BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Florida Power & Light Company for Rate Unification and for Base Rate Increase	**DOCKET NO. 20210015** **Filed: July 14, 2021**

PREHEARING STATEMENT OF
SOUTHERN ALLIANCE FOR CLEAN ENERGY

The Southern Alliance for Clean Energy, Inc. ("SACE"), by and through its undersigned counsel, and pursuant to Order Nos. PSC-2021-0116-PCO-EI, PSC-2021-0120-PCO-EI, and PSC-2021-0233-PCO-EI Establishing Procedure hereby submits its Prehearing Statement.

I. Witnesses

SACE is not sponsoring any witnesses.

II. Prefiled Exhibits

SACE is not sponsoring any prefiled exhibits. However, SACE reserves the right, consistent with the orders establishing procedure, to use other exhibits during cross examination of any other party or intervenor's witnesses.

III. Statement of Basic Position

SACE is non-profit, non-partisan clean energy organization that advocates for transitioning the state to a lower cost, lower risk, clean and equitable energy future. SACE supports cost-effective utility investments that scale up solar power development, battery storage deployment, electric vehicle ("EV") infrastructure, and energy efficiency implementation. Florida Power and Lights Company's ("FPL") investment in utility-scale solar power has helped make Florida a leader in solar development, and is providing numerous benefits to customers that include: placing downward pressure on rates over time; insulating customers from volatile fossil fuel price spikes; economic development and job creation; and reducing carbon pollution from the electricity sector. FPL's continued investment in solar power in its rate plan is reasonable and prudent – including the Solar Base Rate Adjustment (SOBRA) investments in 2024 and 2025. The SOBRA mechanism has a proven track record of developing significant amounts of solar below a predetermined price point. SACE likewise supports FPL's clean energy investments in battery storage, and its investment in EV infrastructure through its EVolution program in its rate plan.

We encourage the Company to invest more significantly in EV infrastructure programs given FPL's relative size and the size of EV programs recently approved by the Commission.[1] While Florida ranks second in the nation in total EV adoption, it ranks 30th in DC fast charging deployment per capita, and poorly nationally on the level of utility investment in EV infrastructure.[2] Under a moderate scenario of EV adoption, the number of EVs in the state will more than double by 2026.[3] EV infrastructure is key to meeting customer needs while delivering billions of dollars of benefit to the state. For instance, $2.2 billion will accrue to Florida customers in the form of reduced electricity bills by 2050 from just a moderate rate of growth in EV adoption, in addition to billions in reduced

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[1] The FPL EVolution program investment is $30 million. The recent EV program approved as part of the Duke Energy Florida rate case was $62.9 million. *See* Direct Testimony by Matt Valle, Docket No. 20210015, March 12, 2021; *see also* PSC Oder No. 2021-0201-AS-EI, June 4, 2021.
[2] Atlas Public Policy, Southern Alliance for Clean Energy, Transportation Electrification in Florida, October 2020.
[3] EV Infrastructure Master Plan Draft-Final v1.2, April 21, 2021.

vehicle operating costs,[4] and economic development and job creation.

However, a cleaner, lower cost, lower risk, and more equitable energy future demands that utilities capture their most cost-effective resource, energy efficiency. In this regard, FPL's performance on capturing energy savings through customer energy efficiency programs lags well behind other investor-owned utilities in Florida and nationally.[5]

FPL's continued investment in fossil fuel generation units and infrastructure, place additional economic risk on customers' shoulders from fuel price spikes, from cost recovery of stranded assets due to policy changes that limit carbon pollution from power plants by a certain date, and from exacerbating environmental risks, such as poor air quality and climate change. Given the climate change challenge and the regulatory responses gaining momentum to address it at the federal level, continued investments in fossil fuel infrastructure poses an escalating risk to customers' pocketbooks and Florida's natural environment.

The underlying constitutional considerations for setting rates for regulated public utilities are well established. The burden rests on the Company to prove that its proposed rates are equal to that generally being made at the same time, and in the same region of the country, on investments in other businesses that have corresponding risks and uncertainties. It must prove that its current return is not reasonably sufficient enough to assure confidence in the financial soundness of the utility, and that its not adequate, under efficient and economical management, to maintain its credit, and enable it to raise the

[4] MJ Bradley, Electric Vehicle Cost and Benefit Analysis: Plug-in Electric Vehicle Cost Benefit Analysis: Florida, January 2019.
[5] Direct Testimony of Karl Rabago, Exhibit KRR-6, p. 6, Docket No. 20210015, June 21, 2021.

money necessary for the proper discharge of its public duties.[6] If the Commission chooses reward utilities with performance based incentives, it must first identify specific performance metrics for a utility to qualify for such incentives – including a metric for energy savings performance that reflects providing meaningful energy efficiency programs that help hard working families and small businesses manage their electricity bills.

