

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO.: 20210015-EI
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**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (FIPUG), pursuant to Order No. PSC-2021-0233-PCO-EI, files its Prehearing Statement.

A. APPEARANCES:

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Attorneys for the Florida Industrial Power Users Group

B. WITNESSES AND EXHIBITS:

Jeff Pollock and Exhibits JP 1-14
Billie Conte and Exhibits BSL 1-7

FIPUG reserves the right to call witnesses listed by other parties in this docket.

C. STATEMENT OF BASIC POSITION:

Florida Power and Light Company ("FPL") has earned at or near the top its authorized return on equity ("ROE") for years. In this case, FPL is asking the Commission to award it a cumulative sum in new base rates of more than \$6.5 billion dollars over the next four years (\$1.108 million X 4; \$607 million X 3; \$140 million X 2; and \$140 X 1). FPL's request should not be granted as requested in its Base Rate Case Petition. As pointed out by numerous consumer experts who filed testimony in this case, FPL's request is greatly overstated. Indeed, the Office of Public Counsel

suggests that FPL should receive a rate decrease. Intervenor witnesses present credible evidence that FPL's rate request is excessive. The Commission should greatly cut FPL's rate request after weighting the evidence presented.

FIPUG supports reducing rates, just as policymakers typically work hard to reduce taxes, and only authorize new taxes in exceptional and compelling circumstances. Taxes and rates are similar in that both are imposed by government to fund monopolies. Floridians paying electric rates or taxes have little choice but to make such payments. Thus, given the similarities between taxes and electric rates, a FPL rate increase should only be awarded after careful Commission scrutiny and the Commission's active involvement in trimming expenses; any rate increase the Commission awards FPL should be significantly reduced from its requested rates. Indeed, as pointed out by FIPUG witness LaConte, if the Commission awarded FPL the national average for return on equity and the national average capitalization structure, FPL's rate relief request would be reduced by \$1,025,200,000 in 2022 and \$1,099,400,000 in 2023, i.e. a rate reduction of more than a billion dollars in each year.

As part of its decision-making process, the Commission should work to ensure that FPL's rates and programs foster an environment where businesses can flourish and new jobs can be created. Large industrial customers, many of whom are members of FIPUG, provide scores of high-quality jobs. Keeping electric rates affordable for businesses helps them compete while providing good jobs to Floridians. Thus, FPL's rate increase, which will increase base rates ranging from 27.1% to 50.3% in 2022 for some FPL customers, needs to be significantly altered to avoid burdening businesses with such staggering rate increases.

The Commission has a number of specific tools at its disposal to accomplish this goal of blunting rate impacts:

- Keep the CILC and CDR credits at current levels as set forth during the 2016 rate case settlement or increase these credits as proposed by Florida Retail Federation witness Toni Georgis;

- Use the minimum distribution system rate design methodology, an approach used in other states, presently used by Tampa Electric Company and Gulf Power Company, and recognized as a viable rate design approach by the National Association of Regulatory Utility Commissioners (NARUC);

- Use a 4CP cost allocation methodology as suggested by FIPUG witness Jeff Pollock

- Apply the Commission’s gradualism policy to any base rate increase irrespective of clause proceedings.

The Commission also has a number of general tools at its disposal to accomplish the goal of keeping rates low for Florida’s residents and businesses. These include:

- Reject FPL’s rate requests for 2023, 2024 and 2025 because the forecasts used are uncertain and the Solar Based Rate Adjustments are not needed and constitute piecemeal ratemaking;

- Authorize a return on equity in line with ROE decisions reached by other regulatory commissions in 2020 and 2021, namely, a rate of less than 10%;

- Adjust FPL’s capital structure so that its debt to equity ratio is 55% or less equity and 45% or more of debt, more in line with the capital structure authorized by other regulatory commissions throughout the country;

- Reject FPL’s proposal to pay off \$100 million in indebtedness incurred by JEA as part of the Scherer coal plant retirement – a debt incurred by JEA which should be satisfied by JEA customers, not FPL customers; and

- Reject FPL’s unprecedented 4 year base rate request because doing so is not authorized, is piecemeal ratemaking and is based on speculative forecasts;

D. STATEMENT OF ISSUES AND POSITIONS:

I. ISSUES

LEGAL

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

FIPUG: No.

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

FIPUG: No.

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

FIPUG: No.

