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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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

VOLUME 1  
PAGES 1 - 177

PROCEEDINGS: HEARING

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

DATE: Monday, October 6, 2025

TIME: Commenced: 9:30 a.m.  
Concluded: 6:15 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  
(850) 894-0828

1 APPEARANCES:

2 JOHN BURNETT, MARIA MONCADA, CHRISTOPHER T.  
3 WRIGHT, WILLIAM COX and JOEL BAKER, ESQUIRES, 700  
4 Universe Boulevard, Juno Beach, FL 33408-0420; KENNETH  
5 A. HOFFMAN, ESQUIRE, 134 West Jefferson Street,  
6 Tallahassee, FL 32301-1713; appearing on behalf of  
7 Florida Power & Light Company (FPL).

8 WALT TRIERWEILER, PUBLIC COUNSEL; PATRICIA A.  
9 CHRISTENSEN, MARY A. WESSLING, OCTAVIO SIMOES-PONCE and  
10 AUSTIN WATROUS, ESQUIRES, OFFICE OF PUBLIC COUNSEL, c/o  
11 The Florida Legislature, 111 West Madison Street, Room  
12 812, Tallahassee, FL 32399-1400, appearing on behalf of  
13 the Citizens of the State of Florida (OPC).

14 BRADLEY MARSHALL and JORDAN LUEBKEMANN,  
15 ESQUIRES, Earthjustice, 111 S. Martin Luther King Jr.  
16 Boulevard, Tallahassee, FL 32301; DANIELLE McMANAMO,  
17 ESQUIRE, Earthjustice, 4500 Biscayne Boulevard, Suite  
18 201, Miami, FL 33137; appearing on behalf of Florida  
19 Rising, Inc. (Florida Rising), League of United Latin  
20 American Citizens of Florida (LULAC), and Environmental  
21 Confederation of Southwest Florida, Inc. (ECOSWF).

22 JON C. MOYLE, JR. and KAREN A. PUTNAL,  
23 ESQUIRES, Moyle Law Firm, 118 North Gadsden Street,  
24 Tallahassee, FL 32301; appearing on behalf of Florida  
25 Industrial Users Group (FIPUG).

1 APPEARANCES CONTINUED:

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4 800 West Washington, DC 20007; appearing on behalf of  
5 Florida Retail Federation (FRF).

6 WILLIAM C. GARNER ESQUIRE, Law Office of  
7 William C. Garner, 3425 Bannerman Road, Unit 105, No.  
8 414, Tallahassee, FL 32312; appearing on behalf of  
9 Southern Alliance for Clean Energy (SACE).

10 YONATAN MOSKOWITZ, ESQUIRE, Keyes & Fox, LLP,  
11 580 California St., 12th Floor, San Francisco, CA 94104;  
12 appearing on behalf of EVgo Services, LLC.

13 MAJOR LESLIE R. NEWTON, CAPTAIN MICHAEL A.  
14 RIVERA and CAPTAIN MATTHEW R. VONDRASEK, 139 Barnes  
15 Drive, Suite 1, Tyndall Air Force Base, FL 32403;  
16 appearing on behalf of Federal Executive Agencies (FEA).

17 D. BRUCE MAY, KEVIN W. COX, KATHRYN ISTD, E.  
18 Holland & Knight LLP, 315 S. Calhoun Street, Suite 600,  
19 Tallahassee, FL 32301; appearing on behalf of Florida  
20 Energy for Innovation Association (FEIA).

21 STEPHANIE U. EATON, ESQUIRE, Spilman Law Firm,  
22 110 Oakwood Drive, Suite 500, Winston-Salem, NC 27103;  
23 STEVEN W. LEE, ESQUIRE, Spilman Thomas & Battle, 1100  
24 Bent Creek Boulevard, Suite 101, Mechanicsburg, PA  
25 17050; appearing on behalf of Walmart (Walmart).

1 APPEARANCES CONTINUED:

2 ROBERT SCHEFFEL WRIGHT and JOHN T. LaVIA, III,  
3 Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry &  
4 Harper, 1300 Thomaswood Drive, Tallahassee, FL 32308;  
5 appearing on behalf of Floridians Against Increased  
6 Rates, Inc. (FAIR).

7 FLOYD R. SELF, ESQUIRE, Berger Singerman, LLP,  
8 313 N. Monroe Street, Suite 301, Tallahassee, FL 32301;  
9 appearing on behalf of Americans for Affordable Clean  
10 Energy, Inc. (ACE), Circle K Stores, Inc., RaceTrac,  
11 Inc., and Wawa, Inc. (Fuel Retailers).

12 SHAW STILLER and TIMOTHY SPARKS, ESQUIRE, FPSC  
13 General Counsel's Office, 2540 Shumard Oak Boulevard,  
14 Tallahassee, FL 32399-0850, appearing on behalf of the  
15 Florida Public Service Commission (Staff).

16 ADRIA HARPER, GENERAL COUNSEL; MARY ANNE  
17 HELTON, DEPUTY GENERAL COUNSEL; SAMANTHA CIBULA,  
18 ESQUIRE, Florida Public Service Commission, 2540 Shumard  
19 Oak Boulevard, Tallahassee, Florida 32399-0850, Advisor  
20 to the Florida Public Service Commission.

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

2 CHAIRMAN LA ROSA: Good morning, everybody.  
3 Today is Tuesday, October 6th. It is 9:30, and we  
4 are going to go ahead and call this hearing to  
5 order.

6 Staff, will you go ahead and start us off and  
7 please read the notice?

8 MR. STILLER: By notice published on September  
9 22nd, 2025, this time and place has been set for a  
10 hearing in Docket No. 20250011-EI, Petition of  
11 Florida Power & Light Company for a rate increase.  
12 The purpose of the hearing is set forth more fully  
13 in the notice.

14 CHAIRMAN LA ROSA: Excellent, great. Thank  
15 you.

16 First, I would like to note that counsel has  
17 been excused through the prehearing by the  
18 Prehearing Officer for both Electrify America and  
19 Armstrong World Industries.

20 Let's go ahead and let's take appearances, and  
21 we will start with FPL.

22 MR. CHRISTOPHER WRIGHT: Good morning,  
23 Chairman. Good morning, Commissioners.  
24 Christopher Wright on behalf of Florida Power &  
25 Light. I would also like to enter an appearance

1 for John Burnett, Maria Moncada, Joel Baker and  
2 Will Cox.

3 CHAIRMAN LA ROSA: Great.  
4 Office of Public Counsel.

5 MS. WESSLING: Good morning. This is Ali  
6 Wessling with the Office of Public Counsel. I  
7 would like to enter an appearance for Walt  
8 Trierweiler, the Public Counsel, as well as  
9 Patricia Christensen, Octavio Ponce and Austin  
10 Watrous. Thank you.

11 CHAIRMAN LA ROSA: Excellent.  
12 LULAC.

13 MR. MARSHALL: Good morning, Commissioners.  
14 Bradley Marshall on behalf of Florida Rising, the  
15 League of United Latin American Citizens of Florida  
16 and the Environmental Confederation of Southwest  
17 Florida. And I who also like to enter an  
18 appearance for Jordan Luebke and Danielle  
19 McManamon. Thank you.

20 CHAIRMAN LA ROSA: Thank you.  
21 FIPUG.

22 MS. PUTNAL: Good morning. Karen Putnal on  
23 behalf of Florida Industrial Power Users Group,  
24 FIPUG. I would also like to enter an appearance  
25 for Jon Moyle.



1 CHAIRMAN LA ROSA: Great .thank you.

2 Florida Retail.

3 MR. BREW: Yes. Good morning, Chairman and  
4 Commissioners. For the Florida Retail Federation,  
5 I am James Brew. I would like to also note an  
6 appearance for Laura Baker.

7 CHAIRMAN LA ROSA: Great. Thank you.

8 SACE.

9 MR. GARNER: William Garner appearing on  
10 behalf of the Southern Alliance for Clean Energy.

11 CHAIRMAN LA ROSA: EVgo.

12 MR. MOSKOWITZ: Good morning. This is Yonatan  
13 Moskowitz appearing on behalf of EVgo.

14 CHAIRMAN LA ROSA: Great. Thank you.

15 I know we have got the Federal Executive  
16 Agencies. I just want to make sure you guys can  
17 hear us loud and clear. You can go ahead and  
18 recognize yourselves.

19 MAJOR NEWTON: Yes, sir. This is Major Leslie  
20 neutral for the Federal Executive Agencies.  
21 Appearing with me today is Captain Michael Rivera,  
22 and appearing later in this week will be Captain  
23 Bobby Vondrasek.

24 CHAIRMAN LA ROSA: Excellent. Thank you.

25 Florida Energy for Innovation Association.

1 MR. MAY: Thank you, Mr. Chairman and  
2 Commissioners. My name is Bruce May with the law  
3 firm of Holland & Knight. We represent the Florida  
4 Energy for Innovation Association. I would like to  
5 make an appearance for my colleagues Kevin Cox and  
6 Kathryn Isted.

7 CHAIRMAN LA ROSA: Perfect.  
8 Walmart.

9 MS. EATON: Good morning, Commissioners. My  
10 name is Stephanie Eaton from the law firm of  
11 Spilman, Thomas & Battle. I am here for Walmart,  
12 Inc., and also would like to enter an appearance  
13 for my colleague Stephen Lee. Thank you.

14 CHAIRMAN LA ROSA: Thank you.

15 FAIR.

16 MR. SCHEF WRIGHT: Thank you, Mr. Chairman and  
17 Commissioners. Robert Scheffel Wright on behalf of  
18 Floridians Against Increased Rates, Inc. I would  
19 like to enter an appearance also for my law partner  
20 John Thomas Lavia, III. Thank you.

21 CHAIRMAN LA ROSA: Great. Thank you.

22 Americans for Affordable Clean Energy.

23 MR. SELF: Good morning, Mr. Chairman and  
24 Commissioners. Floyd Self of the Berger Singerman  
25 Law Firm. I am representing Americans for

1 Affordable Clean Energy, Circle K, RaceTrac and  
2 Wawa, who are generally called the Fuel Retailers.

3 CHAIRMAN LA ROSA: Excellent. Great. Thank  
4 you.

5 PSC staff.

6 MR. STILLER: Shaw Stiller for Public Service  
7 Commission staff. I would also like to enter an  
8 appearance for Tim Sparks.

9 MS. CIBULA: Samantha Cibula, Advisor to the  
10 Commission. And also I would like to make an  
11 appearance for Adria Harper, the Commission's  
12 General Counsel.

13 CHAIRMAN LA ROSA: Excellent. Well, that is  
14 everybody. Let's go ahead and move to preliminary  
15 matters. Are there any that need to be addressed  
16 before we get started?

17 MR. STILLER: Yes, Mr. Chair, there are  
18 several preliminary matters to be addressed this  
19 morning.

20 First, there are two pending motions for  
21 reconsideration of orders entered by the Prehearing  
22 Officer. The first is a Motion for Reconsideration  
23 of an Order Granting in Part and Denying in Part  
24 Signatory Intervenors' Joint Motion for Protective  
25 Order Regarding Corporate Representative

1           Depositions.

2           By way of background: On Friday, February  
3           5th, OPC issued notices of corporate representative  
4           it to intervenor signatories, that is those  
5           intervenors to this docket who have signed the 2025  
6           Stipulation and Settlement Agreement with Florida  
7           Power & Light.

8           As required by the Rules of Civil Procedure,  
9           these notices contained the list of the, quote,  
10          subjects and matters, end quote, about which OPC  
11          proposed to question the corporate representative.

12          Shortly after OPC issued its notice, Florida  
13          Rising, the Environmental Coalition of Southwest  
14          Florida and the League of United Latin American  
15          Citizens of Florida, these three groups will be  
16          collectively referred to as FEL, issued notices to  
17          the same corporate representatives but with more  
18          limited questions.

19          On the following Monday, the intervening  
20          signatories filed a Joint Motion for Protective  
21          Order, requesting that their corporate  
22          representative depositions not occur pursuant to  
23          either notice.

24          On Monday, September 8th, the same Monday, at  
25          a Prehearing Conference that had previously been

1 scheduled, the Prehearing Officer heard argument on  
2 the Motion for Protective Order, and allowed OPC  
3 and FEL until the next day, and FEL, until the  
4 close of the next business day, Tuesday, September  
5 9th, to file responses to the Motion for Protective  
6 Order.

7 On Wednesday, September 10th, the following  
8 day, the parties were advised via email that the  
9 Joint Motion for Protective Order was being granted  
10 as to the questions posed by OPC and denied as to  
11 the questions issued by FEL. This ruling was  
12 subsequently memorialized in a written order.

13 As set forth in that order, the joint motion  
14 was granted as to OPC's notice because some  
15 questions were overbroad and sought irrelevant  
16 information. An example is the first question,  
17 which reads in full, quote, this is the direction  
18 to the deponent to identify, quote, all benefits,  
19 including both tangible and intangible, that you  
20 received, intend to receive, expect to receive or  
21 will receive as a result of that party signing the  
22 August 2025 Stipulation and Settlement Agreement.

23 The written order also noted that some of  
24 OPC's questions specifically called for privileged  
25 information, such as question number 10, which

1           asked for, quote, the basis upon which the person  
2           or persons who authored you to become a signatory  
3           to the stipulation and settlement gave their  
4           authorization to do so.

5           Importantly, the joint motion was denied as to  
6           FEL's notice because the questions were  
7           appropriately focused. As an example, the first  
8           two questions read, quote, why the party believes  
9           the purported settlement agreement filed on August  
10          20, 2025, is in the public interest. Two, why the  
11          party briefs the agreement results in rates that  
12          are fair, just and reasonable.

13          All 13 corporate representative depositions  
14          were conducted under the notices issued by FEL.

15          OPC has sought reconsideration of the Motion  
16          for Protective Order and leave to conduct  
17          depositions pursuant to their notices. The  
18          well-established standard for review of a motion  
19          for reconsideration is whether the order under  
20          review overlooked a matter of law or fact.  
21          Reconsideration is not an avenue for reargument.

22          OPC first argues that the Commission should  
23          not apply this well-established standard of review.  
24          However, no persuasive authority is cited in  
25          support of this argument, and staff suggests that

1           this commission stand by its decades of precedent.

2           As to the merits of reconsideration, OPC  
3 argues that the Prehearing Officer's ruling and  
4 order were overbroad and caused confusion. Staff  
5 believes that the ruling and subsequent written  
6 order could not have been more clear and direct,  
7 that the focused questions of FEL would be allowed  
8 and those of OPC would not.

9           The Prehearing Officer ruled quickly so that  
10 the depositions could be conducted prior to the due  
11 date of prefiled testimony for those who opposed  
12 the 2025 Stipulation and Settlement Agreement. The  
13 Prehearing Officer allowed appropriately limited  
14 questions directed to the settlement itself. OPC  
15 has identified no law -- issue of law or fact that  
16 the Prehearing Officer overlooked, and for all of  
17 these reasons, staff recommends that the motion be  
18 denied.

19           No party has requested oral argument. Staff  
20 is available for questions.

21           CHAIRMAN LA ROSA: Great. Thank you.

22           Commissioners, are there any questions or is  
23 there any deliberation on this? Questions or  
24 deliberation?

25           Seeing none, is there a motion?

1           COMMISSIONER FAY: Thank you, Mr. Chairman.

2           So based on what Mr. Stiller just laid out for  
3 us, we would be taking up a motion to --  
4 essentially to deny what was requested, is that  
5 correct?

6           MR. STILLER: That is correct. The motion  
7 would be to deny the Motion for Reconsideration.

8           COMMISSIONER FAY: Okay. I just want to make  
9 sure. We got a lot of motions flying here, Mr.  
10 Chairman --

11          CHAIRMAN LA ROSA: Yeah.

12          COMMISSIONER FAY: -- so I am doing my best to  
13 make sure we walk through them appropriately, but I  
14 would move that we deny the motion.

15          COMMISSIONER GRAHAM: Second.

16          CHAIRMAN LA ROSA: All right. Hearing a  
17 motion, and hearing a second.

18          All those in favor signify by saying yay.

19          (Chorus of yays.)

20          CHAIRMAN LA ROSA: Yay.

21          Opposed no?

22          (No response.)

23          CHAIRMAN LA ROSA: Show that the motion is  
24 granted, and it is -- the joint motion is then  
25 denied.



1           Staff, is there any -- is there another  
2 preliminary matter?

3           MR. STILLER: There is one more Motion for  
4 Reconsideration, and this is a Motion for  
5 Reconsideration of an Order Dismissing Customer  
6 Majority Parties' Stipulation and Settlement  
7 Agreement.

8           On August 20th, 2025, FPL and the intervenor  
9 signatories filed a Joint Motion to Approve the  
10 2025 Stipulation and Settlement Agreement. On  
11 August 26th, 2025, OPC, FEL and FAIR filed a Joint  
12 Motion to Approve Customer Majority Parties'  
13 Stipulation and Settlement Agreement. On August  
14 29, FPL filed a response in opposition to the joint  
15 motion.

16           At the September 8th Prehearing Conference on  
17 Settlement, the Prehearing Officer heard argument  
18 on the joint motion. On September 12th, 2025, the  
19 Prehearing Officer issued an order dismissing the  
20 joint motion. The Prehearing Officer noted that  
21 this is a matter of first impression, and  
22 ultimately concluded that in a rate case filed by a  
23 utility, that utility must be a party to any  
24 proposed settlement. The parties who filed the  
25 joint motion have moved for reconsideration.

1           As the first point, the parties again argue  
2           that the Commission should not apply the  
3           traditional standard on reconsideration. For the  
4           reasons stated earlier, staff does not agree with  
5           that argument.

6           As to the merits of reconsideration, the  
7           parties allege that the Prehearing Officer  
8           overlooked three points of law. Two of the three  
9           points actually argue the same thing, that is the  
10          Prehearing Officer erred in concluding that FPL is  
11          an indispensable party to a settlement of this  
12          docket. However, this is the ultimate legal  
13          conclusion that needs to be made in a case of first  
14          impression, thus, there is simply no legal  
15          precedent to overlook. There are only two relevant  
16          facts to this conclusion and they are undisputed.  
17          FPL filed this case for rate relief, and FPL is not  
18          a party to the settlement. The rest of the motion  
19          for reconsideration on these issues, staff submits,  
20          is pure reargument.

21          The parties next assert that the Prehearing  
22          Officer overlooked a point of law when he dismissed  
23          the joint motion instead of denying it. Staff  
24          submits that a fair reading of the order shows that  
25          the Prehearing Officer was trying to ensure that

1 his disposition of the joint motion would not be  
2 construed as an adverse ruling or prejudgment of  
3 the merits proposals forwarded by the parties. the  
4 Prehearing Officer made his dismissal without  
5 prejudice, and specifically instructed the parties  
6 that they could refile the matters in the  
7 settlement appropriately. The issue was the  
8 vehicle by which it was proposed in a settlement,  
9 not the terms of the proposal itself. The parties  
10 and FPL agree that the same result can be reached  
11 with the word "deny" instead of "dismiss".

12 Staff recommends that the Commission grant the  
13 motion for reconsideration and substitute the word  
14 "deny" or "denial" everywhere there is "dismiss" or  
15 "dismissal".

16 The parties' final argument is that the  
17 Prehearing Officer made a mistake of fact in  
18 characterizing a settlement. However, this  
19 characterization is simply a citation to Black's  
20 Law Dictionary. The remaining points are all  
21 argument.

22 In sum, where a utility initiates a rate  
23 proceeding which involves, in part, this commission  
24 determining rates based on the legitimate costs of  
25 the property owned by the utility in such a

1 proceeding, there can be no settlement without the  
2 utility as a party. For all of these reasons,  
3 staff recommends that the joint motion be denied.

4 No party requested oral argument. Staff is  
5 available for questions.

6 CHAIRMAN LA ROSA: Great. Thank you.

7 Commissioners, is there questions or  
8 deliberations on this? Questions or deliberations?  
9 Open for a motion.

10 COMMISSIONER FAY: Mr. Chairman, I just have a  
11 few comments before we take a motion.

12 CHAIRMAN LA ROSA: Sure. Please.

13 COMMISSIONER FAY: Great. Thank you.

14 Okay, so just first, based on the three points  
15 that were presented by Mr. Stiller, so I don't take  
16 any issue with the conclusion of what the  
17 Prehearing Officer determined in this docket, but I  
18 do just want to sort of recognize some of the  
19 procedural components that we have been going  
20 through, and part of that is the realities that  
21 this is a large rate case. I think we had some  
22 rescheduling that occurred to make sure we could  
23 hear from all the witnesses appropriately, that we  
24 could hear from the intervenors appropriately, and  
25 I understand that complicates some things to a

1           certain degree.

2           There are procedural requirements for when  
3           these filings come in for a reason. When these  
4           things come in very late in the game, I think it  
5           can be problematic to try to take up everything in  
6           a way that is inclusive of what we potentially want  
7           to do.

8           I don't see an issue of law or fact or  
9           anything that was overlooked other than what Mr.  
10          Stiller states with the changing the dismissal to  
11          denial, and I think that was a good catch and  
12          probably the right change to make.

13          The one comment I would like to make, Mr.  
14          Chairman, just on the settlement process itself.  
15          You know, when we look at how these come in, I  
16          think we tend to lean towards this kind of  
17          definition of what validates a settlement or not,  
18          and how we make that determination. And one thing  
19          I just want us to be very careful from doing is,  
20          you know, foreclosing potential future settlements.

21          And, you know, it might be a different  
22          commission, it might be different procedures, but  
23          to try to predict at this point what potential  
24          settlements could come in in the future that would  
25          be taken up by this commission, I think, is very

1           difficult. I think of typically the utility files  
2           petitions, especially in a rate case process.  
3           There are other dockets where you might have other  
4           petitioners filing and are then they, by  
5           definition, a required party?

6           I think there is a lot of questions about  
7           that. And similar to our public interest standard  
8           in our rate case process of how we make these  
9           decisions, I just want to be very clear that by not  
10          finding an issue of law or fact, I don't think the  
11          Commission should foreclose parties from  
12          potentially being part of these settlements in the  
13          future.

14          And so, with that said, Mr. Chairman, I am  
15          happy to put forward a motion and try to dispose of  
16          these appropriately based on what Mr. Stiller has  
17          presented, but I just think we need to be really  
18          careful.

19          The settlement process has a ton of value. I  
20          didn't necessarily love it when I first got on the  
21          Commission, because of the requirements that are  
22          set out in these Commission -- these settlements  
23          themselves, but if we are not careful about the  
24          limitations we are putting on these, we, by  
25          accident, could be eliminating that process. And I

1 don't think that's healthy, and I don't think  
2 that's appropriate for our commission.

3 People long before me here have supported this  
4 process, and have probably saved ratepayers and  
5 intervenors and utilities millions of dollars from  
6 avoiding prolonged litigation for some of these  
7 things. And if we eliminate their ability to do  
8 that, which would be probably unique to any state,  
9 I think we potentially would be harming the parties  
10 involved. So I don't want your decision to be  
11 interpreted as foreclosing anything like that in  
12 the future.

13 CHAIRMAN LA ROSA: Well said.

14 Further Commissioners, any other deliberation?

15 If not, Commissioner Fay, you are recognized  
16 for a motion.

17 COMMISSIONER FAY: Okay. Thank you, Mr.  
18 Chairman.

19 So what I would move is that we deny the  
20 motion in part and then grant the motion in part  
21 based on the replacement of the term dismissal --  
22 replacing the term dismissal with the term denial  
23 in that decision.

24 COMMISSIONER GRAHAM: Second.

25 CHAIRMAN LA ROSA: Hearing a motion, and

1 hearing a second.

2 All those in favor signify by saying yay.

3 (Chorus of yays.)

4 CHAIRMAN LA ROSA: Yay.

5 Opposed no?

6 (No response.)

7 CHAIRMAN LA ROSA: All right. Show that the  
8 joint motion is denied in part and accepted in part  
9 as stated in the motion.

10 Let's go ahead -- do I need clarification,  
11 staff?

12 MR. STILLER: No. There is just one more  
13 preliminary matter.

14 CHAIRMAN LA ROSA: Yeah, let's move to that  
15 preliminary matter.

16 MR. STILLER: As the Commissioners are aware,  
17 this hearing will be conducted in two phases.  
18 Phase I relates to the February 28th, 2025,  
19 petition and supporting MFRs filed by FPL. Phase  
20 II relates to the August 20th, '25, joint Motion to  
21 Approve Stipulation and Settlement Agreement.

