for future use in FPL's 2026 and 2027 Projected Test Years minimum filing
3 requirements. This addition to the Proposed Settlement Agreement benefits all
4 stakeholders by providing greater clarity that land costs will not be recovered through
5 the SoBRA Factor if those costs already are recovered in base rates through plant held
6 for future use.

7 **Q. Please address the revenue allocation methodologies set forth in the Proposed**
8 **Settlement Agreement.**

9 A. The revenue allocation under the Proposed Settlement Agreement produces a balanced
10 result that reflects a compromise of the competing positions presented in this case. For
11 base rates, the revenue increase is allocated equally to all rate classes except the
12 residential class. The revenue allocation to the residential rate class is limited to 95%
13 of the adjusted system average, which results in the residential class receiving the
14 lowest percentage revenue increase of all rate classes. Absent this exception, the
15 revenue allocation for residential customers would have been \$29 million higher.

16

17 As discussed in greater detail by FPL witness Cohen, for cost recovery clauses, the
18 Settlement provides that effective January 1, 2026, all clause factors will be calculated
19 and filed using the 4 CP and 12% Average Demand methodology for Production Plant
20 and 4 CP for Transmission Plant. This methodology is recognized as an appropriate
21 approach for allocating Production and Transmission Plant costs based on each
22 customer class's contribution to the system's peak demand during the four coincident
23 peak hours of the year. In addition, the 12% weighting for Production Plant recognizes

1 the role that energy plays in the selection of Production resources. Overall, the revenue
2 allocation under the Proposed Settlement Agreement represents a reasonable outcome
3 that appropriately balances the competing methodologies presented. FPL witness
4 Cohen further describes how the allocation methodology is consistent with regulatory
5 principles.

6 **Q. Please explain how increasing credits provided to customers participating in**
7 **FPL's interruptible power tariffs benefits the general body of FPL's customers.**

8 A. As described in FPL witness Cohen's settlement testimony, the Settlement proposes to
9 establish the level of utility-controlled demand credits for customers receiving service
10 pursuant to FPL's Commercial/Industrial Load Control tariff and the
11 Commercial/Industrial Demand Reduction rider at \$9.75 per kW. This credit level is a
12 modest increase from the current level and represents a reasonable compromise among
13 the differing proposals submitted by parties to the case. The proposed rate benefits all
14 customers by sufficiently incentivizing continued participation in these demand-control
15 programs.

16 **Q. Why does the Proposed Settlement Agreement defer filing the depreciation and**
17 **dismantlement studies until FPL files its next petition to change base rates?**

18 A. FPSC Rules 25-6.0436(4)(a) and 25-6.04364(3), which govern depreciation and
19 dismantlement studies, require FPL to file studies at least once every four years "*or*
20 *pursuant to Commission order and within the time specified in the order.*" (Emphasis
21 added). FPL's next studies are currently due to be filed in 2029. Under the Proposed
22 Settlement Agreement, these studies would not be due until the time that FPL petitions
23 to reset its base rates in a general base rate proceeding. This timing aligns the review

1 of FPL's next depreciation and dismantlement studies with the review of FPL's next
2 base rate petition. Providing that the filing date for the studies could be deferred until
3 FPL's next rate petition would help facilitate the possibility that the rate petition could
4 be delayed to a later date.

5

6

IV. CONCLUSION

7 **Q. Should the Commission approve the Proposed Settlement Agreement and**
8 **determine that it is in the public interest?**

9 A. Yes. Taken as a whole, this Settlement Agreement represents a compromise between
10 FPL and a diverse coalition of customer groups to the benefit of all customers. While
11 we compromised on several issues, as outlined in this testimony, we did not
12 compromise on our core principles of delivering reliable electricity and low bills to all
13 of our customers. This four-year agreement provides the framework for us to do just
14 that.

15 **Q. Does this conclude your settlement testimony?**

16 A. Yes.

1 BY MS. MONCADA:

2 Q And, Mr. Bores, together with that testimony,
3 did you also have Exhibit SRB-10.

4 A Yes, I did.

5 Q And SRB-10 consists of the proposed settlement
6 agreement that we are here about today?

7 A Yes, that is correct.

8 Q And that exhibit is cosponsored also by
9 Witnesses Cohen and Oliver, correct?

10 A Yes.

11 Q Thank you.

12 MS. MONCADA: Mr. Chairman, I would note that
13 this exhibit is pre-identified on staff's list as
14 1283.

15 CHAIRMAN LA ROSA: Okay.

16 BY MS. MONCADA:

17 Q Good morning, Mr. Coyne.

18 A Good morning.

19 Q Did you file five pages of settlement direct
20 testimony on September 3rd of this year?

21 A I did.

22 Q Do you have any corrections to that testimony?

23 A No.

24 Q If I asked you the same questions contained in
25 that testimony, would your answers be the same?

1 A Yes.

2 MS. MONCADA: Mr. Chairman, I would ask that
3 Mr. Coyne's settlement direct testimony be entered
4 into the record.

5 CHAIRMAN LA ROSA: So moved.

6 (Whereupon, settlement prefiled direct
7 testimony of James M. Coyne was inserted.)

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1 **BEFORE THE**
2 **FLORIDA PUBLIC SERVICE COMMISSION**
3 **DOCKET NO. 20250011-EI**

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8 **FLORIDA POWER & LIGHT COMPANY**

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10 **SETTLEMENT TESTIMONY OF JAMES M. COYNE**

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23 **Filed: September 3, 2025**

1 **INTRODUCTION AND PURPOSE**

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

3 A. My name is James M. Coyne, and I am employed by Concentric Energy Advisors, Inc.
4 (“Concentric”) as a Senior Vice President. My business address is 293 Boston Post
5 Road West, Suite 500, Marlborough, MA 01752.

6 **Q. Did you previously file testimony in this proceeding?**

7 A. Yes. I submitted direct and rebuttal testimony to the Florida Public Service
8 Commission (the “Commission”) on behalf of Florida Power & Light Company
9 (“FPL” or the “Company”), which is a wholly-owned subsidiary of NextEra Energy,
10 Inc., on February 28, 2025, and July 9, 2025, respectively.

11 **Q. What is the purpose of your settlement testimony?**

12 A. The purpose of my testimony is to provide my opinion on the proposed settlement
13 between the Florida Industrial Power Users Group, Florida Retail Federation, Florida
14 Energy for Innovation Association, Inc., Walmart Inc., EVgo Services LLC, Americans
15 for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., Wawa, Inc.,
16 Electrify America LLC, Federal Executive Agencies, Armstrong World Industries,
17 Inc., Southern Alliance for Clean Energy, and FPL, (collectively “Settling Parties”) as
18 it relates to the appropriate return on equity (“ROE”) and capital structure for FPL.

19

20 **OPINION ON THE PROPOSED SETTLEMENT**

21 **Q. What is your understanding of the proposed settlement on this matter?**

22 A. My understanding is that the Settling Parties have agreed to a ROE of 10.95 percent
23 and a common equity ratio of 59.60 percent from investor sources for rate setting

1 purposes. I further understand that the proposed settlement is comprehensive and
2 includes agreement on all issues in this case, not just the cost of capital. The settlement
3 therefore represents the inevitable give-and-take required to reach a compromise
4 acceptable to the Settling Parties.

5 **Q. What is your opinion of the proposed ROE in the settlement?**

6 A. The proposed ROE, although 95 basis points (0.95 percent) below my
7 recommendation, is within the range calculated in my financial models (10.28 percent
8 to 15.65 percent) at the time my Direct Testimony was submitted, as well as within the
9 range of updated model results presented in my Rebuttal Testimony (10.43 percent to
10 12.53 percent). Notably, a 10.95 ROE percent is at the lower end of these ranges of
11 model results. Specifically, a 10.95 percent ROE is at the midpoint of the lower half
12 of the range of updated model results presented in my Rebuttal Testimony.

13

14 Additionally, a 10.95 percent ROE is within the range of model results estimated by
15 FEA witness Walters, and just over the range estimated by OPC witness Lawton, the
16 two witnesses that performed independent ROE analyses in this proceeding, as shown
17 in Figure 1 below.

Figure 1: OPC Witness Lawton's and FEA Witness Walters' ROE Model Results

	OPC Witness Lawton	FEA Witness Walters
DCF Model Results	8.51% - 9.95% ¹	8.31% - 10.43% ²
CAPM Results	9.70% - 9.89% ³	7.24% - 11.12% ⁴
Risk Premium Results	10.39% - 10.64% ⁵	9.98% - 10.23% ⁶
Overall Range of ROE Model Results	8.51% - 10.64%	7.24% - 11.12%

I also evaluated the reasonableness of the proposed ROE within the context of the change in the capital market environment since the Company's last rate case in 2021. As noted in my Direct Testimony, government and utility bond yields increased more than 250 basis points between October 26, 2021 when the Commission approved FPL's last settlement authorizing a 10.60 percent ROE and when I prepared my Direct Testimony.⁷ And between the time I prepared my Direct Testimony and filed my Rebuttal Testimony, government and utility bond yields increased an additional 40 basis points, on average.⁸ An increase to the authorized ROE of 35 basis points reflects only 12 percent of the approximately 290 basis point increase in prevailing bond yields since the Commission's order in FPL's last rate case.

Q. What is your opinion of the proposed equity ratio included in the settlement?

A. The proposed equity ratio of 59.60 percent investor sources equity maintains the capital structure that FPL has maintained for over 20 years and has supported its strong credit profile and access to capital. Moreover, it is consistent with the Commission's approval of FPL's actual 59.60 percent equity ratio over the past 20 years.

¹ Exhibit DJL-8 and Errata to Exhibit DJL-9.

² Exhibits CCW-4, CCW-7, and CCW-8.

³ Exhibit DJL-10.

⁴ Exhibit CCW-15, page 1.

⁵ Exhibit DJL-11.

⁶ Direct Testimony of Christopher C. Walters, Table CCW-9, at 49.

⁷ Direct Testimony of James M. Coyne, at 19-21, Figures 4 and 5.

⁸ Rebuttal Testimony of James M. Coyne, at 21.

1 **Q. What is your overall opinion on the proposed settlement on the cost of capital?**

2 A. In my opinion, the proposed ROE and equity ratio is supported by the evidence on the
3 record, and would provide FPL a fair and reasonable allowed return on equity in the
4 context of the broader settlement.⁹

5 **Q. Does this conclude your settlement testimony?**

6 A. Yes.

⁹ Order PSC-2021-0446-S-EI as amended by Order PSC-2021-0446A-S-EI and supplemented by Order PSC-2024-0078-FOF-EI.

1 BY MS. MONCADA:

2 Q And, Mr. Coyne, you have no exhibits, correct?

3 A Correct.

4 Q Thank you.

5 Good morning, Ms. Cohen.

6 A Good morning.

7 Q On September 3rd, did you file 13 pages of
8 settlement direct testimony?

9 A I did.

10 Q Do you have any corrections to that testimony?

11 A No, I do not.

12 Q If I asked you the same questions contained in
13 your settlement direct testimony, would your answers be
14 the same?

15 A Yes.

16 MS. MONCADA: Mr. Chairman, I would ask that
17 Ms. Cohen's settlement direct testimony be entered
18 into the record.

19 CHAIRMAN LA ROSA: So moved.

20 (Whereupon, settlement prefiled direct
21 testimony of Tiffany C. Cohen was inserted.)

22

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1 **BEFORE THE**
2 **FLORIDA PUBLIC SERVICE COMMISSION**

3 **DOCKET NO. 20250011-EI**

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8 **FLORIDA POWER & LIGHT COMPANY**

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10 **SETTLEMENT TESTIMONY OF TIFFANY C. COHEN**

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23 **Filed: September 3, 2025**

1 **Q. Please state your name and address.**

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

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

6 A. Yes.

7 **Q. Are you sponsoring or co-sponsoring any exhibits with this testimony?**

8 A. Yes. I am sponsoring the following settlement exhibits:

- 9 • Exhibit TCC-11 – Comparison of Parity Indices
10 • Exhibit TCC-12 – Typical Bill Projections

11 I am co-sponsoring the following exhibit:

- 12 • Exhibit SRB-10 - FPL Proposed 2025 Rate Settlement Agreement, attached to
13 the settlement testimony of FPL witness Bores.

14 **Q. What is the purpose of your settlement testimony?**

15 A. In my settlement testimony, I present the rates projected to result from the Proposed
16 Settlement Agreement. Specifically, I sponsor the tariffs for new base rates and service
17 charges that reflect the terms of the Proposed Settlement Agreement and implement the
18 revenue increases for the 2026 and 2027 Projected Test Years. I explain how the
19 revenue requirements were allocated to the rate classes under the Proposed Settlement
20 Agreement, as well as describe the projected bill impacts. I also describe certain tariff
21 modifications under the Proposed Settlement Agreement, including modifications to
22 FPL’s proposed Contribution-in-Aid of Construction (“CIAC”) tariff (Tariff Sheet No.
23 6.199) and FPL’s proposed new LLCS-1 (Tariff Sheet Nos. 8.950-8.952), LLCS-2

1 (Tariff Sheet Nos. 8.953-8.956), and the LLCs Service Agreement tariff (Tariff Sheet
2 Nos. 9.960-9.983) (collectively referred to as the “LLCS Tariffs”).

3 **Q. Can you please summarize the base rate increases under the Proposed Settlement**
4 **Agreement?**

5 A. Yes. The Proposed Settlement Agreement provides for a four-year rate plan that, if
6 approved, would have a minimum term through December 31, 2029. Under the
7 Proposed Settlement Agreement, base rates and service charges would increase by an
8 amount intended to generate an additional \$945 million of annual revenues effective
9 January 1, 2026, and an additional \$705 million of annual revenues effective January
10 1, 2027. The Proposed Settlement Agreement also provides for the implementation of
11 Solar and Battery Base Rate Adjustments (“SoBRAs”) intended to recover the
12 incremental costs of new solar in 2027, and solar and battery storage in 2028 and 2029
13 as further explained in the settlement testimony of FPL witness Bores.

14 **Q. How are the additional base revenues allocated to the rate classes under the**
15 **Proposed Settlement?**

16 A. Multiple parties presented evidence in this case regarding revenue allocation, and each
17 had different proposals for how to allocate the revenue increases to the customer
18 classes. The revenue allocation under the Proposed Settlement Agreement reflects a
19 negotiated compromise of differing and competing positions by parties representing a
20 broad range of interests and customers.

