

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20210015-EI
ORDER NO. PSC-2021-0302-PHO-EI
ISSUED: August 10, 2021

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on August 2, 2021, in Tallahassee, Florida, before Chairman Gary F. Clark, as Prehearing Officer.

APPEARANCES:

R. WADE LITCHFIELD, Vice President and General Counsel; JOHN T. BURNETT, Vice President and Deputy General Counsel; MARIA J. MONCADA, Senior Attorney, and CHRISTOPHER WRIGHT, ESQUIRE, Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408

On behalf of Florida Power & Light Company.

RICHARD GENTRY, Public Counsel; PATRICIA A. CHRISTENSEN, Associate Public Counsel; ANASTACIA PIRRELLO, Associate Public Counsel; and CHARLES REHWINKEL, Deputy Public Counsel; Office of Public Counsel, c/o The Florida Legislature, 111 West Madison Street, Room 812, Tallahassee, Florida 32399-1400

On behalf of Office of the Public Counsel (OPC).

WILLIAM C. GARNER, ESQUIRE, Law Office of William C. Garner, PLLC, 3425 Bannerman Road, Unit 105, #414, Tallahassee, FL 32312

On behalf of the CLEO Institute, Inc. (CLEO).

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES, Gardner, Bist, Bowden, Dee, LaVia, Wright, Perry & Harper, P.A., 1300 Thomaswood Drive, Tallahassee, Florida 32308

On behalf of Floridians Against Increased Rates, Inc. (FAIR).

SCOTT L. KIRK, MAJ, USAF, AF/JAOE-ULFSC, ESQUIRE, 139 Barnes Drive, Suite 1, Tyndall Air Force Base, FL 32403

On behalf of the Federal Executive Agencies (FEA).

JON C. MOYLE, JR. and KAREN PUTNAL, ESQUIRES, Moyle Law Firm, P.A., 118 North Gadsden Street, Tallahassee, FL 32312

On behalf of the Florida Industrial Power Users Group (FIPUG).

FLOYD R. SELF, ESQUIRE, Berger Singerman, LLP, 313 North Monroe Street, Suite 301, Tallahassee, FL 32301 and T. SCOTT THOMPSON, ESQUIRE, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 555 12th Street NW, Suite 1100, Washington, DC 20004

On behalf of Florida Internet & Television, Inc. (FIT).

JAMES W. BREW and LAURA WYNN BAKER, ESQUIRES, Stone Mattheis Xenopoulos & Brew, PC, 1025 Thomas Jefferson Street, NW, Eighth Floor, West Tower, Washington, D.C. 20007

On behalf of Florida Retail Federation (FRF).

BRADLEY MARSHALL and JORDAN LUEBKEMANN, ESQUIRES, Earthjustice, 111 S. Martin Luther King Jr. Blvd., Tallahassee, Florida 32301 and CHRISTINA I. REICHERT, ESQUIRE, Earthjustice, 4500 Biscayne Blvd., Ste. 201, Miami, Florida 33137

On behalf of Florida Rising, League of United Latin American Citizens and Environmental Confederation of Southwest Florida (Fla. Rising, LULAC, ECOSWF).

NATHAN A. SKOP, ESQUIRE, 420 NW 50th Boulevard, Gainesville, FL 32607

On behalf of Daniel and Alexandria Larson (Larsons).

GEORGE CAVROS, ESQUIRE, Southern Alliance for Clean Energy, 120 E. Oakland Park Blvd., Suite 105, Fort Lauderdale, FL 33334

On behalf of Southern Alliance for Clean Energy (SACE).

KATIE CHILES OTTENWELLER, ESQUIRE, Southeast Director, Vote Solar, 838 Barton Woods Road, Atlanta, GA 30307

On behalf of Vote Solar (Vote Solar).

STEPHANIE U. EATON, ESQUIRE, Spilman Thomas & Battle, PLLC, 110 Oakwood Drive, Suite 500, Winston-Salem, NC 27103

On behalf of Walmart, Inc. (Walmart).

SUZANNE S. BROWNLESS, SHAW P. STILLER, BIANCA LHERISSON, ESQUIRES, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850

Advisor to the Florida Public Service Commission.

KEITH C. HETRICK, ESQUIRE, General Counsel, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850
Florida Public Service Commission General Counsel.

I. CASE BACKGROUND

On March 12, 2021, Florida Power & Light Company (FPL) filed a petition, minimum filing requirements, and testimony for a base rate increase effective January 2022. As part of its request, FPL is seeking to consolidate its rates with those of Gulf Power Company (Gulf), recently acquired by FPL's parent company. Pursuant to Order No. PSC-2021-0116-PCO-EI, issued March 24, 2021, the hearing for the FPL rate case is scheduled for August 16 through August 27, 2021.