22 The parties have conferred and reached  
23 agreements among themselves on a set of basic  
24 ground rules to assist in keeping the testimony  
25 focused exclusively on the petition in Phase I and



1 the settlement in Phase II. As the Commissioners  
2 will recall, there was some concern about this  
3 voiced at the August 11th hearing.

4 In its most basic terms pursuant to the  
5 agreement among the parties, you should not hear  
6 the word settlement until we are done with Phase I.  
7 Staff does not believe these matters need to be  
8 made part of a record at this time. I just wanted  
9 to bring these to the attention of the Commission  
10 in case they become an issue in the future.

11 CHAIRMAN LA ROSA: Great. Thank you.

12 And as we all know, as we have been, of  
13 course, following along, this case is complex and  
14 there is lots of layers that are being added to it,  
15 and a lot of that, of course, was addressed through  
16 a prehearing.

17 To the parties, are there any preliminary  
18 matters? OPC.

19 MS. WESSLING: Thank you, Mr. Chair. Just two  
20 brief preliminary matters.

21 First, with all due respect to the Commission,  
22 we are just going to note our objection to the  
23 rulings on the motions that were just pronounced.

24 CHAIRMAN LA ROSA: Understood.

25 MS. WESSLING: And then secondly, we would

1           also just like to note that, as we stated on August  
2           11th when we were here, it ours position that the  
3           8/12-month clock has been waived by the Motion to  
4           Suspend the Proceeding in this case that was  
5           granted, and OPC will obviously respectfully be  
6           efficient with everyone's time here today. We are  
7           not looking to, you know, be anything but efficient  
8           with the time, but it is our position that FPL is  
9           no longer entitled to rates under that clock  
10          because of the suspension of the procedural  
11          calendar that took place, so there is not, in our  
12          position, the time constraint that perhaps others  
13          might be driven by in this matter.

14                   CHAIRMAN LA ROSA:    FEL.

15                   MR. MARSHALL:    We have three pending unopposed  
16                   joint motions for approvals of stipulations in lieu  
17                   of cross-examination with various witnesses, one  
18                   with EVgo, one with Electrify America and one with  
19                   OPC and AWI and --

20                   CHAIRMAN LA ROSA:    You are wondering where  
21                   those are?

22                   MR. MARSHALL:    Yeah, I was wondering if we  
23                   should -- could take those up at some point.

24                   CHAIRMAN LA ROSA:    So we are working on them.  
25                   Staff, will they be prepared later today or --

1 MR. STILLER: We are actually going to get to  
2 them in about three minutes.

3 MR. MARSHALL: Thank you.

4 CHAIRMAN LA ROSA: There you go. There is  
5 your answer.

6 Any other preliminary matters?

7 MR. BURNETT: Mr. Chairman, just briefly.

8 CHAIRMAN LA ROSA: FPL.

9 MR. BURNETT: I just wanted to note that my  
10 silence should not be noted as consent to OPC's  
11 position about what clocks have ran or not. So I  
12 just wanted to make that clear, my silence  
13 shouldn't mean acquiescence.

14 CHAIRMAN LA ROSA: Understood.

15 All right. Seeing no other preliminary  
16 matters, let's go ahead and let's move to the  
17 record and we will start with exhibits.

18 Staff.

19 MR. STILLER: Staff has compiled a  
20 Comprehensive Exhibit List, or CEL, with  
21 prenumbered Exhibits 1 through 1522. Exhibits 1  
22 through 1276 relate to Phase I of the hearing.  
23 Exhibit 1277 through 1522 relate to Phase II.

24 Item 1 on the CEL is the CEL itself. The MFRs  
25 and prefilled exhibits attached to the witnesses'

1 testimony are labeled Nos. 2 through 334. And  
2 staff's hearing exhibits are Nos. 335 through 485.  
3 The list has been provided to the parties via Case  
4 Center, the Commissioners and the court reporter.

5 Staff requests that the CEL be marked for  
6 identification purposes as Exhibit No. 1, and that  
7 the other exhibits listed on the CEL be marked for  
8 identification as listed in the CEL.

9 CHAIRMAN LA ROSA: The exhibits, then, are so  
10 marked.

11 (Whereupon, Exhibit Nos. 1-1522 were marked  
12 for identification.)

13 MR. STILLER: At this time, staff asks that  
14 the CEL, marked as Exhibit No. 1, be entered into  
15 the record.

16 CHAIRMAN LA ROSA: Any objections to those?  
17 All right. Hearing none, then Exhibit 1 is then  
18 entered.

19 (Whereupon, Exhibit No. 1 was received into  
20 evidence.)

21 MR. STILLER: And the prefiled exhibits will  
22 be moved at the conclusion of each witnesses'  
23 cross-examination.

24 CHAIRMAN LA ROSA: Excellent.

25 All right. Let's move -- am I good, Shaw?

1 Let's move to opening statements?

2 MR. STILLER: Yes.

3 CHAIRMAN LA ROSA: Okay. All right. So,  
4 again, as I said a little bit complex, so as set  
5 forth in the Prehearing Order, opening statements,  
6 if any, shall be limited to 20 minutes for FPL, 10  
7 minutes for OPC, FEL, FAIR and FIPUG, and five  
8 minutes for each of the other intervenors.

9 Please let me know if you would like to  
10 reserve any time during the opening statements for  
11 the Phase II portion of the hearing that was  
12 referenced earlier. Our staff will go ahead and  
13 just keep note of that. And then no sharing  
14 between the parties as far as time.

15 Go ahead.

16 MR. SCHEF WRIGHT: Quick question on that, Mr.  
17 Chairman. I just found out about this this  
18 morning, and I am editing down my prehearing -- my  
19 opening statement.

20 My question is, can we just time what we use  
21 today and reserve what's left to the 10 minutes for  
22 the opening statement, as opposed to saying, I want  
23 to reserve four minutes for next week?

24 CHAIRMAN LA ROSA: Yeah, that's fair. If you  
25 can -- we will obviously keep track of what your

1 time is today when you offer an opening  
2 statement --

3 MR. SCHEF WRIGHT: Thanks.

4 CHAIRMAN LA ROSA: -- and then just, you know,  
5 we will make the assumption that you will use that  
6 time later on today unless you tell us something  
7 different.

8 MR. SCHEF WRIGHT: Well, I definitely want to  
9 reserve some, but it's a little hard put to  
10 identify exactly how much right at this minute.  
11 Thank you.

12 CHAIRMAN LA ROSA: Yeah, we will try to be as  
13 approximation as we can --

14 MR. SCHEF WRIGHT: That's great. Thank you.

15 CHAIRMAN LA ROSA: -- as far as time.  
16 Excellent.

17 I think -- are we ready to go? Let's go ahead  
18 and start with FPL.

19 MS. BURNETTE: Good morning, Commissioners.  
20 FPL will reserve all of its time for the next  
21 proceeding and has nothing for this phase. Thank  
22 you.

23 CHAIRMAN LA ROSA: Okay. OPC.

24 MS. WESSLING: Thank you. Let me get my  
25 stopwatch going here.

1 All right. Good morning, and, again, Ali  
2 Wessling on behalf of the Office of Public Counsel,  
3 and I would like to start by stating that Section  
4 366.01 of the Florida Statutes states that the  
5 regulation of public utilities is declared to be in  
6 the public interest, and that Chapter 366 shall be  
7 deemed to be an exercise of the police power of the  
8 state for the protection of the public welfare.

9 This commission's statutory obligation is to  
10 regulate utilities such as FPL for the protection  
11 of the public welfare. In this case, that means  
12 FPL's customers. Based on FPL's filings in this  
13 case, they would have you believe it is their  
14 welfare that your here to protect. As we proceed  
15 through this hearing, constantly ask yourself, does  
16 approving this request protect the welfare of FPL's  
17 customers? And sometimes the Commission has to say  
18 no.

19 Our seven expert witnesses will present  
20 testimony that will establish that many of FPL's  
21 requests would, in fact, cause harm to the welfare  
22 of FPL's customers, and result in unfair, unjust,  
23 unreasonable and, thus, unaffordable rates.

24 OPC expert Dan Lawton's testimony will require  
25 you to ask how approving FPL's requested 11.9

1           percent midpoint ROE would protect the welfare of  
2           FPL's customers when, if approved, 50 cents out of  
3           every dollar that customers pay would go straight  
4           to shareholders' pockets and to taxes; or how  
5           increasing FPL's midpoint ROE or profit margin by  
6           110 basis points, which is approximately \$600  
7           million annually, would protect the welfare of  
8           FPL's customers when that increased profit margin  
9           alone would represent over \$2 billion of FPL's  
10          nearly \$10 billion requested rate hike.

11                 OPC expert Jim Dauphinais' testimony will make  
12          you question, among other things, how forcing  
13          customers to pay for 28 new solar farms in 2026 and  
14          2027 would protect the welfare of FPL's customers  
15          when there is no need for that added generation in  
16          light of FPL's battery storage additions until at  
17          least 2028; or why relying on FPL's consultants'  
18          severely flawed stochastic loss of load probability  
19          analysis would protect the welfare of FPL's  
20          customers when its results -- when it results in  
21          materially overstated resource adequacy needs.

22                 OPC expert Jacob Thomas will make you doubt  
23          that allowing FPL to understate its revenues by  
24          hundreds of millions of dollars will protect the  
25          welfare of FPL's customers.



1           OPC expert Bill Dunkel will have you asking,  
2           why, after proposing to increase depreciation  
3           expense, as FPL as requested, that will protect the  
4           welfare of FPL's customers when it would mean the  
5           customers would pay an additional \$170 million a  
6           year.

7           OPC expert Tim Devlin will identify for you  
8           all the ways that FPL's unconscionable tax  
9           adjustment mechanism will harm the welfare of FPL's  
10          customers now and for many years to come. His  
11          testimony, and other evidence in this case, will  
12          show that allowing FPL to take actual customer  
13          money that FPL has already collected from customers  
14          for the expressed purpose of paying FPL's income  
15          taxes, and then allowing FPL to transfer that money  
16          to shareholders over the next four years and then  
17          recollect that same money, plus carrying costs,  
18          over the next 30 years is wrong.

19          Authorizing the TAM would shatter several  
20          traditional ratemaking principles, and you must say  
21          no to such a backwards, tortured and unjust  
22          mechanism that fails to protect the welfare of  
23          either current or future FPL customers.

24          FPL expert Bill Schultz will leave you  
25          questioning how approving various aspects of FPL's

1 case would protect the welfare of FPL's customers,  
2 including questions like: Why are customers still  
3 paying property taxes, insurance and a profit  
4 return on stockpiled land that FPL has held since  
5 1977 and 1978, 1993, '94, '95, but not put into  
6 service yet? Or land that FPL cannot articulate  
7 its current plans for, for land that FPL has not  
8 even purchased yet.

9 OPC expert Roger Colton will have you  
10 wondering how saying yes to increasing base rates  
11 by \$9.819 billion will protect the welfare of FPL's  
12 residential and commercial customers when many of  
13 FPL's customers are already struggling to afford  
14 FPL's current rates.

15 Despite FPL's claim that its newest version of  
16 a four-year plan will benefit customers through  
17 rate stability, we ask that you remember a few  
18 things.

19 Regardless of how testimony phrases, FPL is  
20 asking for permission to raise base rates in every  
21 single year of this so-called four-year plan, which  
22 contradicts its rate stability claim.

23 Also, rate stability protects FPL's welfare,  
24 not the customers of FPL's welfare. Bill stability  
25 would not guaranteed by the four-year plan because

1 of things like storms and fuel prices. Customers  
2 care about what their total bill will be at the end  
3 of the day, and this four-year plan will do nothing  
4 to provide bill stability.

5 Additionally, there is no guarantee that FPL  
6 will stay out for the next four years. You have  
7 already held that this kind of commitment, if you  
8 want to call it that, is unenforceable in the  
9 absence of a settlement agreement.

10 FPL is unabashedly asking that a completely  
11 derisked four-year period of time be accompanied by  
12 what would be the highest ROE in the country by  
13 far. To top it off, FPL is asking for this rate  
14 increase at a time when even FPL admits that  
15 uncertainties abound, but the One Big Beauty Bill  
16 Act's crackdown on production and tax credits,  
17 which are crucial to the cost of service of  
18 cost-effective of the solar and batteries, will  
19 they still be available over the next four years?  
20 What happens if FPL does not qualify for all the  
21 ITCs and PTCs that it expected to qualify for when  
22 it filed this case? Will customers have to make up  
23 the difference even if they are no longer  
24 cost-effective?

25 How will FPL's now public acquisition of the

1 Vandolah Natural Gas Plant further reduce the need  
2 for the generation additions that FPL is planning  
3 in this case?

4 What is the future of the reportedly unfunded  
5 and unstaffed customer assistance LIHEAP program,  
6 which FPL has stated is a feature of its so-called  
7 robust suite of customer support initiatives?

8 How will the ever-evolving trade tariffs  
9 impact the welfare of FPL's customers and their  
10 bills?

11 What impact will data centers and their  
12 demands have on Florida and FPL's customers over  
13 the next four years? Are the general body of FPL's  
14 ratepayers protected from these unknowns?

15 In the face of this uncertainty, the answer is  
16 not to lock FPL's customers into unfair, unjust and  
17 unreasonable rates for at least the next four  
18 years.

19 As we proceed with this hearing, remember that  
20 the only reason, the only reason we are here today  
21 is because FPL chose to file this rate case, and  
22 they chose to ask for nearly \$10 billion more from  
23 their customers. It is time to protect the public  
24 welfare of FPL's customers and to say no.

25 Thank you.

1 CHAIRMAN LA ROSA: Thank you.

2 FEL.

3 MR. MARSHALL: Thank you.

4 Good morning, Commissioners. As you know,  
5 Florida Rising, LULAC and ECOSWF are associations  
6 of mainly residential customers, and Florida Rising  
7 itself is a GS customer of FPL, customer classes  
8 that make up over 98 percent of FPL customers.

9 First, the money. FPL is extremely  
10 profitable. As their rate base continued to  
11 explode, so has their profits, coupled with a  
12 mechanism that allows them to control their  
13 earnings with pinpoint precision, the RSAM, soon to  
14 be substituted with the even worse TAM, FPL has  
15 been able to maintain the highest return on equity  
16 in the nation of a regulated utility. And yet,  
17 this utility, with some of the highest profits in  
18 the nation, is here today, asking this commission  
19 do grant them an unprecedented just shy of a \$10  
20 billion rate increase. That's more than most  
21 utilities would ever see in revenue, let alone  
22 dream of asking for as a revenue increase, higher  
23 than any vertically integrated electric utility has  
24 ever asked for in the nation, far surpassing the  
25 previous record set by FPL in 2021. As a result,

1 FPL is seeking to increase residential base rates  
2 by over 20 percent from now to just 2027, with  
3 additional base rate increases in 2028 and 2029.

4 On top of the almost \$10 billion in cash  
5 increases we also get with this rate case, billions  
6 more in IOUs to FPL in the form of Investment Tax  
7 Credits being taken through investment in  
8 batteries, and the even worse tax adjustment  
9 mechanism.

10 The ITCs should be normalized over the life of  
11 an asset so that all customers who pay for the  
12 asset get the benefit of those tax credits. This  
13 is also known as the matching principal, and  
14 prevents generational inequities.

15 Instead, this year, when FPL found itself  
16 earning an 11.6 percent ROE instead of the maximum  
17 of an 11.8 percent ROE, it decided to rush  
18 batteries into service in northwest Florida to sell  
19 the ITCs worth \$150 million and keep that for  
20 themselves.

21 Starting in 2026, the test year, it's as if  
22 those ITCs never existed, and FPL's ratepayers are  
23 left paying for batteries that, from their  
24 perspective, never had any ITCs. As a result, the  
25 revenue requirement for those 2025 batteries goes

1 from about a negative \$150 million to positive  
2 almost 80 million in the test year, a swing-back of  
3 \$230 million in revenue requirement driver from  
4 2025 to 2026. How are ratepayers being served by  
5 that?

6 FPL says, don't worry, we are getting even  
7 more ITCs the following year, the test year, and  
8 selling them, and that will be worth more than \$150  
9 million. Thus, if approved, the 2026 batteries  
10 come with a 2026 revenue requirement of negative  
11 577-and-a-half-million-dollars, and a 2027  
12 requirement of almost positive \$300 million, an  
13 almost \$900 million swing-back.

14 This continues, of course, such that we now  
15 have FPL building batteries out of necessity to  
16 avoid a rate shock, and not because of whether  
17 there may be any generation need. And in the  
18 absence of yet more ITCs that sets up a big  
19 swing-back in 2030 necessitating a massive rate  
20 increase.

21 FPL says that they need these batteries  
22 because until just before the original start date  
23 of the August hearing, they maintained that in  
24 2026, their loss of load probability was 0.92,  
25 almost as likely as not that there would be rolling

1           blackouts because of lack of generation resources,  
2           and over nine times the established industry  
3           standard for reliability.

4           No one has yet been able to point to a utility  
5           with a higher loss of load probability, making FPL  
6           one of, if not the most, unreliable utilities in  
7           the nation. If true, FPL should be heavily  
8           penalized with a much lower return on equity.  
9           However, as we will demonstrate, we don't think  
10          it's true, and FPL isn't rushing to secure  
11          additional resources for 2026.

12          As I mentioned, FPL revised this just before  
13          the August hearing to 0.76. Still extremely high,  
14          but resulting from turning on 21 currently existing  
15          solar power plants that had been switched off in  
16          the model. Over the course of what could be  
17          potentially a couple days on cross, we intend to  
18          deconstruct the stochastic loss of load probability  
19          analysis to show why it is not reflective of FPL's  
20          system.

21          Just a few of the issues we intend to point  
22          out on cross-examination. One, a maintenance  
23          schedule that does not reflect FPL's actual  
24          maintenance schedule. Two, loads that are not  
25          reflective of FPL's actual loads. Three, solar



1 generation that is not reflective of FPL's actual  
2 solar generation. And, four, forced outage rates  
3 significantly higher than FPL's actual forced  
4 outage rates and expected forced outage rates.

5 Individually, these issues each result in  
6 gigawatts of capacity out at critical times. Add  
7 it all up, and the stochastic loss of load  
8 probability results do not reflect FPL's system,  
9 and, if anything, demonstrate just how reliable it  
10 is.

11 Without the stochastic loss of load  
12 probability results, FPL's prudence argument for  
13 its batteries in this case disappears, but our  
14 position, to be clear, is that if you agree with  
15 the results FPL has pushed forward, we believe they  
16 are due for a heavy ROE penalty since such results  
17 would show them to be one of, if not the most  
18 unreliable utilities in the nation.

19 Put it all together, and you have got FPL  
20 asking for billions and billions of dollars more  
21 than they need. You have got large commercial and  
22 industrial customers, including the new data center  
23 entrants, asking for billions of dollars in  
24 cross-subsidization from the residential class.

25 Florida Rising, LULAC and ECOSWF are here to

1 say that residential and small business customers  
2 for being disconnected for being unable to afford  
3 their bills by millions in FPL's territory, are  
4 tired of paying more than their fair share. They  
5 want to pay their fair share and no more, unlike  
6 some of the other intervenors, we do not think that  
7 should be considered a radical proposition.

8 Thank you, and I would like to reserve the  
9 balance of my time for the Phase II of the hearing.

10 CHAIRMAN LA ROSA: Great. Thank you.

11 FAIR.

12 MR. SCHEF WRIGHT: Thank you, Mr. Chairman,  
13 Commissioners. Good morning.

14 On behalf of Floridians Against Increased  
15 Rates and the roughly 1,000 of FAIR's members who  
16 are FPL's customers, thank again for the  
17 opportunity to address you today.

18 My message hasn't changed for the last 20  
19 years. My philosophy is very simple. You probably  
20 agree with it. It's the regulatory compact. A  
21 utility's revenue requirement should be set to  
22 recover all reasonable and prudent O&M expenses,  
23 all reasonable and prudent interest expense and  
24 depreciation expense, and to cover the cost of  
25 reasonable and prudent investments in assets that

1 are used an useful in providing public service,  
2 including a reasonable return on investment.  
3 Fortunately, the United States Supreme Court has  
4 set the standard for what a reasonable return on  
5 investment is.

6 Quoting from Bluefield Waterworks v Public  
7 Service Commission of West Virginia: A public  
8 utility is entitled to such rates as will permit it  
9 to earn a return on the value of the property which  
10 it employs for the convenience of the public equal  
11 to that generally being made at the same time and  
12 in the same general part of the country on  
13 investments and other business undertakings which  
14 are attended by corresponding risks and  
15 understanding certainties.

16 Applying the Supreme Court's Bluefield  
17 standard, FPL's requested ROE of 11.9 percent is  
18 excessive, we would argue unconscionable, when  
19 compared to the ROEs recently approved by public  
20 service commissions and public utility commissions  
21 for other vertically integrated electric utilities  
22 in the same general part of the country, the  
23 Southeastern United States, in the same timeframe.  
24 For 2023 to 2025, the average ROE for southeast  
25 U.S. utilities was 9.94 percent. If you drop 2023

1 out of that, it's 10.04 percent. The Bluefield  
2 standard suggests strongly that 10 percent is  
3 consistent with that standard.

4 And I want to emphasize that the difference  
5 between FPL's excessive 11.9 percent and 10 percent  
6 is billions of dollars. 190 basis points times 500  
7 plus million dollars a year is \$950 million a year  
8 of excess profits to FPL. That's up to 3.8 billion  
9 dollars over four years.

10 The Commissioner itself has recognized the  
11 relevance of national ROEs in prior cases. In  
12 2010, the last time the Commission actually voted  
13 on issues in an FPL case, the Commission considered  
14 national ROEs, and stated the following: While we  
15 do not believe the authorized ROE for FPL should be  
16 based upon the average return set by other  
17 commissions during 2009, we do not believe returns  
18 significantly above or below this level are  
19 indicative of the investor required return for FPL.

20 In the 2010 FPL case, Mr. Pimentel recommended  
21 an ROE of 12-and-a-half percent. Considering all  
22 of the evidence, the Commission set FPL's ROE at  
23 10 percent, 250 basis points below FPL's  
24 recommendation.

25 Regarding the TAM, it is apparent to customers

1           that FPL intends to use the TAM to earn as close as  
2           possible to -- as close to 100 basis points above  
3           its authorized midpoint as it possibly can, just as  
4           it has used the similar mechanisms since 2017.

5           Following your statutes, specifically Section  
6           366.06(2), FAIR submits the following is a matter  
7           of common sense public policy that recognizes and  
8           serves the public interest.

9           FPL has the right to sufficient revenues to  
10          unable it to provide safe and reliable service.  
11          Customers have the corresponding right to be  
12          protected from being charged excessive rates.  
13          Applied to the TAM, customers have the right to  
14          expect that when they have paid for a particular  
15          utility cost, FPL's tax liabilities in this  
16          instance, one time, the utility will use what its  
17          customers have paid for that purpose, and customers  
18          have the right to expect that they won't have to  
19          pay for the same cost again.

20          The citizens of Florida, as customers of  
21          regulated utilities, have the right to expect their  
22          government, the Public Service Commission, to  
23          ensure that once they have paid for a specific  
24          utility cost, they won't be called upon to pay that  
25          same cost again, and to ensure that the utility

1 uses the money they have paid for the purpose for  
2 which the utility charged them and collected their  
3 money.

4 In closing, FAIR submits that the Commission  
5 should, we would argue must, reject FPL's  
6 unconscionable ROE request and set its ROE at no  
7 more than 10 percent, consistent with the Bluefield  
8 standard and the abundant competent, substantial  
9 evidence in this case. The Commission must also  
10 reject FPL's unfair, unjust and unreasonable tax  
11 adjustment mechanism.

12 Thank you.

13 CHAIRMAN LA ROSA: Great. Thank you.

14 Let's move to FIPUG.

15 MS. PUTNAL: Thank you, Mr. Chairman. FIPUG  
16 reserves its time for Phase II of the proceeding.

17 CHAIRMAN LA ROSA: Can you hear her okay? I  
18 think maybe pull your microphone a little bit  
19 closer.

20 Okay. All right. So reserving your time is  
21 what I understood.

22 MS. PUTNAL: Yes. Thank you.

23 CHAIRMAN LA ROSA: All right. Let's move to  
24 FRF.

25 MR. BREW: I would like to reserve basically

1 four minutes and 30 seconds of my time.