21
22 For base rates, the signatory parties agreed to increase the revenue allocation to all rate
23 classes using a modified equal percentage allocation. Under this methodology, all rate

1 classes except the residential rate class are allocated revenues based on the same
2 percentages in order to achieve the targeted revenue increases. The revenue allocation
3 to the residential rate class is limited to 95 percent of the adjusted system average,
4 which results in the residential class receiving the lowest percentage revenue increase
5 of all rate classes. If the residential class had received an equal percentage increase
6 similar to the other rate classes, they would have been allocated an additional \$29
7 million.

8
9 The allocation of the revenue increases under the Proposed Settlement Agreement is
10 provided in Exhibit A, Schedule E-5 to the Proposed Settlement Agreement. The tariff
11 sheets for new base rates and service charges that implement the rate increase effective
12 January 1, 2026, are provided in Exhibit B to the Proposed Settlement Agreement. The
13 tariff sheets for new base rates and service charges that implement the rate increase
14 effective January 1, 2027, are provided in Exhibit C to the Proposed Settlement
15 Agreement.

16 **Q. What is the impact of the revenue allocation under the Proposed Settlement**
17 **Agreement on the parity index for the respective rate classes?**

18 A. Multiple parties submitted different proposals for how to allocate the revenue increases
19 to the customer classes, each with differing impacts on the parity index for the
20 respective rate classes. Exhibit TCC-11 provides the parity indices for each rate class
21 under the different allocation proposals presented by the parties and under the Proposed
22 Settlement Agreement and represents a reasonable outcome that appropriately balances
23 the competing methodologies presented. The parity indices under the Proposed

1 Settlement Agreement are generally consistent with the parity index for each rate class
2 at present rates under the methodology approved in the 2021 Rate Case, demonstrating
3 continuity and reasonableness in the approach.

4 **Q. Does the revenue allocation under the Proposed Settlement Agreement continue**
5 **to follow the Commission’s practice of gradualism?**

6 A. Yes. Consistent with the Commission’s gradualism policy, no rate class will receive
7 an increase higher than 1.5 times the system average increase in revenue (*i.e.*, 14.4
8 percent for 2026 and 23.0 percent for 2027), including adjustment clauses, and no rate
9 class will receive a decrease.

10 **Q. What are the projected bills for the major rate classes under the Proposed**
11 **Settlement Agreement?**

12 A. Under the Proposed Settlement Agreement, the bills for all customers are projected to
13 remain among the lowest in the nation. FPL’s projected 2026 typical residential 1,000-
14 kWh bill would remain nearly 22 percent¹ below the current national average. Exhibit
15 TCC-12 shows typical bills for each major rate class under the Proposed Settlement
16 Agreement.

17

18 As shown on page 1 of Exhibit TCC-12, under the Proposed Settlement Agreement,
19 the five-year compound annual growth rate (“CAGR”) of the typical residential bill for
20 customers in the former FPL service area is projected to increase from January 1, 2025
21 through December 31, 2029 by approximately 2 percent, as compared to 2.5 percent

¹ Based on the EEI Typical Bills and Average Rates report for rates effective January 1, 2025. This is the latest information available from EEI. FPL also uses a third party to benchmark against 50 peer utilities and, under the Proposed Settlement Agreement, FPL’s typical residential bill will be 35 percent below the current national average as of August 1, 2025.

1 under the rates originally requested. Additionally, under the Proposed Settlement
2 Agreement, the typical residential bill for customers in NWFL is projected to increase
3 by approximately 0.6 percent through 2029 as shown on page 6 of Exhibit TCC-12.

4

5 As shown on pages 2 through 5 of Exhibit TCC-12, under the Proposed Settlement
6 Agreement, the typical commercial and industrial (“CI”) customers will see minimal
7 growth in their rates of approximately 2 percent to 2.6 percent through 2029. Similarly,
8 under the Proposed Settlement Agreement, the CI customers in NWFL will see even
9 lower percentage increases in their rates of approximately 0.8 percent to 1.2 percent
10 through 2029 as shown on pages 7 through 10 of Exhibit TCC-12.²

11 **Q. Under the Proposed Settlement Agreement, it appears that the revenue increase**
12 **allocated to the General Service (GS-1) rate class is higher than the as-filed**
13 **revenue increase. Can you please explain the impacts to the GS rate class?**

14 A. Yes. The GS rate class received the same percent increase as the other CI rate classes,
15 the five-year CAGR of the typical GS customer bill (approximately 2.4 percent) is the
16 lowest among the major CI rate classes as shown on Exhibit TCC-12, and well below
17 the rate of inflation. As shown on Exhibit TCC-11, the parity index for the GS rate
18 class under the Proposed Settlement Agreement (index of 1.18) is essentially flat as
19 compared to present rates under the current allocation method approved in the 2021
20 Rate Case Settlement (index of 1.18) and improves as compared to present rates under
21 either the Commission’s standard 12 CP and 1/13th methodology (index of 1.25) or
22 under FPL’s proposed 12 CP and 25 percent methodology (index of 1.25).

² As approved in the 2021 Rate Case Settlement Agreement, the Transition Rider and Transition Credit will terminate on December 31, 2026, at which point FPL and NWFL rates will be fully aligned.

1 **Q. Were there any other changes to revenue allocation under the Proposed**
2 **Settlement Agreement?**

3 A. Yes. As part of the collective compromise on the differing cost allocation proposals,
4 the signatory parties agreed to modify the revenue allocation methodology to be used
5 for clauses during the term of the Proposed Settlement Agreement. Effective January
6 1, 2026, all clause factors will be calculated and filed for approval using the 4 CP and
7 12 percent Average Demand methodology for Production Plant and 4 CP for
8 Transmission Plant. The impact of this change will result in a reallocation of clause
9 costs among customer classes, with certain classes experiencing increases while others
10 see decreases in their allocated share of clause costs.

11

12 FPL submits that this modification is reasonable and in the public interest for several
13 reasons. First, the 4 CP methodology is recognized in the utility industry as an
14 appropriate cost allocation approach alternative for allocating Production and
15 Transmission Plant costs based on each customer class's contribution to the system's
16 peak demand during the four coincident peak hours of the year. Second, the 12%
17 energy cost weighting for Production Plant recognizes the role that energy plays in the
18 selection of Production resources. Third, the 4 CP is an accepted cost allocation
19 method that other Florida investor-owned utilities employ. Fourth, this compromise
20 was essential to achieving the broader benefits of the Proposed Settlement Agreement.
21 As further explained in the settlement testimony of FPL witness Bores, the Proposed
22 Settlement Agreement represents a balanced resolution that achieves greater overall
23 value for our customers through comprehensive rate stability and regulatory efficiency.

1 **Q. How will the change in the clause allocation methodology be reflected if approved?**

2 A. FPL will reflect this revised allocation methodology in the 2025 clause proceedings by
3 filing revised clause factors that take effect January 1, 2026, subject to the
4 Commission's approval of the Proposed Settlement Agreement and the respective
5 clause factor calculations.

6 **Q. Please summarize the tariff changes included in the Proposed Settlement**
7 **Agreement.**

8 A. In addition to new base rates and service charges that implement the rate increases for
9 the 2026 and 2027 Projected Test Years as described above, the Proposed Settlement
10 Agreement provides that FPL's tariffs should be approved as filed subject to certain
11 modifications. These modifications include changes to FPL's electric vehicle pilot
12 programs and tariffs as further explained in the settlement testimony of FPL witness
13 Oliver. The Proposed Settlement Agreement also includes changes to FPL's CIAC
14 tariff modification and to FPL's new LLCs Tariffs. These changes to the CIAC tariff
15 and LLCs Tariffs are further described later in my testimony. Finally, the Proposed
16 Settlement Agreement includes FPL's proposed service charges as shown on Schedule
17 E-13b of FPL's 2026 and 2027 MFRs.

18 **Q. Does the Proposed Settlement Agreement include any changes to the load control**
19 **credits?**

20 A. Yes. Under the Proposed Settlement Agreement, the level of utility-controlled demand
21 credits for customers receiving service pursuant to FPL's Commercial/ Industrial Load
22 Control ("CILC") tariff and the Commercial/Industrial Demand Reduction ("CDR")
23 rider will be \$9.75/kW, which is a modest increase from the current credit and

1 represents a reasonable compromise among the differing credit level proposals and
2 cost-effectiveness positions submitted by the signatory parties. FRF proposed a CDR
3 credit of \$9.33/kW using a RIM test of 1.0 similar to other DSM programs, and FIPUG
4 and Walmart argued that the CILC and CDR programs are cost-effective at the current
5 level because they have a RIM ratio of 1.06. Additionally, FIPUG proposed a credit
6 of \$12.32/kW to reflect other capacity benefits of the programs.

7
8 Under the Proposed Settlement Agreement, the CILC and CDR credits will be
9 increased and become effective with each SoBRA, which is consistent with historical
10 SoBRA-type base rate increases. FPL will continue to recover the CILC and CDR
11 credits through the Energy Conservation Cost Recovery Clause.

12 **Q. Please describe the modifications to the CIAC tariff included in the Proposed**
13 **Settlement Agreement.**

14 A. In its original filing, FPL proposed to modify its CIAC tariff to change the way it
15 backstops the non-CIAC amount of the total project transmission and distribution costs
16 it recovers in base rates from a customer that will require significant investments to
17 install new or upgraded facilities to serve the customer's new or incremental load.
18 Under the proposed CIAC tariff, the applicant pays the CIAC upfront; pays the non-
19 CIAC amount upfront; receives a bill credit up to the non-CIAC amount over a five-
20 year period similar to paying base revenues over that same period; and FPL is permitted
21 to retain the differential, if any, at the end of the five-year period to better protect the
22 general body of customers.

23

1 Under the Proposed Settlement Agreement, these new CIAC tariff provisions will
2 apply to all new non-governmental applicants that require new or upgraded facilities
3 with a total estimated cost of \$50 million or more at the point of delivery. The new
4 CIAC tariff provision as modified by the Proposed Settlement Agreement will help
5 protect the general body of customers from the risks associated with the significantly
6 high costs incurred to install new or upgraded facilities to serve a customer's new or
7 incremental load.

8 **Q. Please describe the changes to the LLCS Tariffs included in the Proposed**
9 **Settlement Agreement.**

10 A. FPL developed the proposed LLCS Tariffs to proactively address and be ready to serve
11 large load customers that will have significant impacts on FPL's transmission system
12 and generation resource plan, and to ensure that the general body of customers is
13 protected from incremental costs incurred to serve such large load customers. The
14 Proposed Settlement Agreement provides that the LLCS Tariffs should be approved
15 with the following modifications:

- 16 • The LLCS Tariffs will apply to any customer with new or incremental load of
17 50 MW or more and a load factor of 85 percent or higher, which is consistent
18 with the change proposed in my rebuttal testimony.
- 19 • The minimum take-or-pay demand charge for the LLCS Tariffs will be 70
20 percent, which is consistent with the change proposed in my rebuttal testimony.
21 Importantly, the 70 percent minimum take-or-pay applies only to the LLCS
22 base and clause demand charges. Meaning, LLCS customers will still be
23 required to pay 100 percent of the incremental generation charge during the

entire twenty-year term of the LLCS Service Agreement, as well as being subject to exit fees for early termination that are equivalent to accelerated payment of the incremental generation charge to be paid over the remaining term of the LLCS Service Agreement.

- The LLCS base, non-fuel energy, and demand charges will be based on the final revenue requirements in the Proposed Settlement Agreement.
- The LLCS-1 Incremental Generation Charge will be based on the capacity additions needed to serve the 1 GW of load by the end of 2029, which is consistent with the change proposed in my rebuttal testimony, and updated to reflect the return on equity agreed to in the Proposed Settlement Agreement.
- Consistent with the change proposed in my rebuttal testimony, the performance security amount included in the LLCS Service Agreement will be modified to better reflect the customer's credit rating relative to the incremental generation investment required to serve that customer. Specifically, the security amount will be determined using the following risk-based approach to help mitigate the potential risk associated with a LLCS customer that breaches or otherwise terminates the agreement and is required to pay the exit fee under the LLCS

Agreement:

(a) For counterparties rated BBB or better by a nationally recognized rating agency, a parent guaranty equal to the present value of five years of incremental generation charge revenues. The parent must have sufficient net available liquidity of more than the five years of obligation, which will be subject to an annual review.

(b) For counterparties rated less than BBB by a nationally recognized rating agency, a letter of credit or surety bond equal to the present value of ten years of incremental generation charge revenues.

1 (c) For counterparties not rated by a nationally recognized rating
2 agency, they will be subject to an internal FPL review of credit and
3 either be subject to five or ten years of collateral requirements per above,
4 based on FPL's final internal assessed credit worthiness of the
5 counterparty.
6

- 7 • The Proposed Settlement Agreement also includes changes to FPL's internal
8 policy on the timing and process for an applicant seeking service under the
9 LLCS Tariffs to accept the results of the engineering and system impact studies,
10 execute the Construction and Operating Agreement, and enter the LLCS
11 Service Agreement reserving capacity on FPL's system for the applicant's
12 LLCS project. FPL submits that these modifications will provide greater
13 transparency to LLCS customers and, given the scope and costs associated with
14 these LLCS projects, will provide LLCS customers additional flexibility and
15 time to plan, finance, and construct their projects.
16

17 The LLCS Tariffs, as modified by the Proposed Settlement Agreement, are a
18 reasonable compromise of multiple differing and competing positions, and will
19 continue to meet the purpose and objectives of the LLCS Tariffs to: (i) ensure that FPL
20 has a tariff and service agreement ready and available to serve customers of this
21 magnitude should they request service in the future; (ii) ensure that the cost-causer
22 bears primary responsibility and risk for the significant generation investments required
23 to serve a customer of this size; and (iii) protect the general body of customers and
24 mitigate the risk of subsidization and stranded assets. The revised LLCS tariffs are
25 included in Exhibits B and C to the Proposed Settlement Agreement.
26

1 **Q. Should the Proposed Settlement Agreement rates be approved?**

2 A. Yes. The rates and tariffs under the Proposed Settlement Agreement are part of a multi-
3 faceted agreement that reflects a carefully balanced compromise of many differing and
4 competing positions by parties representing a broad range of interests and customers
5 and results in rates that are fair, just, and reasonable for all customers. The rates under
6 the Proposed Settlement Agreement keep 2026 typical residential bills nearly 22
7 percent below the current national average and projected 2029 typical residential bills
8 nearly 27 percent below the projected 2029 national average. Additionally, as further
9 discussed in the settlement testimony of FPL witness Bores, the proposed rates provide
10 customers with predictability and stability as part of the overall Proposed Settlement
11 Agreement.

