

Proposed Stipulations

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20210015-EI

PROPOSED STIPULATIONS

ISSUE 1: What was the 30-year U. S. Treasury Bond yield rate as of August 10, 2021, the date of the 2021 Settlement Agreement?

Stipulation: The 30-year U.S. Treasury Bond yield rate on August 10, 2021 was 1.99 percent.

ISSUE 2: What is the average 30-year U. S. Treasury Bond yield rate for the six-month period February 22, 2022 through August 19, 2022?

Stipulation: The average 30-year U.S. Treasury Bond yield rate for the period February 22, 2022 through August 19, 2022 is 2.91 percent.

ISSUE 3: Have the conditions stated in Section 3(b) of FPL's Commission-approved 2021 Settlement Agreement been met to implement the agreed upon revision of FPL's authorized ROE?

Stipulation: The effectiveness of the trigger provisions in Section 3 of the 2021 Settlement Agreement is contingent upon the continuing validity and effectiveness of Order No. PSC-2021-0446-S-EI, as amended by Order No. PSC-2021-0446A-S-EI, which is presently on appeal at the Florida Supreme Court. Subject to this condition, the parties stipulate as follows:

Yes. For a period of six consecutive months following the date of filing of the Settlement Agreement, the average U.S. Treasury Bond yield rate has been at least 50 basis points greater than the yield rate on the date the Agreement was filed. In addition, FPL has made the elective filing necessary to implement the agreed upon revision to FPL's authorized ROE.

ISSUE 4: If the conditions allowing the agreed upon revision to FPL's authorized ROE pursuant to the Commission-approved 2021 Settlement Agreement have been met, what is the revised authorized ROE range, ROE midpoint, and effective date pursuant to Section 3(b) of the 2021 Settlement Agreement?

Stipulation: The effectiveness of the trigger provisions in Section 3 of the 2021 Settlement Agreement is contingent upon the continuing validity and effectiveness of Order No. PSC-2021-0446-S-EI, as amended by Order No. PSC-2021-0446A-S-EI, which is presently on appeal at the Florida Supreme Court. Subject to this condition, the parties stipulate as follows:

Per Section 3(b) of the 2021 Settlement Agreement, FPL's revised authorized ROE is increased by 20 basis points to be within a range of 9.8 to 11.8 percent with a midpoint of 10.8 percent effective September 1, 2022.

ISSUE 5: If the trigger provisions of the 2021 Settlement Agreement are met, to what regulatory mechanisms will the revised authorized ROE range and midpoint be applied?

Stipulation: The effectiveness of the trigger provisions in Section 3 of the 2021 Settlement Agreement is contingent upon the continuing validity and effectiveness of Order No. PSC-2021-0446-S-EI, as amended by Order No. PSC-2021-0446A-S-EI, which is presently on appeal at the Florida Supreme Court. Subject to this condition, the parties stipulate as follows:

Section 3(c) of the 2021 Settlement Agreement states that the revised authorized ROE midpoint and range will be used prospectively for all regulatory purposes. However, at FPL's request, the revised authorized ROE will not be applied to the clause cost recovery factors to be implemented in January 2023, but will be reflected in clause recovery true-ups that will be filed in 2023 and recovered in 2024. Further, FPL has requested that its rate for Allowance for Funds Used During Construction (AFUDC) not be increased for the last four months of 2022. Consistent with Rule 25-6.0141, Florida Administrative Code, FPL will request approval to revise its AFUDC rate to be effective in 2023.

ISSUE 6: Should this docket be closed?

Stipulation: No, this docket is currently on appeal at the Florida Supreme Court and shall remain open pending resolution of the appeal.