2 CHAIRMAN LA ROSA: You are precise.

3 MR. BREW: I would just like to point out that  
4 the Florida Retail Federation has intervened in  
5 commission dockets for well over 20 years on behalf  
6 of its retail business members. I am precise  
7 because we are all affected by anything that  
8 changes the rate, terms and conditions for electric  
9 service.

10 Commissioner Fay is exactly right. This is a  
11 large case. It is complex. It obviously is  
12 controversial, and -- but it affects everybody in  
13 the room, and we will very serve the rest of our  
14 comments for the settlement phase. Thank you.

15 CHAIRMAN LA ROSA: Thank you.

16 Walmart.

17 MS. EATON: Good morning. We would like to  
18 reserve about a minute for the settlement phase, or  
19 whatever is left.

20 Good morning again, Chairman and  
21 Commissioners. Again, I am Stephanie Eaton here  
22 for Walmart, Inc.

23 Representatives from Walmart have appeared  
24 before this commission in 31 separate dockets, and  
25 appreciate the opportunity to be here today to

1 share Walmart's unique perspectives with this  
2 commission and other parties. Walmart operates 387  
3 retail units, 14 supply chain facilities, and  
4 employs over 119,000 associates in Florida. In  
5 fiscal year ending 2025, Walmart purchased \$8.8  
6 billion worth of goods and services from Florida  
7 based suppliers, supporting over 63,000 jobs.

8 Walmart has 179 retail units, four  
9 distribution centers and related facilities in the  
10 service area that FPL covers. And because of that,  
11 Walmart purchases more than 800-million-kilowatt  
12 hours annually from FPL.

13 Since the cost of electric utility service a  
14 significant element in the cost of operation for  
15 Walmart in FPL's service territory, Walmart  
16 intervened in this docket, and Walmart has filed  
17 the testimony of not one, but two, members of its  
18 energy services team, Steve W. Chriss, Senior  
19 Director for Utility Partnerships, and Lisa V.  
20 Perry, Director Utility Partnerships Regulatory.

21 Mr. Chriss addressed rate design issues  
22 related to electric vehicle tariffs proposed by  
23 FPL. In particular, Mr. Chriss recommended changes  
24 to the utility's UEV tariff and charges associated  
25 with that tariff, and that the GSLD-1EV be uncapped



1 to that loads of 2,000 kilowatts or greater can  
2 take service on that fee schedule.

3 Both recommendations are aimed at increasing  
4 third-party EV charging station development at  
5 competitive prices, which, in turn, will serve  
6 individual and commercial adoption of EVs in  
7 Florida, and in FPL's service territory, which is  
8 in both north and south Florida.

9 Ms. Perry made recommendations focusing on  
10 several important issues raised by FPL's petition,  
11 the return on equity proposed by the company, the  
12 proposed cost of service studies and revenue  
13 allocation, the company's proposed production plant  
14 cost allocation methodology, proposed reduction in  
15 commercial/industrial demand reduction credits, and  
16 the two new proposed large load contract service  
17 tariffs that FPL included in its petition.

18 Ultimately, Walmart urged the Commission to  
19 authorize an increase in revenue requirement that  
20 is only the amount necessary for FPL to provide  
21 reliable service while still having the opportunity  
22 to earn a reasonable return. Mr. Chriss and  
23 Ms. Perry look forward to speaking with you on  
24 October 10th.

25 Thank you.

1 CHAIRMAN LA ROSA: Thank you.

2 Florida Energy for Innovation Association.

3 MR. MAY: Good morning, Mr. Chairman and  
4 Commissioners. Again, I am Bruce May with the law  
5 firm of Holland & Knight. I am going to be very  
6 brief.

7 We represent the Florida Energy for Innovation  
8 Association, the FEIA, which we refer to as FEIA.  
9 The testimony that we will present in this case  
10 will show that FEIA is an association comprised of  
11 companies and their affiliates that are developing  
12 data centers in FPL's service territory. FEIA has  
13 four member companies, three of which are existing  
14 FPL customers with residential, commercial and  
15 industrial accounts.

16 The testimony will show that FEIA intervened  
17 in this proceeding because of concerns about the  
18 rates, terms and conditions of the LLCS tariff that  
19 FPL initially proposed for data centers, as well as  
20 concerns about FPL's initial overall rate request.

21 In Phase I of this case, FEIA will present  
22 three witnesses, Witness Robert Provine will  
23 explain FEIA's and its members' substantial  
24 interest in the proceeding. Witness David Loomis  
25 will discuss FEIA's concerns with respect to the

1 rates and the LLCS rate structure that FPL  
2 originally proposed for large data centers.

3 And finally, Witness Fletcher Mangum, a Ph.D.  
4 and economist, will explain the substantial  
5 economic and fiscal benefits that data centers will  
6 bring to our state.

7 We look forward to presenting our case and  
8 answering any questions that you may have. With  
9 the Chair's permission, I would like to reserve a  
10 couple of minutes of my time for a very brief  
11 statement at the beginning of Phase II on why the  
12 settlement is in the public interest, and results  
13 in fair, just and reasonable rates.

14 Thank you.

15 CHAIRMAN LA ROSA: Thank you. FEIA rolls off  
16 to the tongue a little easier, so I am going to  
17 try -- I'm going to try to stick with it during the  
18 hearing.

19 All right. Let's hear from FEA. I know you  
20 guys are on the line. I just to make sure you guys  
21 can still hear us loud and clear, but you are  
22 recognized.

23 MAJOR NEWTON: Thank you, Commissioner.

24 Again, this is Major Leslie Newton on behalf  
25 of the FEA. We would much prefer to appear before

1           you in person, but we really appreciate the efforts  
2           the Commission and staff have made to accommodate  
3           our inability to appear in person during this  
4           federal shutdown.

5                     It's easy to underestimate the breadth and  
6           depth of the Federal Executive Agencies' presence  
7           here in Florida, and the impact that that decision  
8           you will have.

9                     While the term Federal Executive Agencies may  
10          seem abstract, in reality, it's quite concrete. We  
11          are not just a single entity. We are a diverse  
12          collection of crucial federal operations reliant on  
13          Florida Power & Light, and receive services under  
14          many rate schedules. We appear before you today in  
15          the most obvious aspect, to represent the  
16          Department of Defense, which encompasses our  
17          military bases and installations that are vital to  
18          national security, but our representation extends  
19          far beyond that. We also represent the Department  
20          of Veterans Affairs, whose medical centers and  
21          facilities serve those who have bravely served our  
22          nation. We represent the United States Postal  
23          Service connecting communities across Florida. We  
24          represent the federal law enforcement agencies  
25          working to keep our state safe, and the National

1 Park Services, preserving Florida's natural  
2 treasurers for future generations.

3 In short, we are the face of the American  
4 federal taxpayer. As such, we have the solemn  
5 responsibility to ensure that every federal dollar  
6 is spent wisely and efficiency. Every rate  
7 increase directly impacts our ability to fulfill  
8 our vital mission, and the ability to provide  
9 essential services to protecting our country.

10 We are committed to working with stakeholders  
11 to find solutions that ensure reliable energy,  
12 while also safeguarding the interest of the  
13 American taxpayers who fund our operations.

14 Thank you for your time, Commissioners. FEA  
15 would like to reserve the remainder of its time for  
16 the second portion of this hearing.

17 CHAIRMAN LA ROSA: Great. Thank you.

18 Let's move to the fuel retailers.

19 MR. SELF: Thank you, Mr. Chairman. I will  
20 reserve my time for the settlement phase. Thank  
21 you.

22 CHAIRMAN LA ROSA: Excellent. Thank you.

23 Then let's move to EVgo.

24 MR. MOSKOWITZ: Good morning. Thank you, Mr.  
25 Chairman, and good morning, Commissioners.

1           My name is Yanaton Moskowitz, as I mentioned.  
2           I represent EVgo Services, LLC.

3           Why is EVgo here? EVgo is participating in  
4           this proceeding to provide the Commission with the  
5           perspective of one of the nation's leading public  
6           fast charging providers. Our focus has been on  
7           FPL's proposed programs spending tariffs that  
8           promote transportation electrification. We have  
9           provided the Commission prefiled testimony on these  
10          topics through two witnesses.

11          As this commission knows well, transportation  
12          electrification has several benefits. Most notably  
13          for this proceeding, transportation electrification  
14          can help utilities build load and improve system  
15          efficiency by increasing the utilization of  
16          underutilized distribution assets. This can place  
17          downward pressure on utilities' electricity rates  
18          by spreading fixed system costs over a greater  
19          number of kilowatt hours sold.

20          These customer benefits are real. Studies  
21          that have looked specifically at Florida have shown  
22          that utility revenues from EV adoption have  
23          significantly exceeded by over \$50 million the  
24          costs associated with EV adoption. In sum, there  
25          are net benefits here for ratepayers.

1           A key piece of this puzzle is public fast  
2 charging, which directly drives EVE adoption.  
3 Public fast charging helps drivers overcome range  
4 anxiety. This means less anxiety over the decision  
5 whether to purchase an EV. But public fast  
6 charging can also be important in dense urban areas  
7 with significant multi-family housing. In those  
8 areas, not everyone has an attached garage or  
9 driveway.

10           EVgo's testimony. This rates case is an  
11 opportunity for the Commission to ensure FPL's  
12 programs, spending and tariffs complement the  
13 competitive market for EV charging in FPL's service  
14 territory. This will help attract private capital  
15 investment to this service territory. EVgo's  
16 witnesses detailed the modifications EVgo  
17 recommends to FPL's GSD, general service demand,  
18 and GSLD, general service large demand, EV related  
19 riders. We believe those changes will help better  
20 focus the benefits of those tariffs in early stage  
21 EV charging stations.

22           Our witnesses have also critiqued the  
23 company's proposed pricing for its utility-owned  
24 public charging, or UEV, tariff. We recommend that  
25 in order to better align the program with the

1 prices offered in the private market in Florida,  
2 the Commission increase pricing for that program.  
3 In addition, EVgo's witnesses explained that FPL's  
4 proposal to expand its commercial EV charging  
5 services, or CEVCS, pilot program is not warranted.

6 And lastly, EVgo recommended the adoption of a  
7 make-ready program similar to the one approved in  
8 Duke Energy's most recent multiyear rate case.

9 Make-ready programs. As the Commission likely  
10 remembers from that Duke case, make-ready programs  
11 support the development of public charging by  
12 reducing the upfront cost of the utility related  
13 construction required to install EV charging  
14 infrastructure. Such infrastructure includes the  
15 electrical equipment necessary to operate a  
16 charging station, subpanels, main panels,  
17 conductors, wiring transformers and other equipment  
18 on both the customer and utility side of the meter.

19 Through these makes ready programs, utilities  
20 might invest in certain wiring and transformer  
21 upgrades, while EV investment and chargers, charger  
22 ownership, O&M, marketing, customer service and  
23 network operation to private sector providers like  
24 EVgo, ensuring both sides have skin in the game.  
25 Make-ready programs are a proven effective way to



1 support the deployment of public charging  
2 infrastructure by reducing the upfront cost of the  
3 construction required to install these EV charging  
4 infrastructure.

5 Make-ready programs are also a great way for  
6 utilities to complement and leverage investment by  
7 the private market. They are a common policy tool  
8 that utilities around the country use when shifting  
9 away from utility-owned and operated charging  
10 stations toward a more competitive market. And as  
11 utilities across the nation have implemented  
12 make-ready programs, these programs have been  
13 effective in spurring private investment.

14 In conclusion, EVgo urges the Commission to  
15 adopt its witnesses recommendations relating to the  
16 transportation electrification matters that arise  
17 in this case, and we appreciate your consideration.

18 Thank you for your time.

19 CHAIRMAN LA ROSA: Great. Thank you.

20 SACE, I haven't forgotten about you.

21 MR. GARNER: Thank you, Chairman La Rosa.

22 SACE will reserve its time to Phase II.

23 CHAIRMAN LA ROSA: Excellent. Thank you.

24 I believe I got everybody, right? Awesome.

25 All right. I believe that there are some

1 additional stipulations that we need to discuss at  
2 this time, staff.

3 MR. STILLER: Yes, Mr. Chair. As referred to  
4 earlier by Mr. Marshall, there are three unopposed  
5 motions to approve stipulations. These  
6 stipulations relate to the testimony of Electrify  
7 America Witness Shaw, Armstrong World Industries  
8 Witness Simmons, and EVgo Witnesses Beach and  
9 Beaton.

10 Staff recommends that the Commission grant the  
11 three motions and approve the stipulations at this  
12 time.

13 CHAIRMAN LA ROSA: Commissioners, are there  
14 questions or deliberations on those motions? If  
15 not, open for a motion.

16 COMMISSIONER FAY: Mr. Chairman, I move that  
17 the Commission grant the stipulations.

18 CHAIRMAN LA ROSA: Hearing a motion, and  
19 hearing a second.

20 All those in favor signify by saying yay.

21 (Chorus of yays.)

22 CHAIRMAN LA ROSA: Yay.

23 Opposed no?

24 (No response.)

25 CHAIRMAN LA ROSA: Show that it is granted.

1 MR. STILLER: Thank you, Mr. Chair.

2 With that vote, for the record, the following  
3 is the full list of witnesses who have been excused  
4 from this hearing. Witness Beach for EVgo; Witness  
5 Beaton for EVgo; Witness Shah, Electrify America;  
6 Witness Simmons, AWI; Witness Failkov, Fuel  
7 Retailers; Witness Walters, FEA; Witness Watkins,  
8 FEL; Witness Ayech, FEL; and Witness Corugedo, FEL.

9 The prefiled testimony and exhibits of these  
10 witnesses will be entered into the record in the  
11 order reflected in the Prehearing Order.

12 In addition, for the record, the prefiled  
13 testimony and exhibits of Witness Ahmed for FEIA  
14 and Witness Phillips for FPL have been withdrawn.

15 I believe these are all the stipulations and  
16 housekeeping matters relating to witnesses.

17 CHAIRMAN LA ROSA: Okay. Excellent. I think  
18 we can go ahead and move to witness testimony.

19 So I would like to ask the witnesses that are  
20 in the room if you will stand and raise your right  
21 hand. I am not seeing an overwhelming amount of  
22 witnesses other than, I believe, the first witness,  
23 so I will conduct this anyways, and then we will  
24 conduct it as we go.

25 (Witness present sworn in by Chair La Rosa.)

1           CHAIRMAN LA ROSA: Excellent. You may have a  
2 seat, and we are going to call you up here in a  
3 second.

4           Before we get to witness testimony, this is  
5 just a reminder that witness summaries for  
6 testimony are limited to five minutes each, or 10  
7 minutes for witnesses who are presenting direct and  
8 rebuttal combined.

9           It appears as if we have quite a few witnesses  
10 to work through during this hearing. To the extent  
11 possible, I ask that the witnesses do their best to  
12 answer questions as they are asked. Please, let's  
13 also give witnesses the opportunity to clarify the  
14 response, even if it's a yes or no question, where  
15 it is ultimately necessary. My hope is that we  
16 will maintain a clean record while efficiently  
17 proceeding through the witness testimony.

18           I would like to -- I would also like to remind  
19 everyone that if you need to refer to an exhibit in  
20 case order -- I am sorry, in Case Center, you may  
21 navigate to the exhibit yourself and push it to all  
22 the parties, or request Brian, who is back there,  
23 that's helping us out, and doing a great job, with  
24 the Clerk's Office, he can help you do that if  
25 necessary.

1           Also, on the topic of exhibits, if someone has  
2           an objection to any of the exhibits, please note it  
3           when the exhibit is introduced, and please do not  
4           hold back the objections.

5           Finally, please remember that friendly  
6           cross-examination is not allowed.

7           All right. All pretty self-explanatory.

8           I will go ahead and throw two over to FPL to  
9           call your first witness.

10           MR. BURNETT: Thank you, sir. We call Armando  
11           Pimentel.

12           CHAIRMAN LA ROSA: Mr. Pimentel, we have --  
13           our witness chair is slightly shifted down from  
14           normal, but there is a screen in front of it. And  
15           since you have been sworn in, once you get settled,  
16           we will be ready to proceed.

17           We're ready.

18   Whereupon,

19                                   ARMANDO PIMENTEL

20   was called as a witness, having been previously duly  
21   sworn to speak the truth, the whole truth, and nothing  
22   but the truth, was examined and testified as follows:

23                                   EXAMINATION

24   BY MS. BURNETTE:

25           **Q   Mr. Pimentel, good morning. Will you please**

1 **state your full name and business address?**

2 A Armando Pimentel. 700 Universe Boulevard,  
3 Juno Beach, Florida.

4 **Q Mr. Pimentel, did you file prefiled direct**  
5 **testimony consisting of 15 pages and no exhibits in this**  
6 **proceeding?**

7 A I did.

8 **Q Do you have any corrections to make to your**  
9 **prefiled testimony?**

10 A I do not.

11 **Q If I asked you the same questions in your**  
12 **prefiled testimony here today, would you give the same**  
13 **responses?**

14 A Yes, I would.

15 MR. BURNETT: Mr. Chairman, I would ask that  
16 Mr. Pimentel's direct testimony be entered into the  
17 record as read today.

18 CHAIRMAN LA ROSA: Okay.

19 (Whereupon, prefiled direct testimony of  
20 Armando Pimentel was inserted.)

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**BEFORE THE**  
**FLORIDA PUBLIC SERVICE COMMISSION**  
**DOCKET NO. 20250011-EI**  
  
**FLORIDA POWER & LIGHT COMPANY**  
  
**DIRECT TESTIMONY OF ARMANDO PIMENTEL, JR.**

**Filed: February 28, 2025**

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1 **I. INTRODUCTION AND SUMMARY**

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

3 A. My name is Armando Pimentel, Jr. My business address is Florida Power & Light  
4 Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

5 **Q. By whom are you employed and what is your position?**

6 A. I am employed by Florida Power & Light Company (“FPL” or the “Company”) as  
7 President and CEO.

8 **Q. Please describe your duties and responsibilities in that position.**

9 A. I have overall responsibility for the management and operations of FPL.

10 **Q. Please describe your educational background and professional experience.**

11 A. I have a Bachelor of Science in Accounting from Florida State University. I was  
12 appointed to my current position in 2023. Prior to this role I was the President and  
13 CEO of NextEra Energy Resources, and I also served as the Chief Financial Officer  
14 of NextEra Energy.

15 **Q. Are you sponsoring or co-sponsoring any exhibits in this case?**

16 A. No.

17 **Q. What is the purpose of your testimony?**

18 A. The purpose of my testimony is to provide an overview of FPL’s filing and an  
19 introduction of the witnesses who are submitting direct testimony on FPL’s behalf  
20 in support of the filing.

21 **Q. Please summarize your testimony.**

22 A. For 100 years, FPL has proudly helped power Florida’s growth. Throughout our  
23 history, we have maintained a steadfast commitment to our customers: we provide

1 reliable power, while keeping bills as low as possible. Over the past four years, we  
2 have continued to deliver on this commitment to our customers in the face of  
3 unprecedented challenges, including a global pandemic, a turbulent economy,  
4 volatile fuel markets, high inflation, supply chain shortages and severe and  
5 destructive storms. FPL also experienced meaningful and unanticipated increases  
6 in inflation and interest rates, which rose by 21% and over 180%, respectively. The  
7 current rate plan has helped to insulate our customers from these risks. We now  
8 respectfully return to the Florida Public Service Commission (“Commission”) to  
9 seek a new rate plan to enable us to continue serving our customers with the  
10 excellence they deserve and have come to expect from FPL.

11  
12 FPL provides electric service to more than 6 million customer accounts, or  
13 approximately 12 million Floridians in 43 counties. FPL is also one of Florida’s  
14 largest taxpayers, and the infrastructure we build and investments we make deliver  
15 a wide range of benefits to Florida’s economy, local governments and, most  
16 importantly, our customers. Since 2021, we have added about 275,000 new  
17 customer accounts to our service area, and we have continued to make prudent  
18 investments for their benefit. We believe each one of our new customers deserves  
19 the same outstanding reliability and low bills that our existing customers have long  
20 experienced. We deliver on this commitment by making sustained, disciplined  
21 investments that provide value to customers, while keeping our operational costs  
22 well below industry averages. In fact, FPL has consistently and substantially  
23 outperformed its peer utilities across a wide array of financial and operational

1 metrics, including cost efficiency, service quality, system reliability and operational  
2 performance. Over the last four years, FPL has delivered this exceptional value to  
3 its customers every day, adapting to and overcoming the unique challenges that we  
4 have faced since our current rate plan was approved. Our best-in-class non-fuel  
5 operations and maintenance (“O&M”) cost per customer is 50% better than the  
6 second best in FPL’s peer group of large utilities. To put that into perspective,  
7 FPL’s operational excellence saves customers over \$24 each month on a typical  
8 1,000-kWh bill compared to an average-performing utility. Based on 2023 data, if  
9 FPL were an average utility, its non-fuel O&M expenses would be \$2.9 billion more  
10 on an annual basis.

11  
12 FPL is requesting a base rate increase in order to continue making smart  
13 investments to provide reliable service to customers. We propose a rate plan that  
14 would begin once our current plan concludes, extending from 2026 through 2029,  
15 avoiding costly rate cases over that period and providing predictable rates for our  
16 customers. FPL brings to this proceeding a proven track record for delivering low  
17 bills, outstanding customer service, excellent operations, high reliability, industry-  
18 leading hurricane restoration and strong customer value. This commitment enables  
19 FPL to provide reliable electricity to our customers while keeping bills as low as  
20 possible. Our record demonstrates the results: better, more reliable service at low  
21 cost as a direct result of the smart investments we have made on behalf of our  
22 customers and our aggressive focus on controlling O&M costs. As discussed by

1 witness Reed in his testimony, FPL excels compared to other utilities in the industry  
2 in multiple areas, a further testament to the value that FPL provides to its customers.

3  
4 Consistent with this approach, our proposed four-year plan will ensure that we can  
5 continue to power Florida's growth, meet the energy needs of our customers and  
6 maintain high reliability, low bills, and overall outstanding service for the  
7 approximately 12 million Floridians we are honored to serve in our fast-growing  
8 state.

## 10 II. FPL'S CURRENT MULTI-YEAR RATE PLAN

11 **Q. Has FPL's current multi-year rate plan worked well for customers?**

12 A. Yes. The current plan has allowed FPL to focus on serving customers while  
13 continuing to make smart investments for their benefit. Furthermore, our current  
14 Commission-approved settlement, which included a flexible non-cash mechanism,  
15 allowed FPL to absorb the significant impacts from meaningful and unanticipated  
16 increases in inflation, interest rates, and significant migration to Florida, while  
17 maintaining high reliability and low rates for our customers.

18  
19 Throughout its 2021 settlement agreement, FPL has worked aggressively to keep  
20 costs low while delivering outstanding reliability and superior performance. FPL  
21 currently provides industry-wide, top-decile national service reliability, including  
22 Distribution SAIDI that is 59% better than the national average and best among  
23 Florida's investor-owned utilities. In 2024, our smart grid technology enabled us to

1 avoid 1.9 million outages, and, over the last three hurricane seasons, these  
2 investments avoided 1.4 million outages, including during two major hurricanes  
3 making direct landfall in FPL's service area. For over a decade, FPL's non-fuel  
4 O&M cost per MWh has consistently been the best among its peer group of large  
5 utilities in the U.S. electric industry. Even with this achievement, FPL has  
6 continued to find innovative ways to build on its industry-leading cost performance  
7 and improved its position relative to the average of its peer group since 2021. FPL's  
8 cost performance is driven by programs such as Project Velocity, an annual  
9 program designed to find new ways to improve efficiency and lower costs, helping  
10 maintain best-in-class operational efficiency. These creative and innovative cost  
11 control measures have provided – and continue to provide – demonstrable customer  
12 benefits. FPL currently projects that even with the requested 2026 base rate  
13 increase, typical bills for January 2026 would be 20% less in real terms than in  
14 2006. Importantly, these aggressive cost controls have not come with reductions in  
15 reliability and customer service. Rather, as demonstrated in witness Reed's  
16 testimony, FPL has consistently and sustainably outperformed comparable  
17 companies in service quality, operational performance and reliability, all while  
18 providing customers the benefit of exceptional cost control.