12 **Q. Does this conclude your settlement testimony?**

13 A. Yes.

1 BY MS. MONCADA:

2 Q Ms. Cohen, together with your settlement
3 direct testimony, did you include TCC-11 and TCC-12 as
4 exhibits?

5 A Yes.

6 Q And were these prepared by you or under your
7 supervision?

8 A Yes.

9 MS. MONCADA: Mr. Chairman, I would note that
10 these exhibits were pre-identified on staff's list
11 as 1284 and 1285.

12 CHAIRMAN LA ROSA: Okay.

13 BY MS. MONCADA:

14 Q Mr. Oliver, who I can't see.

15 A Good morning.

16 Q Okay.

17 A Hi, Maria.

18 Q Hi. Mr. Oliver, did you file eight pages of
19 settlement direct testimony on September 3rd?

20 A Yes.

21 Q Do you have any corrections to that testimony?

22 A No.

23 Q If I asked you the same questions contained in
24 your settlement direct testimony, would your answers be
25 the same?

1 A Yes.

2 **Q Thank you.**

3 MS. MONCADA: Mr. Chairman, I would ask that
4 Mr. Oliver's settlement direct testimony be entered
5 into the record.

6 CHAIRMAN LA ROSA: So moved.

7 MS. MONCADA: Thank you.

8 (Whereupon, settlement prefiled direct
9 testimony of Tim Oliver was inserted.)

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT TESTIMONY OF TIM OLIVER

Filed: September 3, 2025

1 **I. INTRODUCTION**

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

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

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

6 A. Yes.

7 **Q. Are you sponsoring or co-sponsoring any exhibits with this testimony?**

8 A. Yes. I am sponsoring the following settlement exhibits:

- 9
 - Exhibit TO-9 – UEV Utilization and Revenue Expectations
- 10
 - Exhibit TO-10 – Make-Ready Utilization and Revenue Expectations

11 I am also co-sponsoring the following exhibit:

- 12
 - Exhibit SRB-10 – FPL Proposed 2025 Rate Settlement Agreement, attached
- 13 to the settlement testimony of FPL witness Bores.

14 **Q. What is the purpose of your settlement testimony?**

15 A. The purpose of my testimony is to explain certain aspects of the Proposed Settlement
16 Agreement. Specifically, my testimony discusses FPL’s strategic land management
17 commitments related to property held for future use (“PHFU”) and options to purchase
18 land addressed in paragraph 23 and the comprehensive electric vehicle (“EV”) programs
19 addressed in paragraph 8 of the Proposed Settlement Agreement.

20 **Q. Please summarize your testimony.**

21 A. The Proposed Settlement Agreement reflects FPL’s commitment to a collaborative
22 resolution and disciplined resource management that directly benefits our customers.
23 FPL continues to believe that its land acquisitions are strategic and based on FPL’s

1 anticipated future generation needs. However, to demonstrate our commitment to
2 reasonable compromise with regards to the land portfolio, FPL commits to avoid
3 purchasing any new land used exclusively for solar or for hybrid solar and battery
4 energy storage projects during the Minimum Term of the Proposed Settlement
5 Agreement, with the exception of the property identified as the “Duda” Property. FPL
6 will also employ best commercial efforts to divest property amounting to a total value
7 of \$200 million, reflected in plant held for future use (“Proposed Property for
8 Divestiture” or “PPD”), at fair market value.

9

10 To demonstrate our commitment to reasonable compromise with regards to FPL’s
11 originally filed EV-related proposals, FPL commits to a comprehensive EV program
12 portfolio that will position FPL to serve and support Florida’s rapidly expanding EV
13 market – the second largest in the nation – through market-based pricing for public
14 charging, targeted infrastructure investment, and customer-focused program design.
15 These coordinated efforts ensure cost-effective service delivery to FPL customers and
16 support for economic growth through collaborative customer and stakeholder
17 engagement.

18

19 II. PROPERTY HELD FOR FUTURE USE

20 **Q. Please explain the land management provisions in the Proposed Settlement**
21 **Agreement, and how these commitments benefit FPL’s customers.**

22 A. As part of the Proposed Settlement Agreement, FPL has agreed to the following
23 adjustments as it relates to the PHFU balance. FPL agrees not to exercise any existing

1 purchase options for land used exclusively for solar generation or for hybrid solar and
2 battery storage projects during the Minimum Term of the Proposed Settlement
3 Agreement, with the exception of the Duda Property identified in Exhibit TO-7. In
4 addition, during the Minimum Term, FPL will also not enter into any additional land
5 acquisition contracts for property to be used exclusively for solar projects or for hybrid
6 solar and battery storage projects. Finally, FPL commits to undertake best commercial
7 efforts to sell the PPD, even though this property was part of our long-term PHFU plan
8 to support future generation and results in a shortfall in land available to support the
9 solar build described in FPL's 2025 TYSP, as PHFU would now be exhausted in early
10 2033. By focusing our land portfolio on the most developmentally advanced and
11 strategically important properties and relinquishing properties that are less mature, FPL
12 can adjust the land portfolio for the benefit of our customers during the Minimum Term
13 of the Proposed Settlement Agreement. Any gains and losses recognized by FPL on the
14 sale of property will be treated in accordance with Commission policy.

16 III. EV PROGRAMS

17 **Q. Please describe the changes to FPL's proposed EV programs that are included in**
18 **the Proposed Settlement Agreement.**

19 A. Florida represents the nation's second-largest EV market, which demonstrates why
20 continued targeted strategic investment in EV infrastructure is essential for serving our
21 customers' evolving transportation needs and supporting Florida's economic
22 competitiveness. The Proposed Settlement Agreement modifies several of FPL's EV
23 programs proposed in FPL's petition for base rate increase and my direct testimony,

1 establishing a comprehensive EV program framework designed to encourage
2 infrastructure development while benefiting all customers. FPL's Demand Limiter
3 GSD-1EV and GSLD-1EV Tariffs, Sheet Nos. 8.106 and 8.311, will become
4 permanent (*i.e.*, non-pilot) and continue supporting third-party EV charging
5 infrastructure development with enhanced flexibility. FPL will create an additional
6 Demand Limiter GSLD-2EV Tariff, Sheet No. 8.413, for customers exceeding 2,000
7 kW demand, expanding options for larger charging operations. This will build on the
8 success of our current demand limiter programs and accommodate technology changes
9 including larger vehicle batteries, faster charging stations, and larger installations of
10 chargers. This new rate schedule will become effective when the new rate is established
11 in FPL's upgraded billing system, and this offering (GSLD-2EV) will be permanent
12 once it comes online. Until such time as the new rate schedule is established, existing
13 customers will be allowed to exceed 2,000 kW of demand and remain on the GSLD-
14 1EV rate schedule.

15
16 FPL's UEV Tariff rate will increase to \$0.45/kWh in 2026 with scheduled increases of
17 \$0.02/kWh in 2027, \$0.01/kWh in 2028, and \$0.01/kWh in 2029, establishing updated
18 pricing for public charging. See Tariff Sheet No. 8.936. These rate increases are
19 expected to slightly slow the utilization curve for FPL's public EV fast chargers as
20 shown in Exhibit TO-8. However, even with lower charger utilization, UEV rates will
21 benefit customers by maintaining competitive pricing while ensuring the program
22 operates without requiring any support from the general body of customers by the end
23 of the useful lives of the assets. See Exhibit TO-9 for updated UEV revenue projections.

1 FPL will also commit not to initiate further new investment in or construction of public
2 EV fast-charging infrastructure for the term of the Proposed Settlement Agreement,
3 other than maintenance of existing ports and other existing FPL-owned public EV fast-
4 charging infrastructure. FPL will be permitted to complete any ongoing construction
5 of public EV fast-charging infrastructure initiated prior to the term of the Proposed
6 Settlement Agreement, for a total of not more than 585 FPL-owned ports.

7

8 FPL will invest \$20 million over four years (2026-2029) to enable a “Make-Ready”
9 program (\$19 million) for public direct current fast charging (“DCFC”) infrastructure
10 and (\$1 million) for Level 2 charging (Public, Workplace, Fleet, and Multifamily
11 dwellings) infrastructure, providing credits to qualifying projects to reduce costs for
12 third-party public EV fast charging providers. Credits will be awarded based on the
13 lesser of the approved credit amount in the tariff or the actual demonstrated Make-
14 Ready expenses incurred by the applicant. This program will benefit customers by
15 enabling the deployment of essential public DCFC and Level 2 EV charging
16 infrastructure without requiring FPL to own and operate the charging stations directly.
17 Revenues from this Make-Ready program are expected to offset credits and all program
18 costs over the life of the participating customers’ EV charging assets. See Exhibit TO-
19 10 for Make-Ready credit and revenue projections. The cost recovery for the Make-
20 Ready program will be structured as a regulatory asset for FPL, amortized over 48
21 months beginning in the month following each credit FPL provides, ensuring
22 transparent cost recovery while leveraging private investment to expand charging
23 availability. Qualifying sites would begin construction on or after January 1, 2026.

1 Finally, the CEVCS-1 Tariff, Sheet Nos. 8.942-8.943, for commercial EV charging will
2 continue as a pilot program with no changes to eligibility or other requirements,
3 ensuring FPL continues to gather valuable operational data and customer insights
4 without expanding program scope or changing eligibility requirements. This measured
5 approach benefits customers by allowing FPL to refine the program based on real-
6 world performance data, optimize charging infrastructure deployment strategies, and
7 develop best practices for commercial EV charging services. By maintaining the pilot
8 status, FPL can continue learning about commercial charging patterns, grid impacts,
9 and customer needs with no financial impact to the general body of customers over the
10 life of the pilot.

11 **Q. Please provide additional detail on the Make-Ready program.**

12 A. FPL's Make-Ready program provides financial credits to third-party commercial
13 customers building public DC fast charging stations across three capacity tiers. DCFC
14 equipment provides direct current electrical energy to charge electric vehicles at power
15 levels of 50 kW or greater. Stations with 250+ kW capacity can receive up to \$50,000
16 base credit per port, capped at \$300,000 per site. Stations with 150-249 kW can receive
17 up to \$30,000 base per port, capped at \$180,000 per site. Smaller stations of 50-149
18 kW can receive up to \$20,000 base per port, capped at \$120,000 per site. In addition,
19 FPL's Make-Ready program provides financial credits to commercial customers
20 building Level 2 charging stations for Public, Workplace, Fleet, and Multifamily
21 dwellings with a maximum credit of \$1,200 per port. Additional details are provided in
22 the new "Electric Vehicle Charging Infrastructure Make-Ready Credit" Tariff, Sheet
23 Nos. 8.944-8.945, included in Exhibits B and C of the Proposed Settlement Agreement.

1 To participate, interested customers must submit a comprehensive application on
2 www.FPL.com/EV. Applications will be accepted in advance of project completion,
3 but incentives referred to as “Make-Ready Credits,” if any, will be issued to eligible
4 participating EV charging providers once each site is energized. FPL will launch an
5 application process in January 2026, with credits awarded to applicants on a first come,
6 first served basis for applications meeting project qualifications and following
7 satisfactory compliance with program terms. Supporting documentation may be
8 required, including, but not limited to, cost support, electrical plans, and a customer
9 load profile assessment form.

10 **Q. Will FPL’s general body of customers pay to support recovery of FPL’s EV**
11 **charging services programs specified in the Proposed Settlement Agreement by**
12 **the end of the useful life of the program assets?**

13 A. No. All costs for the investment in these EV charging services programs are expected
14 to be paid for by program revenues, and not borne by FPL’s general body of customers,
15 by the end of life for these EV charging services assets.

16 **Q. Does this conclude your settlement testimony?**

17 A. Yes.

1 BY MS. MONCADA:

2 Q And, Mr. Oliver, did you sponsor Exhibits TO-9
3 and TO-10 that were attached to your settlement direct
4 testimony?

5 A Yes.

6 Q Were these prepared by you or under your
7 supervision?

8 A Yes.

9 Q I would note that these exhibits have been
10 identified, Mr. Chair, as 1286 and 1287 on staff's
11 Comprehensive Exhibit List?

12 CHAIRMAN LA ROSA: Okay.

13 MS. MONCADA: With that, I am going to move
14 into the summary that will be provided by
15 Mr. Bores.

16 THE WITNESS: Mr. Chairman and Commissioners,
17 thank you for the opportunity to speak with you
18 today.

19 The settlement and stipulation agreement
20 presented in this proceeding reflects a carefully
21 balanced compromise of many differing and competing
22 positions by parties representing a broad range of
23 interests and customers. The end result is rates
24 that are fair, just and reasonable for all
25 customers.

1 FPL consistently acts for the benefit of all
2 six million customers every day in every aspect of
3 what we do, and this settlement agreement is no
4 different. Today, we will outline how the proposed
5 settlement agreement is a clear demonstration of
6 our commitment to all of our customers.

7 In this agreement, FPL Witness Coyne supports
8 the proposed ROE of 10.95 percent, and supports how
9 it is reasonable and fair. FPL Witness Oliver
10 addresses the commitments regarding our land
11 portfolio, as well as EV programs. FPL Witness
12 Cohen describes tariff changes, such as
13 contributions in aid of construction in the
14 proposed large load tariff, our proposed revenue
15 allocation and projected bill impacts over the
16 term.

17 Lastly, I support the revenue reductions, a
18 fund that provides eligible residential customers
19 with financial assistance, the rate stabilization
20 mechanism that will allow FPL to avoid additional
21 base rate increases in 2028 and 2029, modifications
22 to the SoBRA mechanism and other new elements.

23 What matters most to our customers is the
24 impact on their bill, and FPL entered this proposed
25 settlement agreement with this in mind. As

1 outlined by FPL Witness Cohen, this settlement
2 leads to typical residential customer bills that
3 would remain nearly 22 percent below the current
4 national average, and have an average annual
5 increase over the term of roughly two percent for
6 Peninsular Florida, and less than one percent for
7 Northwest Florida, which is well below the expected
8 rate of inflation.

9 In addition, this settlement agreement will
10 also allow small commercial customers to receive
11 the second lowest cumulative rate increase of the
12 commercial and industrial rate classes.

13 In conclusion, this settlement will allow us
14 to continue to provide safe and reliable service
15 and improve upon our customer value proposition,
16 while allowing FPL to maintain the financial
17 strength to make investments necessary to continue
18 to provide both existing and new customers with
19 safe and reliable power over the four-year minimum
20 term of the settlement.

21 Taken as a whole, the settlement results in
22 rates that are fair, just and reasonable for all of
23 our six million customers, and we ask the
24 Commission to approve it as being in the public
25 interest.