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

FIPUG: No position at this time.

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

FIPUG: No.

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

FIPUG: No.

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

FIPUG: No position.

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?

FIPUG: No position.

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

FIPUG: No position.

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?

FIPUG: No position.

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

FIPUG: No position.

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?

FIPUG: No position.

***ISSUE 13:** Has Smart Thermostat Coalition demonstrated individual and/or associational standing to intervene in this proceeding?

FIPUG: No position.

***ISSUE 14:** What impact, if any, does the determination regarding Smart Thermostat 's associational standing have on its ability to participate in this proceeding?

FIPUG: No position.

TEST PERIOD AND FORECASTING

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

FIPUG: Yes.

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

FIPUG: No.

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

FIPUG: No.

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

FIPUG: No.

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?

FIPUG: No.

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?

FIPUG: No.

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?

FIPUG: No.

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?

FIPUG: No.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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.

FIPUG: No position at this time.

DEPRECIATION AND DISMANTLEMENT STUDIES

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

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: The Commission should not approve FPL's proposed Reserve Surplus Amortization

Mechanism; otherwise, adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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

FIPUG: No.

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

FIPUG: No.

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

FIPUG: No.

ISSUE 43: Are FPL’s combined cycle generation upgrade projects reasonable and prudent?

FIPUG: No.

ISSUE 44: Are FPL’s proposed 469 MW of battery storage projects reasonable and prudent?

FIPUG: No.

ISSUE 45: Should the Commission approve FPL’s proposed hydrogen storage project?

FIPUG: No.

ISSUE 46: 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?

FIPUG: No.

ISSUE 47: Is FPL’s conversion of Plant Crist Units 4-7 from coal to gas reasonable and prudent?

FIPUG: No position at this time.

ISSUE 48: Is FPL’s proposed early retirement of the Plant Scherer Unit 4 and related transactions reasonable and prudent?

FIPUG: No.

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

FIPUG: The Commission should disallow FPL’s proposed Consummation Payments to JEA at the underlying debt that the payment would satisfy was incurred by JEA and should be paid by JEA ratepayers, not ratepayers of FPL and Gulf Power Company.

ISSUE 50: 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?

FIPUG: Adopt position of OPC.

ISSUE 51: 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?

FIPUG: Adopt position of OPC.

ISSUE 52: Are FPL’s proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

FIPUG: Adopt position of OPC.

ISSUE 53: Are FPL’s proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

FIPUG: Adopt position of OPC.

ISSUE 54: 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?

FIPUG: Adopt position of OPC.

ISSUE 55: 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?

FIPUG: Adopt position of OPC.

ISSUE 56: 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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: The Commission should award no more than 55% of equity as compared to the nearly 60% of equity that FPL currently enjoys.

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

FIPUG: No.

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?

FIPUG: The national average of ROE should be authorized and used for ratemaking purposes, and in no event should an ROE greater than 10% be approved.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: No position at this time.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

ISSUE 86: 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?

FIPUG: Adopt position of OPC.

ISSUE 87: 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?

FIPUG: Adopt position of OPC.

ISSUE 88: 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?

FIPUG: Adopt position of OPC.

ISSUE 89: 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?

FIPUG: Adopt position of OPC.

ISSUE 90: 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?

FIPUG: Adopt position of OPC.

ISSUE 91: 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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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)?

FIPUG: Adopt position of OPC.

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?

FIPUG: Rate case expense should be amortized over a 5 year period.

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?

FIPUG: Adopt position of OPC.

ISSUE 98: 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?

FIPUG: Adopt position of OPC.

ISSUE 99: 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?

FIPUG: Adopt position of OPC.

ISSUE 100: 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?

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

ISSUE 102: 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?

FIPUG: Adopt position of OPC.

ISSUE 103: 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?

FIPUG: Adopt position of OPC.

ISSUE 104: 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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

- 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?

FIPUG: Adopt position of OPC.

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?

FIPUG: No position at this time.

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

FIPUG: No position at this time.

- ISSUE 110:** 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?

FIPUG: Adopt position of OPC.

- ISSUE 111:** 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?

FIPUG: These costs should be allocated using the minimum distribution system and the 4 CP allocation approaches, and non-firm customers should not be allocated any costs for production plant.

ISSUE 112: 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?

FIPUG: The change in revenue requirement should be allocated based on the results of the CCOSS that uses the 4CP allocation methodology and the minimum distribution methodology.