### 20 **III. SUMMARY OF FPL'S MULTI-YEAR RATE PLAN REQUEST**

21 **Q. What is your vision for FPL as its President and CEO?**

22 A. At FPL, we take the long view - for our entire 100-year history, we have focused  
23 on service for our customers and in our communities. The cornerstone of our

1 approach is what we have long referred to as the “virtuous circle.” That means we  
2 put the customer first in everything we do. Consistently delivering superior  
3 customer value leads to greater customer satisfaction. Satisfied customers  
4 contribute to a constructive regulatory environment, which allows FPL to earn fair  
5 financial returns. This, in turn, enables us to make smart investments so we can  
6 continue to deliver exceptional value for our customers. The strength and success  
7 of this strategy has been demonstrated over many years.

8  
9 I have the privilege of leading a group of highly dedicated employees who are  
10 keenly focused on serving our customers. We foster a culture of continuous  
11 improvement at FPL. That culture – to always do better – drives innovation at our  
12 company and challenges us to work every single day to deliver superior customer  
13 value: high reliability, the lowest possible bills and industry leading storm response  
14 and restoration. We must continue to leverage technology to improve this value  
15 proposition for our customers. As Florida’s largest utility, I believe we also bear a  
16 responsibility to support economic development for our state, while preserving the  
17 excellent service and superior value our current and future customers have come to  
18 expect from us.

19  
20 Our proposed four-year plan would allow us to continue this tradition of service  
21 and excellence, avoid the need for multiple rate cases, minimize the impacts on  
22 customer bills and ensure our ability to meet customer demand in our fast-growing  
23 state.

1 **Q. Please describe FPL's proposed four-year rate plan.**

2 A. FPL is proposing a comprehensive base rate adjustment for 2026, a smaller base  
3 rate adjustment in 2027, and Solar and Battery Base Rate Adjustments ("SoBRAs")  
4 in 2028 and 2029 limited to the recovery of cost-effective solar power plants and  
5 battery storage. Approval of these requests would enable us to commit to not asking  
6 for another general base rate increase until 2030, at the earliest. As addressed by  
7 FPL witness Fuentes, absent new rates in 2026, the Company's return on common  
8 equity ("ROE") is projected to fall to 8.84%, which is well below the bottom end  
9 of the current authorized ROE range and the bottom end of the proposed ROE range  
10 supported by FPL witness Coyne. Absent any rate adjustments in 2026 and 2027,  
11 the Company's ROE in 2027 is projected to be 7.34%. Rather than conduct base  
12 rate cases for both 2026 and 2027 and create uncertainty around subsequent  
13 potential needs for 2028 and 2029, approval of our proposed plan would enable the  
14 Company to continue investing in operational and service-related improvements,  
15 and to meet expected future customer growth, without additional costly and  
16 resource intensive base rate proceedings for rates effective through 2029. We  
17 believe this is the most efficient and effective approach to long-term rate and  
18 revenue stability and, as we have demonstrated time and time again, is in the best  
19 interest of our customers and the state.

20 **Q. Please describe the Company's request for a base rate increase in 2026.**

21 A. In order to better serve our customers, over the 2022-2025 period of the current rate  
22 agreement, FPL will have invested more than \$36 billion in smart, efficient and  
23 resilient infrastructure. As discussed by FPL witness Laney, the total estimated

1 impact of investments since the last test year on the 2026 revenue requirement is  
2 approximately \$1.8 billion, which, when offset by O&M productivity  
3 improvements and revenue growth, among other factors, results in a net revenue  
4 requirement increase of approximately \$1.545 billion. Further, the following  
5 factors also drive FPL's revenue requirements:

- 6 • **New Infrastructure for Growth:** FPL, which serves over half of the state,  
7 has experienced significant growth in our customer base over the last four  
8 years. We expect Florida's growth to continue and anticipate that we will  
9 add approximately 335,000 customer accounts from 2025 through 2029.  
10 While this growth will ultimately have a positive impact by spreading  
11 existing fixed costs over a larger customer base, it also means that FPL must  
12 invest significant capital to meet the needs of these additional customers by  
13 building transmission and distribution infrastructure, including poles, wires,  
14 transformers, substations, and other components. The costs of meeting these  
15 obligations have substantially increased due to the impact of inflation. For  
16 example, since 2021, the price of wires and cables has increased 30%, poles  
17 49%, and transformers 101% on average. The cost of labor has also  
18 increased by nearly 16% since 2021 according to the U.S. Bureau of Labor  
19 Statistics.
- 20 • **Generation:** FPL must add new power generation and storage facilities to  
21 serve our customers, due in part to the continued growth that FPL has  
22 experienced and is expected to experience. Utility-scale solar and battery  
23 projects are currently the lowest-cost form of new power generation,



1 providing not only clean and reliable energy to customers, but also  
2 mitigation of fuel price volatility and savings in the form of reduced fuel  
3 costs. Between 2026 and 2029, FPL's plan is to add 5,364 MW of new solar  
4 generation facilities and 3,431 MW of new battery storage for the benefit of  
5 our customers.

- 6 • **Critical Infrastructure and Cyber Security Requirements:** Reliability-  
7 related regulatory requirements for physical and cyber security are  
8 significant. The North American Electric Reliability Corporation currently  
9 enforces numerous reliability standards that govern the operation,  
10 maintenance, planning and security of the bulk electric system. To comply  
11 with these regulations and address cyber security requirements, FPL must  
12 increase its level of investment, compared to 2021.

13  
14 As further described by FPL witnesses Coyne and Bores, FPL proposes to set the  
15 Company's approved ROE midpoint at 11.9%, with an ROE band of plus or minus  
16 1%. FPL also proposes to incorporate the continued application of FPL's  
17 longstanding equity ratio approved in prior base rate cases, which is intended to  
18 keep the Company in a position to continue to access capital as needed through  
19 2029. A utility's ability to earn a fair rate of return and maintain a strong balance  
20 sheet are crucial in obtaining capital under dynamic operational and market  
21 conditions, which in turn provides us with the ability to continue to meet customer  
22 needs in virtually all financial climates. FPL has shown its ability to wisely deploy  
23 capital to benefit our customers over many years, enabling us to deliver best-in-

1 class or top-decile results across several key metrics representing enhanced  
2 customer value.

3 **Q. Why can't FPL simply continue to provide excellent service under the terms**  
4 **of its current rate agreement?**

5 A. At this point, there should be little debate that the Commission's approval of multi-  
6 year plans for FPL has provided enormous value for customers. These multi-year  
7 plans allow the company to maximize our efforts on cost reduction, innovation, and  
8 efficiency, at low rates. FPL witness Reed's testimony demonstrates this by using  
9 multiple comparative metrics to demonstrate FPL's superior performance and value  
10 for its customers. As discussed by FPL witness Laney, however, FPL's current rates  
11 will not be sufficient to cover the investments that FPL needs to make for the benefit  
12 of its customers and the associated costs beginning in 2026 and thereafter.

13 **Q. Please describe the Company's request for a base rate increase in 2027.**

14 A. Similar to 2026, our 2027 projected test year reflects continued investment in  
15 infrastructure growth and necessary technology upgrades across multiple systems,  
16 including a new customer service platform, reflecting a net revenue requirement  
17 increase of \$927 million. As described by FPL witness Fuentes, even with the  
18 requested adjustment in 2026, the Company's ROE will fall about 170 basis points  
19 below the requested ROE in 2027. Rather than file a separate case in 2026 for new  
20 rates in 2027, we are requesting an increase for the 2027 projected test year.

21 **Q. Please describe FPL's request for SoBRAs in 2028 and 2029.**

22 A. As addressed by FPL witness Oliver, the Company's investment in building and  
23 operating cost-effective utility-scale solar plants and battery storage projects will

1 continue in 2028 and 2029. The proposed cost recovery mechanism is consistent  
2 with the methodology approved in FPL's 2021 Settlement Agreement and its  
3 previous SoBRA filings. FPL witness Bores explains that the proposed SoBRA  
4 mechanism is an essential component of FPL's multi-year rate plan.

5 **Q. Please describe the specific rate adjustments that FPL is requesting.**

6 A. As FPL witnesses Laney and Fuentes describe, and as is presented in the minimum  
7 filing requirements, the Company is requesting approval of the four-year rate plan  
8 summarized below:

- 9 • \$1.545 billion increase effective in January 2026;
- 10 • \$927 million increase effective in January 2027; and
- 11 • SoBRAs in 2028 and 2029 for 4,470 MW of solar and battery storage that  
12 is determined by the Commission to be cost-effective for customers.

13  
14 This structured approach will ensure continuation of the industry-leading value  
15 proposition that we deliver to customers – high reliability and low bills.

16  
17 **IV. INTRODUCTION OF WITNESSES**

18 **Q. Who will be testifying on FPL's behalf in this proceeding?**

19 A. The following witnesses also will testify as part of FPL's direct case:

- 20 • Scott R. Bores – Capital structure and financial policies, storm cost recovery  
21 mechanism, four-year rate plan, and change in tax law;
- 22 • Ina Laney – drivers for the increase in revenue requirement, forecasting and  
23 budgeting process, and the Tax Adjustment Mechanism;

- 1 • Eduardo De Varona – Power Delivery costs and performance;
- 2 • Dawn Nichols – Customer Service costs and performance;
- 3 • Thomas Broad – Power Generation costs and performance;
- 4 • Dan DeBoer – Nuclear costs and performance;
- 5 • Tim Oliver – Solar and battery development, pilot programs, and Property  
6 Held for Future Use;
- 7 • Andrew W. Whitley – Resource planning process, solar and battery  
8 additions in 2026 and 2027, and appropriate incentives for FPL’s  
9 Commercial/ Industrial Demand Reduction and Commercial/Industrial  
10 Load Control programs;
- 11 • John J. Reed, Concentric Energy Advisors – FPL’s operational and financial  
12 performance relative to industry benchmarks;
- 13 • Jessica Buttress – Payroll and benefits expense;
- 14 • James M. Coyne, Concentric Energy Advisors – Cost of equity and capital  
15 structure;
- 16 • Liz Fuentes – Calculation of the revenue requirements and requested  
17 revenue increases, accounting issues and Company adjustments;
- 18 • Keith Ferguson – Company adjustments related to depreciation and  
19 dismantlement, capital recovery schedules and affiliate transactions;
- 20 • Ned W. Allis, CDP, Gannett Fleming Valuation and Rate Consultants, LLC  
21 – 2025 Depreciation and Dismantlement Studies;
- 22 • Tara DuBose – Cost of service and load research; and

- 1           • Tiffany C. Cohen – Rate design, tariffs, energy and peak demand forecasts,  
2           and Large Load tariffs.

3

4           Some of these individuals, as well as others, also may provide rebuttal testimony  
5           on behalf of FPL.

6   **Q.    What conclusion should the Commission draw from your testimony and that**  
7   **of the other FPL witnesses?**

8   A.    We at FPL are proud of the achievements that allow us to consistently deliver  
9           exceptional customer value – the lowest bills possible combined with high  
10          reliability and excellent customer service. And consistent with our culture of  
11          continuous improvement and innovation, we intend to continue to get even better.  
12          These tenets underscore FPL’s request in this proceeding. Our request will enable  
13          us to continue to invest in our system and deliver exceptional customer value today  
14          and for generations to come.

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

16   A.    Yes.

1 BY MR. BURNETT:

2 Q Mr. Pimentel, do you have a brief summary of  
3 your testimony?

4 A I do.

5 Q Please provide that to the Commission.

6 A Thank you.

7 Mr. Chairman, fellow Commissioners, for 100  
8 years, FPL has proudly helped power Florida's growth.  
9 Throughout our history, we have maintained a steadfast  
10 commitment to our customers. We provide reliable power  
11 while keeping bills low. Over the past four years, we  
12 have continued to deliver on this commitment to our  
13 customers in the face of unprecedented challenges,  
14 including a globing pandemic, a turbulent economy,  
15 volatile fuel markets, high inflation, supply chain  
16 shortages and severe and destructive storms FPL has also  
17 experienced meaningful and unanticipated increases in  
18 inflation and interest rates, which rose by 21 percent  
19 and over 180 percent respectively.

20 Just like we said it would when we were here  
21 in 2021, our rate plan has helped to insulate our  
22 customers from these risks. We now respectfully return  
23 to the Commission to seek a new rate plan that is  
24 similar to our previous ones to enable us to continue  
25 serving our customers with the excellence they deserve

1 and have come to expect from FPL.

2           Since 2021, we have added 275,000 new  
3 customers to our service area, and we have continued to  
4 make prudent investments for their benefit. We believe  
5 each one of our new customers deserves the same  
6 outstanding reliability and low costs that our existing  
7 customers have long experienced. We deliver on this  
8 commitment by making sustained disciplined investments  
9 that provide value to our customers while keeping our  
10 bills and costs low.

11           In fact, FPL has consistently and  
12 substantially out-performed its peer utilities across a  
13 wide array of financial and operational metrics,  
14 including cost-efficiency, service quality, system  
15 reliability and operational performance.

16           Our best-in-class nonfuel operations and  
17 maintenance costs per customer is 50 percent better than  
18 the second best in FPL's peer group of large utilities.  
19 To put that in perspective, FPL's operational excellence  
20 saves our customers \$24 each month on a typical 1,000  
21 kWh bill compared to an average performing utility.

22           Based on 2023 data, if FPL were an average  
23 utility, its nonfuel O&M expenses would be \$2.9 million  
24 more on an annual basis. In this proceeding, we propose  
25 a rate plan that would begin once our current plan

1 concludes, extending from 2026 through 2029, avoiding  
2 rate cases over that period and providing predictable  
3 rates to our customers.

4           The noncash mechanism in our proposed plan is  
5 modeled after the same mechanism that FPL has had since  
6 -- in each of our rate plans over the last decade, and  
7 will support the overall capital structure for FPL  
8 without seeking additional cash from customers, will  
9 also allow FPL to address unexpected expense in revenue  
10 impacts without seeking a rate increase and will provide  
11 FPL's customers long-term bill and economic stability.

12           In summary, our proposed four-year plan will  
13 ensure that we can continue to power Florida's growth,  
14 meet the energy needs of our customers and maintain high  
15 reliability, low bills and overall outstanding service  
16 for the approximately 12 million Floridians we are  
17 honored to serve in this fast-growing state.

18           **Q     Thank you.**

19           MR. BURNETT: Mr. Chairman, we tender Mr.  
20 Pimentel for cross-examination.

21           CHAIRMAN LA ROSA: Thank you.

22           And just for clarity, I know OPC is ready to  
23 chomp in the bit. We are going to go in the order  
24 in which we had opening statements, just so all the  
25 parties are clear. So just to kind of make it



1 easier for everybody.

2 OPC, you are recognized.

3 MR. TRIERWEILER: Thank you, Chair.

4 EXAMINATION

5 BY MR. TRIERWEILER:

6 Q Good morning, Mr. Pimentel. Welcome back to  
7 Tallahassee.

8 A Good morning.

9 Q This feels familiar. I am going to keep my  
10 questions at a high level indicative of your position  
11 and leadership at FPL.

12 The challenges that FPL faced in the past four  
13 years included a global pandemic, right?

14 A Yes, sir.

15 Q And a turbulent economy?

16 A Yes, sir.

17 Q Volatile fuel markets due to the  
18 Ukrainian-Russian war, is that right?

19 A That's right.

20 Q High inflation, is that right?

21 A Yes, that's right.

22 Q And supply chain problems, which -- when we  
23 say supply chain problems, it took on a new meaning as  
24 far as difficulty to actually get the equipment and  
25 supplies that the industry required to do its job, would

1     **you agree with that?**

2           A     Yes, that is correct.

3           **Q     We also experienced a rash of severe and**  
4     **destructive storms in the FPL territories?**

5           A     That is correct.

6           **Q     However, despite these issues, under your**  
7     **leadership for more than the past two years, FPL**  
8     **consistently earned above its midpoint ROE of 10.8, is**  
9     **that correct?**

10          A     That is correct.

11          **Q     And that under your leadership, FPL**  
12     **consistently earned either 11.6 or 11.8 ROE through that**  
13     **period, is that correct?**

14          A     That is correct.

15          **Q     And this an unprecedented success story**  
16     **compared to any other U.S. investor-owned utility that**  
17     **you are aware of?**

18          A     Well, I appreciate the -- I appreciate the  
19     comments. I don't know that it's an unparalleled  
20     success compared to others, or whatever words you  
21     exactly used, but I don't want you or the Commission to  
22     take lightly all of the things that Florida Power &  
23     Light had to do during those four years to make sure  
24     that those comments that you just made we can get over,  
25     right. We did not -- we were not able to just sit on

1 our hands during that period and get those results,  
2 there was a lot of actions that we had to take in order  
3 to manage those risks for our customers, whether it was  
4 making sure that our supply chains were active and  
5 control them; making sure that we issued the least  
6 amount of debt or equity that we needed by keeping our  
7 bills low, taking additional costs out of our system.

8 So I agree with all of those things that you  
9 just said, but it was a very difficult period for the  
10 company, and we had to make sure that we could wrangle  
11 all of these things down and do the right things for our  
12 customers while doing the right things for our  
13 investors.

14 **Q Thank you for that answer.**

15 **Next, we would like to change to talking about**  
16 **the acquisition of Vandolah, which we think is a pretty**  
17 **great move by the utility --**

18 A Well, I'll thank you for --

19 **Q -- however it's not set yet, though, is it?**  
20 **It's still up at FERC, that acquisition for decision?**

21 A So it is still up at FERC. Our expectation is  
22 that the FERC will take that up before the end of the  
23 year and grant approval.

24 **Q Vandolah is a legacy 660-megawatt gas-fired**  
25 **combined cycle plant that's located somewhere near**

1 **Wauchula, Florida, is that correct?**

2 A That is correct.

3 **Q It's located outside of your service**  
4 **territory, is that correct?**

5 A That is correct. Yes.

6 **Q But you expect to have a transmission line**  
7 **connecting Vandolah to your system by June 2027?**

8 A That is our plan. Yes.

9 **Q And FPL filed notice of the Vandolah**  
10 **acquisition in June of 2025?**

11 A Yes. That is correct.

12 **Q However, there is a current purchase power**  
13 **agreement by Duke Energy Florida to take power from**  
14 **Vandolah that continues through the end of May 2027?**

15 A Yes.

16 **Q And if FERC approves the transaction, Vandolah**  
17 **generation should be available to FPL within a month or**  
18 **two, so July or August 2027, barring any unforeseen**  
19 **problem with the system?**

20 A Yes, I think that's a correct statement.

21 It's -- again, you referred to the transmission line  
22 that we have to build into our service territory.

23 Obviously, we would not have signed the agreement to buy  
24 Vandolah unless we felt comfortable that we could  
25 complete that transmission line by June of 2027, and,

1 therefore, be available -- that power would be available  
2 for our customers.

3 I can't sit here today and say that with 100  
4 percent certainty that transmission line will be built,  
5 but I do feel really comfortable that we have the plans  
6 in place so that that power would be available to our  
7 customers in the summer of 2027.

8 **Q Thank you.**

9 **Now, Vandolah was not an original part of this**  
10 **rate case that you filed, is that correct?**

11 A That is correct. It was not. The Vandolah  
12 agreement was signed after the rate case was filed.

13 **Q And you don't consider Vandolah's 660**  
14 **megawatts of generation to be a part of this rate case?**

15 A We do not. Our expectation would be that  
16 Vandolah would be available to our customers starting in  
17 summer of 2027. If we need to make changes to the  
18 generation plan, which would likely mean make changes to  
19 the battery additions that we have for 2027 and 2028,  
20 then we will do that -- we will do that at that point.

21 **Q Vandolah signifies a very cost-effective**  
22 **source of generation to address 660 megawatts of future**  
23 **firm capacity need for FPL, is that correct?**

24 A That's correct. I have look at it a little  
25 differently. Everything you said is correct, but what

1 Vandolah also offers is it offers Florida Power & Light  
2 Company the ability to continue what it's done for a  
3 long period of time. So Florida Power & Light has a  
4 very diversified generation base. Roughly 70 percent of  
5 that generation is natural gas, and we have added -- we  
6 have added some solar here over the last number of  
7 years, and we are expected to add a lot more solar and  
8 batteries going forward.

9 Adding Vandolah allows us to continue to have  
10 that diversity in our generation mix, which we really  
11 appreciate in Florida. On top of that, the acquisition  
12 comes at a relatively attractive price when you look at  
13 the prices that are being charged for new gas generation  
14 assets.

15 I say new gas generation assets. There has  
16 been some recent transactions for existing gas  
17 generation assets that are quite pricy. So we are very  
18 comfort -- not only very comfortable with the  
19 acquisition of Vandolah. We are very happy as to how  
20 that integrated resource, including the cost, is going  
21 to fit in with our overall plans for our customers.

22 **Q Isn't it true that FPL considers utility-scale**  
23 **solar paired with battery to be the lowest cost new**  
24 **generation solution to address peak load?**

25 A That is true. And it's quite efficient when

1 you add batteries to solar, you start mimicking a peaker  
2 plant, right, so a natural gas peaker plant, instead of  
3 running that peaker plant for two to three, or maybe  
4 four hours, you are now pairing solar during the day  
5 with batteries, and the batteries -- you are charging  
6 the batteries both from the grid and from the solar  
7 plant, that was batteries you are able to turn on at any  
8 time, when the sun is going down or another time that  
9 you would have otherwise needed that peak plants.

10 So it has been the lowest cost generation  
11 resource to add. That's one of the reasons -- not one  
12 of the reasons -- that is the reason that it appears in  
13 our Ten-Year Site Plan over and over and over again.

14 My expectation is that we will continue to  
15 build solar and batteries in the future going forward,  
16 but it's also my expectation you might see a little bit  
17 more natural gas generation added to our Ten-Year Site  
18 Plan than we've seen in the past.

19 **Q However, Vandolah represents a much better**  
20 **deal as far as a legacy gas generation system, I mean,**  
21 **when compared to the cost of building 660 megawatts of**  
22 **capacity and solar paired with battery?**

23 A It would depend. Clearly, adding Vandolah to  
24 the system is CPVRR negative, right, which is a very  
25 positive thing for our customers. When you compare the

1 system without Vandolah and with Vandolah, adding  
2 Vandolah is a very attractive asset to the system.

3 There are no other Vandolahs that I know of in  
4 Florida, right. If there were other Vandolahs that we  
5 would know about in Florida, in other words, gas assets  
6 that would be available for sale, it is something that  
7 we would very seriously look at.

8 So we have to do what is the best alternative  
9 in terms of costs for our customers when we are adding  
10 new generation. When you are adding new generation,  
11 solar is, by far, the cheapest source of new generation.  
12 You add batteries to that, now you not only have energy  
13 from the solar, but you have capacity from the  
14 batteries.

15 Adding a new gas plant to our generation mix  
16 in Florida today is quite expensive. And you did not  
17 ask this, but just as a comparison, when we built Dania  
18 Beach, our last new gas plant in Florida, we did that  
19 for roughly \$800 a kW. If we were to do that today, we  
20 would be paying three times as much. That's what has  
21 happened to the cost of new gas generation. So adding  
22 something like Vandolah at a very attractive price to  
23 the rest of our generation mix makes a ton of sense for  
24 our customers.

25 **Q You agree that Vandolah represents 660**



1 **megawatts of firm capacity that will replace the planned**  
2 **build of 400 megawatts of far more expensive battery**  
3 **storage in 2028?**

4 A I would agree with the first part. I am not  
5 sure whether I agree with the second part of, the part  
6 about large -- I can't even remember the words -- a lot  
7 more expensive battery storage in 2028.

8 As I laid out earlier, assuming the FERC  
9 approves the Vandolah acquisition, which we fully  
10 expect, we would add it to the system in the summer of  
11 2027. All else held equal -- which is an important part  
12 here, right. So load hasn't come from other areas into  
13 the system that we cannot predict at this point. All  
14 else held equal, that means that some of the batteries  
15 that we would otherwise add in the '27-'28 time period  
16 would be reduced. Without Vandolah, right, without this  
17 very attractive asset that we were able to purchase in  
18 the market, solar and batteries remains the cheapest  
19 source of new generation that we can add to the system.