1 Thank you. That concludes our summary.

2 MS. MONCADA: Thank you, Mr. Bores.

3 All four witnesses on the panel are available
4 for cross.

5 CHAIRMAN LA ROSA: Great. Thank you.

6 OPC, you are recognized for questioning.

7 MS. WESSLING: Thank you, Mr. Chair.

8 EXAMINATION

9 BY MS. WESSLING:

10 Q And good morning, everyone. This is a unique
11 opportunity to talk to all four of you at one time. I
12 apologize if there is any hiccups. We are going to work
13 our way through this.

14 So my questions are -- I am going to start
15 with Mr. Oliver, and all of my questions are going to be
16 directed towards you. I would also, just like the Chair
17 reminded you, if I ask you a yes or no question, just
18 please start with a yes or no and then clarify if you
19 need to, okay?

20 A Okay.

21 Q All right. So if we could go ahead and pull
22 up Case Center page K26, please? And can you all seen
23 that screen okay from here? I don't know if there is a
24 glare, but there is a yes and no there. If you can't at
25 any point, just speak up, so the record is clear, and we

1 can do what we need to do, okay?

2 All right. So we are looking at page K26.

3 And, Mr. Oliver, if we scroll -- and, Brian, if we could
4 scroll down to -- yeah, stop there.

5 Mr. Oliver, this paragraph that's labeled
6 number 23, this is the only paragraph -- or only
7 provision within the settlement agreement that addresses
8 land acquisition and disposition, correct?

9 A To my you understanding, yes. Correct.

10 Q And this paragraph consists of three
11 sentences?

12 A I think there is four.

13 Q Okay. You are right, four sentences.

14 All right. And the first sentence states that
15 FPL shall not be permitted to purchase any new land used
16 exclusively for solar during the minimum term with the
17 exception of the property identified as the Duda
18 property in Exhibit TO-7 to the rebuttal testimony of
19 Tim Oliver, correct?

20 A That is correct.

21 Q And this means that if a property that has at
22 least one other potential use -- so, for example,
23 transmission or distribution -- in addition to solar,
24 then the company would be allowed to purchase that land
25 and account for it as plant held for future use,

1 **correct?**

2 A That's correct. If we need to acquire land
3 for other utility purposes other than solar and hybrid
4 solar and battery projects, we would be allowed to
5 acquire that property during the minimum term.

6 **Q So if there were property that where only one**
7 **acre could be used for a nonsolar purpose, but 599 acres**
8 **were for solar, FPL would still have the ability to**
9 **purchase the full 600 acres of land and not violate the**
10 **settlement agreement, correct?**

11 A Technically, that's correct, but these clearly
12 not the intent. What we would do is what's in the best
13 interest of our customers. And if we only needed one
14 acre of that land for transmission, we would mostly
15 likely acquire an easement rather than acquire the
16 entire property.

17 **Q I just remind you again, if it's a yes or no**
18 **question, please start with at least with a yes or no**
19 **and then provide further clarification, okay?**

20 A Yes.

21 **Q All right. When it comes to plant held for**
22 **future use, FPL maintains the ability to reevaluate the**
23 **potential uses of land that is holds for future use,**
24 **correct?**

25 A Could you repeat that?

1 **Q When it comes to plant held for future use**
2 **property that FPL has, FPL maintains the ability to**
3 **reevaluate a potential use for that land while FPL holds**
4 **that property, correct?**

5 A While we hold that, if there is other utility
6 uses for property we held in land for future use, then
7 we will use it for that purpose.

8 **Q And you expect to continue to have the ability**
9 **to reallocate land for different purposes throughout the**
10 **term of the settlement, correct?**

11 A If it's in the best commercial interest rather
12 than buying or acquiring new land to reevaluate and
13 utilize stuff that we own, we will do that.

14 **Q I am sorry to be a stickler, but I didn't hear**
15 **a yes or a no first.**

16 A Yes. I apologize.

17 **Q Okay. All right. So it's possible that a**
18 **piece of land could be purchased during the agreement**
19 **that has one acre of usable land for transmission and**
20 **599 for solar, but at some point after the purchase, it**
21 **could be reclassified as all 600 acres for solar,**
22 **correct?**

23 A Yes, because anything is possible, but that is
24 clearly not the intent of what we have agreed to here.
25 You know, we have -- all the options that we have under

1 contract, we only plan to exercise the Duda property,
2 right, based on our uses we have identified right now.

3 We will continue -- as those options come due,
4 we will evaluate them to see if they can be used for any
5 other purpose. If not, we will let that go. A good
6 example is property that came due recently. It's listed
7 in TO-7. We have declined that option. We no longer
8 have that as a potential moving forward.

9 Q And the hypothetical that I just relayed, if
10 that were to happen, I know you said it's not likely,
11 but it's within -- anything is possible. If that were
12 to happen, that would not violate the terms of the
13 settlement agreement, correct?

14 A That was a lot, can you just do that real
15 quick again?

16 Q Sure. And let me go through the hypothetical
17 again.

18 So it's possible that if a piece of land could
19 be purchased during the agreement that has one acre of
20 useable land for transmission purposes, for example, and
21 599 for solar, but at some point after the purchase it
22 could be reclassified for 600 acres of solar land. I
23 think you said that was not likely, but possible. If
24 that happened -- this is my question, if that happened,
25 that would not violate the terms of the FPL settlement

1 **agreement, correct?**

2 A My understanding is, yes, that is correct. It
3 would not violate the terms of the settlement agreement.
4 However, that is highly unlikely, and not what we are
5 planning to do.

6 Q Now, if we could go to Case Center page L4-57,
7 **please?**

8 Can you see that page, Mr. Oliver, or do you
9 **need it to zoom in some?**

10 A Just a bit, please.

11 Q It's hard for me to see as well.

12 All right. So looking at this page, beginning
13 on -- if we could scroll to line one, please? There is
14 a statement here where you state that to demonstrate our
15 commitment to reasonable compromise with regards to the
16 land portfolio, FPL commits to avoid purchasing any new
17 land used exclusively for solar or hybrid solar and
18 battery energy storage projects during the term, with
19 the exception of the Duda property. Do you see that?

20 A I do. Yes.

21 Q And if we could also go to Case Center page --
22 I would like to mark CEL Exhibit 406, which is -- or
23 **excuse me, CEL Exhibit 1396, which is Case Center page**
24 **O, not zero, but O1-2901?**

25 And, Mr. Oliver, you cosponsor this response

1 as it relates to EVs and plant held for future use, is
2 that right?

3 A That is correct.

4 Q And if we could go down to the response
5 portion? Keep scrolling, and go to line 23, please.
6 Okay. Great. And zoom in as much as possible, please.

7 All right. This response in box 23, or row
8 23, again, states that -- or includes the reference to
9 both solar projects or hybrid solar and battery
10 projects, correct?

11 A That is correct.

12 Q But the limitation against buying land
13 exclusively for hybrid solar and battery does not appear
14 anywhere in the settlement agreement, correct?

15 A That is correct.

16 Q And FPL is asking the Commission to approve
17 the settlement agreement, and not your testimony or this
18 exhibit, correct?

19 A That is correct. However, I would like to add
20 that we provided that as a clarification so that it was
21 clear that we would not be acquiring any solar land,
22 even if that solar had a battery on it, that for our
23 purposes, we would not acquiring any parcels like that
24 moving forward during the minimum term.

25 Q Since the condition that FPL is not allowed to

1 **buy any land used exclusively for hybrid solar and**
2 **battery projects is not listed in the settlement**
3 **agreement, then FPL is not bound by that even if the**
4 **Commission approves the settlement agreement, correct?**

5 MS. MONCADA: Objection. At this point, we
6 are diving into legal opinions about what is
7 binding and not on the Commission.

8 CHAIRMAN LA ROSA: Can you ask the question in
9 a way that doesn't ask for an opinion -- legal
10 opinion? Or maybe restate the question. Let's
11 start with that.

12 MS. WESSLING: Okay. If I could just have a
13 second?

14 BY MS. WESSLING:

15 **Q The settlement agreement says what it says,**
16 **right?**

17 A Yes.

18 **Q In the settlement agreement, under the land**
19 **acquisition and disposition section, which -- if we**
20 **could go back to K26, please? One of the other**
21 **sentences in here, FPL states that it will not purchase**
22 **any new land to be used for solar, but it notes that it**
23 **will continue to execute the purchase option for the**
24 **Duda property, correct?**

25 A Yes. That's correct.

1 Q And if we could go to Case Center page
2 D12-596, please? And this is page five of TO-7, if we
3 could scroll down to the bottom box on the page? There
4 we go. Maybe scroll up just a little bit so we can see
5 the header. Okay. Perfect.

6 This section is entitled properties currently
7 controlled via purchase option but not yet owned in fee
8 by FPL, correct?

9 A Correct.

10 Q And here's where you list all the properties
11 that FPL has a purchase option to buy, correct?

12 A That is correct.

13 Q And judging by this chart, if you look on the
14 column all the way to the left, it's labeled type, those
15 are all -- either they say HSB or S. HSB stands for
16 hybrid solar battery and S stands for solar, correct?

17 A That is correct.

18 Q And there is also a column that lists the
19 costs of each of these properties, correct?

20 A Yes.

21 Q The Duda property that FPL still wants to be
22 able to purchase during the term of the settlement
23 agreement has a purchase price of \$293,130,180, correct?

24 A That is correct.

25 Q And that purchase price far exceeds the

1 purchase price of any of the other properties listed in
2 this portion of TO-7, correct?

3 A Yes, it does. It is by far the largest
4 property on the list.

5 Q And most expensive?

6 A And most expensive.

7 Q And if we could, I would like to mark CEL
8 Exhibit 1402, please, which is Case Center page 01-2923.

9 All right. Are you familiar with this
10 discovery response, Mr. Oliver? We can scroll down if
11 you need to.

12 A Yeah, I am trying -- almost there.

13 Q Okay.

14 A Yes, I am familiar with this.

15 Q All right. And in this response, and like you
16 mentioned earlier, FPL has already decided against
17 purchasing one of the TO-7 properties that we were just
18 looking at, correct?

19 A That is correct.

20 Q And under the terms of the settlement
21 agreement -- well, also in this discovery response, you
22 state that FPL is currently conducting a comprehensive
23 review of the properties under option to determine
24 whether or not to follow through with those options,
25 correct?

1 A That is correct, yes. That is part of our
2 process before we, you know, close out the property and
3 extinguish our option, these options carry forward
4 several months to years, even, within the minimum
5 settlement term, it's in the best interest of our
6 customers to hold on to that property to evaluate if
7 there are other utility purposes for it before we let
8 that option go.

9 Remember, we have negotiated these. They have
10 gone through our screening process. So that, we feel
11 like is in the best interest of our customers.

12 **Q So looking back at T0-7 in that box on**
13 **D12-596, so is it correct that although one of these**
14 **properties has already -- the options has already been**
15 **canceled, it's possible that FPL could still follow**
16 **through with each of the other options, including the**
17 **Duda property, that are listed in this table?**

18 A Yes, but I would like to clarify, that's under
19 the anything is possible. That is clearly not our
20 intent, nor do we plan to do that with all of these
21 properties.

22 **Q Another sentence within the settlement**
23 **agreement regarding land acquisition states that FPL is**
24 **agreeing to attempt to divest of -- or is agreeing to**
25 **attempt to divest of \$200 million worth of PHFU, or**

1 **plant held for future use properties, correct?**

2 A That is correct.

3 **Q And in your testimony, you state that this is**
4 **this order to demonstrate our commitment to reasonable**
5 **compromise with regards to the land portfolio, correct?**

6 A Yes. Correct.

7 **Q But even if FPL is successful in divesting of**
8 **\$200 million worth of properties, the acquisition of the**
9 **Duda property for \$293 million completely negates that,**
10 **correct?**

11 A I am not sure. Are you talking about the
12 math?

13 **Q Yes.**

14 A Right. So we plan on selling -- so, yes, we
15 plan on selling \$200 million of plant that we currently
16 hold for projects that were at the tail end our
17 development life cycle. So projects that were in the
18 ten-year site plan for 2034, for example. The Duda
19 property, that's property we have had under option since
20 2022 that we have actively been developing and
21 permitting, and provides linkage between two key
22 transmission lines.

23 In fact, if you look on the screen now, you
24 note that several other projects are planned to come
25 in-service within the minimum term of this agreement.

1 So in the balance of compromise on the settlement
2 agreement, we plan to keep the properties that are more
3 strategic and more mature, and to divest of those that
4 are less mature and further out in your development
5 timeline.

6 **Q So looking at the Duda property on this chart,**
7 **the earliest that any of the solar facilities that are**
8 **going to be located on the Duda property will come into**
9 **service is July of 2029, correct?**

10 A That was the plan at the time. These projects
11 could come in earlier if we needed them to. We could
12 have them in service as early as 2028. They are that
13 mature and that strategic to our portfolio.

14 **Q And other than the first property listed here,**
15 **which has a target COD, meaning commercial operation**
16 **date, of July 2028, all of the other properties are**
17 **scheduled to come into service after the term of this**
18 **four-year rate plan, correct?**

19 A That is correct. The first property is the
20 property I mentioned earlier, where we had an option to
21 execute and strike on it in September. We let that
22 pass, so we will not be acquiring that property. The
23 rest of the portfolio is further out, and we haven't
24 initiated developing and permitting efforts on that, and
25 so we felt as part of the overall settlement, it was a

1 reasonable compromise to not execute on those options
2 moving forward.

3 **Q I think we covered this, but I think FPL**
4 **hasn't made the decision not to execute on this yet?**

5 **A** Our intent and our plan is not to. However,
6 we will go through an evaluation before we let go of the
7 options, similar to what we just did with that first
8 property, the Graceville property in Jackson County.

9 **Q Regarding the \$200 million worth of properties**
10 **that FPL is willing to divest, FPL has already begun**
11 **identifying which properties it would consider selling**
12 **to satisfy that settlement agreement term, correct?**

13 **A** That is correct. We have identified those
14 properties, and we have a plan to start our marketing
15 efforts in earnest in the first quarter of 2026.

16 **Q And I understand that those properties are**
17 **confidential?**

18 **A** That is correct.

19 **Q If we could look at Case Center page C23-3505.**
20 **This is Exhibit HWS-4 from OPC Witness**
21 **Schultz's testimony. Are you familiar with this**
22 **exhibit?**

23 **A** Yes.

24 **Q And this exhibit lists 40 different properties**
25 **that have been in plant held for future use for an**

1 **average of 21.85 years, correct?**

2 A That is correct.

3 **Q And none of the properties on this list are**
4 **properties that FPL is considering divesting of to**
5 **satisfy the \$200 million requirement, correct?**

6 MS. MONCADA: I am going to object, and just
7 make sure that the questions are phrased and the
8 answers are phrased in a way that doesn't reveal
9 what we are going to start marketing in January of
10 '26 if the settlement is approved.