IV. Statement of Issues and Positions

LEGAL

ISSUE 1: Does the Commission have the statutory authority to grant FPL's requested storm cost recovery mechanism?

POSITION: No position.

ISSUE 2: Does the Commission have the statutory authority to approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)?

POSITION: No position.

ISSUE 3: Does the Commission have the statutory authority to approve FPL's requested Solar Base Rate Adjustment mechanism for 2024 and 2025?

POSITION: Yes.

ISSUE 4: Does the Commission have the statutory authority to adjust FPL's authorized return on equity based on FPL's performance?

POSITION: Yes.

ISSUE 5: Does the Commission have the statutory authority to include non-electric transactions in an asset optimization incentive mechanism?

POSITION: No position.

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[6] *Bluefield Waterworks v. PSC*, 262 U.S. 679, 692-693 (1923)

ISSUE 6: Does the Commission have the statutory authority to grant FPL's requested four-year plan?

POSITION: Yes.

ISSUE 7: Has CLEO Institute, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

POSITION: Yes.

ISSUE 8: What impact, if any, does the determination regarding the CLEO Institute Inc.'s associational standing have on its ability to participate in this proceeding?

POSITION: None.

ISSUE 9: Has Floridians Against Increased Rates, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

POSITION: Yes.

ISSUE 10: What impact, if any, does the determination regarding Floridians Against Increased Rates, Inc.'s associational standing have on its ability to participate in this proceeding?

POSITION: None.

ISSUE 11: Has Florida Rising, Inc. demonstrated individual and/or associational standing to intervene in this proceeding?

POSITION: Yes.

ISSUE 12: What impact, if any, does the determination regarding Florida Rising, Inc.'s associational standing have on its ability to participate in this proceeding?

POSITION: None.

TEST PERIOD AND FORECASTING

ISSUE 15 : Is FPL's projected test period of the 12 months ending December 31, 2022, appropriate?

POSITION: No position**.**

ISSUE 16: Do the facts of this case support the use of a subsequent test year ending December 31, 2023 to adjust base rates?

POSITION: No position**.**

ISSUE 17: Has FPL proven any financial need for rate relief in any period subsequent to the projected test period ending December 31, 2022?

POSITION: The burden rests with FPL to prove the financial need for rate relief.

ISSUE 18: Is FPL's projected test period of the 12 months ending December 31, 2023, appropriate?

POSITION: No position**.**

ISSUE 19: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2022 projected test year appropriate?

POSITION: The burden rests with FPL to prove the projections are appropriate**.**

ISSUE 20: Are FPL's forecasts of Customers, KWH, and KW by Rate Schedule and Revenue Class (including but not limited to forecasts of energy efficiency, conservation, demand-side management, distributed solar and electric vehicle adoption), for the 2023 projected test year appropriate, if applicable?

POSITION: The burden rests with FPL to prove the projections are appropriate.

ISSUE 21: Are FPL's projected revenues from sales of electricity by rate class at present rates for the 2021 prior year and projected 2022 test year appropriate?

POSITION: No position**.**

ISSUE 22: Are FPL's projected revenues from sales of electricity by rate class at present rates for the projected 2023 test year appropriate, if applicable?

POSITION: No position**.**

ISSUE 23: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2022 test year budget?

POSITION: No position.

ISSUE 24: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2023 test year budget, if applicable?

POSITION: No position.

QUALITY OF SERVICE

ISSUE 25: Is the quality of the electric service provided by FPL adequate taking into consideration: a) the efficiency, sufficiency and adequacy of FPL's facilities provided and the services rendered; b) the cost of providing such services; c) the value of such service to the public; d) the ability of the utility to improve such service and facilities; e) energy conservation and the efficient use of alternative energy resources; and f) any other factors the Commission deems relevant.

POSITION: As a quality of service metric, FPL's energy savings (energy efficiency) performance is well below that of other investor-owned utilities both in Florida and nationally.

DEPRECIATION AND DISMANTLEMENT STUDIES

ISSUE 26: What, if any, are the appropriate capital recovery schedules?

POSITION: No position.

ISSUE 27: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for the accounts and subaccounts related to each production unit?

POSITION: No position.

ISSUE 28: Based on FPL's 2021 Depreciation Study, what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and resulting depreciation rates for each transmission, distribution, and general plant account, and subaccounts, if any?

POSITION: No position.