20 **Q But FPL listed in its FERC filing its intent**  
21 **to offset 400 megawatts of battery storage in 2028 that**  
22 **it otherwise planned to build?**

23 A That is correct.

24 **Q And replacing a similar size combined cycle**  
25 **plant that was planned for 2032?**

1           A       Well, it was not -- so, no on that. It was  
2 not a combined cycle plant that we had in our Ten-Year  
3 Site Plan, right. That was another peaker that we had  
4 in our Ten-Year Site Plan from last year. But, yes, all  
5 of the other points that you mentioned, replacement of  
6 the battery, the removal of the 2032 gas asset, because  
7 of the acquisition of Vandolah, allows us to do that.

8           I just want to say again, the all things held  
9 equal -- I am not going to repeat all the things I said  
10 after all things held equal, but all things held equal,  
11 that would be correct.

12           **Q       In this rate case, including the 660 megawatts**  
13 **from Vandolah, why isn't FPL willing to offset more than**  
14 **400 megawatts of battery storage in -- during the period**  
15 **of this rate case?**

16           A       That's a better question for Mr. Whitley than  
17 for me. I understand why we are making the, you know,  
18 why we are making the tradeoff. It's -- right, we  
19 should all understand if you are adding gas generation  
20 to the system, all things held equal, then you wouldn't  
21 need something that you were adding. And in this case,  
22 we are removing batteries, the 400 megawatts that you  
23 mentioned earlier.

24           **Q       As there former president of NextEra's**  
25 **renewables office, or business unit -- I am sorry, I**

1     **could look and get the exact name. What is the title,**  
2     **sir?**

3           A     NextEra Energy Resources.

4           **Q     Next -- thank you for that.**

5                   **You understand that when you compare Vandolah**  
6     **to a battery storage, you are talking about something**  
7     **that can run 24 hours a day, which is Vandolah, versus a**  
8     **four-hour battery capacity?**

9           A     That's -- yes, I do understand that, and  
10    that's very true, but what's missed in that rhetoric  
11    that I think we all understand, is the FPL system is  
12    built to service our customers in the lowest cost  
13    possible, so, for example, one might argue -- let's just  
14    say that gas is a lot cheaper than what I mentioned  
15    before, right. It's not \$2,800 a kW like it is today.  
16    It's back, you know, closer to \$800 a kW. What you have  
17    to understand is what time of the day are you trying to  
18    serve, right.

19                   So we all understand how -- I am drawing a  
20    picture here. Hopefully people will get it, right. We  
21    all kind of understand how demand works during the day,  
22    right. You have got the peak during the day, not during  
23    the shoulders. If you were to keep adding just 24-hour  
24    gas, like you indicated, you are now adding a bunch of  
25    capacity that you don't need, right. Maybe you have

1 added it to meet your peak, but now you have got that  
2 24-hour plan that is just not running for 12 hours a  
3 day, it may be more.

4 And so the best way to look at the system is  
5 to try to understand, well, do I really need a plant  
6 that runs 24 hours a day, or is it cheaper for our  
7 customers if I simply add solar to meet the peak and  
8 battery storage to meet these off-peak times?

9 And so, yes, Vandolah, assuming we had the gas  
10 to run it 24 hours a day, would be available 24 hours a  
11 day. But we don't need Vandolah to run 24 hours a day.  
12 We did not buy Vandolah to run 24 hours a day. We  
13 bought Vandolah because it is a very inexpensive asset  
14 and is in a great location for us that's going to help  
15 us meet the load demands that we have in the area.

16 CHAIRMAN LA ROSA: Mr. Trierweiler, do you  
17 mind holding just a quick second to see if we  
18 can -- I am sure you are hearing the same static  
19 that I am. Is there a way to maybe -- okay.

20 MR. STADEN: I'm going to go back in the back  
21 and tell them.

22 CHAIRMAN LA ROSA: Do I need to make an  
23 announcement or anything? They can hear me?

24 MR. STADEN: No, I will do it in the back.

25 CHAIRMAN LA ROSA: Okay. All right, let's go

1           ahead -- I wasn't sure if it was one of y'all's mics  
2           that was inconsistent with as you were speaking,  
3           but there wasn't. So let's let Mike take care of  
4           it. If we have got to stop again, I will, so go  
5           ahead and proceed.

6           BY MR. TRIERWEILER:

7           **Q     Mr. Pimentel, isn't is it true that you feel**  
8           **very comfortable with the current base-load system that**  
9           **FPL has in Florida?**

10          A     I am sorry, Walt, was there some -- that  
11          question is not clear to me.

12          **Q     Okay. You feel very comfortable with the**  
13          **current base-load system that FPL operates in Florida?**

14          A     I believe -- yes, I feel comfortable that the  
15          generation system that we have in Florida today is a  
16          good system to serve our load, if that's what you mean,  
17          in the least cost way possible. I think that's what you  
18          are -- I think that's the answer to your question.

19          **Q     Is Vandolah another part of FPL's commitment**  
20          **to ensure that you have the ability to meet customer**  
21          **demand in our fast growing state?**

22          A     The answer is yes, but it's in addition to  
23          that. Yes, we acquired Vandolah to meet the expectation  
24          of increased load and demand in our state, but if  
25          Vandolah would have been triple the price, we would not

1 have acquired Vandolah. So you can't -- you can't take  
2 the need and the cost separately.

3 So we acquired Vandolah because we thought it  
4 was an attractive asset in an attractive area for an  
5 attractive price. And in doing so, all else held equal,  
6 we would be able to reduce the amount of batteries that  
7 we would be adding in the '27-'28 time period. Does  
8 that answer your question?

9 **Q And I have to ask this. And Vandolah was not**  
10 **purchased to serve data centers?**

11 A Vandolah was not purchased to serve data  
12 centers.

13 **Q Did FPL include the data center predicted load**  
14 **of either the three gigawatt or the one gigawatt that it**  
15 **got reduced to when it was putting together its**  
16 **projected generation plan what it would need for the**  
17 **next four years?**

18 A That is a -- that's a better question for Mr.  
19 Whitley or Ms. Cohen, I believe, Walt.

20 I am sorry, I keep calling you Walt, is  
21 that --

22 **Q That's fine.**

23 A You can call me Armando.

24 **Q I know Armando, but I --**

25 A It's a lot easier.

1           Q     You know, I represent the customers here, I'm  
2 making it look like we don't know each other, but we  
3 have spoken quite a bit about this case, and -- but  
4 that's fine.

5                     Commissioner Fay once pointed out that the  
6 entire room was calling me Walt at one point in time,  
7 and then said he would prefer if we would try to say --  
8 refer to me by my last name, and then struggled with my  
9 last name. I agree, Trierweiler is a tough one.

10          A     There is always Mr. T.

11          Q     Mr. T. I think I would go with Walt.

12                     Okay. So Vandolah is expected to be brought  
13 on as part of FPL's retail base generation?

14          A     Yes.

15          Q     Well, let's jump into data centers.

16                     Data centers are going to be required to pay  
17 for their own generation under your new large load  
18 tariffs?

19          A     Yes, that is correct.

20          Q     And FPL designed its large load tariffs to try  
21 and meet and protect our customers as much as possible  
22 while still providing data centers with a product that  
23 may entice them to come to our state, is that true?

24          A     Yes, that is correct.

25          Q     Let's talk about E3. E3 is a company that FPL

1    **reached out to to try to get a better handle on**  
2    **predicting load requirements with the degree of**  
3    **penetration in renewables that FPL had on its system,**  
4    **does that sound accurate?**

5           MR. BURNETT:  Mr. Chairman, I don't want to  
6           obstruct, and Mr. Pimentel has done a great job of  
7           identifying what he is not comfortable in talking  
8           about, but we are pretty far afield from his direct  
9           testimony.  So just if we could maybe tighten that  
10          up a little, I could not object.

11          THE WITNESS:  I was going to say you need to  
12          check with Mr. Whitley, Walt.

13    BY MR. TRIERWEILER:

14          **Q     Okay.**

15          A     I am sorry, I just -- I don't have that  
16          information.

17          **Q     All right.  Is it true that you anticipate**  
18          **that the TAM will function like the current RSAM does**  
19          **for FPL?**

20          A     Yes.  The way that we designed and filed the  
21          TAM, we would expect it to work in a similar manner.

22          **Q     And it's just a different funding source, is**  
23          **that true?**

24          A     Yes.  If you want more than that, you will  
25          need to ask our other witnesses.



1           **Q     Okay.  However, you do have an opinion**  
2           **concerning whether or not TAM is as important to FPL in**  
3           **2026 and 2027 as it would be in 2028 and 2029?**

4           A     Yes, I do have an opinion.

5                     So the way the TAM works is, from my  
6           perspective, TAM is part and parcel to a four-year case  
7           for us.  It's supposed to work the same way that the  
8           previous RSAM mechanism worked, and it's designed to get  
9           us to the midpoint that was filed in the original case.

10                    And the reason why it's part and parcel with a  
11           four-year case, is the last two years, so in this case  
12           '28 and '29 of the rate case, we haven't asked for cash  
13           rate increases to offset the continued investments that  
14           we are making, right.  So this '28 and '29, it's not  
15           like Florida Power & Light is going to invest in '26 and  
16           '27 and stop investing in '28 and '29.  The roughly  
17           335,000 new customers that we have that we have  
18           predicted from '26 to '29 come in fairly ratably, and we  
19           have got to build generation, we have got to build more  
20           transmission, we have got to build distribution, we have  
21           got to harden the system, we have a whole bunch of  
22           things that go on in '28 and '29.

23                    And instead of asking for cash increases  
24           during 2000 -- during 2028 and 2029, the idea is to use  
25           this TAM mechanism during those periods, and to,

1 therefore, defer the cash recovery that we would  
2 otherwise be entitled to, to much further into the  
3 future.

4 Your question specifically was '26 and '27  
5 versus '28 and '29. So I want to come back to that now.

6 So theoretically, if all things held constant,  
7 which is almost silly for me to say based on what has  
8 happened over the last four years, the TAM what not be  
9 needed by us until 2028 and 2029. But it's very, very  
10 difficult to say that all things would be held constant.  
11 And, therefore, the filed case suggests that there could  
12 be usage of that TAM in 2026 and 2027.

13 Now, obviously, practically, if we were to use  
14 a portion of that TAM during 2026 and 2027, it wouldn't  
15 be available in 2028 and 2029. That is not just a  
16 feature of this case. That feature has existed in the  
17 previous rate cases that we have settled. And we have  
18 managed that TAM over that four-year period as we are  
19 managing the uncertainties that you brought up in one of  
20 your first questions, that as we are managing other  
21 things that are going on in the business.

22 So, again, there is the theory as to how it  
23 was designed, and then there is the practical necessity  
24 of none of us can really predict exactly what we will  
25 see in 2026 and '27. We have a very good plan that has

1 been built from the bottom up that I am very comfortable  
2 with, but we need the flexibility of potentially using  
3 that TAM mechanism in 2026 and '27 also.

4 Does that -- okay.

5 **Q Would you say that its primary importance is**  
6 **that it provides a backstop or certainty by locking in**  
7 **the four-year deal that FPL is seeking in this case?**

8 A It doesn't provide -- so, no. It doesn't  
9 provide any certainty. I -- hopefully I explained it,  
10 but I will try to do it again briefly.

11 What the TAM does is allow us to feel  
12 comfortable about a four-year rate case where we are not  
13 asking for cash increases other than SoBRA, cash  
14 increases in 2008 -- '28 and 2029. That's how it was  
15 designed, right.

16 It's designed so you don't get those cash  
17 increases in '28 and '29. We are still going to  
18 increase in 2028 and '29. We have the TAM mechanism to  
19 cover the return on those investments during those  
20 years.

21 Any more than that -- you can ask me more  
22 questions, obviously, but any more than that, I am going  
23 to have to kick it off to our folks that know more about  
24 this than I do.

25 **Q On a global level, or at least the United**

1 **States, you are not aware of any prior examples of any**  
2 **commission in any jurisdiction who has approved a**  
3 **similar mechanism funding source as proposed in FPL's**  
4 **TAM?**

5 A I am not aware of someone using a TAM or not  
6 using a TAM, but I -- I am -- what I would say -- you  
7 didn't ask this question. I think the TAM is a great  
8 benefit for our customers. We are going to -- we are  
9 going to invest in 2028 and '29, and we are not asking  
10 for cash increases other than SoBRA during those years.

11 So I would say, other utilities should  
12 probably be looking to figure out if they had a TAM,  
13 because what a TAM is doing -- what this TAM is doing,  
14 what the RSAM is doing is, it's allowing the utilities  
15 -- do you want me to stop or you want me to keep going?  
16 It's allowing the utilities to continue to invest and,  
17 therefore -- and not increase customer rates during a  
18 period of time and, therefore, keep customer bills low.  
19 I mean, that's what the whole TAM is designed to do.

20 We continue to invest. We don't get cash  
21 increases during those two years. Simple math, it  
22 allows you to keep the customer bills low over that  
23 four-year period.

24 So I am not aware of anybody using it. Maybe  
25 people are using it and I don't know. I have not asked

1 that question. But I would reverse that and say, other  
2 utilities should go figure out whether their TAM is,  
3 because their TAM, if they have one, will allow them to  
4 keep customer bills lower than they otherwise would have  
5 been.

6 **Q And you don't view the action of the taking of**  
7 **previously paid income taxes by customers as problematic**  
8 **to create the funding source for the TAM?**

9 A I don't. And while there is other witnesses  
10 that can answer that in more detail, and I -- right, I  
11 would advise you to ask them that question.

12 The TAM is very easy for me to understand. We  
13 are going to invest in 2028 and 2029. We have two  
14 choices. One, ask for cash increases during 2028 and  
15 2029 to cover that. Two -- which would make customer  
16 bills go up -- two, use the TAM, and get the recovery of  
17 those investments over a 30-year period. That's pretty  
18 simple for me to understand.

19 So do I want to continue to invest? Yes,  
20 because I have to because we have new customers, okay.  
21 And that -- now, what's the next question? Do I want to  
22 raise customer bills for that investment, or would I  
23 rather use some mechanism that I have so that I don't  
24 have to raise customer bills, and put that off for a  
25 longer period of time? I chose B. We chose B. We

1 chose B. We chose to keep our customer bills lower and  
2 continue to invest.

3 **Q Isn't it true that as part of the TAM**  
4 **mechanism, this amount of money that is removed from**  
5 **these funds in unprotected taxes are going to be**  
6 **recollected in the future from customers?**

7 A I don't think that's true at all, but it's  
8 better to ask that, the debits and credits part of this,  
9 to others, Ina Laney or Scott Bores I think would be  
10 more on point to talk to you about the debits and  
11 credits, but there is no over-collection. It works  
12 exactly like I just laid out a couple minutes ago.

13 **Q If the -- whether or not the TAM mechanism is**  
14 **prohibited double recovery, that will be for the**  
15 **Commission to say?**

16 A It will be for the Commission to say whether  
17 it's whatever you said, Walt, which I don't remember, or  
18 whether it's --

19 **Q Prohibited double recovery.**

20 A Yeah, it's not double -- it is not double  
21 recovery. I mean, I have heard that now a number of  
22 times. Again, you can speak to the folks that know the  
23 debits and credits. It is as simple as I laid out.

24 In 2028 and '29, we had asked for cash rate  
25 increases or we can use or we can use the TAM. We are

1 foregoing the cash rate increases. If we ask for those  
2 cash rate increases in 2028 and '29, our bills would be  
3 a lot higher. Guess what, we wouldn't need the TAM  
4 then, but that's not what we chose. We actually chose  
5 to take care of our customers. We actually chose to  
6 keep the bills low in 2028 and '29, and that requires  
7 the use of the TAM mechanism to be able to do that.

8 **Q Thank you.**

9 **And FPL has offered this mechanism in exchange**  
10 **for a stay-out provision for 2028 and 2029?**

11 A FPL has offered this mechanism as a way to  
12 keep their customer bills low through 2028 and 2029.  
13 The staying out part you will have to ask Mr. Bores or  
14 Ms. Laney, you know, that question to figure out exactly  
15 what's in the filing.

16 **Q Is it still FPL's plan to come in for solar**  
17 **and battery SoBRAs during -- requesting additional**  
18 **hundreds of millions of dollars in 2028 and 2029?**

19 A So the SoBRA for 2028 and 2029, we will be  
20 back up in front of the Commission to make sure that  
21 those are investments that make sense for our customers.  
22 So that is outside of the base rates that we have been  
23 -- that we have been talking about.

24 **Q It may be outside base rates, but customers**  
25 **are still going to see increases every year of this**

1 **stay-out period, isn't that true?**

2 A So that's a better question for Mr. Bores and  
3 Ms. Laney. But from my perspective, we -- the  
4 generation -- the solar and battery storage that we are  
5 investing in in 2028 and 2029, we will have to be back  
6 in front of the Commission and make the argument based  
7 on the provisions that are laid out in our filing as to  
8 whether those are going to be approved on a go-forward  
9 basis.

10 **Q So there is -- in your rate case and four-year**  
11 **plan, there is a rate increase for 2026, is that**  
12 **correct?**

13 A Yes, that is correct.

14 **Q And there is another rate increase in 2027?**

15 A Yes, that is correct.

16 **Q And there is a plan to come in and seek, with**  
17 **the Commission's approval, the funds for solar and**  
18 **battery SoBRAs for 2028, is that true?**

19 A Yes, that is true.

20 **Q And again true for 2029?**

21 A That is true. And when you add all of that  
22 together with the use of the TAM mechanism that we filed  
23 in the original rate case, the average increase on the  
24 total bill for our residential customers, the typical  
25 1,000 kWh bill, is roughly two-and-a-half percent a



1 year.

2 **Q Hasn't the Commission previously held that**  
3 **stay-out provisions are unenforceable?**

4 MR. BURNETT: Objection, calls for a legal  
5 opinion.

6 MR. TRIERWEILER: I can ask -- I can ask him  
7 if he understands that what he is asking for is  
8 legal or illegal as far as the Commission is  
9 concerned.

10 CHAIRMAN LA ROSA: Can you reframe the  
11 question and we will take another stab at it?

12 BY MR. TRIERWEILER:

13 **Q Do you know whether or not stay-out provisions**  
14 **are enforceable by this commission?**

15 A No.

16 **Q Are you aware of any statute, rule or**  
17 **precedent that would permit the Commission to enter into**  
18 **negotiations with the utility to achieve a rate case**  
19 **stay-out provision?**

20 MR. BURNETT: Objection, calls for a legal  
21 opinion.

22 CHAIRMAN LA ROSA: Do you want to reframe the  
23 question?

24 MR. TRIERWEILER: I probably can't reframe  
25 that one. So I will move back on to data centers.

1 One of my favorite topics.

2 CHAIRMAN LA ROSA: Mr. Trierweiler, let's do  
3 this real quick --

4 MR. TRIERWEILER: Sure.

5 CHAIRMAN LA ROSA: -- because of the unique  
6 start time, I want to make sure we give our court  
7 reporter a break. Let's -- do you feel like you --

8 MR. TRIERWEILER: I have got just a couple.

9 CHAIRMAN LA ROSA: Okay. Let's continue,  
10 then. When you are finished, when we transition to  
11 the next, the next party, we will take a quick  
12 break.

13 BY MR. TRIERWEILER:

14 **Q Mr. Pimentel, FPL's initial large load tariff**  
15 **provided the current body of ratepayers the protections**  
16 **of a 90-percent take-or-pay provision, is that correct?**

17 A I don't know exa -- I don't -- Walt, I don't  
18 remember the exact number, but subject to check, I think  
19 that 90 percent is right.

20 **Q And you are aware that some time afterwards,**  
21 **FPL reduced the 90-percent take-or-pay provision to**  
22 **70 percent?**

23 A Again, subject to check, I know we reduced the  
24 90-percent down to a 70 some odd number, yes.

25 **Q Are you aware of any protection that or -- let**

1 **me rephrase. Are you aware of any -- of the reason why**  
2 **FPL chose to reduce the take-or-pay to 70 percent?**

3 A I am. I can tell -- I can give you that from  
4 my perspective, and I think details around this you  
5 should ask of Tiffany Cohen.

6 But from my perspective, and this wasn't the  
7 -- this wasn't the only case, but there were -- there  
8 was testimony that was filed by others in this  
9 particular case that suggested that the 90-percent was  
10 too high and the number should be lower than 90 percent.

11 We had to take a look at an analysis that we  
12 prepared to try to understand what risks there were to  
13 our customers. We also wanted to understand what others  
14 were doing across the nation, not necessarily to match  
15 them, because, in fact, very few, if any, have the  
16 protection that we have built into our large tariff,  
17 which makes the large load person pay for the new  
18 generation that has to be added to the system.

19 So when we looked at that, and we looked at  
20 reducing that 90 percent to some lower number, we wanted  
21 to understand, well, what is that -- what could that  
22 potentially mean to our new customers.

23 The fact that this tariff is only in effect to  
24 the next rate case, right, this is not a tariff that  
25 continues to forever, we felt that some reduction was

1 needed.

2 Now, we are starting from a place where we  
3 believe adding large loads to the system would be a  
4 benefit to all our customers, right. And that is more  
5 people, if you will, onto the system and, therefore, you  
6 can spread the fixed cost of the system over a larger  
7 number of people. That makes sense. So we wanted to  
8 provide something that was attractive enough to data  
9 centers or load -- other large loads so that they would  
10 take alike at -- take a look at Florida.

11 I have no idea whether they are going to take  
12 a look at Florida, and whether we are ever going to see  
13 any again. But I do feel comfortable that the tariff  
14 that we have put together is good for our customers, our  
15 current customers, retail customers, retail customers in  
16 the future, and hopefully it's something that would  
17 attract more business development into Florida.

18 **Q So would it be your opinion that FPL supports**  
19 **a reduction to 70 percent pay-to-play as an appropriate**  
20 **balance of customer protections versus enticements to**  
21 **bring data centers to Florida?**

22 MR. BURNETT: Objection to ambiguity to what  
23 pay-to-play means in the question.

24 MR. TRIERWEILER: I am sorry, take -- I am  
25 sorry. I meant take-or-pay. I appreciate the

1 correction.

2 BY MR. TRIERWEILER:

3 Q Do you need me to reask that question?

4 A Yes, please.

5 Q All right. So would FPL -- FPL's decision to  
6 support the reduction from 90 percent to 70 percent was  
7 to achieve an appropriate balance of customer  
8 protections versus adequate enticements to bring data  
9 centers to Florida?

10 A No. As you started, I wanted to say yes to  
11 the question, but, no, we did not reduce customer  
12 protections. So it wasn't a balance of customer  
13 protections and data centers that drove us from the 90  
14 to 70. And, again, Tiffany Cohen is a lot better for  
15 this.

16 But, again, from my perspective, it was not to  
17 reduce customer protections. It was how do we put a  
18 tariff together that ultimately having these large  
19 loads, in my view, will benefit all of our customers,  
20 again, because you can spread the costs over a larger  
21 fixed base, how do we entice them enough to bring those  
22 folks in but make sure that we are still protecting our  
23 customers?

24 That's the -- so a lot of things we do in  
25 balance in the organization, but this was not a balance

1 thing. I am quite proud of the large load tariff that  
2 we have put together. I think it is going to be able to  
3 protect our retail customers currently and into the  
4 future.

5 **Q But you do agree that the reduction from 90 to**  
6 **70 take-or-pay does expose the general body of rates**  
7 **payers to an increased risk that they will have to**  
8 **subsidize that generation if the expected load doesn't**  
9 **materialize?**

10 A I think the -- so yes and no. So  
11 theoretically, if somebody poses you the question, would  
12 you rather have 90 percent take-or-pay or 70 percent  
13 take-or-pay, someone might just waddle into the  
14 90-percent, right. I might want as much protection as  
15 possible. In fact, why don't I just go ahead and make  
16 it 100 percent as opposed to 100 percent. But you could  
17 have both, right. You can actually have a large load  
18 tariff that works for the large load folks and you can  
19 have a large load tariff that protects your retail  
20 customers.

21 And I believe, one, a large load tariff that  
22 makes those large load customers have to pay for the  
23 generation you are having to add to the system for their  
24 benefit and as a take-or-pay at 70 percent does that.

25 MR. TRIERWEILER: Thank you. That concludes

1 my examination.