11 CHAIRMAN LA ROSA: I will allow a response.

12 MS. WESSLING: We asked this question during
13 the deposition and it was not -- he answered it
14 without indicating that it was a confidential
15 answer, so that's the reason why I asked it the way
16 that I did.

17 CHAIRMAN LA ROSA: I just ask for clarity from
18 FPL, is something confidential in nature?

19 MS. MONCADA: There is -- I just want to make
20 sure that, from a marketing perspective, saying
21 which ones we are and are not going to market is --
22 that Mr. Oliver feels comfortable revealing
23 whatever he is saying, that it's not going to
24 impair his marketing efforts.

25 CHAIRMAN LA ROSA: Okay.

1 BY MS. WESSLING:

2 Q Do you feel you can answer that question
3 without revealing confidential information?

4 A I do.

5 Q I will ask it again so --

6 A Sure.

7 Q So -- and if we could zoom out so he can see
8 all 40 properties that are listed here? That's too far
9 zoomed out for you, Mr. Oliver?

10 A No.

11 Q Okay. All right. So looking at all of the
12 properties -- looking at all of the properties that are
13 listed on this exhibit that have been in plant held for
14 future use for an average of 21.85 years, none of these
15 properties are properties that FPL is considering
16 divesting of to satisfy the \$200 million settlement
17 term, correct?

18 A Yes. That's correct, but if I could clarify.

19 This list is 40 properties, only three of
20 which are listed under our generation assets. The other
21 37 are transmission and distribution assets that, during
22 Phase I of the hearing, Mr. Jarro -- Witness Jarro
23 testified had planned uses.

24 So our commitment for 200 million of property
25 planned for divestiture relates only to our solar land

1 assets. So the three generation assets listed here, and
2 we went over this last week, include Hendry Solar Energy
3 Center, which is planned to go in service in 2027; the
4 Martin Solar Energy Center, which was previously in use,
5 out of use now and planned to go back into service in
6 2030; and then the Hendry Clean Energy Center land,
7 which is, again, our land that's planned for future
8 natural gas development, and according to our latest
9 ten-year site plan, could be as early as 2032.

10 **Q All right. Now I have a few questions about**
11 **the settlement agreement terms relating to the**
12 **make-ready, the EV make-ready pilot.**

13 A Okay.

14 **Q The EV make-ready program that's included in**
15 **the settlement agreement was not something that was**
16 **included as part of FPL's original case on February**
17 **28th, 2025, correct?**

18 A That is correct.

19 **Q And, in fact, when you filed rebuttal**
20 **testimony on July 9th of 2025, you criticized EVgo's**
21 **proposal of a make-ready program, correct?**

22 A Yes. That's correct. Our preferred economic
23 incentive is our demand limiter tariffs.

24 **Q And if we could go to Case Center page**
25 **D12-589, please? Scroll down.**

1 And this is page 39 of his testimony -- oh,
2 sorry, if we could go to page 39 of -- oh, sorry,
3 actually, I apologize. Let's just stay here.

4 The demand limiter program that you just
5 referenced was essentially a risk-free economic
6 incentive to third-party EV charging companies, correct?

7 A It is a economic incentive that we provide to
8 our customers. I believe those third parties feel it
9 would -- still feel like they have risk in making those
10 investments.

11 Q If we need to, we can, but during your
12 settlement deposition, did you describe the demand
13 limiter program as a risk-free economic incentive to
14 third-party EV charging companies?

15 A As far as the incentive that's provided to
16 them, that is something -- so, yes, I believe I did say
17 that. We don't have to go to the testimony. But I was
18 referring to their incentive. There is still a lot of
19 risk for the third-party investors who choose to invest
20 in the EV installations themselves. This discount is
21 one that we provide to the third-party charge operators,
22 and is only applied if there is revenue in energy sold.

23 So that was my com -- that was to clarify my
24 risk-free comment, in that, we have revenues coming in
25 that exceed the discounts that are provided.

1 **Q You would agree that the make-ready program**
2 **does create some potential risk for utilities and their**
3 **customers, correct?**

4 A Very limited risk.

5 **Q Yes, very limited risk?**

6 A Yes, very limited risk.

7 **Q Thank you.**

8 **And nevertheless, FPL has gone with the**
9 **riskier make-ready program in the settlement instead of**
10 **the demand limiter program, correct?**

11 A As part of compromise to our settlement, we
12 agreed to add the make-ready program as another economic
13 incentive to support third-party fast charging
14 development and level two development.

15 So the way the program is laid out is it
16 provides incentive for fast chargers as well as small
17 commercial, or multi-family housing developments to
18 install level two charging as well.

19 **Q Just one moment.**

20 MS. WESSLING: I have no further questions for
21 Mr. Oliver regarding his direct testimony, so I
22 will pass it on to my colleague.

23 EXAMINATION

24 BY MS. CHRISTENSEN:

25 **Q Good morning. And good morning, Mr. Coyne.**

1 **You are next up.**

2 A Good morning.

3 Q And you filed settlement testimony on
4 **September 3rd of 2025, correct?**

5 A I did.

6 Q And you filed a total of four pages of
7 **testimony in support of the settlement ROE of 10.95**
8 **percent?**

9 A Yes, I count five, but --

10 Q Including the title page?

11 A Yes.

12 Q Okay. And on page three of that settlement
13 **testimony, starting at line five, you say that the**
14 **proposed ROE is 95 basis points below your recommended**
15 **ROE in to the original case, is that correct?**

16 A Yes.

17 Q And then you cite the ranges of the findings
18 **from your ROE model results from your direct testimony**
19 **of 10.28 percent to 15.65 percent, is that correct?**

20 A Yes.

21 Q And then you also cite the range from your
22 **rebuttal testimony rerun of the ROE financial models**
23 **from 10.43 percent to 12.53 percent, correct?**

24 A Yes.

25 Q So it would be fair to say that you are

1 relying on the work that you did in the original
2 as-filed case to render your opinion on the settlement?

3 A Yes.

4 Q You would say this is on the lower side -- or
5 you would agree that the 10.95 percent in the settlement
6 is on the lower side of your results from the original
7 as-filed case, correct?

8 A Yes, as I express on lines 10 through 12 of my
9 settlement testimony.

10 Q Okay. And then if you go a little further
11 down on lines 14 through 17, you also claim that the
12 10.95 percent is within the range of Mr. Walters'
13 financial modeling, you show in figure 1 of 7.24 percent
14 to 11.12 percent, correct?

15 A Yes.

16 Q You would agree that the 10.95 percent is at
17 the high end of Mr. Waters' modeled results, correct?

18 A Yes.

19 Q In other words, the 10.95 percent recommended
20 ROE in the settlement is only 17 basis points below
21 Mr. Walters' highest ROE result, correct?

22 A Correct.

23 Q And you also say that it's just above OPC
24 Mr. Lawton's financial modeling results, which you also
25 show in figure 1, of 8.51 percent to 10.64 percent,

1 correct?

2 A Correct.

3 Q And you would agree that the 10.95 percent is
4 31 basis points above the high end of Mr. Lawton's
5 range, correct?

6 A Yes.

7 Q And you would also agree that the three
8 recommended ROEs based on the financial modeling in the
9 original as-filed case was 9.2 percent by Mr. Lawton,
10 9.5 percent by Mr. Walters and 11.9 percent by yourself,
11 correct?

12 A Yes.

13 Q And the average of these three financial
14 modeling recommendations from the original as-filed case
15 would be 10.2 percent, correct, if you took a simple
16 average of them?

17 A Subject to check, yes.

18 Q Okay. And you would agree that the average of
19 the modeled recommendations from the original as-filed
20 case of 10.2 percent, the average is lower than the
21 recommended 10.95 in the settlement?

22 A It is, but I don't know what bearing the
23 average is of three different witnesses as a point of
24 comparison, but the number is lower, yes.

25 Q Okay. And that differential is 75 basis

1 **points, you would agree with that as well?**

2 A According to your math, yes. You have taken
3 an average of three numbers from three different
4 witnesses and compared it to the settlement number and
5 computed the difference, and according to your math,
6 that is 75 basis points, yes.

7 Q **And just to let me clarify, your math, you**
8 **would not come up with a different result, right?**

9 A Remember, I said subject to check. I haven't
10 checked your 10.2.

11 Q **Okay. So that's what you mean by your math,**
12 **okay?**

13 A Yes.

14 Q **All right. On -- also on line two of page**
15 **four, you say you would -- also evaluated the**
16 **reasonableness of the proposed ROE with the context of**
17 **the change in capital market environments of the**
18 **company's last rate case in 2021, correct?**

19 A Yes.

20 Q **And then you testify -- you, yourself, testify**
21 **for electric utilities around the country recommending**
22 **ROEs and equity ratios, correct?**

23 A I have, yes.

24 Q **Okay. I would ask to show Exhibit 1370?**

25 MR. SCHULTZ: Do you have a master number?

1 MS. CHRISTENSEN: 012645, try that. And if we
2 could scroll down, and possibly on to the next
3 page? Yes, there we go.

4 BY MS. CHRISTENSEN:

5 Q Now I realize this is very small print, and I
6 don't know if you have the ability, because I am not --
7 I think they took down the computer, so you may not have
8 the ability to look at it, but to the best of your
9 ability, if you can look at it, this was your response
10 to FEA POD No. 38. Are you familiar with your response
11 to that?

12 A I recall a response, but I can't read the
13 chart from here.

14 Q Okay. And would you accept my representation
15 that this is a response where you provided the cases
16 that you have testified in and the statistical
17 information from that case, including the ROE and the
18 equity ratios you recommended in those cases, as well as
19 what the ultimate ROE and recommendation that were
20 approved by the commissions, and whether that was a
21 result of settlement or litigation, does that sound
22 about right?

23 A I recall that, yes.

24 Q Okay. And do you recall, in 2025 you
25 recommended an 11.3 percent ROE in a case in Wisconsin,

1 but the company requested a 10-percent ROE?

2 A Yes.

3 Q Okay. And just for clarification, when it
4 says the company requested 10 percent ROE, does that
5 mean that the company did not use your recommended 11.3
6 percent before the Commission?

7 A No, it filed my testimony, and then it took a
8 position that while it recognized my analysis in a
9 market-based return, and my recommendation based on that
10 analysis, that it chose to request a 10-percent rate of
11 return in its rate case.

12 Q Okay. And in 2024, you recommended 10.5 for
13 Duke in South Carolina, correct?

14 A I believe that's correct.

15 Q And for Mississippi Power, you recommended a
16 10.9 percent ROE, is that correct?

17 A Was that -- what year was that for Mississippi
18 Power?

19 Q These are all for 2024.

20 A Okay. Was that a FERC case?

21 Q I believe that was a state case, but it's kind
22 of hard to --

23 MS. MONCADA: Ms. Christensen, can you tell me
24 which page exactly the Mississippi Power citation
25 is?

1 MS. CHRISTENSEN: Yeah, let me scroll through
2 the exhibit because --

3 MS. MONCADA: I am not seeing it, but if you
4 could direct me.

5 MS. CHRISTENSEN: Let me -- if it's on the
6 screen, maybe we can have that made a little bit
7 bigger. I believe it's 2024, and it's up on the
8 screen, but I do recognize that it's third from the
9 bottom, and it looks like it was before the FERC.

10 MS. MONCADA: Thank you.

11 THE WITNESS: Yeah, I now have a hard copy of
12 that exhibit, Ms. Christensen, which will make life
13 a little bit easier for both of us.

14 BY MS. CHRISTENSEN:

15 Q Yeah.

16 A You are now referring to a FERC case?

17 Q Well, let me see. I had it down as 2024 for
18 Mississippi Power, where you recommended a 10.9 percent.
19 I think these are in alphabetical order, if I am not
20 mistaken.

21 A Right. That was a FERC case --

22 Q Okay.

23 A -- yes.

24 Q And the 10.9 was correct?

25 A That was my recommendation in that case, yes.

1 Q Okay. And then in an Ontario case, I believe
2 what was also in 2024, you recommended a 10-percent ROE?

3 A That's right.

4 Q And then the last case I will ask you about
5 for 2024 was for North Carolina Natural Gas Company, you
6 recommended a 10.5 percent ROE, correct?

7 A Piedmont Natural Gas, yes.

8 Q And in the Ontario case, the approved ROE was
9 9.0 percent with a 45-percent equity ratio, correct?

10 A Yes. They have a formula ratemaking plan in
11 Ontario, and they set the rate of return, and then they
12 adjust it with a formula based on bond yields.

13 Q Okay. And then in the Duke case, the approved
14 ROE was 9.5 percent with a 53-percent equity ratio,
15 correct?

16 A In South Carolina?

17 Q I believe that was the case we are referring
18 to, yes.

19 A That's correct.

20 Q And the rest of the cases that we were
21 discussing, I believe those cases have yet to be
22 resolved according to this discovery response, is that
23 correct?

24 A The South Carolina cases are pending to --
25 well, I am not sure if you are referring to those or

1 not, but those are recent cases, and the FERC case is
2 also pending --

3 Q Okay.

4 A -- to my knowledge.

5 Q And in this exhibit, the highest awarded ROE
6 is for FPL at 10.6 percent, correct, and that was in
7 2021, I think excluding maybe Alaska?

8 A I did not testify in Alaska.

9 Q Okay. So of the cases where you have
10 testified, then it would be fair to say that the highest
11 awarded ROE was the 10.6 percent for FPL in 2021?

12 A That's correct.

13 Q Okay. And would you agree that the national
14 average authorized ROE for '23 was 9.66 percent, and
15 that was based on your Exhibit JMC-21 from your
16 rebuttal? And we can go there if we need to.

17 A Yes, I would like to do that.

18 Q Sure. Master D5-350.

19 A And which exhibit are you referring to?

20 Q JMC-21.

21 A I am with you.

22 Q Okay. And since we are looking at your
23 responses to that, would you agree for 2023, that the
24 national average awarded ROE was 9.66 percent?

25 A Yes, for all electric utilities that had rate

1 case decisions in that year.

2 Q Okay. And then if you look down at 2024, the
3 national awarded ROE for the electric utilities would
4 have been 9.78 percent, correct?

5 A That's correct.

6 Q And then up -- I think your exhibit only shows
7 up through March of 2025. And up until March, the
8 average awarded ROE would have been 9.72 percent,
9 correct?

10 A That's correct.

11 Q You would agree that based on the March 2025
12 nationally authorized ROE, your recommended 11.9 percent
13 ROE recommendation in the as-filed case was 200 basis
14 points above that national average for 2025, correct?