ISSUE 29: If the Commission approves FPL's proposed Reserve Surplus Amortization Mechanism (Issue 130), what are the appropriate depreciation parameters (e.g., service lives, remaining lives, net salvage percentages, and reserve percentages) and depreciation rates?

POSITION: The service life of fossil fuel units should not be extended because the extension will increase cost of stranded asset recovery if the units are retired early due to policies limiting carbon pollution from the electricity sector.

ISSUE 30: Based on the application of the depreciation parameters and resulting depreciation rates that the Commission deems appropriate, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?

POSITION: No position

ISSUE 31: What, if any, corrective reserve measures should be taken with respect to the imbalances identified in Issue 30?

POSITION: No position

ISSUE 32: What should be the implementation date for revised depreciation rates, capital recovery schedules, and amortization schedules?

POSITION: No position

ISSUE 33: Should FPL's currently approved annual dismantlement accrual be revised?

POSITION: No position

ISSUE 34: What, if any, corrective dismantlement reserve measures should be approved?

POSITION: No position

ISSUE 35: What is the appropriate annual accrual and reserve for dismantlement
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

RATE BASE

ISSUE 36: Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 37: What is the appropriate amount of Plant in Service for the Dania Beach Clean Energy Center Unit 7
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove the amount is appropriate.

ISSUE 38: What is the appropriate amount of Plant in Service for the SolarTogether Centers
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove the amount is appropriate.

ISSUE 39: What is the appropriate amount of Plant in Service for FPL's Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement approved by Order No. PSC-2016-0560-AS-EI?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove the amount is appropriate.

ISSUE 40: Is the North Florida Resiliency Connection reasonable and prudent?

POSITION: The North Florida Resiliency Connection project appears to be reasonable given FPL's asserted need for reliability and the benefit to the combined utility systems from access to clean power from solar resources in Northwest Florida.

ISSUE 41: Are FPL's 2020 through 2023 solar generation additions reasonable and prudent?

POSITION: Yes.

ISSUE 42: Are FPL's 938 MW Northwest combustion turbine additions in 2022 reasonable and prudent?

POSITION: Continued investment in fossil fuel generation units and infrastructure, place additional risk on customers' shoulders from fuel price increases and cost recovery of stranded assets due to regulatory changes that limit carbon pollution from the electricity sector, in addition to health and environmental risk.

<u>ISSUE 43</u>: Are FPL's combined cycle generation upgrade projects reasonable and prudent?

POSITION: Continued investment in fossil fuel generation units and infrastructure, place additional risk on customers' shoulders from fuel price increases and cost recovery of stranded assets due to regulatory changes that limit carbon pollution from the electricity sector, in addition to health and environmental risk.

<u>ISSUE 44</u>: Are FPL's proposed 469 MW of battery storage projects reasonable and prudent?

POSITION: Yes.

<u>ISSUE 45</u>: Should the Commission approve FPL's proposed hydrogen storage project?

POSITION: The burden rests with FPL to prove that the proposed hydrogen is a reasonable research and development project**.**

<u>ISSUE 46</u>: Is FPL's proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), reasonable and prudent**?**

POSITION: There are both economic and environmental benefits to accelerating the retirement of coal units.

<u>ISSUE 47:</u> Is FPL's conversion of Plant Crist Units 4-7 from coal to gas reasonable and prudent?

POSITION: The burden rests with FPL to prove the Plant Crist conversion is both reasonable and prudent.

<u>ISSUE 48</u>: Is FPL's proposed early retirement of the Plant Scherer Unit 4 and related transactions reasonable and prudent?

POSITION: There are both economic and environmental benefits to accelerating the retirement of coal units.

<u>ISSUE 49</u>: What is the appropriate ratemaking treatment for Consummation Payments made to JEA?

POSITION: No position

<u>ISSUE 50</u>: What is the appropriate level of Plant in Service (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 51</u>: What is the appropriate level of Accumulated Depreciation (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 54</u>: What is the appropriate level of Construction Work in Progress to be included in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 55</u>: Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 56</u>: What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 57: What is the appropriate level of Property Held for Future Use
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 58: What is the appropriate level of fossil fuel inventories
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 59: Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year

POSITION: No position

ISSUE 60: What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 61: Should the unbilled revenues be included in working capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 62: What is the appropriate methodology for calculating FPL's Working Capital
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 63: What is the appropriate level of Working Capital (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 64: What is the appropriate level of rate base (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year

POSITION: This is a fallout issue of the issues above.