ISSUE 113: 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?

FIPUG: No position at this time.

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

FIPUG: No position at this time.

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

FIPUG: No position at this time.

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?

FIPUG: Yes.

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

FIPUG: No position at this time.

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?

FIPUG: Yes.

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

FIPUG: No position at this time.

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

FIPUG: The monthly credit should remain the same or be increased to the sum of \$10.07 per kW per month for CILC and an equivalent sum for CDR customers as detailed in the testimony of Florida Retail Federation witness Tony Georgis.

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

FIPUG: No position at this time.

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?

FIPUG: Adopt the position with OPC.

ISSUE 123: 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?

FIPUG: No position at this time.

ISSUE 124: 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?

FIPUG: No position at this time.

ISSUE 125: 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?

FIPUG: No position at this time.

ISSUE 126: 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?

FIPUG: The appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule are those consistent with the testimony of FIPUG witness Pollock and FRF witness Georgis.

ISSUE 127: 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?

FIPUG: No position at this time.

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

FIPUG: No position at this time.

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?

FIPUG: No position at this time.

OTHER ISSUES

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

FIPUG: No, as a matter of policy and as a matter of law.

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?

FIPUG: No.

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

FIPUG: No.

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?

FIPUG: No, as these generation assets are not needed to serve firm load.

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

FIPUG: No.

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?

FIPUG: No.

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?

FIPUG: No.

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

FIPUG: No.

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?

FIPUG: No position at this time.

ISSUE 139: Should this docket be closed?

FIPUG: Yes.

CONTESTED ISSUES

OPC

ISSUE A: Has FPL proven any financial need for single-issue rate relief in 2024 and 2025, based upon only the additional costs associated with FPL’s request for Solar Base Rate Adjustments in 2024 and 2025, and with no offsets for anticipated load and revenue growth forecast to occur in 2024 and 2025?

FIPUG: No.

CLEO/VOTE SOLAR

ISSUE B: Did FPL consider all reasonable, cost-effective alternatives to its proposed investments?

FIPUG: No position at this time.

ISSUE C: Do FPL's proposed investments ensure adequate fuel diversity and fuel supply reliability of the electric grid?

FIPUG: No position at this time.

ISSUE D: Are FPL's T&D capital expenditures for growth reasonable and prudent?

FIPUG: No position at this time.

ISSUE E: Are FPL's T&D capital expenditures for reliability/grid modernization reasonable and prudent?

FIPUG: No position at this time.

ISSUE F: In consideration of FPL's performance pursuant to ss. 366.80-366.83 and 403.519, F.S., should there be any adjustments to FPL's rates, per F.S. 366.82?

FIPUG: No position at this time.

ISSUE G: Does FPL make or give any undue or unreasonable preference or advantage to any person or locality, or subject the same to any undue or unreasonable prejudice or disadvantage in any respect, in violation of F.S. 366.03?

FIPUG: No position at this time.

ISSUE H: Has FPL established fair, just and reasonable rates and charges, taking into consideration the cost of providing service to the class, as well as the rate history, value of service, and experience of FPL; the consumption and load characteristics of the various classes of customers; and public acceptance of rate structures, in compliance with F.S. 366.05(1)(a), 366.06(1) and (2)?

FIPUG: No position at this time.

FIPUG

ISSUE I: Are the proposed SOBRA additions in years 2024 and 2025 piecemeal ratemaking?

FIPUG: Yes, and piecemeal ratemaking should not be approved as a matter of law and as a matter of policy.

ISSUE J: If so, how should the proposed SOBRA additions in years 2024 and 2025 be addressed?

FIPUG: The proposed SOBRA additions in 2024 and 2025 should not be approved in this proceeding. If desired, FPL can subsequently seek to have the Commission consider and act on FPL's future solar requests.

WALMART

ISSUE K: If the Commission determines that it will not approve unified rates for FPL and Gulf, should Gulf's legacy customers be provided access to FPL's Commercial/Industrial Demand Reduction Rider (CDR)?

FIPUG: Yes.

E. STIPULATED ISSUES:

None at this time.

F. PENDING MOTIONS:

None at this time.

G. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

H. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

None.

I. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Florida Industrial Power Users Group cannot comply at this time.

/s/ Jon C. Moyle

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 14th day of July 2021 to the following:

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