15 A The national average for all electric
16 utilities, yes. And as I have said elsewhere in my
17 testimony, I don't think that's the right comparison for
18 Florida Power & Light given its risk profile and the
19 fact that this is a forward-looking rate of return, but,
20 yes, that is the comparison.

21 Q Okay. And the settlement agreement that's the
22 10.95, that's more than 100 basis points above the
23 national authorized ROE based on that March 2025 9.78
24 percent ROE?

25 A Yes, it is, but with the same frame of

1 reference. One is backward-looking, the other is
2 forward-looking.

3 **Q Okay. And you would agree that those national**
4 **averages essentially will remain in place until new rate**
5 **cases are decided, and those are changed by additional**
6 **rate case decisions, correct?**

7 A For those utilities, or the national average
8 that Standard & Poor's calculates for them?

9 **Q For the utilities, their awarded ROEs stay in**
10 **place until their next general base rate case, right?**

11 A It depends. Some utilities -- let's take
12 Alabama Power, for example, have a mechanism where their
13 rate -- their rate increases happen between rate cases,
14 and their ROE can operate within a band over that period
15 of time. So the ROE can change within that band during
16 the rate case.

17 Other utilities have stay-out provisions,
18 where they can stay out until they are required to come
19 in for the next rate case. And those utilities
20 typically have no cap on their ROE, so they continue to
21 earn as they do until they come in for the next rate
22 case.

23 **Q Okay. Would those be -- but for the most**
24 **part, when you have an awarded ROE, that's the ROE that**
25 **you earn usually within some sort of a band going on**

1 **into the future, as a general proposition?**

2 A Again, it depends. If you are in California
3 or Ontario, they operate under rate formulas, and they
4 change every year according to those rate formulas. The
5 utilities don't have to come back in for a rate case.
6 California has a mechanism that's tied to a treasury
7 bond yield.

8 **Q Okay.**

9 A You mentioned Ontario, that's tied to a
10 treasury bond and utility bond yield, so those do
11 fluctuate between rate cases. So it's not a general
12 proposition that fits all jurisdictions.

13 **Q And I am not suggesting all jurisdictions, but**
14 **the majority of the jurisdictions, that would be the**
15 **case, wouldn't it?**

16 A Where the ROE is set in a rate case, it
17 typically stays in place unless it is attached to a
18 formula, yes.

19 **Q Okay. And you would agree that Alabama is**
20 **generally considered by the S&P and the research**
21 **associates as being the most constructive commission in**
22 **the country, correct?**

23 A That's correct. Florida ranks very closely
24 behind Alabama.

25 **Q Yeah. I would not disagree with you on that.**

1 Isn't it true that an ROE that is 100 basis
2 points above the national authorized average gives FPL a
3 competitive advantage?

4 A A competitive advantage in what regard?

5 Q In regards to the other electric IOUs in
6 attracting capital. If it has a higher ROE than the
7 national average, then it has a competitive advantage to
8 attract capital compared to those other electric IOUs,
9 correct?

10 A No. You can't reach that conclusion, because
11 in order to reach that conclusion, you would have to say
12 that FPL is an average utility. And as we have -- as I
13 have provided testimony, and others from the company,
14 FPL is, by no means, an average utility, nor is it an
15 average risk utility.

16 As I point out in my testimony, there are some
17 distinguishing factors that make Florida Power & Light
18 different from an average utility, including its
19 exposure to storm risk, its nuclear generation fleet,
20 its capital expansion plan, and things of that nature.

21 So it's not -- I wouldn't -- you can't reach
22 that conclusion, and that's one of the problems of using
23 these national averages and then try to apply them to a
24 specific utility that may have a very different risk
25 profile.

1 And it's also the case, as you said in your
2 question, that these utilities, in many cases, can come
3 in next year if they need another rate case. In the
4 case of Florida Power & Light, the ROE established in
5 this proceeding will be in place for four years, and
6 that's not the case for most of these utilities.

7 **Q Well, and that was by their choice by entering**
8 **a settlement, you would agree with that?**

9 A Yes, but those are all the things that need to
10 be considered when you look at what an ROE means. You
11 can't divorce it from the context of the rate plan that
12 it's operating within, and the risk profile of the
13 utility.

14 **Q And you would agree, then, when I asked you**
15 **about the national average awarded ROE, we are not**
16 **talking about the service quality of the companies. We**
17 **are just talking about what's the average awarded ROE in**
18 **the country. It has nothing to do with whether or not**
19 **they are risky, or less risky, or any of that, it's just**
20 **what the national average of awarded ROEs, that was the**
21 **question.**

22 **So I would ask, if compared to the national**
23 **average of awarded ROEs, having an ROE that's 100 basis**
24 **points above that doesn't give you a competitive**
25 **advantage over those electric utilities that are closer**

1 **to that average --**

2 A My answer.

3 **Q -- isn't that correct?**

4 A No, it's not correct --

5 **Q Okay.**

6 A -- because you are divorcing that national
7 average from the risk profile of the utility. An
8 investor that's providing debt or equity capital isn't
9 investing in an average total utility. You can't invest
10 in an average utility. You have to buy debt securities
11 or invest, in this case, of the equity of NextEra. And
12 when you do so, these companies go through significant
13 due diligence. It takes them month using experienced
14 analysts before they make those investments --

15 **Q Okay.**

16 A -- and they don't even begin to start with an
17 average utility as a place where they do that analysis.
18 They are looking at the very specific risk profile of
19 the company, and they are including an analysis of the
20 rate program that they are operating under --

21 **Q All right.**

22 A -- so you can't invest in an average utility,
23 and that's why you need to be careful when you use these
24 types of benchmarks.

25 **Q Again, I will move from that question,**

1 **although, I don't think I characterized it average**
2 **utility.**

3 **But would you agree that on line 10 of your**
4 **testimony, you talk about a 290-basis-point increase in**
5 **the prevailing bond yields since FPL's last rate case?**

6 A And I am sorry, on which page?

7 Q **Page four.**

8 A Page four? Yes.

9 Q **The increase in the national authorized ROEs**
10 **since '21 is approximately 33 basis points, correct?**

11 A You are going back to that same exhibit?

12 Q **Correct. I am comparing the average awarded**
13 **ROE since 2021, compared, that's the 9.39 percent, to**
14 **the requested ROE in this case -- or -- and the current**
15 **ROE for 2025, which is 9.72 percent. And you would**
16 **agree that that differential is .33 percent, correct?**

17 A Yes, that's correct.

18 Q **And you would also --**

19 A I would add, just because of the math you are
20 doing, if you were to compare the proposed settlement of
21 10.95 to the award in that settlement of 10.6, it would
22 be --

23 Q **I think we are going beyond the question. I**
24 **mean, I will ask him about that, but that's beyond the**
25 **question that I asked you.**

1 **Would you agree that the authorized ROEs do**
2 **not change at the same rate as government bonds?**

3 A No. And that's what I measure in this risk
4 premium model, the degree to which they do change.

5 **Q I am sorry, was that you agree that the bonds**
6 **don't change at the same rate as the ROEs change?**

7 A I agree that they do not change --

8 **Q Okay.**

9 A -- at the same rate, and I measure that rate
10 of change in my -- both of my testimonies through
11 regression analysis --

12 **Q Okay.**

13 A -- shows that they change at a -- they are
14 proportional, but they change at a smaller rate than the
15 actual change in the treasury bond yield --

16 **Q Okay.**

17 A -- but if you look at that analysis, it shows
18 that the amount of change from the 10.6 to the 10.95 is
19 significantly less than would be predicted by the model
20 of those changes in the underlying relationship.

21 **Q All right. And I will ask you a question.**

22 **In other words, you would agree that the**
23 **authorized ROE changes are less volatile than the rate**
24 **changes of government bonds, correct?**

25 A I wouldn't say less volatile. That's a

1 different mathematical concept. They change at a slower
2 rate of change proportional to the underlying treasury
3 bond yield.

4 Q Okay. And then you would agree that FPL
5 settled for a 10.6 percent ROE in 2021, right?

6 A Correct.

7 Q And at that time, that was 121 basis points
8 above the national average ROEs in 2021, correct?

9 A Yes.

10 Q And you would also agree that the settlement
11 agreement is currently, the current settlement
12 agreement, is 123 basis points above the nationally
13 awarded ROE of 9.72 percent for 2025, correct?

14 A What is your math, Ms. Christensen?

15 Q If you take the 10.95 percent that's in the
16 settlement agreement, that's 123 basis points above the
17 nationally awarded ROE of 9.72 percent thus far in 2025,
18 is that correct?

19 A Yes, it is.

20 Q So if the settlement agreement is approved,
21 FPL would continue to maintain its more than 100 basis
22 points above the national awarded average ROEs?

23 A For all electric utilities, yes.

24 Q Okay. And then on lines 12 through 16, you
25 talk about the equity ratio in the settlement, correct?

1 A And which page are we on?

2 Q Page four.

3 A Yes.

4 Q And the settlement has an equity ratio of 59.6
5 percent?

6 A Yes.

7 Q And the rationale that you cite is the fact
8 that its equity ratio used by F -- that is the equity
9 ratio used by FPL for over 20 years, and that FPL has
10 been able to access capital and has a strong credit
11 profile, correct?

12 A Yes.

13 Q Is there anything else you cite in your
14 testimony?

15 A In this testimony?

16 Q Correct.

17 A No, that's what's in this testimony. I have
18 extensive discussion of that in my direct and rebuttal
19 testimony though.

20 Q Right.

21 And you would agree that the 59.6 percent
22 equity ratio is higher than the average equity ratio of
23 your proxy group that is seen in your JMC-18 of
24 51.59 percent?

25 A Let me get with you on the exhibit. Are you

1 in a rebuttal exhibit?

2 **Q That would be rebuttal testimony.**

3 A In JMC-18?

4 **Q JMC-18.**

5 A I am with you. If you could just repeat the
6 question, please?

7 **Q Certainly.**

8 You would agree that a 59.6 percent equity
9 ratio is higher than the average equity ratio of your
10 proxy group as seen in JMC-18?

11 A Yes, it is.

12 **Q Okay. And the equity ratio is still above the**
13 **high end of the average equity ratio of your proxy**
14 **groups of 58.91 percent, correct?**

15 A It is. And as we discussed yesterday, I
16 believe, it is not above the operating company equity
17 ratios, but it is above the average of the proxy
18 companies.

19 **Q Right. And that would be the highest among**
20 **the averages of the proxy group, correct?**

21 A Yes, it would be.

22 **Q Okay. And the higher the equity ratio, the**
23 **higher the amount earned investment in rate base,**
24 **correct?**

25 A Could you repeat the question?

1 **Q Correct.**

2 **So the higher the amount of the equity ratio,**
3 **the 59.6 percent, the higher the amount of the**
4 **investment in the rate base is earning at that 10.95**
5 **percent ROE that's in the settlement, correct?**

6 **A Yes.**

7 **Q And you would agree that a higher equity ratio**
8 **would attract more investors, correct?**

9 **A It -- well, I guess the answer there is the**
10 **same as we discussed a few moments ago. It's not**
11 **divorced from the overall risk profile of the utility.**
12 **So, for example, you could have a very troubled utility.**
13 **We have seen examples of troubled utilities, where**
14 **the -- they were not able to attract investors**
15 **regardless of their equity ratio or ROE.**

16 **So it's not divorced from the investor's view**
17 **of the risk quality of the utility, but if you hold**
18 **everything else being equal, a higher equity ratio**
19 **provides a stronger balance sheet and is, therefore,**
20 **more attractive to investors, yes.**

21 **Q Okay. And again, all the else being equal,**
22 **the higher equity ratio -- the equity ratio is a**
23 **competitive advantage when looking to attract investors,**
24 **all else being equal?**

25 **A Well, my answer would be the same as it was**

1 previously. You can't decide in a vacuum. You need an
2 investor to consider the quality of the investment along
3 with the equity ratio. And that's just one factor in
4 examining an investment in a utility. But it does
5 provide a stronger balance sheet. And both equity and
6 debt investors prefer stronger balance sheets. And
7 that's one of the reasons why FPL has such a strong
8 credit rating, and I believe is successful in capital
9 markets.

10 **Q And you would agree that the original as-filed**
11 **case, FPL asked for a 59.6 percent equity ratio,**
12 **correct?**

13 A That's correct. That hasn't changed.

14 **Q Right. And you just confirmed this is the**
15 **same between the as-filed and the settlement case,**
16 **correct?**

17 A Yes.

18 **Q Okay. That's all of the questions I have on**
19 **this portion of the case. Thank you.**

20 A You are welcome.

21 EXAMINATION

22 BY MR. PONCE:

23 **Q Good morning, panel. More specifically, good**
24 **morning, Ms. Cohen.**

25 A Good morning.

1 Q If it wasn't clear, my -- I would ask that --
2 I am directing all of my questions towards you, so I
3 would ask that you please answer them.

4 When we look at the revenue allocation in the
5 settlement, isn't it true that it was based on a
6 negotiated compromise between the parties?

7 A Yes.

8 Q And when we are evaluating allocations -- or
9 the way revenue increases are allocated to rate class,
10 that should be assessed in terms of their impact on a
11 parity index for the respective rate class?

12 A Yes and no. The beginning point for assessing
13 revenue allocation is the parity index. Beyond that,
14 there are a number of factors that go into designing
15 rates in the ultimate revenue allocation to customers.
16 So it's not just the parity index.

17 Q When talking about parity, just to be clear,
18 when a rate class is under parity, does that mean that
19 its rate of return is less than the overall FPL system
20 average rate of return?

21 A Yes.

22 Q And by getting all rate classes as close to
23 the FPL system average as possible, doesn't that
24 minimize interclass cross-subsidies?

25 A Yes.

1 **Q** So you mentioned it's a starting point, but,
2 **therefore, isn't it fair to say that getting all rate**
3 **classes as close to the FPL system average rate of**
4 **return is an important goal in setting rates?**

5 A It is an important goal.

6 **Q** Isn't it true that under the as-filed case,
7 **the parity of all rate classes was improved?**

8 A Yes, that's the goal in the as-filed case.
9 And the way that we do revenue and rate design, we start
10 with cost of service at present rates. We look at the
11 parity, and then we apply things such as gradualism in
12 looking at how to get all classes as close to 100
13 percent parity as possible. And I will also maintain
14 that that is what was maintained in the revenue
15 allocation for the settlement agreement.

16 **Q** Maybe you just answered that, but I just want
17 **to ask to be clear. You said it was a goal in the**
18 **as-filed case. Does that mean it wasn't a goal in the**
19 **settlement agreement as well?**

20 A No, it is a goal in the settlement agreement.
21 And all -- the parity of our classes as they exist
22 today, which was approved in the 2021 Settlement
23 Agreement, so customers are paying present rates today
24 that were approved in the 2021 Settlement Agreement --

25 MR. PONCE: I am sorry, I just want to renew

1 our objection to reference to the 2021 Settlement
2 Agreement. First of all, the parties has agreed,
3 including FPL to that agreement, that it had no
4 precedential value.