COST OF CAPITAL

ISSUE 65: What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 66: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 67: What is the appropriate amount and cost rate for short-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 68: What is the appropriate amount and cost rate for long-term debt to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 69: What is the appropriate amount and cost rate for customer deposits to include in the capital structure
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 70: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its equity ratio of its capital structure is appropriate.

ISSUE 71: Should FPL's request for a 50 basis point performance incentive to the authorized return on equity be approved?

POSITION: As a quality of service metric, FPL's performance on capturing energy savings through customer efficiency programs lags well behind other investor-owned utilities in Florida and nationally. If the Commission is going to reward utilities with performance based incentives it must identify specific performance metrics for a utility to qualify for such incentives – including a metric for energy savings performance that reflects providing meaningful energy efficiency programs that help hard working families and small businesses manage their electricity bills.

ISSUE 72: What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests on the Company to prove that its proposed rates are equal to that generally being made at the same time, and in the same region of the country, on investments in other businesses that have corresponding risks and uncertainties. It must prove that its current return is not reasonably sufficient enough to assure confidence in the financial soundness of the utility, and that its not adequate, under efficient and economical management, to maintain its credit, and enable it to raise the money necessary for the proper discharge of its public duties.

ISSUE 73: What is the appropriate weighted average cost of capital to use in establishing FPL's revenue requirement? (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its weighted average cost of capital is appropriate.

NET OPERATING INCOME

ISSUE 74: What are the appropriate projected amounts of Other Operating Revenues
A. For the 2022 projected test year
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 75: Has FPL appropriately accounted for SolarTogether Program subscription charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove the SolarTogether Program subscription charges are appropriate.

ISSUE 76: What is the appropriate level of Total Operating Revenues
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 77: Has FPL made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 78: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 79: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 80: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position.

ISSUE 81: Has FPL made the appropriate adjustments to remove all revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 82: Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that it has removed all non-utility activities from operating revenues and operating expenses.

ISSUE 83: What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 84: What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 85: Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies

A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 86</u>: What is the appropriate level of generation overhaul expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 87</u>: What is the appropriate amount of FPL's production plant O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 88</u>: What is the appropriate amount of FPL's transmission O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 89</u>: What is the appropriate amount of FPL's distribution O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 90</u>: What is the appropriate annual storm damage accrual and storm damage reserve
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 91</u>: What is the appropriate amount of Other Post Employment Benefits expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 92: What is the appropriate amount of Salaries and Employee Benefits expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 93: What is the appropriate amount of Incentive Compensation Expense to include in O&M expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 94: What is the appropriate amount of Pension Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 95: Should an adjustment be made to the amount of the Directors and Officers Liability Insurance expense that FPL included in the 2022 and, if applicable, 2023 projected test year(s)?

POSITION: No position

ISSUE 96: What is the appropriate amount and amortization period for Rate Case Expense
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that any amortized rate case expense is appropriate.

ISSUE 97: What is the appropriate amount of uncollectible expense and bad debt rate
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its uncollectable expense and bad debt rate is appropriate.

<u>ISSUE 98</u>: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 99</u>: What is the appropriate level of O&M Expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue of the issues above.

<u>ISSUE 100</u>: What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue of the issues above.

<u>ISSUE 101</u>: What is the appropriate level of Taxes Other Than Income (Fallout Issues)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 102</u>: What is the appropriate level of Income Taxes
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 103</u>: What is the appropriate level of (Gain)/Loss on Disposal of utility property
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 104</u>: What is the appropriate level of Total Operating Expenses? (Fallout Issue)
A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue of the issues above.

ISSUE 105: What is the appropriate level of Net Operating Income (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue of the issues above.

REVENUE REQUIREMENTS

ISSUE 106: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

ISSUE 107: What is the appropriate annual operating revenue increase or decrease (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue from the issues above.

COST OF SERVICE AND RATE DESIGN ISSUES

ISSUE 108: Should FPL's proposal for a consolidated cost of service and unified tariffs and rates for FPL and the former Gulf Power Company's customers be approved?

POSITION: The burden rests with FPL to prove that the consolidated cost of service and unified tariff rates are appropriate.

ISSUE 109: Should the proposed transition rider charges and transition rider credits for the years 2022 through 2026 be approved?

POSITION: The burden rests with FPL to prove that the transition rider credits are appropriate.

<u>ISSUE 110</u>: Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 111</u>: What is the appropriate methodology to allocate production, transmission, and distribution costs to the rate classes?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its methodology for allocating production, transmission and distribution costs to the rate classes is appropriate.

<u>ISSUE 112</u>: How should the change in revenue requirement be allocated to the customer classes?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 113</u>: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, late payment charge, meter tampering)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its service charges are appropriate.