OPC's intervention has been acknowledged.¹ Florida Executive Agencies (FEA), Florida Industrial Power Users Group (FIPUG), Florida Internet & Television, Inc. (FIT), Florida Retail Federation (FRF), Southern Alliance for Clean Energy (SACE) and Vote Solar have been granted intervention on an associational standing basis.² Walmart, Inc. (Walmart) and Daniel and Alexandria Larson (Larsons) have been granted intervention on an individual standing basis.³ CLEO Institute, Inc. (CLEO) and Florida Rising (Fla. Rising) have been granted intervention on an individual standing basis and provisional intervention on an associational standing basis.⁴ Floridians Against Increased Rates, Inc. (FAIR), League of United Latin American Citizens (LULAC) and Environmental Confederation of Southwest Florida (ECOSWF) have been granted provisional intervention on an associational standing basis. The Smart Thermostat Coalition filed a petition to intervene based on associational standing on June 21, 2021, which was denied.⁵

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapters 120 and 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

¹ Order No. PSC-2021-0062-PCO-EI, issued January 29, 2021.

² Order No. PSC-2021-0132-PCO-EI, issued April 16, 2021; Order No. PSC-2021-0133-PCO-EI, issued April 16, 2021; Order No. PSC-2021-0255-PCO-EI, issued July 13, 2021; Order No. PSC-2021-0134-PCO-EI, issued April 16, 2021; Order No. PSC-2021-0136-PCO-EI, issued April 16, 2021; and Order No. PSC-2021-0179-PCO-EI, issued May 19, 2021.

³ Order No. PSC-2021-0189-PCO-EI, issued May 26, 2021 and Order No. PSC-0135-PCO-EI, issued April 16, 2021.

⁴ Order No. PSC-2021-0184-PCO-EI, issued May 20, 2021 and Order No. PSC-2021-0139-PCO-EI, issued April 20, 2021.

⁵ Order No. PSC-021-0256-PCO-EI, issued July 13, 2021.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to three minutes for all witnesses except: Eric Silagy, John J. Reed, Robert E Barrett, James M. Coyne, Scott R. Bores, Roxie McCullar, J. Randall Woolridge, Daniel J. Lawton, Ralph Smith, Brendan Mac Mathuna, Timothy J. Devlin, John Thomas Herndon, Michael P. Gorman, and Jeff Pollock, who shall be limited to five minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together. Each witness whose name is preceded by an asterisk (*) has been stipulated to by the parties and are excused from the hearing.

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
Eric Silagy	FPL	25
John J. Reed	FPL	25, 71, 108
Robert E. Barrett	FPL	31, 67, 68, 70-73, 90, 130, 131, 133, 134, 137

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
James M. Coyne	FPL	70, 72
Scott R. Bores	FPL	15-18, 23, 24, 37-39, 43, 48, 50, 51, 54, 56, 57, 63, 64, 69, 74-76, 95, 97, 99-101, 103-105, 107, 129, 130, 135, 136
+Jun K. Park	FPL	19, 20, 23, 24
+Steven R. Sim	FPL	40-44, 46, 47, 120, 126, 133
+Matthew Valle	FPL	40, 41, 45, 57, 75, 133
+Michael Spoor	FPL	25, 40, 57, 88, 89, 113-115
Thomas Broad	FPL	25, 43, 44, 58, 86, 87
Robert Coffey	FPL	25, 87
+Christopher Chapel	FPL	25, 69, 97, 113
Jeffrey T. Kopp	FPL	33
Ned W. Allis	FPL	27, 28, 30, 31
+Keith Ferguson	FPL	26, 29-35, 55, 83-85, 98, 100
+Sam Forrest	FPL	40, 48, 58, 132
+Kathleen Slattery	FPL	91-94
+Liz Fuentes	FPL	36, 49-51, 54, 56, 57, 59-69, 73, 74, 77-82, 88, 89, 94, 96, 100-102, 105-107, 133, 138
+Tara B. DuBose	FPL	108, 110, 111
+Tiffany C. Cohen	FPL	19-22, 25, 108, 109, 112, 113, 116-119, 121-129
Roxie McCullar	OPC	27-31, 51, 100
William Dunkel	OPC	33-35, 64, 100
Kevin O'Donnell	OPC	67-68, 73, 132