5 I would also just note that was four years
6 ago. It was negotiated under a very specific set
7 of the facts and circumstances, so I don't think
8 reference to it is appropriate.

9 MS. MONCADA: May I respond?

10 CHAIRMAN LA ROSA: Please.

11 MS. MONCADA: Thank you.

12 So I don't have that settlement agreement in
13 front of me, but I am familiar with the language,
14 and precedential value has a specific legal meaning
15 about whether it binds the Commission. And Ms.
16 Cohen here, and other witnesses may later just be
17 referring to it as a point of reference for a
18 principle, and not that it binds the Commission.

19 CHAIRMAN LA ROSA: Understood. I am going to
20 go to my Advisor on this.

21 MS. HELTON: That's how I understood her
22 answer, Mr. Chairman, that she was just using it as
23 a point of reference, not necessarily that she
24 intended for it to bind the Commission in any way.

25 COMMISSIONER GRAHAM: Okay. I am not trying

1 to exclude the words from being used, if that makes
2 sense, in the sense that it's okay for them to
3 mention it, but as long as it's a point of
4 reference.

5 MR. PONCE: As long as it's not for
6 precedential purposes, I think we can agree.

7 CHAIRMAN LA ROSA: Sure. Yeah. Let's move
8 forward.

9 BY MR. PONCE:

10 Q Do you need me to ask the question again, Ms.
11 Cohen?

12 A Yes, please.

13 Q Okay. I believe the question I asked you was:
14 You mentioned that parity was a goal under the as-filed
15 case. Does that mean parity wasn't a goal in the
16 settlement agreement?

17 A Parity is a goal in the settlement agreement,
18 and parity was maintained based on current rates.

19 I will note that I actually -- and I am going
20 to have to refer to the '21 -- 2021 Settlement Agreement
21 a number of times because the way that we did the
22 revenue allocation maintains the underlying allocations
23 that were approved in the 2021 Settlement Agreement.
24 It's just a fact. And, in fact, it's stated on page
25 three, line two, of my direct testimony. So I will have

1 to say that a couple of times, and so we will -- stop
2 there.

3 MR. PONCE: Maybe I just need to clarify. If
4 the witness is saying that the 2021 settlement was
5 used as the basis for rate allocation here, then I
6 do believe that is using it as a precedent.

7 MS. HELTON: I am sorry, Mr. Ponce, I have a
8 really hard time sometimes hearing you, so if you
9 could speak more slowly and enunciate your words, I
10 think I could understand better what you are
11 asking.

12 MR. PONCE: Sure, I will do my best. And
13 whenever I don't, please feel free to remind me.

14 I think that if the witness is trying to say
15 that terms of the 2021 settlement were used to
16 implement the current one, I do believe that is
17 using the 2021 settlement as precedential value.

18 MR. BREW: Mr. Chair, could I be heard on
19 that?

20 CHAIRMAN LA ROSA: Let me hear from my Advisor
21 first, and then I will come to the parties.

22 MS. HELTON: Mr. Chairman, I am really
23 struggling here. If the company is saying that
24 they used the 2021 settlement as a basis to make --
25 to reach the terms in the current settlement that

1 you are looking at today, I struggle with how that
2 information, or that fact isn't relevant here. I
3 mean, I am -- I am really struggling. Let me -- if
4 I could take a minute and talk with Mr. Sparks and
5 Mr. Stiller, and we can see if there is another way
6 to look at it, but I am struggling.

7 CHAIRMAN LA ROSA: Please do. In fact, let's
8 take a five-minute recess.

9 (Brief recess.)

10 CHAIRMAN LA ROSA: All right. Let's go ahead
11 and take our seats.

12 So there was an objection to the 2021
13 settlement being referenced going, back to my
14 Advisor for clarification. Ms. Helton?

15 MS. HELTON: Mr. Chairman, my understanding of
16 legal precedent is that when there are similar
17 facts, they compel a similar result between cases.
18 I don't think that's what's being done here.

19 As I understand the question and the answer
20 and the discussion, the '21 settlement is what the
21 '21 settlement is, and it's being used as a point
22 of reference. And so I am comfortable
23 understanding the parties' concerns about
24 discussing the 2021 settlement as a precedence, but
25 I don't think that's what's being done here, and I

1 think there is going be to some questions and
2 answers that they can't be answered without
3 reference to the 2021 settlement having listened to
4 this discussion.

5 CHAIRMAN LA ROSA: FEL?

6 MR. MARSHALL: Yeah, because this is going to
7 be a recurring issue, if we could be briefly heard
8 at this point.

9 I think it's more than a point of reference.
10 The argument we are getting from FPL is that by not
11 referencing any cost of service methodology in the
12 settlement that the 2021 negotiated black box
13 settlement cost of service methodology in that case
14 has, therefore, continued forward, and in that
15 case, it really does seem to us like it is a
16 precedential argument that because there is nothing
17 explicitly that has changed, therefore, that that
18 has just continued and then binding on this
19 settlement.

20 CHAIRMAN LA ROSA: Does that change your
21 opinion?

22 MS. HELTON: No. That seems to me, Mr.
23 Chairman, a legal argument that they can raise in
24 their brief with respect to what their concerns are
25 about the cost of service study or lack thereof

1 from their perspective that is being put forth in
2 part of this settlement agreement.

3 CHAIRMAN LA ROSA: Okay. So the objection
4 that's on the table is an objection of the way the
5 witness was answering the question, so I will
6 simply overrule it and let's move forward.

7 MR. PONCE: Thank you, Mr. Chair. I would
8 just note that we maintain the standing objection,
9 but I will move on.

10 CHAIRMAN LA ROSA: Okay.

11 BY MR. PONCE:

12 **Q Ms. Cohen, isn't it true that under the**
13 **as-filed case, the parity of all rate classes was**
14 **improved?**

15 A Yes.

16 **Q However, isn't it true that under the**
17 **settlement -- proposed settlement, some rate classes**
18 **will move away from their current parity?**

19 A All rate class parity is maintained to
20 existing present rates.

21 **Q That wasn't my question, though. I asked if**
22 **some that were moving away from parity?**

23 A If they are moving away, it's perhaps .01, as
24 shown on Exhibit TCC-11. I think all rate classes are
25 essentially flat to where they are today with parity.

1 Q And if I could remind you, Ms. Cohen, to
2 please preface your answers with a yes or no.

3 So yes or no, isn't it true that some of the
4 rate classes under the proposed settlement are moving
5 away from their current parity?

6 A Yes and no.

7 Q If one of the rate classes is moving away,
8 even if it's moving away by .1, that's still moving
9 away, right?

10 A I still consider that essentially flat to
11 where they are today. It's within a range of
12 reasonableness.

13 Q Under the settlement, isn't it true that if a
14 class is moving away from parity in 2026, then it will
15 continue to do so in 2027?

16 A I think it would essentially stay the same in
17 2027, because by the way that would have allocated the
18 revenue increase, which is a modified percentage to all
19 rate classes except for residential, which received a
20 smaller increase than the other commercial and
21 industrial classes, that relationship is essentially
22 maintained throughout the four-year period.

23 Q To the extent that a class moves away from
24 parity, doesn't that decrease the likelihood that it
25 will ever reach parity?

1 A No.

2 Q Let me ask you some questions about how the
3 settlement interacts with the clause dockets.

4 The proposed settlement also changes the
5 revenue allocation methodology to be used for all clause
6 factors, right?

7 A Yes.

8 Q If we could go to master page K-12? And, Ms.
9 Cohen, if you could look at paragraph nine, please?

10 A Okay.

11 Q This paragraph is at least part of the portion
12 of the settlement I am asking you about, right?

13 A I am sorry, can you repeat your question?

14 Q Sure.

15 Paragraph nine, this is part of the settlement
16 affecting the clause dockets?

17 A Yes.

18 Q Can you tell me what is the intent of
19 paragraph nine?

20 A The intent is to apply this -- these cost of
21 service methodologies to the clause -- to the clause
22 proceedings.

23 Q And if we could go to page K-12?

24 MR. SCHULTZ: You said page 12?

25 MR. PONCE: Yes.

1 MR. SCHULTZ: I think we are already on K-12.

2 MR. PONCE: Excuse me, then. Thank you.

3 BY MR. PONCE:

4 Q Without giving me a legal opinion, can you
5 tell me your understanding of how the Commission is
6 supposed to implement this provision?

7 A My understanding is that FPL has filed clause
8 factors that reflect this methodology, and the
9 Commission has the authority to approve it or not
10 approve it in the clause proceeding.

11 Q Now, the as-filed case in this case was a
12 general base rate increase application, right?

13 A Can you repeat your question, please?

14 Q Sure.

15 The as-filed case here was an application to
16 increase base rates, right?

17 A Yes.

18 Q Do you know whether the -- and just to be
19 clear, the settlement, if we go to K1?

20 The settlement agreement was only -- if you
21 can scroll to the top? If you look at the upper right
22 there, the settlement agreement was only filed to the
23 docket number listed there, right?

24 A He is that the docket number. I don't know
25 what dockets it was filed in.

1 Q Sure.

2 It's fair to say that the fuel environmental
3 conservation and storm protection plan clauses are
4 different cases than this one?

5 A Yes. They have different docket numbers.

6 Q Do you know if the notice in either this case
7 or those clauses mention this settlement at all?

8 A I do not know. But I can tell you that we
9 have filed updated factors in all of the dockets.

10 Q And if we can go back to K-12?

11 Back to paragraph nine, is it your intent that
12 affected persons who are not parties to this agreement
13 are not prohibited from contesting the allocation
14 methodology in the clause dockets if the settlement
15 agreement is approved?

16 A In my opinion, you maintain your rights.

17 Q If we could go to K-3, looking at paragraph
18 two? And please let me know when you have had a chance
19 to read it to yourself.

20 A You are on paragraph two there?

21 Q That's right.

22 A Thank you. Okay.

23 Q And again, without asking you for a legal
24 opinion, do you know if this provision means -- do you
25 know if this provision means that the impacts of

1 depreciation and the cost of capital will be applied to
2 the four clauses if this settlement agreement is
3 approved?

4 A I believe that is what this paragraph is
5 stating.

6 Q If the Commission were to determine clause
7 factors and bill impacts for 2026 in a future hearing,
8 are you able to tell me how the signatories intended the
9 depreciation WACC, or weighted average cost of capital,
10 methodologies can be implemented in the clause dockets?

11 A Did you please repeat your question?

12 MS. MONCADA: Yes, please. I didn't
13 understand it either.

14 MR. PONCE: Sure, I will try.

15 BY MR. PONCE:

16 Q So if this settlement agreement are approved
17 and the Commission were to determine clause factors and
18 bill impacts for 2026 in a future hearing, can you tell
19 me how the signatories intended -- and I will just ask
20 these one by one -- how these signatories intended the
21 depreciation methodologies to be implemented in the 2026
22 clause dockets?

23 MS. MONCADA: And I will just emphasize again,
24 if she has an understanding, but otherwise it's an
25 interpretation of the legal docket.

1 MR. PONCE: Fair enough.

2 THE WITNESS: My understanding of anything
3 that is approved in the settlement agreement would
4 be -- and if it effects a clause factor, would be
5 reflected in the clause proceedings and clause
6 factors.

7 BY MR. PONCE:

8 Q Okay. And would that be your answer if I
9 asked you about WACC, weighted average cost of capital,
10 and revenue allocation methodologies?

11 A I can't speak to WACC. But the revenue
12 allocation methodology has one for base rates, and there
13 is a methodology that we just went through for clause.

14 Q Do you know if the parties in the various
15 clause dockets are different to the settlement
16 signatories?

17 A I do not know.

18 Q Isn't it true that certain customer classes
19 will experience increased clause costs because of the
20 settlement in this case if it is approved?

21 A Can you repeat your question, please?

22 Q Sure.

23 Isn't is it true that if the settlement in
24 this case is approved, that certain customer classes
25 will experience increased clause costs?

1 A The clause -- the methodology here does change
2 the allocations to different rate classes. I can say
3 that by implementing -- and actually we filed in
4 discovery, the residential impact is zero based on the
5 clause factors. And general service, I believe, is the
6 other one. There may be another one, but general
7 service, it does increase, and it's 24 cents.

8 **Q If we could go to L2-32?**

9 **This is your settlement direct page seven,**
10 **line eight.**

11 A Okay.

12 **Q You state here that the impact of this change**
13 **will result in a reallocation of clause costs among**
14 **customer classes, with certain classes experiencing**
15 **increases while others see decreases in their allocated**
16 **share of clause costs, is that correct?**

17 A That's correct, and we provided an exhibit as
18 such attached to my rebuttal.

19 **Q Is it fair to say that the non-signatories to**
20 **the settlement would have to pay more clause costs if**
21 **the settlement is approved?**

22 A No, I just said the impact to residential was
23 zero.

24 **Q If we could go to line 21? It's your**
25 **testimony that the settlement improves -- or will result**

1 in rate stability if it were approved?

2 A Yes, it is.

3 Q Isn't it true that the settlement increases
4 base rates in 2026 and 2027?

5 A Yes, it does. And to me, rate stability means
6 that a customer can understand their rates. They have
7 visibility, they have line of sight, they have
8 transparency into all of their rate changes over the
9 next four years.

10 Q Isn't it further true that the settlement
11 authorizes SoBRAs to recover costs for solar generation
12 projects entering service in 2027, 2028 and 2029?

13 A Yes, it does. And that is reflected in my
14 exhibit.

15 Q And that the settlement also authorizes SoBRAs
16 for battery storage projects entering into service in
17 2028 and 2029?

18 A Yes.

19 Q In other words, if this settlement were
20 approved, isn't it true that FPL customers will
21 increase -- will experience rate increases for every
22 year of the settlement's term?

23 A There are base rate increases in each year of
24 the settlement term. There is varying impacts in the
25 clauses as we implement solar and battery base rate

1 adjustments, there is offsetting fuel decreases. So a
2 customer pays a total bill. The residential bill under
3 our settlement proposal is a two-percent annual growth
4 rate over the term of the settlement agreement for
5 Legacy customers, Legacy FPL customers, and less than
6 one percent for Peninsula Florida.

7 **Q If the customer's bill is going to increase**
8 **for every year of the settlement term, isn't that the**
9 **opposite of rate stability?**

10 A No, it's not. And I just said .1 -- less than
11 one percent for Peninsula Florida. I meant Northwest
12 Florida.

13 But, no, I disagree. To me -- and I just said
14 what rate stability means to me. But to me, it that
15 that our customers have a line of sight to their bills
16 and to their rate changes for the next four years.