<u>ISSUE 114</u>: Should FPL's proposed revisions to the underground electric distribution tariffs for residential subdivisions and commercial customers be approved?

POSITION: No position

<u>ISSUE 115</u>: Should FPL's proposal to eliminate the Governmental Adjustment Factor (GAF) waiver (Tariff Sheet No. 6.300) be approved?

POSITION: No position

ISSUE 116: Should FPL retain the existing Gulf Power Real-Time Pricing (RTP) rate for customers and expand it to be offered for customers in the combined FPL and Gulf Power systems?

POSITION: Time varying rate structure can provide bill savings to customers while reducing system peak demand for the utility.

ISSUE 117: Should FPL's proposed new Economic Development Rider (Original Tariff Sheet Nos. 8.802 – 8.802-1) be approved?

POSITION: No position

ISSUE 118: Should FPL's proposal to increase the cap from 300 to 1,000 megawatts and from 50 to 75 contracts for the Commercial/Industrial Service Rider (CISR) be approved?

POSITION: No position

ISSUE 119: Should FPL's proposal to cancel Gulf's Community Solar (CS) rider be approved?

POSITION: If the program design has not led to significant participation, it should be closed.

ISSUE 120: What is the appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider customers effective January 1, 2022?

POSITION: FPL should not rely on the Rate Impact Measure (RIM) cost effectiveness test for setting goals or for program design because it provides neither a clear picture on rate impact or economic system benefits from the use of energy efficiency or demand response measures.

ISSUE 121: Should FPL's proposal to add a maximum demand charge to the commercial/industrial time-of-use rate schedules be approved?

POSITION: No position

ISSUE 122: What are the appropriate base charges (formerly customer charges) (Fallout Issue)

A. For the 2022 projected test year?

B. If applicable, for the 2023 subsequent projected test year?

POSITION: The burden rests with FPL to prove that its base charges are appropriate.

<u>ISSUE 123</u>: What are the appropriate demand charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue from the issues above**.**

<u>ISSUE 124</u>: What are the appropriate energy charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue from the issues above**.**

<u>ISSUE 125</u>: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 126:</u> What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: This is a fallout issue from the issues above**.**

<u>ISSUE 127:</u> What are the appropriate lighting rate charges (Fallout Issue)
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

<u>ISSUE 128:</u> Should the Commission give staff administrative authority to approve tariffs reflecting Commission approved rates and charges?

POSITION: No position

ISSUE 129: What are the effective dates of FPL's proposed rates and charges?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

POSITION: No position

OTHER ISSUES

ISSUE 130: Should the Commission approve FPL's requested Reserve Surplus Amortization Mechanism (RSAM)?

POSITION: The burden rests with FPL to prove that the RSAM mechanism is necessary and appropriate.

ISSUE 131: Should the Commission approve FPL's request for variable capital recovery for retired assets such that the total amortization over the four year period ended December 31, 2025 is equal to the sum of the amortization expense for 2022-2025?

POSITION: No position

ISSUE 132: Should the Commission approve FPL's requested asset optimization incentive mechanism?

POSITION: No position

ISSUE 133: Should the Commission approve FPL's requested Solar Base Rate Adjustment mechanisms in 2024 and 2025 for a total of 1,788 MW?

POSITION: Yes.

ISSUE 134: Should the Commission approve FPL's requested Storm Cost Recovery mechanism?

POSITION: No position

ISSUE 135: Should the Commission approve FPL's proposal for addressing a change in tax law, if any, that occurs during or after the pendency of this proceeding?

POSITION: No position

ISSUE 136: Should the Commission authorize FPL to accelerate unprotected accumulated excess deferred income tax amortization in the incremental amounts of $81 million in 2024 and $81 million in 2025 or for other amounts in the years 2022 through 2025?

POSITION: No position

ISSUE 137: Should the Commission approve FPL's requested four year plan?

POSITION: No, not as filed.

ISSUE 138: Should FPL be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

POSITION: No position.

ISSUE 139: Should this docket be closed?

POSITION: No position.

V. Stipulated Issues

None.

VI. Pending Motions or Other Matters

None at this time.

VII. Pending Request or Claims for Confidentiality

None.

VIII. Objections to Witness Qualifications

None.

IX. Request for Sequestration of Witnesses

None.

X. Compliance with Order Establishing Procedure

SACE has complied with the orders establishing procedure in this docket.

RESPECTFULLY SUBMITTED this 14th day of July, 2021.

/s/ *George Cavros*
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Counsel for
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on this 14th day of July 2021, via electronic mail on:

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