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
J. Randall Woolridge, PH. D.	OPC	72-73
Daniel J. Lawton	OPC	18-25, 71, 73, 130, 133
Ralph Smith, CPA	OPC	15-18, 20-24, 48-49, 51, 54, 57, 59, 63-70, 73-76, 81, 84-85, 93, 95, 96, 99-107, 130, 133, 134-136,
Rachel Wilson	CLEO/VOTE SOLAR	19, 20, 25, 27, 29, 41, 42, 43, 44, 47, 133
*Melissa Whited	CLEO/VOTE SOLAR	19, 20, 25, 71, 122-129
Curt Volkmann	CLEO/VOTE SOLAR	50, 64
Yoca Arditi-Rocha	CLEO/VOTE SOLAR	7, 8
Breandan Mac Mathuna	FAIR/FL Rising	65-73, 107
Timothy J. Devlin	FAIR/FL Rising	2, 29, 30, 130
John Thomas Herndon	FAIR/FL Rising	9, 10, 29, 70-72, 107, 122-127
Nancy H. Watkins	FAIR	9, 10
Michael P. Gorman	FEA	23, 24, 26, 48, 49, 67, 68, 69, 70, 72, 133, 136, 137
Brian C. Collins	FEA	108, 111, 112, 116
Jeff Pollock	FIPUG	111, 112, 120, 126, 130, 131, 133, 137
Billie Conte	FIPUG	5(a), 48, 49, 70-73, 96
Tony M. Georgis	FRF	111-112; 120-126; 130-131
*Karl Rábago	FL Rising, LULAC, & ECOSWF	16-17, 25-29, 40, 42-43, 45, 47, 50, 64, 67-68, 70-73, 120, 126, 130, 137
*MacKenzie Marcelin	FL Rising	11, 25
*Juanita Alvarez	FL Rising	11, 25

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
*Leigh Ann Gustavus	FL Rising	11, 25
*Viola Jerkins	FL Rising	11, 25
*Elizabeth Mathis	FL Rising	11, 25
*Andrea Mercado	FL Rising	11, 25
*Karen Osses	FL Rising	11, 25
*Noemi Salvador	FL Rising	11, 25
*Mari Corugedo	LULAC	25
*Sarah Hernandez	LULAC	25
*David Sinclair	LULAC	25
*Johannes Werner	LULAC	25
*Becky Ayech	ECOSWF	25
*Glenna Blomquist	ECOSWF	25
*Bobbie Lee Davenport	ECOSWF	25
*Sara Lewis	ECOSWF	25
*Linda J. Wilson	ECOSWF	25
*Steve W. Chriss	WALMART	71, 72, 108, 108(a), 109, 121, 122, 123,
*Rhonda Hicks	STAFF	25
*Debra Dobiac	STAFF	15-24

<u>Rebuttal</u>		
+Jun K. Park	FPL	19, 20, 23, 24
+Steven R. Sim	FPL	40, 42, 43, 46, 47, 120, 126
+Matthew Valle	FPL	45, 57
+Michael Spoor	FPL	57 81
+Christopher Chapel	FPL	25
+Keith Ferguson	FPL	33, 34
+Sam Forrest	FPL	48, 132
+Kathleen Slattery	FPL	93
+Liz Fuentes	FPL	54, 96, 107
+Tara DuBose	FPL	108, 110, 111
+Tiffany C. Cohen	FPL	108, 112, 116, 123, 126
James M. Coyne	FPL	70, 72
Scott R. Bores	FPL	16, 17, 23, 24, 48, 95
John J. Reed	FPL	71
Robert E. Barrett	FPL	71, 130

VII. BASIC POSITIONS

FPL: FPL, representing the merged and consolidated operations of FPL and the former Gulf, requests approval of: (a) base rate increases pursuant to a four-year rate plan modeled after the series of multi-year plans that have served customers exceptionally well over the last 22 years and (b) unified rates for all customers in both peninsular and Northwest Florida, subject to a transition rider and credit intended to reflect initial cost of service differences that will diminish as the FPL and Gulf systems are combined.

FPL has achieved industry-leading performance under a series of six Commission-approved multi-year rate settlements. Each multi-year plan has allowed the Company to focus on providing and improving upon FPL's outstanding customer value, while also maintaining the strong credit rating and balance sheet that are essential to ensuring customer needs can be met even during periods of capital market volatility. FPL's proposal in this case is designed to meet the same objectives and, to that end, contains elements common to various prior rate orders that have proven beneficial to customers. The four-year rate plan, accounting for the Company's Notice of Identified Adjustments (Exhibit LF-12), consists of: (i) rates and charges sufficient to generate additional total annual revenues of \$1,075 million to be effective January 1, 2022; (ii) a subsequent year adjustment of \$605 million to be effective January 1, 2023 ("2023 SYA"); (iii) a Solar Base Rate Adjustment ("SoBRA") mechanism that authorizes FPL to recover costs associated with the installation and operation of up to 1,788 MW⁶ of cost-effective solar generation in 2024 and 2025; (iv) a mechanism to address the possibility that corporate tax laws might change during the four-year plan; (v) a reserve surplus amortization mechanism ("RSAM"); (vi) a storm cost recovery mechanism; and (vii) the authority to accelerate amortization of unprotected excess accumulated deferred income taxes resulting from the 2017 Tax Cuts and Jobs Act.