17 **Q I think it -- well, is it fair to say that**
18 **customers may have a different opinion of rate stability**
19 **than you do?**

20 A I am sure there are many opinions of rate
21 stability.

22 **Q You also state in your testimony that the**
23 **settlement agreement will provide regulatory efficiency?**

24 A Yes.

25 **Q Does that mean that FPL -- let me rephrase**

1 that.

2 Is the intent behind that statement to show
3 that FPL will be appearing less in front of the
4 Commission?

5 A Yes.

6 Q Okay. Moving on.

7 Under the proposed settlement, the CILC tariff
8 and CDR rider will be set at \$9.75 per kilowatt?

9 A That's correct.

10 Q This is an increase from the current monthly
11 credit of \$8.76 per kilowatt, right?

12 A Yes.

13 Q The revenues from these CILC/CDR credits are
14 recovered through the Energy Conservation Cost Recovery
15 Clause, right?

16 A Yes, they are.

17 Q Isn't it true that the costs of these
18 interruptible credits is the largest cost in the ECCR
19 clause?

20 A I believe that's correct.

21 Q Now, if we were to just compare the math in
22 the as-filed case to the settlement agreement, doesn't
23 this mean that the customers will be responsible for
24 \$8.6 million per year in interruptible credit costs?

25 A That's the change from the current credit

1 today to the settlement proposed credit. It translates
2 to about five to six cents per residential customer.

3 **Q And in the as-filed case, didn't FPL initially**
4 **propose to decrease this amount to \$6.22 per kilowatt?**

5 A Yes.

6 **Q In addition to the initial proposed settlement**
7 **increase, the CDR/CILC credits will also be increased**
8 **with each SoBRA during the settlement term?**

9 A That is a term of the settlement agreement.
10 It's also consistent with how we have handled solar base
11 rate adjustments since 2013 or 2016, subject to check.
12 But every time we have done a solar base rate
13 adjustment, we have also increased load control credits,
14 because they are considered a base rate item.

15 **Q This means that by July 2029, that the CDR**
16 **credit will have further increased to \$10.35 per**
17 **kilowatt?**

18 A That's correct.

19 **Q It's fair to say, then, that customers will be**
20 **responsible for escalating costs, then, for these**
21 **credits during the four years of the settlement term?**

22 A Customers pay the ultimate cost of that, yes,
23 and customers receive the benefits of the program as
24 well.

25 **Q Thank you.**

1 Now, the settlement agreement also proposes to
2 modify the CIAC changes that were in the as-filed case,
3 right?

4 A Yes, it does.

5 Q In the as-filed case, the CIAC tariff was set
6 at a threshold of \$25 million?

7 A Or 15 megawatts, yes.

8 Q Or 15 megawatts, right?

9 A Yes.

10 Q Yes. As for the \$25 million, that has been
11 changed to 50 million, right?

12 A It has. And as I testified in the original
13 part of this case, regardless of the dollar threshold,
14 we do have the performance guarantee agreement that
15 backstops any amount below what as well.

16 Q And I think we also discussed that the CIAC
17 tariff works up front while the PGA agreement works on
18 the back end?

19 A That is correct, yes.

20 Q Isn't it true that both you and FPL Witness
21 Jarro defended the original threshold in your rebuttal
22 testimonies?

23 A It is.

24 Q In fact, Mr. Jarro stated at page 16, line 12
25 in his testimony, that the reason for the \$25 million

1 threshold was that applicants spending this --
2 applicants requiring this amount for new and incremental
3 load require significant capital investment, right?

4 A Yes. And I believe he also stated that we
5 considered a number of thresholds before proposing this
6 one, and there are a number of thresholds that can also
7 be considered reasonable.

8 Q Mr. Jarro also stated that while they did
9 consider different thresholds, that, nonetheless, any
10 increase to the \$25 million threshold would increase the
11 level of risk borne by FPL's general body of ratepayers,
12 right?

13 A I do believe his testimony said that.

14 Q If we could go to N135, N, as in Nancy.

15 If you could look at the -- well, first of
16 all, do you recognize this discovery response?

17 A Yes.

18 Q Okay. And the way the discovery response
19 works is, in the first column, it's summarizing the
20 as-filed case?

21 A Yes.

22 Q And then the second column, the as-filed
23 rebuttal case?

24 A Yes.

25 Q And then finally, in the last column, the

1 **settlement agreement terms?**

2 A Yes.

3 Q If you look at the row for the LLCs tariff.
4 **This is a representation of changes it went through?**

5 A Yes.

6 Q Is it fair to say that all of the changes went
7 **through from the direct to the rebuttal for the as-filed**
8 **case?**

9 A I am sorry, can you rephrase your question?

10 Q Sure.

11 So when we are comparing the progression here
12 **from as-filed direct to settlement for the LLCs tariff,**
13 **is it fair to say that all of the major changes happen**
14 **going from direct to rebuttal?**

15 A Yes, with the exception of collateral, which
16 we further refined in the -- in our settlement.

17 Q The collateral would be further refined, but
18 **in the rebuttal, it was changed to look at the**
19 **applicant's credit worthiness, right?**

20 A It was based on the credit -- the risk of the
21 customer, yes.

22 Q And that essential framework is preserved
23 **going into settlement?**

24 A Essentially, yes, but we further refined it to
25 be more specific.

1 Q If we could go to L2-35? This should be page
2 10 of your settlement direct, looking at line 16.

3 A What page?

4 Q Page 10.

5 A Okay.

6 Q If we look at the bullet point at line 16, you
7 note that the change here, which is the change for the
8 load amount was consistent with your rebuttal, right?

9 A Yes.

10 Q If you go to the next bullet point, which
11 concerns take-or-pay, again, you note that this is
12 consistent with your rebuttal, right?

13 A Yes.

14 Q If you can go to the next page? The next
15 point, bullet point, which I think is at line five, you
16 note that the various charges will be set in the
17 proposed settlement agreement?

18 A Yes.

19 Q But they already modified by going from the
20 three gigawatt to one gigawatt cap?

21 A That is correct. They were adjusted based on
22 that amount.

23 Q Which was going from direct to rebuttal,
24 right?

25 A Yes.

1 Q So to the extent that is continuing to change,
2 that's just because the revenue increase was changed?

3 A To the extent they change, it's because the
4 revenue and the ROE were changed.

5 Q If we can go to the next bullet point? And I
6 guess this is what I just mentioned. This is the
7 incremental generation charge change and how it's
8 calculated, but that's consistent with your rebuttal,
9 right?

10 A Yes.

11 Q And the last bullet point. This is about the
12 collateral, that change that we talked about, again,
13 consistent with your rebuttal, right?

14 A Yes. And as I clarified, it's more specific
15 now.

16 Q If most, if not all, of the changes to the
17 tariff were consistent with your rebuttal -- well, let
18 me ask this first, actually. Page 12, line 17. Let me
19 know when you are there.

20 A I am there.

21 Q You state that the tariffs, as modified by the
22 settlement, represent reasonable compromise of multiple
23 positions?

24 A Yes.

25 Q But isn't it fair to say that if most of the

1 change is happening in your rebuttal, then going to a
2 settlement, there was little to no compromise on these
3 specific terms?

4 A No, I disagree. All parties had to agree to
5 what we proposed in rebuttal. So there were
6 modifications. I believe, in several opening statements
7 today, a number of parties said that they did not get
8 all the things they wanted in the settlement.

9 Q Well, we mentioned that one of the changes was
10 to the charge amounts. Those were lowered as compared
11 to the as-filed case, right?

12 A Mathematically, yes.

13 Q By lowering the amounts to be collected with
14 the proposed settlement agreement, would you agree that
15 this places upward pressure for any potential future
16 revenue requirement needs?

17 A No. The intent of -- the intent of the new
18 tariff is to recover the costs from this group of
19 customers.

20 Q If you could give me one moment, please?

21 Thank you very much, Ms. Cohen. That's all I
22 have for you on direct.

23 MS. CHRISTENSEN: And I have Mr. Bores, but I
24 did want to address one item that we had left on
25 the table, the moving in the request for

1 admissions. I did want to mention that we had
2 heard from all the parties, and none of the parties
3 object to moving those into evidence. I believe
4 that Ms. Wessling has the exhibit numbers, and that
5 may help cut down on some of my questions --

6 CHAIRMAN LA ROSA: Okay.

7 MS. CHRISTENSEN: -- although, probably not a
8 lot.

9 MS. WESSLING: I think it was Exhibits 1404
10 through 1414.

11 CHAIRMAN LA ROSA: Any objections to those?

12 MS. MONCADA: Ms. Wessling talked to me at the
13 first break, but the RFAs were not mentioned. I
14 just want to make sure, who were the RFAs answered
15 by?

16 MS. CHRISTENSEN: They were answered by all
17 the signatories to the agreement, as well as FPL.

18 MS. MONCADA: Okay. Can I have one second?
19 Because I was not -- perhaps somebody else on my
20 legal team was conferred.

21 MS. CHRISTENSEN: I spoke with Mr. Burnett.

22 MS. MONCADA: Okay. Thank you. Thank you for
23 clarifying that.

24 CHAIRMAN LA ROSA: I was going to say, it's
25 almost 12 o'clock. We could break for lunch if

1 anything else needs to be resolved with this. I
2 know you are going to open up a line -- probably a
3 significant line of questioning, so maybe that
4 makes --

5 MS. CHRISTENSEN: I do, but if we can get
6 confirmation, and we can do it when we come back
7 from lunch, you know, and it may cut down a few of
8 my questions.

9 MS. MONCADA: Yeah, I can confirm now. Mr.
10 Burnett confirmed, so we are good. Thank you.

11 CHAIRMAN LA ROSA: Any other parties?

12 MR. MAY: Mr. Chairman, could we get some
13 clarification? I did not hear which exhibits she
14 was referring to here.

15 MS. WESSLING: Sure. So it's OPC exhibit --
16 beginning with 414, but it's CEL exhibit, beginning
17 with 1404 through 1414. And, Mr. May, the ones
18 relating to FEIA specifically are Exhibit 1409.

19 MR. MAY: That's fine. Thank you, sir.

20 CHAIRMAN LA ROSA: Okay.

21 MR. MAY: Thank you.

22 CHAIRMAN LA ROSA: Seeing no other objections,
23 okay, so moved.

24 (Whereupon, Exhibit Nos. 1404-1414 were
25 received into evidence.)

1 CHAIRMAN LA ROSA: We are to go break anyways.

2 MS. CHRISTENSEN: Okay. No, that's fine.

3 CHAIRMAN LA ROSA: If you have got a lightning
4 round, or something.

5 MS. CHRISTENSEN: That's fine. I will
6 acknowledge that we have quite a few questions for
7 Mr. Bores.

8 CHAIRMAN LA ROSA: Okay. Ms. Wessling.

9 MS. WESSLING: Mr. Chair, there was talk, I
10 believe with Mr. Trierweiler and staff, regarding
11 one of our witnesses, Mr. Wilson. He was given a
12 date certain of today, and, you know, just being
13 weary of how long things might take, we just -- he
14 has a flight that he has to catch tonight, and I
15 think there was a discussion about potentially
16 hearing from him after lunch individually, and then
17 finding out if there were any questions from any of
18 the other parties regarding Mr. Wilson. Do I have
19 that right, Mr. Stiller?

20 MR. STILLER: That is correct. The question
21 is whether FPL is okay with this, and whether the
22 Commission would entertain that out-of-word witness
23 right of a lunch?

24 CHAIRMAN LA ROSA: Sure, so we take the
25 order -- or take the witness out of order. Can I

1 ask you, are your other witnesses here?

2 MS. WESSLING: Yes, our only other witness is
3 Mr. Schultz, and he is here.

4 CHAIRMAN LA ROSA: Is FEL's witness here?
5 FAIR's witness?

6 MR. LUEBKEMANN: Yes.

7 MR. MARSHALL: Our witnesses are here and
8 remain available today and tomorrow.

9 CHAIRMAN LA ROSA: FAIR? Thank you.
10 FEIA, go ahead.

11 MR. MAY: Will Mr. Wilson be testifying
12 individually or as a panel?

13 CHAIRMAN LA ROSA: That's what I was -- he is,
14 right now, as a panel, and I am hearing from FAIR
15 for a reason. I am going to ask a question. Go
16 ahead, is your witness available?

17 MR. SCHEF WRIGHT: My witness is available.

18 CHAIRMAN LA ROSA: Okay. Do any of the
19 other --

20 MR. SCHEF WRIGHT: With notice, she is in
21 town.

22 CHAIRMAN LA ROSA: Oh, okay. Thank you for
23 stating that.

24 MR. SCHEF WRIGHT: Thank you.

25 CHAIRMAN LA ROSA: I am going to suggest --

1 I'm going to ask the parties if we will then hear
2 just Witness Wilson out of order, and then we will
3 go to the rest of the panel after we are done with
4 his direct, does that make sense?

5 MR. STILLER: Yes, sir.

6 CHAIRMAN LA ROSA: Okay. Do any of the
7 parties have any objections to that?

8 MS. MONCADA: No objection.

9 CHAIRMAN LA ROSA: Okay. Then seeing no
10 objections, let's go ahead and do that, if you can
11 notify your witness, and after lunch we will hear
12 from your witness. We will take the witness out of
13 order, move through that, and then we will come
14 back to this panel.

15 MS. WESSLING: Thank you very much, Mr. Chair.

16 CHAIRMAN LA ROSA: Excellent.

17 And I didn't want to skip FEIA. Was there a
18 question or -- sure?

19 MR. MAY: I am good.

20 CHAIRMAN LA ROSA: All right. Let's go ahead
21 and convene for lunch and be back at one o'clock.

22 Thank you.

23 (Lunch recess.)

24 (Transcript continues in sequence in Volume
25 21.)

1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)
45 I, DEBRA KRICK, Court Reporter, do hereby
6 certify that the foregoing proceeding was heard at the
7 time and place herein stated.8 IT IS FURTHER CERTIFIED that I
9 stenographically reported the said proceedings; that the
10 same has been transcribed under my direct supervision;
11 and that this transcript constitutes a true
12 transcription of my notes of said proceedings.13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am I
17 financially interested in the action.18 DATED this 2nd day of November, 2025.
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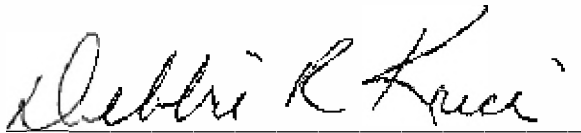
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