2 CHAIRMAN LA ROSA: Okay. Great. Before we go  
3 to FEL, we will take a five-minute break, give our  
4 court reporter a break.

5 I am going to try to target around a 12  
6 o'clock lunch, so it might be a small stretch here  
7 between break and lunch, but just want to make sure  
8 everyone is aware of that, but we are going to come  
9 back with FEL questioning.

10 Yes, sir.

11 MR. MARSHALL: Yeah, just as a housekeeping  
12 matter. We have confidential exhibits to hand out  
13 for this, so it seems like now would be a good time  
14 during break --

15 CHAIRMAN LA ROSA: Yeah, why don't you go  
16 ahead and get those prepared and then pass them  
17 out.

18 MR. MARSHALL: Yeah. I do want to note for  
19 the parties we can also hand out -- we have a  
20 confidential USB to use on Mr. Olson, which is  
21 expected to be the next witness that we will pass  
22 out at this time. That's what it's for. It's not  
23 for.

24 CHAIRMAN LA ROSA: Okay. Just note that, we  
25 know it's USB, so as soon as we know, we will hold

1 off until Mr. Olson gets here.

2 MR. MARSHALL: Thank you.

3 CHAIRMAN LA ROSA: Great. Thank you.

4 (Brief recess.)

5 CHAIRMAN LA ROSA: All right. If you can go  
6 ahead and grab your seats, I think we can get  
7 started.

8 All right. So we will pick up with FEL with  
9 questioning of Mr. Pimentel, and I will pass it  
10 over to you, sir. You are recognized to go ahead  
11 and get started.

12 MR. MARSHALL: Great. Thank you, Mr.  
13 Chairman.

14 EXAMINATION

15 BY MR. MARSHALL:

16 **Q Mr. Pimentel, did I hear you correctly that**  
17 **there aren't other gas plants in Florida that meet the**  
18 **characteristics of Vandolah that are out there?**

19 A That are for sale.

20 **Q That are for sale.**

21 **All right. Do you see the big read binder?**  
22 **You have it in front of you. If I could have you flip**  
23 **to what is marked as FEL-344C. This will be Exhibit**  
24 **1021 on the Comprehensive Exhibit List.**

25 A How do I find it?



1           **Q     There should be tabs that mark --**

2           A     I don't have tabs on this one.

3           **Q     Oh.**

4           A     All right.  What was the number?

5           **Q     344C.**

6           A     344.

7                   CHAIRMAN LA ROSA:  Just for clarification --

8                   MR. MARSHALL:  And we actually have a big  
9                   blowup copy just of that document in a separate  
10                   binder for you, Mr. Pimentel --

11                   THE WITNESS:  All right.

12                   MR. MARSHALL:  -- that are in order's.

13                   CHAIRMAN LA ROSA:  These are in numerical  
14                   order, or in --

15                   MR. MARSHALL:  Yes, they are in numeric order  
16                   by first -- the first half are sort of staff --  
17                   that are on staff's exhibit list, and then -- so  
18                   they are excerpts of staff's exhibits, and then the  
19                   other half are of exhibits that are on -- are  
20                   separate.

21                   CHAIRMAN LA ROSA:  Yeah, if you don't mind  
22                   repeating where you are at.

23   BY MR. MARSHALL:

24           **Q     So this is FEL-344C.**

25           A     So this whole thing is FEL-344C?

1           **Q     Yes.**

2           A     Okay.  And now what page -- I'm sorry, what  
3 page?

4           **Q     Page -- it's going to be pretty far in.  It**  
5 **has -- it will have a Bates stamp on the bottom of**  
6 **040931, should be, like, 10 percent in.**

7           COMMISSIONER FAY:  Mr. Chairman, did you find  
8 it?

9           CHAIRMAN LA ROSA:  Yeah, I did.

10          THE WITNESS:  040931.

11 BY MR. MARSHALL:

12          **Q     Yes.**

13          A     Yes.  Got it.

14          **Q     Is there anything you can -- this is a power**  
15 **plant presentation that we are looking at?**

16          A     It is a PowerPoint presentation.

17          **Q     Is there anything you can say about this slide**  
18 **that isn't confidential?**

19          A     Is there anything I can say about the slide  
20 that is not confidential, is that what you asked?  I can  
21 say that NextEra Energy Resources owns a gas plant in  
22 Florida.

23          **Q     And can you say anything about whether FPL has**  
24 **or has not considered taking any actions in regards to**  
25 **that?**

1 MR. BURNETT: No -- I will answer that one,  
2 Mr. Chairman, no, he can't.

3 CHAIRMAN LA ROSA: Okay.

4 MR. MARSHALL: All right. That's fair enough.

5 THE WITNESS: That was my answer.

6 BY MR. MARSHALL:

7 Q But that is -- this slide is an FPL PowerPoint  
8 slide?

9 A This is a -- if you don't mind, I am going to  
10 flip to the front. So is this in order, I can assume  
11 that?

12 Q Yes, this is in chronological order.

13 A Yep, this is an FPL PowerPoint slide.

14 Q Mr. Trierweiler also asked you about the  
15 SoBRAs in '28 and '29. And you would agree that those  
16 SoBRAs could have cash increases in those years?

17 A Yes.

18 Q And you also testified that the acquisition of  
19 Vandolah could possibly displace some batteries in 2028?

20 A Yes.

21 Q Do you know if that would increase the cost of  
22 the SoBRAs in that year due to the -- how the Investment  
23 Tax Credits are structured?

24 A I don't know. That's a better question for  
25 probably Mr. Bores or Ms. Laney.

1           **Q     Switching gears here.  Would you agree with me**  
2           **that a utility cannot be one of the most reliable**  
3           **utilities in the nation and one of the most unreliable**  
4           **utilities in the nation?**

5           A     I guess we are done with the book?

6           **Q     We are done with the book.**

7           A     I am sorry.  Can a utility be -- can you just  
8           repeat that, please?

9           **Q     One of the most reliable in the nation and one**  
10          **of the most unreliable in the nation?**

11          A     If you're -- if we are talking about the same  
12          metric, yes, I would absolutely agree that you can't be  
13          the most reliable on a metric -- on a certain metric and  
14          the most unreliable on a certain metric.  It's -- I  
15          don't know the background that you are -- that you have,  
16          but you could certainly, in our own daily lives, we  
17          could be the most reliable on something and the most  
18          reliable on something else, so I -- you know, I don't  
19          know what it would be that FPL is most unreliable on,  
20          but maybe you have an example.

21          **Q     Well, generally, do you have an opinion as to**  
22          **where FPL falls on that spectrum of providing reliable**  
23          **electric service to its customers?**

24          A     Measured on SAIDI, FPL is very reliable,  
25          60 percent better than the national average measured on

1 that metric.

2 **Q Are there other metrics that you think are**  
3 **important for measuring FPL's ability to reliably serve**  
4 **its customers?**

5 A That's prob -- that's the metric that we use  
6 internally. It's an objective metric. I think  
7 everybody understands that metric. It's a metric that  
8 we have used over a number of years, and likely to  
9 continue to use it. It drives the organization to focus  
10 on reliability.

11 **Q You would agree FPL has invested capital, for**  
12 **example, that can be effective reducing O&M expenses?**

13 A Yes. FPL has invested capital in order to  
14 reduce O&M expenses, but only when it makes ultimate  
15 sense for the -- for our customer.

16 **Q And FPL does have very low O&M expenses,**  
17 **relatively speaking, for a utility of its size?**

18 A FPL has very low O&M expenses. So in my  
19 opening comments, I indicated that if FPL was an average  
20 utility, its O&M -- nonfuel O&M expenses would be \$2.9  
21 billion a year more.

22 **Q FPL does earn a return on its capital**  
23 **investment?**

24 A Yes, FPL earns a return on its capital  
25 investment.

1           Q     In your testimony, you refer to FPL adding  
2     about 275,000 new customer accounts since 2021?

3           A     Yes.

4           Q     And that would be out of roughly six million  
5     customer accounts, ballpark?

6           A     Yes, that's correct.

7           Q     So that would be an increase of a little under  
8     five percent?

9           A     Yes, that is correct.

10          Q     Do you know if, ballpark, FPL's rate base has  
11     grown by that time by almost 50 percent?

12          A     I do not -- I do not know how much rate base  
13     has grown.

14          Q     Regarding -- you have in your testimony  
15     regarding FPL's low residential customer bill, is that  
16     right?

17          A     Yes, I do.

18          Q     And when you refer to FPL's low residential  
19     customer bills, you are referring to the industry  
20     1,000-kilowatt-hour residential bill?

21          A     Yes, I am.

22          Q     Do you agree that customer generally look at  
23     the total bill and not just the base rate component of  
24     their bill?

25          A     Yes, I do.

1           **Q**     Do you know if -- you referred to, during your  
2     **earlier cross-examination, about the two-and-a-half**  
3     **percent annual growth rate in the residential bill under**  
4     **FPL's proposal?**

5           A     Yes.

6           **Q**     Does that include a comparison to the current  
7     **residential bill, including storm charges on it?**

8           A     Yes. It's the current bill, \$134 or so.

9           **Q**     And does that, therefore, assume that there  
10    **are not going to be, because we all hope there are not,**  
11    **storm charges in the years 2026 through 2029?**

12          A     Yeah, it's an estimate -- it's our best  
13    estimate of what we can expect in the future trued up  
14    for what natural gas prices were at the time that we  
15    made the estimate. Obviously no storms in that  
16    estimate.

17          **Q**     And you would also agree that some of FPL's  
18    **customers can struggle to pay their electric bills?**

19                **CHAIRMAN LA ROSA: When you start thinking**  
20    **about it. There you go. Okay.**

21                THE WITNESS: We are well aware that FPL has  
22    customers that need help paying their bill. That  
23    is why we spend time and resources trying to figure  
24    out who those customers are, and trying to get  
25    those customers engaged in paying their bills; why

1           we spend so much time at the national level making  
2           sure that we can progress LIHEAP funding; why we  
3           have a Care to Share Program at Florida Power &  
4           Light, which has contributed \$15 million over the  
5           last four years for those customers.

6       BY MR. MARSHALL:

7           **Q       Switching topics again, and I am going to try**  
8           **to not retread ground here regarding the tax adjustment**  
9           **mechanism, the TAM. Am I correct that there is nothing**  
10          **in FPL's proposal that would stop FPL from utilizing the**  
11          **TMH to take FPL's earnings the top of the range in 2026**  
12          **and 2027?**

13          A       I am sorry, could you just repeat the --

14          **Q       Sure. Basically, there is nothing in FPL's**  
15          **proposal that would prohibit FPL from utilizing the TAM**  
16          **to take FPL's earnings to the top of its allowed range**  
17          **in 2026 and 2027?**

18          A       So knowing -- no -- yes and no. So not  
19          retreading old ground -- I guess I will retread it.

20                 The TAM is sized to get to the midpoint of the  
21          range in 2028 and 2029. It's a mathematical  
22          calculation. That's what it is sized for. If there are  
23          no -- nothing else that happens over the next four  
24          years, it is mathematically impossible to use the TAM to  
25          get above the midpoint of the range.



1           **Q     But nothing in the proposal would actually**  
2 **prohibit FPL from using it on that first couple of**  
3 **years?**

4           A     So that's why I want to -- that's why I said  
5 it the way I said it. First, to answer your question, I  
6 don't think there is anything in there, right, but  
7 that's the way I said it the way I said it.

8                     If, for example, FPL was to use the TAM in  
9 2026 and 2027, that is TAM it no longer has for 2028 and  
10 2029. So, therefore, back to my previous comment, where  
11 I said the TAM is mathematically calculated to get to  
12 the midpoint of '28 and '29. If you use any of it in  
13 2627, all things held equal, you cannot get to the  
14 midpoint in 2028 and 2029.

15                    CHAIRMAN LA ROSA: Mr. Marshall, this static  
16 is obviously -- I mean, the witness is doing a good  
17 job of powering through this, but I want to do  
18 this. I was going to break at 12 o'clock. I want  
19 to make now and see if we can troubleshoot this for  
20 the time being. My intentions are for us to come  
21 back and reconvene at one o'clock, so give us a  
22 little bit of extra time to troubleshoot.

23                    I don't -- I hate to interrupt you in the  
24 middle of questioning, but I want to make sure that  
25 we get this right and there is no further

1           distractions.

2           Just for the record, as we talk about what the  
3 rest of the day looks like. We are going to  
4 continue to take hour-and-a-half to two-hour  
5 breaks, somewhere in that time vicinity, obviously  
6 to make sure our court reporter has adequate time  
7 to break and be fair to her. She does an excellent  
8 job of doing what she's doing. We will try to  
9 break -- again, we will break today here today in a  
10 few seconds.

11           As far as the entire day of how that looks, of  
12 course, we will track things according to the  
13 witness and who may be on the witness stand. Love  
14 to finish a witness and not necessarily hold him  
15 over -- hold them over for a few minutes going into  
16 the next day, so we will try to finish as much as  
17 we can.

18           I know the parties have done an excellent job  
19 as far as cooperating with each other to make sure  
20 that witnesses line up on days accordingly, so as  
21 you do -- as you will see as the day continues, we  
22 might go a little bit out of order. I think all  
23 the parties are aware of the first few that will be  
24 here, but just want to make sure that that's on the  
25 record.

1           We will come back one o'clock. We will jump  
2           right back into Mr. Pimentel, I apologize for  
3           stopping you in the middle of questioning, and for  
4           time being, we will reconvene then.

5           Thank you.

6           (Lunch recess.)

7           CHAIRMAN LA ROSA: All right. I think we can  
8           -- I think we can start getting back into it. I  
9           think our microphone situation maybe has been  
10          fixed, and good work of our IT folks, and I think  
11          let's just roll, pick up where we left off, FEL, in  
12          your questioning.

13          MR. MARSHALL: Thank you, Mr. Chairman.

14          BY MR. MARSHALL:

15           **Q     Good afternoon. Before we broke, I was asking**  
16           **you questions about the TAM and how it relates to the**  
17           **four-year plan. Am I correct in understanding FPL's**  
18           **proposal, that FPL's agreement to stay out for four**  
19           **years is only if FPL's petition is approved in its**  
20           **entirety?**

21           A     Can you just repeat the last parts of that  
22           question?

23           **Q     Sure. That FPL's agreement to stay out for**  
24           **four years under its proposal, it's only agreeing to**  
25           **stay out for those four years if FPL's petition is**

1 **approved in its entirety?**

2 A Yes, I think that's -- I think that's right,  
3 the way you -- the way you stated it, right. It's a  
4 four-year proposal that we have -- our original proposal  
5 is a four-year proposal. It only works if the TAM is  
6 part of that proposal. If that's -- does that answer  
7 your question?

8 Q Yes. That's getting -- that's getting to it,  
9 and I think this next question should help clarify  
10 the -- how you are conceiving of that proposal.

11 And so I have a hypothetical here, is if the  
12 Commission awarded FPL 100 percent everything that it  
13 asked for in its petition except instead of an 11.90  
14 percent ROE, gave an 11.89 percent ROE, what should the  
15 Commission do with regards to the TAM, understanding  
16 that FPL might not be committing to stay out for four  
17 years?

18 A I don't know --

19 MR. BURNETT: Objection to the question asking  
20 what the Commission would do. This witness has no  
21 idea what the Commission may or may not do.

22 CHAIRMAN LA ROSA: Is there a way to rephrase  
23 that question?

24 MR. MARSHALL: Yes, I can rephrase.

25 BY MR. MARSHALL:

1           Q     What -- how should -- what does FPL, in  
2 regards to its -- yeah, how does that relate -- let me  
3 reask that question from the beginning.

4                     If the Commission awarded FPL 100 percent of  
5 its ask, except an 11.89 percent ROE instead of an 11.90  
6 percent ROE, should -- is it FPL's position that the  
7 Commission should still approve -- well, let me ask it  
8 this way: Would -- does that mean that FPL would not be  
9 committing to stay out for four years?

10           A     I am not sure this is going to answer your  
11 question, because I am not -- I think I know what it is,  
12 so let me try to take pieces of that, if I may. And if  
13 I am not responsive, you can just ask another question.

14                     So the original proposal that we put together,  
15 which included that 11.9 percent ROE, was us taking a  
16 look at the entire four years and how to balance that,  
17 right, how to balance what we have to invest for our  
18 customers over the four years as we expect to, right,  
19 based on how we build our proposal from the ground up,  
20 the 11.9 percent is supported by outside internal  
21 witnesses, the TAM was a critical part of that.

22                     So at the risk of, again, saying what I said  
23 in the past, maybe I could say it shorter. The TAM is  
24 such a critical component of the four-year proposal that  
25 we have put together because one of the major components

1 for us, or one of the major things that we wanted was to  
2 make sure that at the end of the day, the bill increases  
3 to our customers were reasonable. And the only way that  
4 you can put all of that together in our proposal is if  
5 you put a TAM component in there, similar to the RSAM  
6 component that we have had at least over the last two  
7 settlement cases.

8 Those RSAM components essentially did the same  
9 thing. It allowed the company to continue to invest in  
10 the last two years of the four-year proposal slash  
11 settlement in the past, and not further increase cash  
12 customer bills. That's why it holds together.

13 If you remove that TAM component, just remove  
14 it entirely, then it has the effect of increasing  
15 customer bills in the last two years. That's what it  
16 would have done in the 2016 rate case. That's what it  
17 would -- 2016 settlement, I am sorry, 2021 settlement,  
18 and that's what it would do here.

19 So for us, the whole thing that we filed hangs  
20 together because we want to keep customer bills down in  
21 the last two years while we continue to invest. I don't  
22 know if that specifically answered your question.

23 **Q I think we are getting close to it. I mean,**  
24 **the idea is that if the Commission doesn't, for whatever**  
25 **reason, give FPL 100 percent of everything it asked for**

1 in its petition, should the Commission still approve the  
2 TAM even though that might be in the absence of a  
3 promise to stay out for four years?

4 MR. BURNETT: Same objection.

5 CHAIRMAN LA ROSA: Yes. Sustained. We need  
6 to find a different way of answering the question,  
7 not proposing that the Commission was to make a  
8 decision.

9 BY MR. MARSHALL:

10 Q I mean, is it -- would -- absent the agreement  
11 for a four-year plan, does FPL believe the TAM should  
12 still be approved?

13 A I think the answer to that is no, and I am  
14 hoping I did not misinterpret your question.

15 We don't need a TAM if it's a two-year case,  
16 right. This is all trying to balance the transparency  
17 that we are providing customers over a long period of  
18 time. So it's worked out, we believe, well for our  
19 customers in the four-year settlements that we have had  
20 since 2010, right. It gives the company the ability to  
21 set rates for four years, keep customer bills down lower  
22 than if we would have gone in for cash rate increases  
23 every year, and allows the company, then, to go do what  
24 it does best, which is service our customers, try to  
25 find efficiencies, improve those efficiency over a

1 longer period, as opposed to a two-year case, right.

2           If we have a two-year case, we would be in  
3 here every two years asking for cash rate increases. It  
4 doesn't put as much risk on the company. So the company  
5 is agreeing to invest for four years. And it's agreeing  
6 to invest for four years because that's what it needs to  
7 do for new customers to upgrade their system, and so on  
8 and so forth.

9           Without that four-year agreement, there is no  
10 reason to have a TAM mechanism for that two-year period,  
11 but what I'm -- it's very difficult for me to understand  
12 the other side, because this is what everybody should  
13 want. Everybody, as I said earlier -- and I don't know  
14 if it was to your comments or Walt's comments, but every  
15 utility should be seeking out a TAM mechanism, right.  
16 Every utility should be in a position to be able to  
17 offer its customers, we are going to continue to invest  
18 and you don't have to pie us right now, but we are going  
19 to continue to invest during those last two years.

20           And so it is one in the same thing. It is a  
21 balanced proposition that we put in front of the  
22 Commission. We will invest for four years, just like  
23 you would expect us to, but we don't need cash rate  
24 increases, other than for SoBRA those last two years.  
25 That's on us. We will collect that over the next 30



1 years.

2 That's a long answer, and somewhere in there  
3 hopefully it answered your question.

4 **Q I think it did. Thank you.**

5 **And as part of that answer, I take it that you**  
6 **would agree that the TAM, itself, isn't necessary for**  
7 **FPL to provide safe and reliable service to its**  
8 **customers?**

9 A I don't agree with that, but let me tell you  
10 why.

11 So FPL is always going to be providing safe  
12 and reliable service to its customers. FPL is not going  
13 to back away from that commitment at any one -- at any  
14 one point in time. But it's not -- I am not looking at  
15 one portion of this. The whole thing has to hang  
16 together.

17 So we have to invest in order to have safe and  
18 reliable service to our customers. And when we have to  
19 invest, we have to raise capital. And when we have to  
20 raise capital, we have to make sure that there are  
21 plenty of investors that are willing to give us capital  
22 at a reasonable cost, because if they don't give us  
23 capital at a reasonable cost, that's just going to  
24 increase our customer costs in the future, which we  
25 hate. We don't really like that.

1           And so the TAM mechanism allows us to provide  
2 a reasonable return for our investors to allow us to  
3 draw on that capital to allow us to build the safe and  
4 reliable system that we have today.

5           So I don't look at just one piece or the other  
6 piece. I have to look at both pieces together. So this  
7 TAM mechanism, again, is providing a four-year runway  
8 for our customers, a four-year runway for investors,  
9 because we are going it to have to go out and invest  
10 billions and billions of dollars, almost \$40 billion  
11 over the '26 to '29 time period. That means you are  
12 targeting that market a lot and often.

13           And so when I look at the TAM and what it does  
14 for our customers, I am also looking at the TAM and the  
15 certainty over that four-year timeframe that it's  
16 providing investors, but I don't look at either/or. I  
17 look at both of them.

18           **Q     And what I am trying to get at, because, you**  
19 **know, we discussed that you don't necessarily need it if**  
20 **it was just a two-year case versus how the four-year**  
21 **runway helps you, you know, provide that vision. But if**  
22 **you were on that two-year -- are you saying that you**  
23 **need that four-year runway to provide safe and reliable**  
24 **service, or could you still do that in that smaller**  
25 **two-year timeframe?**

1           A     All else held equal, if you have two two-year  
2     timeframes as opposed to one four-year timeframe with  
3     the TAM, customer bills going to be higher in the two  
4     two-year timeframes. It's math. I said it before,  
5     which is the TAM is allowing the company to invest in  
6     '28 and '29, and it has two choices. It could ask for  
7     rate increases in '28 or '29, or it could use TAM and  
8     not ask for those bill increases. It has chosen the  
9     latter, use the TAM and not have bill increases.

10           **Q     But going back to my question, could FPL**  
11     **provide safe and reliable service on those two-year**  
12     **timeframes instead of having the four-year runway?**

13           A     FPL is always going to provide safe and  
14     reliable services, but I can't answer your question just  
15     with a yes, because in order to provide that safe and  
16     reliable service, it requires our company to continue to  
17     invest. In order to continue to invest, we have got to  
18     go out and access the capital markets. So I have to  
19     look at both of those pieces together. But we will  
20     always provide safe and reliable service.

21                     In order to keep the costs down to our  
22     customers, the TAM was designed to be able to invest in  
23     the last two years of the agreement and not increase  
24     customer bills.

25           **Q     Would you agree with me that there is no**

1 **specific formula for the balance between cash and**  
2 **noncash mechanisms, that that balance between cash and**  
3 **noncash mechanisms has some subjectivity to it?**

4 A Is that your question on the TAM --

5 Q Yes.

6 A -- Bradley? I am sorry.

7 Q Like, the amount between the size of the TAM  
8 versus the cash increases that FPL is seeking, that  
9 there is not a formula, that there is some subject --

10 A No, there is -- no, there is no formula. It's  
11 a balance. It's taking a look at the entire agreement  
12 and see what it produces and coming up with a balance  
13 and of everyone's interest.

14 Q Do you have an understanding as to, as the TAM  
15 is utilized, whether FPL will have to replace the --  
16 that portion of its -- that component in its capital  
17 structure?

18 A That's a question for somebody else, Bradley.

19 Q Okay.

20 A And by somebody else, I mean one of our  
21 witnesses.

22 Q If I could direct you back to the confidential  
23 read binder, but this is going to be the bigger one, to  
24 what is marked as FEL-267C. And this is Exhibit 1141  
25 only the CEL.