Also in line with prior successful rate plans, FPL requests continued use of its historical capital structure. Consistent with current capital market conditions, FPL requests an authorized ROE range of 10.5% to 12.5%, with a midpoint of 11.5%. The requested ROE includes an ROE incentive of one-half percent that recognizes FPL's strong track record of superior performance and encourages continued future strong performance. If the plan is approved as proposed, FPL will not seek a general increase in base rates to be effective in 2024 or 2025.

Achievements Since 2017

The 2016 Rate Order fostered FPL's ability to continue to improve its customer value

FPL currently operates under a rate settlement approved by this Commission by Order No. PSC-16-0560-AS-EI, dated December 15, 2016 ("the 2016 Rate Order"). Among other terms, FPL agreed not to file for additional rate increases for a four-year period in exchange for general base rate increases effective 2017 and 2018, a SoBRA mechanism that allowed FPL to seek cost recovery when 1,200 MW of cost-effective solar generation was placed into service, and a storm cost recovery mechanism that also had been included in earlier rate orders. Central to FPL's ability to avoid a general base rate increase after 2018 was the \$1.2 billion reserve that FPL was permitted to amortize flexibly over the term.

⁶ All references to capacity are measured in alternating current.

In its 2016 Rate Order, the Commission appropriately recognized that FPL had been providing excellent service at comparatively low rates and it appropriately recognized that “[t]he Settlement Agreement will allow FPL to maintain the financial integrity necessary to make the capital investments over the next four years required to sustain this level of service while providing rate stability and predictability for FPL’s customers.” Order No. PSC-16-0560, at 4.

Able to focus on ways to improve the business and drive out unnecessary costs over multiple years rather than devoting time to prosecuting rate cases, FPL not only realized those objectives but exceeded them. During the term of the 2016 Rate Order, FPL has been able to *improve* its already high levels of service and operational performance. For example, FPL’s non-fuel O&M cost position improved 16 percent in 2019 compared to 2016. FPL also maintained or continued to improve its performance in several key categories both nationally and statewide: (1) made important infrastructure investments to support growth and maintain reliability; (2) worked to reduce future costs, as demonstrated by the planned retirement of its interests in Plant Scherer Unit 4 coal generating facility; (3) lowered emissions even further; (4) continued to make improvements in system fuel efficiency; and (5) continued to strengthen or “harden” the system to better withstand and restore service due to bad weather and improve reliability.

The Company achieved this superior performance while maintaining a typical residential 1,000 kilowatt hour (“kWh”) customer bill that today is about 15% *lower* than it was 15 years ago and 40% below the average bill among the 20 largest investor-owned utilities in the country (ranked by number of customers). In 2019 alone, FPL’s annual non-fuel O&M expense was \$2.6 billion *less* than an “average” utility. Had FPL operated as an average company, the typical residential bill would have been \$24 higher per month, adding nearly 25% or almost \$300 more per year approaching \$1,200 over a four-year period. And, FPL used the flexibility afforded by the combination of elements that comprise the 2016 Rate Order to avoid more than \$1.8 billion in storm surcharges and extending its stay out through 2021 representing an additional year of rate stability beyond the Order’s minimum term.

Some intervenors would have this Commission believe that achieving a superior level of performance is a “routine” matter and even required as a regulatory standard. Intervenors cite no legal support for the latter assertion and both contentions are contradicted factually. FPL’s superior results compared to groups of comparable utilities, as revealed in benchmarking studies, objectively believe the intervenors’ arguments. Indeed, had the Commission adopted the intervenors’ ostensible preference for routine or average results and repeated rate cases, today’s FPL typical 1000 kWh residential bill would be \$300 higher annually.

Employing FPL's philosophies has driven improvements at Gulf

Gulf was acquired by NextEra Energy, Inc. (FPL's parent) on January 1, 2019 and merged into FPL on January 1 of this year. Following the acquisition and prior to the legal combination, FPL and Gulf began to consolidate their operations. Fewer than two years after joining the FPL family, Gulf already had realized significant operational progress, improving its service reliability (SAIDI) metric by 50 percent, improving the generation reliability Equivalent Forced Outage Rate metric by approximately 90 percent, and substantially reducing its carbon emission rate.