1 A 267C?

2 Q Yes.

3 A Yes.

4 Q Do you recognize this document?

5 A This is a document for our power generation  
6 group.

7 Q And -- well, behind it, there are also  
8 documents for the other business units within FPL?

9 A Yes.

10 Q And incentive compensation for FPL employees  
11 is partially determined by whether a business unit is  
12 able to meet its business objectives as layed out in the  
13 corporate incentive plan?

14 A Yes.

15 MR. BURNETT: Mr. Chairman, I am sorry to  
16 interrupt, we are in the incentive compensation  
17 where we have a witness that's filed testimony on  
18 that. It's not mentioned in Mr. Pimentel's  
19 testimony anywhere.

20 MR. MARSHALL: I will represent to the  
21 Commission that we took the deposition of that  
22 witness, and that witness did not know much about  
23 the incentive compensation questions that we have,  
24 and so if Mr. Pimentel has another witness to  
25 direct us to, that's --

1           CHAIRMAN LA ROSA: Well, can you repeat the  
2 question for me to hear?

3           MR. MARSHALL: The question was whether  
4 incentive compensation for FPL employees is  
5 partially determined by whether a business unit is  
6 able to meet its business objectives as laid out in  
7 the corporate incentive plan.

8           CHAIRMAN LA ROSA: I will go to my staff on  
9 this.

10          MR. MARSHALL: If the witness doesn't know, he  
11 is free to say that, of course.

12          MS. CIBULA: I think that Mr. Marshall needs  
13 to point out where in the prefiled testimony he is  
14 basing his question for the witness.

15          MR. MARSHALL: Well, I will say, in Mr.  
16 Pimentel's prefiled testimony he does testify to  
17 the reasonableness of FPL's expenses, and how they  
18 keep costs under control and serve ratepayer  
19 interest. It is general, I will --

20          MS. CIBULA: Yeah, it sounds a little too  
21 broad for this testimony, so I would say it's  
22 outside the scope of the testimony.

23          CHAIRMAN LA ROSA: Then sustained. And if we  
24 can ask another question, or try to narrow the  
25 question down to the scope of what we have got in

1 front of us, or whichever direction you are trying  
2 to go.

3 BY MR. MARSHALL:

4 **Q Mr. Pimentel, do you know which of FPL's**  
5 **witnesses would have more knowledge about some of these**  
6 **specific --**

7 A I think the individual witnesses for each of  
8 these plans would.

9 **Q Okay.**

10 A So power generation witness, power delivery  
11 witness, and so on.

12 **Q And, like, you know, the finance witness**  
13 **would, like, be maybe Mr. Bores would have knowledge**  
14 **about that?**

15 A On the NEE financial one, yes.

16 **Q FPL does not have a view on whether the**  
17 **climate is changing, is that right?**

18 MR. BURNETT: Mr. Chairman, again, I would  
19 pose an objection. I mean, I anticipate we are  
20 going to hear that side of the table becry the  
21 amount of time they have, and we are asking  
22 questions today about can you be reliable and not  
23 reliable at the same time. Is climate change  
24 happening. I don't know if we are going to ask the  
25 meaning of life to Mr. Pimentel next, but we are

1 way far afield and we are wasting time, so I  
2 object.

3 CHAIRMAN LA ROSA: Can you point to testimony  
4 of where -- how that's within the bounds?

5 MR. MARSHALL: Sure. I can spend some more  
6 questions going over the foundation in his  
7 testimony and the investments that they are making.  
8 One second.

9 And I will say just, you know, I can point to  
10 some broad areas in his testimony. I mean, the  
11 issue, though, is that I don't know who else can  
12 speak for FPL on this topic, and it is quite  
13 relevant to a number of issues that are in this  
14 case.

15 CHAIRMAN LA ROSA: Okay.

16 MR. BURNETT: Mr. Chairman, I am sorry, if I  
17 could help. I mean, we have got a load planning  
18 and a system planning witness that can be asked  
19 these questions. We have got a generation fleet  
20 witness, if that's where it is. And so we have  
21 business units that could handle any such questions  
22 to the extent they were relevant.

23 CHAIRMAN LA ROSA: Sure. And then there has  
24 been a slew of questions that the witness has  
25 pointed back to other witnesses that can answer the



1 question.

2 MR. MARSHALL: And if that's what the witness  
3 -- I mean, I still think we should be able to can  
4 ask the question and the witness could point to  
5 another witness, that would be better. I just want  
6 to make sure we are not missing the witness that we  
7 should be asking that question of.

8 CHAIRMAN LA ROSA: Okay. I mean, that -- so  
9 that's fair, as long as we can keep the questions  
10 within the bounds of, obviously, what we are here,  
11 you know, to talk about today.

12 MR. MARSHALL: Yes, and I am happy to point  
13 out why it's relevant to the whole slew of  
14 investments at issue in this case.

15 CHAIRMAN LA ROSA: Please proceed.

16 BY MR. MARSHALL:

17 **Q FPL does not have a view on whether the**  
18 **climate is changing, is that right?**

19 MR. BURNETT: Mr. Chairman, same objection. I  
20 mean, that's the exact identical question. I don't  
21 know if Mr. Marshall is hearing you or not.

22 MR. MARSHALL: Well, I guess I can ask if  
23 there is a better witness to ask that of.

24 CHAIRMAN LA ROSA: Sure.

25 BY MR. MARSHALL:

1           **Q     Who would be the best witness of FPL's to ask**  
2 **whether FPL has a view on whether the climate is**  
3 **changing?**

4           A     That's such a general question, I am not sure  
5 there is an FPL witness that has filed testimony on  
6 whether the climate is changing or not.

7           **Q     Well, you would agree that we have had**  
8 **testimony regarding weather normalized sales, you know,**  
9 **for 20 years is the proper metric to measure sales in**  
10 **the future?**

11          A     I am aware that there has been -- there has  
12 been questions. If you have questions on the load  
13 forecasts that we have been using, I believe that's  
14 Tiffany Cohen, if it's questions on the load forecast.

15          **Q     Well, it certainly goes to the load forecast.**  
16 **I mean, the idea is whether there is a view at FPL as to**  
17 **whether the last 20 years are representative of what FPL**  
18 **expects in the future, and who would be the witness to**  
19 **ask that question?**

20          A     If the question was as general as you asked  
21 it, we don't have, to my knowledge, unless I am  
22 corrected by somebody, we don't have anybody that talked  
23 about climate questions.

24                   If the question is about the forecasts that we  
25 have put together, and is it a reasonable forecast based

1 on customers based on the last 20 years, and so on, I  
2 believe that's Tiffany Cohen.

3 **Q And how about resilience?**

4 A What do you mean, resilience?

5 **Q Well, you talk about, you know, storm**  
6 **hardening of FPL's system, and making it a more**  
7 **resilient system for --**

8 A If the questions are about investing in our  
9 system on the generation side, it's Tim Oliver is the  
10 witness. If the questions are about the resiliency of  
11 the transmission and distribution system, that would be  
12 Mike Jarro to ask that question to. Is that what the  
13 question is about?

14 **Q Yes. And would those witnesses be able to**  
15 **speak to FPL's views about, you know, the need for those**  
16 **investments based on the weather, et cetera?**

17 A I don't know that anybody has filed testimony  
18 regarding the weather. Again, I -- the weather is  
19 something that's taken into account in our load  
20 forecast, and so that would be our load forecast  
21 witness. I don't -- I mean, I don't know if that's  
22 responsive or not to what you are asking, but that's the  
23 person I would look to.

24 **Q And so Ms. Cohen can speak for FPL regarding**  
25 **FPL's load forecast and how it relates to the climate?**

1 COURT REPORTER: I'm sorry, I didn't hear  
2 that.

3 CHAIRMAN LA ROSA: Objection, asked and  
4 answered.

5 Sustained. I -- sustained.

6 BY MR. MARSHALL:

7 Q Who ultimately is a responsible for approving  
8 the budget of each business unit at FPL?

9 A That would be me.

10 Q And does that include the incentive  
11 compensation plans?

12 A Yes, me along with others, but ultimately  
13 approving the incentive compensation plan is something  
14 that I do, yes.

15 Q We have a question regarding incentive  
16 compensation goal that, from a business unit that  
17 doesn't have a witness testifying, who would be the best  
18 person to ask that?

19 A You could try me. You know, you're -- nobody  
20 has filed a wit -- nobody has filed testimony on, I am  
21 not sure I would be able to answer your question, but I  
22 could try.

23 Q All right. If I could direct your attention  
24 to what's within FEL 267C. It would be at Bates stamp  
25 page FPL 045480.

1 A I am sorry, can you just repeat that?

2 Q It's FPL 045480. It should be towards the  
3 back.

4 A You said 045, right?

5 Q Yes.

6 A My tabs start either with FPL with a two  
7 handle three handle or four handle.

8 Q I am sorry, what was that?

9 A My FPL tabs start with either F --

10 Q Yes, I am sorry. It should start with FEL  
11 3 -- I am sorry, 267C.

12 A 267C?

13 Q Yes. I am sorry, the page number I was  
14 referring to was within the document.

15 A 267C.

16 CHAIRMAN LA ROSA: And can you repeat the  
17 number, the page number?

18 THE WITNESS: Yeah, what was the page?

19 BY MR. MARSHALL:

20 Q Yeah. It's page FPL 0458 -- I am sorry,  
21 045480. That should be towards the back of that  
22 document.

23 A 480.

24 Q There is no one from this business unit  
25 testifying in this case, is that right?

1           A     You asked Jessica Buttress these questions?  
2     Okay.   So then no.

3           **Q     And do you see the last goal on that page?**

4           A     Number 20?   Yes.

5           **Q     Do you know if that is confidential?**

6           A     I am sorry?

7           **Q     Do you know if that goal is confidential?**

8                   MR. BURNETT:   Mr. Chairman, it is.   That's why  
9     we marked it as such and filed for confidential  
10    classification.

11                   CHAIRMAN LA ROSA:   There is your answer, yes,  
12    it's confidential.

13   BY MR. MARSHALL:

14           **Q     Is there anything that you can say about why**  
15   **that goal is in ratepayer interest without revealing**  
16   **confidential information?**

17           A     I don't think so.

18           **Q     All right.   Thank you, Mr. Pimentel.   That's**  
19   **all my questions.**

20                   CHAIRMAN LA ROSA:   Great.   We are going to go  
21    to FAIR.

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

23                                   EXAMINATION

24   BY MR. SCHEF WRIGHT:

25           **Q     Good afternoon, Mr. Pimentel.   How are you**

1 doing?

2 A Good afternoon.

3 Q You have heard a number of these questions  
4 before in your deposition and hopefully we won't take  
5 too long here.

6 Is it correct that NextEra Energy is the sole  
7 equity common stockholder of FPL?

8 A That NextEra is?

9 Q Yes.

10 A Yes. Correct.

11 Q Is it also correct that NextEra Energy is the  
12 sole source of equity capital for FPL?

13 A Yes, that is correct.

14 Q Thank you.

15 And I think we have covered this but I will  
16 ask it this way: Is it FPL's commitment to provide its  
17 customers with safe and reliable service at the lowest  
18 possible cost consistent with all applicable safety and  
19 reliability standards?

20 A Yes.

21 Q In the 2021 case, I believe that FPL requested  
22 -- or initially requested an ROE of 11-and-a-half  
23 percent, is that correct?

24 A Subject to check, I will accept is that.

25 Q Fair enough.

1           The approved -- and will you agree that the  
2 approved midpoint ROE per the 2021 settlement was 10.6  
3 percent for the first several months of 2022 until the  
4 trigger was approved?

5           A     That is correct.

6           Q     And thereafter, it was 10.8 percent after the  
7 trigger took effect later in the year, correct?

8           A     That is correct.

9           Q     Thanks.

10           Has FPL made all necessary investments since  
11 January 2022?

12           A     All necessary?

13           Q     Investments.

14           A     Yes.

15           Q     It wasn't a trick question.

16           A     I just didn't -- I didn't hear the word.

17           Q     Okay. Has FPL made all of its necessary O&M  
18 expenditures since January 2022?

19           A     Yes.

20           Q     And has FPL covered all of its interest  
21 payments and any similar obligations since January 2022?

22           A     Yes.

23           Q     Will you also agree that FPL has earned ROEs  
24 generally 90 to 100 basis points above the midpoints  
25 that were in effect from January 2022 through today?



1           A     Yes.

2           **Q     Will you agree that FPL had a similar**  
3 **experience with the reserve balance structure in the**  
4 **2016 settlement, i.e., earning at or near the top of the**  
5 **range from 2017 through 2021?**

6           A     Could you just repeat the first part of that  
7 question?

8           **Q     Sure. I am asking you about the reserve**  
9 **balance structure that preceded the RSAM, the reserve --**  
10 **it's called a reserve balance in the 2016 settlement,**  
11 **and my question is: Will you agree that FPL had similar**  
12 **experience with the reserve balance structure that was**  
13 **approved in the 2016 settlement? And when I ask similar**  
14 **experience, I mean isn't it true that FPL earned at or**  
15 **near the top of its authorized range from 2017 through**  
16 **2021?**

17          A     So can I divide that into two? So yes on the  
18 last half of the question. So FPL earned at the top end  
19 of its ROE range in both the 2017 and 2021 settlement  
20 for the subsequent four years.

21                   But the reason I divide that question is those  
22 mechanisms back in 2017 and 2021 were designed the same  
23 way that this -- it's a different -- it's a different  
24 type of mechanism, but designed the same way as this tax  
25 adjustment mechanism for this rate case. In both of

1 those cases, in both of those previous settlements,  
2 those RSAMs -- you called them a reserve balance.  
3 Forgive me, I call it an RSAM for a minute -- those  
4 RSAMs were met for the last two years of that four-year  
5 settlement to get to the midpoint of the range. That's  
6 a -- it's mathematical. That's the way that it's  
7 calculated, and the same way as the tax adjustment  
8 mechanism for this case is calculated to get to the  
9 midpoint of the range.

10           The reason that I separated the question is,  
11 holding all else equal, it is not possible to get more  
12 than the midpoint of the range by using the full RSAM,  
13 or in this case, TAM. There has to be other things that  
14 the company brings to the table, or the other things  
15 that happen on the outside.

16           And so it's almost like the chicken or the egg  
17 thing, but the RSAM can't be used to get above the  
18 midpoint of the range on its own. So what are those  
19 other things? Well, those other things are, as an  
20 example, the cost efficiencies that the company had  
21 during both of those four-year settlements. Now you  
22 have some cost efficiencies that come into the mix.

23           So the RSAM was designed to get you to the  
24 midpoint of the range if you can identify and execute on  
25 those cost efficiencies, for example, that it gets you

1 above the top end of the range. Similar to other things  
2 that may have happened during those -- that period of  
3 time. Interest -- positive or negative interest rates  
4 could get you above or below. Positive or negative  
5 costs, O&M costs get you up or above that part of the  
6 range.

7 So the latter part of your question, yes, but  
8 I separated the former for that reason.

9 **Q Thank you.**

10 **Isn't it true that FPL earned something like a**  
11 **billion-and-a-half-dollars above the midpoint of its**  
12 **authorized range from 19 -- from 2022 through the**  
13 **present?**

14 A I don't know what the nominal number is. Did  
15 FPL earn more than the midpoint of the range from 2021  
16 through so far this year? The answer is yes. But to  
17 say that that is all associated with the RSAM would be  
18 incorrect for all of the reasons I just pointed out a  
19 couple of minutes ago.

20 **Q And you anticipated my question, which is:**  
21 **Isn't it true that FPL has used something like \$1**  
22 **billion, maybe a billion two, \$1.2 billion of the \$1.45**  
23 **billion that was approved as the RSAM amount, the**  
24 **reserve surplus in 2021?**

25 A I don't know the number that was used, but I

1 agree, right, if you follow them, and I think you do,  
2 right. If you are able to earn above the midpoint of  
3 the range in the settlement, it is not solely because of  
4 the RSAM because of the way the RSAM, or now the tax  
5 adjustment mechanism is designed.

6 I mean, I hate to keep going back to it's a  
7 simple math calculation, but it is a simple math  
8 calculation, right. Your revenue requirements in 2028  
9 and '29, or for 2024 and '25, which were the last two  
10 years of the previous settlement, you figure out what  
11 you need to get to the midpoint of the ROE, and that is  
12 the calculation of the RSAM or the TAM.

13 **Q I understand that, but the fact is there is**  
14 **evidence in the case that FPL -- and the number as to**  
15 **how much of the RSAM has been used fluctuates from month**  
16 **to month, but I believe the current numbers are**  
17 **somewhere in the range of 1.0 to \$1.2 billion of the**  
18 **\$1.45 billion of the RSAM has been used by FPL in making**  
19 **whatever it made and reported to the PSC during this**  
20 **time, correct?**

21 A So whatever -- the -- I don't know the  
22 numbers. You can ask Witness Laney or Witness Bores  
23 exactly what the -- what your 1.0, \$1.2 billion number.  
24 I am not disputing that we have used RSAM. We have used  
25 RSAM just like we intended to use RSAM. How is that?

1 We have invested in 2024, 2025 and will continue to  
2 invest in 2025. In our four-year settlement we did not  
3 ask for cash rate increases other than whatever SoBRA we  
4 may have had for those two years.

5 It is the same thing that we are asking for in  
6 this case. We will invest in 2028 and 2029 because we  
7 have to invest in those two years because of the growth,  
8 upkeep to the system and so on. Instead of asking for  
9 cash rate increases in '28 and '29, we are asking for  
10 the tax adjustment mechanism. That is the same that we  
11 asked for in 2017 -- I am sorry, in 2021 for the last  
12 two years of that four-year settlement.

13 **Q So -- thank you.**

14 **Am I correct that the TAM in this case is**  
15 **designed to enable FPL to achieve a midpoint ROE of 11.9**  
16 **percent?**

17 **A In '28 and '29, yes.**

18 **Q In the colloquy you had earlier with Mr.**  
19 **Trierweiler, you -- y'all talked about you could either**  
20 **have a rate case in 2027 for '28 you or choose TAM, you**  
21 **chose TAM.**

22 **My question is: What is FPL going to use to**  
23 **pay the tax liabilities that are the basis of the DTLs,**  
24 **the deferred tax liabilities, what are you going to --**  
25 **what is FPL going to use to pay the tax liabilities when**

1 **they come due?**

2 A So that's a -- just one correction, and then I  
3 am going to tell you I can't answer the question and who  
4 to talk to.

5 **Q Okay.**

6 A So you said '27 and '28.

7 **Q I meant '28 and '29, sorry. I meant file a**  
8 **case in '27 for 2028.**

9 A '28 and '29. Okay, good.

10 **Q Okay.**

11 A Regarding what funds we are going to use, or  
12 cash, or whoever, that's a better question for Scott  
13 Bores.

14 **Q Thank you.**

15 **These are a couple of questions we covered in**  
16 **your deposition.**

17 **Has NextEra Energy, or any official of NextEra**  
18 **Energy communicated to FPL that it would not supply**  
19 **equity capital to FPL unless FPL's rates are based on a**  
20 **particular or a specific ROE?**

21 A No.

22 **Q Same question, has anybody at NextEra Energy**  
23 **communicated to FPL that it would not supply equity**  
24 **capital if the Commission does not approve the tax**  
25 **adjustment mechanism?**

1           A     No.

2           **Q     You talked, I think with Mr. Marshall about**  
3 **this, but in your testimony, you make this statement:**  
4 **That FPL's current rate plan has helped to insulate our**  
5 **customers from the risks of increases in interest rates**  
6 **and general inflation, correct?**

7           A     Yes.

8           **Q     Isn't it also true that the rate plan approved**  
9 **in the 2021 settlement insulated FPL and its stockholder**  
10 **and its sole shareholder, NextEra Energy, from those**  
11 **same risks?**

12          A     I don't know about the same risks, but maybe  
13 other risks, which is what I spoke about before.

14                   The TAM -- and I don't know if it was with  
15 Bradley -- Mr. Marshall or before, but when we put this  
16 four-year case together, we need to make sure we are  
17 looking at all the pieces to it, right. All the -- the  
18 biggest piece is the effect on our customers. Are we  
19 going to be able to continue servicing our customers the  
20 way that we currently serve? Are we going to be able to  
21 invest the way we have invested in the past? Are we  
22 going to be able to make the changes that we have made  
23 in the past?

24                   But when you look at this four-year agreement,  
25 it is going to have us invest billions of dollars,

1 probably close to \$40 billion. So it is an  
2 acknowledgment also that in order to provide all of that  
3 service to our customers, it is an acknowledgment that  
4 we are going to have to tap the debt and equity markets  
5 and quite frequently.

6 And so when I look at the entire picture, I  
7 cannot just put that to a side and not pay attention to  
8 it. So I have got to look at that entire picture. So  
9 that is why this entire agreement for us in balance is  
10 important.

11 **Q I understand that, and thanks for that answer,**  
12 **but I was asking you about your testimony as it related**  
13 **to FPL's current rate plan as you used the term on page**  
14 **four of your testimony, where you said: The current**  
15 **rate plan has helped to insulate our customers from**  
16 **these risks. The predicate risks are inflation and**  
17 **higher interest costs. That's certainly a true**  
18 **statement as it stands, correct?**

19 A That is a true statement.

20 **Q And my question for you is: Wasn't it FPL**  
21 **that incurred whatever cost that resulted from**  
22 **inflation?**

23 A Wasn't it FPL?

24 **Q Wasn't it FPL who paid the cost, higher cost**  
25 **that resulted from inflation?**



1           A     Yes.

2           **Q     Wasn't it FPL that paid the -- who paid the**  
3 **higher interest costs that were experienced during that**  
4 **time?**

5           A     Yes.

6           **Q     And then given that FPL consistently earned**  
7 **very close to the top of its range during the last**  
8 **three-and-a-half years, isn't it true that the current**  
9 **rate plan also insulated FPL and NextEra Energy from**  
10 **those risks?**

11          A     So yes, and I -- you obviously didn't like my  
12 answer before, but --

13          **Q     Well, you --**

14          A     -- that's what I was trying to -- that's what  
15 I was trying to put forth. The answer is yes, but both  
16 things have to hang together, right. You have to be  
17 able to provide investors some assurance that you are  
18 going to earn a reasonable rate of return. This  
19 four-year plan does that. And it does that by giving  
20 some transparency over the next four years to the  
21 customers, and giving some transparency to investors.  
22 So both of those groups are protected.

23          **Q     With the understanding, and you talked about**  
24 **this with Mr. Marshall briefly, that you do sometimes**  
25 **invest capital to reduce O&M expenses. With that**

1 **understanding, O&M expenses themselves generally don't**  
2 **include a return on investment, do they?**

3 A O&M expenses don't include a return on  
4 investment?

5 Q **Correct.**

6 A That's correct.

7 Q **Okay. Given FPL's commitment to keep costs as**  
8 **low as possible, and given that O&M expenses don't**  
9 **include ROE, return on equity, on capital investment,**  
10 **did FPL need an ROE of 10.8 percent during the last**  
11 **three-and-a-half years to have low O&M expenses?**

12 A I don't understand the question.

13 Q **Well, you have testified eloquently that you**  
14 **have low O&M expenses. My question is: Did FPL need an**  
15 **ROE of actually close to 11.8 percent for the last**  
16 **three-and-a-half years, did FPL need the ROE that high**  
17 **in order to have low O&M expenses, as you used the term?**

18 A No, I don't think FPL needed -- if I  
19 understand your question correctly, I don't under -- I  
20 don't believe FPL needed an 11.8 percent ROE in order to  
21 have low O&M expenses, but the fact that FPL has low O&M  
22 expenses, all else held equal, means that FPL's  
23 customers have lower bills. FPL's customers having  
24 lower bills is actually a very positive sign for  
25 investors, right. You would --

1           **Q     Sure.**

2           A     -- I would much rather be sitting here today  
3 talking about our bills and why they are way below  
4 national average, and why reliability is so good than  
5 the opposite. And investors take comfort from that.  
6 Investors take comfort from the fact that they had a  
7 four-year settlement in the last four years. We take  
8 comfort from that we have been able to keep our customer  
9 bills low.

10                   So all else held equal, keeping our costs out  
11 of the equation is a very positive reflection on how we  
12 treat our customers, and a very positive reflection for  
13 investors when they are looking at the company. In  
14 other words, if we can manage our costs, then maybe  
15 there is a chance that we could be okay under a  
16 four-year stay out.

17                   I think -- I don't know exactly what investors  
18 would do, but if you had option A, a company can go in  
19 every year and just get cash rate increases, and option  
20 B, a company can is going to stay out four years, and  
21 the last two years are going to invest without getting a  
22 cash recovery, I think most -- I haven't done a survey,  
23 I think most investors would say give me option A. Why  
24 should I believe that option B, where you are not -- you  
25 have to continue to invest billions of dollars but you

1 are not getting cash increases, why is that a better  
2 option for me?

3 And so the fact that we can have low O&M  
4 expenses and keep our customer bills low and enter into  
5 a four-year agreement, I think, is a positive all the  
6 way around.

7 **Q Do you understand that my client's position,**  
8 **my members' position, and the other consumer advocates**  
9 **here, believe that FPL can provide safe and reliable**  
10 **service and have lower bills by having a lower ROE, you**  
11 **understand that? I am sure you do.**

12 A It's not that I don't understand what you are  
13 saying. Again, it's a math, but every time that you are  
14 asking a question, I get the sense that you are not  
15 being balanced with the customers and the investors and  
16 it doesn't work that way.

17 We don't have \$40 billion over the next four  
18 years. We have to go out and raise the debt and the  
19 equity to be able to continue to service our customers.  
20 And so having rate certainty for a long period of time,  
21 having a reasonable environment in order to provide  
22 that, having low customer bills, all of the other things  
23 that we talk about, is a really strong point for all of  
24 those folks that you are trying to maze money from. I  
25 have to take a look at both of those.

1 I have to -- obviously, I will always provide  
2 safe and reliable service to our customers. And I will  
3 do that at the lowest cost possible, but it will not be  
4 the lowest cost possible if I cannot balance the other  
5 side of the equation, which is making sure that I can  
6 raise capital at the lowest cost possible.

7 **Q When investors look at providing capital to**  
8 **NextEra, in turn, that would be passed on to FPL, don't**  
9 **they look at other utilities and other businesses in the**  
10 **equity market?**

11 A I would expect that they do.

12 **Q Yeah, I would expect they do, too. What's the**  
13 **highest ROE currently approved in the Southeastern**  
14 **United States or any -- for an electric utility, if you**  
15 **know?**

16 A I don't know the answer to that, but the way  
17 you are asking the question suggests that that's the  
18 only thing that investors look at, which is wrong.

19 Investors are looking -- ROE is one of the  
20 things that investors are looking at. There is a lot of  
21 other things that investors are looking at, right. I  
22 mean, for whatever reason, some utility in the southeast  
23 may get a much higher ROE -- it's not us -- may get a  
24 much higher ROE, but if they don't have the ability to  
25 be able to actually earn that ROE, nobody is going to

1 really look at that.

2 So it is important, ROE is not the only thing  
3 that they focus on. They focus on the entire picture.  
4 They focus on the fact that we have entered into  
5 settlements in the last three rate cases and have --  
6 before this one. So they focus on all of that.

7 ROE is an important component, but it's not to  
8 say that if one company has a 10.8 percent ROE and the  
9 other company has a 9.5 percent ROE that they are just  
10 going to blindly follow the company that has the higher  
11 ROE.

12 **Q I am sure you will agree that investors would**  
13 **look at FPL's track record of earning basically at or**  
14 **extremely close to the top of its range for at least the**  
15 **last eight-and-a-half years, do you agree with that?**

16 A I think they do. I know they do. They also  
17 wonder how long the company is going to be able to do  
18 that, which is a fair question.

19 **Q Yeah, and our question is: Can FPL provide**  
20 **safe and reliable service, make all necessary**  
21 **investments and cover all of its expenses with a lower**  
22 **ROE than 11.9 percent?**

23 A Yes, but -- you want me to answer that  
24 question just with yes and there is a yes but, because  
25 what is the cost of that if all of a sudden on the

1 investor side I am not -- I am not A- and I am BBB+ or  
2 BBB. And what is the cost of that if we try to issue  
3 equity, and instead of it being oversubscribed, it's  
4 undersubscribed, because investors all of a sudden are  
5 concerned about the billions of dollars that have to  
6 put -- be put to work in Florida because Florida is a  
7 growing -- continues to be a growing economy. What is  
8 the cost of that?

9 I am not looking to find out what the cost of  
10 that is. I am looking to keep this very balanced, do  
11 all of the things that you just said for our customers,  
12 because we will always do all of those things for our  
13 customers, but I cannot ignore the other side of that,  
14 which is, it's really important for a company that's  
15 going to spend almost \$40 billion over the next four  
16 years to be able to present a picture to equity holders  
17 and debt holders that we have a strong regulatory  
18 position, and they can rely on the fact that they have  
19 got four years of runway, and they should feel  
20 comfortable investing in our company.

21 **Q So if the Commission were to approve basically**  
22 **the totality of your four-year plan except a lower ROE,**  
23 **say, closer to what's currently being earned by**  
24 **utilities in the southeast U.S., including some with**  
25 **multiyear rate plans going forward, wouldn't FPL be able**

1 to provide -- to realize -- to obtain equity and do what  
2 it needs to do? That's our question.

3 MR. BURNETT: Objection, vague, ambiguous and  
4 assumes facts not in evidence.

5 MR. SCHEF WRIGHT: It's a hypothetical, Mr.  
6 Chairman. Naturally, there is facts not in  
7 evidence.

8 CHAIRMAN LA ROSA: Can you narrow the  
9 question?

10 MR. SCHEF WRIGHT: Sure.

11 BY MR. SCHEF WRIGHT:

12 Q If the Commission approved every part of your  
13 plan and set your ROE at 10.8 percent, your current ROE,  
14 could you make all the investments you needs to make  
15 going forward? And if they did that for four years,  
16 wouldn't that make investors happy?

17 MR. BURNETT: Objection, asked and answered,  
18 compound and confusing.

19 CHAIRMAN LA ROSA: Can you ask him one  
20 question at a time? There was a lot of questions  
21 in that really.

22 MR. SCHEF WRIGHT: Sure.

23 BY MR. SCHEF WRIGHT:

24 Q Question number one: If the Commission  
25 approved your four-year plan, all your rate base, all



1 **your expenses everything else, except set the ROE at**  
2 **10.8 percent, your current ROE, could you raise equity**  
3 **capital for those four years?**

4 A I think we could raise equity capital for  
5 those four years. I don't think we could raise equity  
6 capital at the lowest cost.

7 **Q What do you mean by the term lowest cost in**  
8 **your response?**

9 A We -- the case that we have filed, and our ROE  
10 Witness Coyne has filed the testimony for, suggests an  
11 11.9 percent ROE. We didn't make that up. That's what  
12 the data shows, 11.9 percent ROE. I don't know what  
13 calculation has been done by others, but that's what we  
14 are supporting, an 11.9 percent ROE.

15 We, as a company, don't have the same risks as  
16 your other companies in the southeast. And Witness  
17 Coyne can answer all your questions on that if you have  
18 some questions. But all else held equal -- all else  
19 held equal, if investors believe that a company should  
20 be getting a higher ROE than what they have just  
21 received, equity costs will go up and debt costs will go  
22 up.

23 We have filed an 11.9 percent ROE. That's  
24 what we think we deserve in this rate case. Your  
25 question is, if we don't get an 11.9 percent ROE and we

1 get something less, and I said, we would still be able,  
2 in my view, to raise debt and equity capital, but it  
3 would not be at the lowest cost, and it would not be at  
4 the lowest cost because, in my view, investors have a  
5 higher view of what our ROE should be than -- I already  
6 forgot your number, 10 point --

7 **Q 10.8, your current rate.**

8 A 10.8 percent.

9 **Q How would it cost you -- how would it cost FPL  
10 or NextEra more to raise equity capital?**

11 A Well, it's a simple -- it's -- if you  
12 disappoint investors, all else held equal, your share  
13 price goes down. Your share price goes down, all else  
14 held equal, you have to raise -- you have to issue more  
15 shares to get the same amount of cash.

16 If you have to do that, that's not a happy  
17 story for investors. That means it's going to take more  
18 equity issuance in order for you to support your capital  
19 structure at Florida Power & Light Company.

20 **Q Thank you. I think I have one more question.  
21 This follows on a colloquy you had with Mr. Trierweiler  
22 earlier, in which you told him that your average  
23 residential rate increase is expected to be  
24 two-and-a-half percent over the next four years. I  
25 think you told him that based on -- that was based on**

1 **FPL's current assumptions regarding its cost recovery**  
2 **clause charges, is that correct so far?**

3 A Yes.

4 Q **And I think you said specifically it's based**  
5 **on your current projections for gas prices, correct?**

6 A Correct.

7 Q **Customers can't count on any of those, can**  
8 **they? Gas prices could go up, you could have a storm,**  
9 **et cetera, et cetera.**

10 A Yeah, gas prices could go up. Gas prices  
11 could come down, like they did last year, and we lowered  
12 the bill by \$12, I think in May, but they could go up.  
13 Storms may happen, storms may not, but it is our best  
14 estimate.

15 In fact, if you go back to 2016 and you look  
16 at the total bill that we proposed in our settlement at  
17 that point through 2021, the total bill was actually  
18 lower than what we had suggested back in 2016.

19 So, yes, it could go up or down, but our best  
20 guess today, and something that I focus on, is what's  
21 our bill today and what's the expectation over this  
22 period? And in the as-filed case, the average annual  
23 increase to the total bill is two-and-a-half percent,  
24 and I agree with OPC's counsel, I think it was, I  
25 apologize if it isn't, that customers focus on the total

1 bill. We believe they focus on the total bill.

2 **Q Okay. And do you agree that cost recovery**  
3 **clauses account for something total 40 percent of FPL's**  
4 **total bills?**

5 A I don't know the exact number.

6 **Q Okay. Thanks very much, Armando.**

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

8 CHAIRMAN LA ROSA: Great. Thank you.

9 Let's move to FIPUG. You are recognized for  
10 questions.

11 MS. PUTNAL: Thank you. No questions.

12 CHAIRMAN LA ROSA: I am sorry, you said no  
13 questions?

14 MS. PUTNAL: No questions.

15 CHAIRMAN LA ROSA: Okay. Excellent.

16 Go to FRF.

17 MR. BREW: No questions.

18 CHAIRMAN LA ROSA: Walmart.

19 MS. EATON: No questions.

20 CHAIRMAN LA ROSA: FEIA.

21 MR. MAY: No questions.

22 CHAIRMAN LA ROSA: Fuel Retailers.

23 MR. SELF: No questions.

24 CHAIRMAN LA ROSA: EVgo.

25 MR. MOSKOWITZ: No questions.

1 CHAIRMAN LA ROSA: SACE.

2 MR. GARNER: No questions.

3 CHAIRMAN LA ROSA: Commission staff.

4 MR. STILLER: Staff has a few questions.

5 EXAMINATION

6 BY MR. STILLER:

7 Q Good afternoon. Staying with the 2.5 percent  
8 annual increase for ratepayers. Does that assume FPL  
9 earning at the midpoint?

10 A Yes.

11 Q Hypothetically, if the TAM is used to earn  
12 above the midpoint ROE, could that potentially result in  
13 FPL increased earnings of hundreds of millions of  
14 dollars above the 2.5 percent increase?

15 A So I don't know the answer to that. That will  
16 be a question for Ms. Laney or Mr. Bores, but if I could  
17 just -- I hate to be repetitive, but I don't look at the  
18 RSAM or the TAM as earning more than the midpoint. I  
19 understand why that question might come up, but  
20 mathematically, if the entire TAM was used and nothing  
21 else happened, all else being equal, it's not possible  
22 to earn more than the midpoint, because it is designed,  
23 in 2028 and 2029, to get up to the midpoint.

24 Q If the Commission were to prohibit FPL from  
25 using the TAM in '26 or '27, could the overall goals for

1 **which the TAM was designed still be achieved?**

2 A Yes, but much more -- it would be much more  
3 difficult. Take out the much more. It would be more  
4 difficult. That probably didn't help. Why? It's  
5 designed for 2028 and 2029, as I have said before.

6 We have asked for the flexibility in 2026 and  
7 '27 knowing that if we have to use it in 2026 and '27 it  
8 is not available in 2008 -- 2028 and 2029. Why have we  
9 asked for that flexibility? We have asked for that  
10 flexibility because it is difficult to predict what  
11 exactly the economic environment or investor environment  
12 might be in 2026, or '27, or '28, or '29. And there may  
13 be a need to use some of that TAM in '26 or '27 as  
14 opposed to just using it all in '28 and '29.

15 And so if the answer back is, well, you can't  
16 use it in '26 and '27. You can only use it in '28 and  
17 '29, then that kind of ties our hands a little bit. We  
18 don't know what the environment in '26 and '27 is, but  
19 one thing we do know is that the TAM is the TAM. In  
20 other words, you are not going to make more up in '28  
21 and '29. So if we use some in '26 and '27, then that's  
22 not available to use in '28 and '29.

23 And that's always been the case with the RSAM  
24 mechanism that we have had in the past. So we have had  
25 to manage that RSAM mechanism knowing that if you use

1 some of it a little early, you are not going to have it  
2 in your last two years of the settlement.

3 **Q If the Commission were to prohibit FPL from**  
4 **using the TAM mechanism in a month when the earnings**  
5 **report showed that the utility was above the midpoint,**  
6 **would FPL still be able to accomplish the stated goals**  
7 **for the TAM?**

8 A I don't know. The stated goals for the TAM  
9 are to make sure that we have recovery in '28 and '29  
10 for the investments that we are making in '28 and '29.  
11 Prohibiting it in any month or any year clearly takes  
12 flexibility away from the company that it may need for  
13 some reason I can't think of. Something happens in the  
14 future and it is important, either from an investor  
15 standpoint or from a customer standpoint, for us to be  
16 able to use more TAM in that month, in that quarter, in  
17 that year than we would have normally used, whether it's  
18 '28 and '29 or '26 and '27.

19 Your question is does it disrupt -- you used  
20 an eloquent word that I don't remember -- but would it  
21 disrupt the overall philosophy of the TAM. It would  
22 certainly restrict the flexibility that we have and  
23 we've had in the RSAM mechanism that has proven  
24 beneficial over the last three rate cases, but there is  
25 probably some debits and credits in there that I can't

1 get into that you might want to ask Mr. Bores or Ms.  
2 Laney, but I think taking away that flexibility is  
3 something that I just -- I am reacting a little  
4 negatively to right now.

5 MR. STILLER: If I can have two minutes, Mr.  
6 Chair?

7 CHAIRMAN LA ROSA: Sure.

8 MS. HARPER: Mr. Chair, while they are  
9 chatting real quick, I just wanted to note that I  
10 don't think I heard us ask FEA if they had  
11 questions, so if we could --

12 CHAIRMAN LA ROSA: I did skip over them, so I  
13 will come to FEA after --

14 MS. HARPER: Okay. No problem. Thank you.

15 CHAIRMAN LA ROSA: No problem. Thank you for  
16 noting.

17 MR. STILLER: Mr. Chair, if I could just have  
18 one follow-up.

19 CHAIRMAN LA ROSA: Sure.

20 BY MR. STILLER:

21 **Q And you may have answered this in response to**  
22 **a question from Mr. Wright, but in the 2021 rate case,**  
23 **did FPL represent that the RSAM was similarly going to**  
24 **be used to maintain the midpoint ROE?**

25 A Yeah, in the 2021 rate case, the RSAM was also



1 designed to get to the midpoint of the ROE in 2024 and  
2 2025.

3 **Q Thank you. No further questions.**

4 **CHAIRMAN LA ROSA: Thank you.**

5 **FEA, I did skip over you. Do you have any**  
6 **questions of Witness Pimentel?**

7 MAJOR NEWTON: Thank you, Mr. Chair. No, we  
8 do not have any questions, which is why we didn't  
9 speak up. I didn't want to interrupt, but thank  
10 you.

11 THE WITNESS: All good. Thank you very much.  
12 Commissioners, any questions, questions the  
13 witness?

14 Commissioner Clark.

15 COMMISSIONER CLARK: Thank you, Mr. Chairman.  
16 Mr. Pimentel, just a couple of questions that  
17 came to my mind. Mr. Trierweiler was asking you  
18 about the -- in the proposed data center large  
19 load, the large load tariff about take-or-pay.

20 My understanding of take-or-pay is that if  
21 they don't use the amount of kilowatt hours or  
22 megawatt hours that they are contracted for or they  
23 are built out for during a period, they are going  
24 to pay, we used to call it a ratchet, a percentage  
25 of that on a monthly basis, is that the correct

1 definition of take-or-pay?

2 THE WITNESS: Correct.

3 COMMISSIONER CLARK: And my two questions  
4 are -- I am trying to make sure we understand how  
5 these costs are going to be recovered. Is the  
6 purpose of the CIAC charge to recapture or to  
7 capture the investment the utility has made on  
8 behalf of the new customer related to the  
9 distribution side of the cost?

10 THE WITNESS: That's correct.

11 COMMISSIONER CLARK: Would that include  
12 transmission and generation, or is it pretty much  
13 focused on distribution?

14 THE WITNESS: So I think it's mostly focused  
15 on distribution for CIAC, but that is a much better  
16 question for Ms. Cohen, Commissioner.

17 COMMISSIONER CLARK: I will follow that up  
18 with a question relating to the corporate guarantee  
19 that was also a part of what I understand was in  
20 the tariff.

21 If you have a corporate guarantee in there,  
22 they've already paid the CIAC, so they have covered  
23 a percentage of that cost. What is the purpose of  
24 that corporate guarantee going forward? Is that to  
25 cover the cost of future generation or generation

1           you may have developed on their behalf, or does it  
2           cover something else?

3           THE WITNESS:   So, Commissioner Clark, if it's  
4           around the CIAC portion, I am going to ask you to  
5           please ask Ms. Cohen, but if it's the guarantee of  
6           the obligation for large load, if that's the  
7           question you are asking --

8           COMMISSIONER CLARK:   Yes.

9           THE WITNESS:   -- I can -- oh, it is that?

10          COMMISSIONER CLARK:   Yes.

11          THE WITNESS:   Okay.  So that's something that,  
12          you know, we debated, you know, internally.  And  
13          where we ended up was let's just assume that the  
14          20-year obligation for the person, the data center  
15          that signs up, is \$100, right.  So we said that  
16          they are subject at \$100 obligation no matter when  
17          they leave, right.  Obviously, that \$100 gets  
18          ratcheted down, but we wanted more security.  We  
19          didn't want just an obligation that you owe us  
20          \$100.  We wanted security.

21          And so where we ended up on that was if you  
22          are a good investment grade credit, you actually  
23          have to provide us five years of collateral.  You  
24          still have the obligation for that entire, for  
25          example, 20-year period, but you have to provide us

1 five years of collateral. If you are not a good  
2 investment grade entity, then you have to provide  
3 us 10 years of collateral, right.

4 So you are still -- if for whatever reason you  
5 leave at any one point in time, you are still  
6 subject to the obligation. You still owe us that  
7 that \$100, but we have asked for security back from  
8 you so that we NOAA portion of that obligation is  
9 secured.

10 COMMISSIONER CLARK: Is the design of this  
11 rate and this protection to make sure that the  
12 customer -- the general customer base does not  
13 subsidize this rate, and they are not going to be  
14 on the hook for this money?

15 THE WITNESS: Yes and -- the and is to make  
16 sure that the data center customer is real, so  
17 there is a lot of, right, there is a lot of  
18 discussion in the industry about how real this is,  
19 right. And so are the folks that are knocking on  
20 the door of, you know, pick a utility in South  
21 Carolina, are they also the same one that are  
22 knocking on the door of the utility in Georgia, are  
23 they the same knocking on the door of the utility  
24 in Florida, and so we wanted real collateral. We  
25 didn't want just the obligation. We wanted them to

1 provide us some real collateral. That makes it, to  
2 us, a lot more real.

3 COMMISSIONER CLARK: In light of the fact that  
4 I know this is -- you are not coming back in front  
5 of us again, Mr. Chairman, I would love to get Mr.  
6 Pimentel's perspective relative to the financial  
7 benefits of the proposed settlement that's on the  
8 table as well, if we could.

9 MS. WESSLING: We would object, Your Honor.

10 CHAIRMAN LA ROSA: Can that question be  
11 asked -- well, that question can't be asked. Well,  
12 let me go to staff on that.

13 COMMISSIONER CLARK: This is the only shot you  
14 got at it.

15 MS. CIBULA: Could Ms. Wessling give us the  
16 basis of her objection?

17 MS. WESSLING: Certainly, there is several.

18 So first, it's outside the scope of his direct  
19 testimony here. Second of all, he didn't provide  
20 any testimony in the settlement portion. Third, we  
21 have a stipulation amongst all the parties  
22 regarding the scope of the testimony and the cross  
23 in this case. We went to great pains with the  
24 company and the other parties here to make sure  
25 crystal clear multiple times over that this portion

1 of the hearing is limited strictly to the as-filed  
2 case.

3 And I don't mean to, you know, be rude,  
4 Commissioner, I just -- it's beyond the scope, and  
5 we have serious objections to him testifying about  
6 the settlement agreement. He is the CEO, but he is  
7 just like any other witness, and it's outside the  
8 scope of his testimony.

9 MS. CIBULA: Could FPL respond, please?

10 MR. BURNETT: FPL is not going to get into  
11 this. If the Commissioner wants to ask a question,  
12 not my position.

13 MS. CIBULA: It well, I understand that they  
14 have some sort of stipulation amongst themselves,  
15 but we are the Commission. You can ask whatever  
16 question.

17 CHAIRMAN LA ROSA: Yeah, overrule the  
18 objection. You can go ahead and ask the question  
19 if you would like.

20 MR. MARSHALL: Mr. Chairman, if I could just  
21 be heard for the record.

22 CHAIRMAN LA ROSA: Go ahead.

23 MR. MARSHALL: We join OPC's objection on  
24 that. If this is allowed to go forward, we would  
25 ask to be permitted to do recross examination on

1 any new materials discussed during questioning  
2 regarding the settlement.

3 MS. WESSLING: If I could also just add one  
4 thing.

5 CHAIRMAN LA ROSA: Go ahead.

6 MS. WESSLING: This was not -- we were not on  
7 any notice whatsoever that he was going to be  
8 crossed on anything about the settlement at this  
9 time, and it would be a due process violation for  
10 him to be questioned at this time about this when  
11 we had no notice that this -- in fact, we had the  
12 opposite of notice. We were promised that this  
13 would not be a subject for any witness to testify  
14 during this portion of the hearing about anything  
15 relating to the settlement, and this -- this is --  
16 there are huge problems with this.

17 And I understand -- I mean, can I ask FPL's  
18 clarification that if there -- if questions are  
19 allowed on this topic, then we are allowed, then,  
20 to ask questions of any other witness during this  
21 portion, and that that stipulation is no longer --  
22 is no longer in effect?

23 CHAIRMAN LA ROSA: I'm going to -- before they  
24 respond, is there anybody else?

25 MR. SCHEF WRIGHT: Mr. Chairman, surprise, no

1 notice, and specifically the exact opposite notice  
2 was given to us this morning. The word settlement  
3 was not supposed to be mentioned in this part of  
4 the case.

5 If FPL wanted to invite Mr. Pimentel to come  
6 back and testify live next week during the  
7 settlement phase, I wouldn't object to that. He is  
8 a wonderful witness, but not today. This is just  
9 straight up due process violation, contrary, no  
10 notice, and contrary to specific notice that -- as  
11 to what this phase of the case would cover.

12 CHAIRMAN LA ROSA: Any other party?

13 I am going to go to FPL.

14 MR. BURNETT: Mr. Chairman, FPL stands by the  
15 stipulation we made with the other parties and we  
16 have no intention to get our witnesses into the  
17 settlement. But, again, I defer to the will of the  
18 Commission. It is what it is, and we will govern  
19 ourselves accordingly.

20 CHAIRMAN LA ROSA: Sure.

21 I am going to take a three-minute break. I am  
22 going to talk to my advisers and we will confer.

23 (Brief recess.)

24 (Transcript continues in sequence in Volume  
25 2.)



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CERTIFICATE OF REPORTER

STATE OF FLORIDA    )  
COUNTY OF LEON     )

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 16th day of October, 2025.



DEBRA R. KRICK  
NOTARY PUBLIC  
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