In 2022 and beyond, FPL and Gulf will be operationally and legally combined and will function as one company in all respects, with a common set of generation resources and common operational and staff support. FPL projects that combining the two utilities will produce more than \$2.8 billion of Cumulative Present Value of Revenue Requirement ("CPVRR") savings. More than \$1.5 billion of the total CPVRR value is being achieved through generation upgrades, addition of solar generating facilities, construction of the North Florida Resiliency Connection ("NFRC") and the resulting ability to plan and jointly dispatch a combined fleet. The remaining \$1.3 billion of savings is due to annual O&M expense reductions of approximately \$86 million. These annual O&M savings are a result of strong cost management and enhancements made to Gulf's operations since the acquisition. In fact, execution of FPL's business plan has reduced Gulf's projected O&M by more than 30 percent compared to its 2018 pre-acquisition level.

FPL's Four-Year Rate Plan

As in prior years, FPL's rate request seeks to continue the track record of success and the policies and strategies on which that success has been built. FPL must continue to make smart, long-term capital investments to maintain and even further improve upon its excellent service, while keeping customer bills low. From the end of 2018 through 2022, on a total company basis, we will have invested \$29 billion in infrastructure, or more than \$7 billion annually. Obtaining an appropriate ROE and recovering prudently incurred costs are crucial to the Company's ability to sustain such levels of investment cost-effectively.

The four-year rate proposal once again offers customers base rate stability and certainty until at least January 2026 and is expected to produce a typical 1,000-kWh residential customer bill that will remain below the national average. The four-year period of certainty also will allow FPL management and employees to focus on continuing to improve the Company's service and realizing further operational efficiencies, rather than devoting significant resources to more frequent base rate cases.

2022 Test Year

The main drivers of FPL's need for an increase in 2022, accounting for the NOIAs reflected in Exhibit LF-12, are:

1. Capital investment initiatives necessary to support system growth, increase reliability, storm hardening not included as part of the Storm Protection Plan Cost Recovery Clause, generation investments that provide long-term economic benefits to customers, and regulatory compliance
2. Change in the weighted average cost of capital
3. Inflation and customer growth
4. Reserve amortization (2018)
5. O&M productivity (net of costs to achieve)
6. RSAM depreciation parameters
7. Revenue Growth

As identified above, FPL will continue to make investments in all aspects of its generation, transmission and distribution systems to realize further operating, cost-efficiency and service and reliability improvements. The revenue requirements also include a suite of next generation projects representative of FPL's philosophy of innovation and continuous improvement, such as: a "green hydrogen" fuel generation pilot that will allow FPL to determine how a green hydrogen fuel-producing facility can be effectively used with gas-fired units to produce a supplemental, carbon-free fuel source; ten battery storage applications that are providing customer benefits and valuable information on how batteries can further increase the performance of FPL's grid and the deployment of renewable energy; and investments in electric vehicle ("EV") charging ports which allow FPL to efficiently plan, adapt and react to the growing use of EVs by our customers.

Based on FPL's investments in capital improvements and the other drivers listed above and accounting for the adjustments identified by FPL (see Exhibit LF-12), the total resulting base revenue deficiency in 2022 is \$1,075 million. Absent rate relief, the resulting adjusted jurisdictional rate of return on average rate base is projected to be 8.45%.

2023 Subsequent Year Adjustment

FPL's retail rate base is projected to continue to increase from 2022 to 2023. Even if the Commission grants FPL's 2022 base rate increase in full, FPL's 2023

ROE is expected to drop more than 100 basis points absent the 2023 SYA, putting it below the bottom of the ROE range. FPL's proposed 2023 SYA reflects the increase in revenue requirements from 2022 to 2023. The primary drivers of this increase are:

1. Capital investments for solar generating facilities, system growth, increased reliability and fleet enhancements
2. Inflation and customer growth
3. Change in the weighted average cost of capital
4. Revenue growth that partially offsets the growth in base revenue requirements
5. Other

Accounting for the adjustments identified in Exhibit LF-12, FPL's resulting base revenue deficiency for 2023 is \$602 million. With no rate increase in 2022 or 2023, FPL's ROE in 2023 is projected to be 7.12%, substantially below an appropriate return.

Transition Rider and Credit

To address initial cost of service differences between FPL and Gulf, FPL proposes a five-year declining transition rider that would be applied to customers in Northwest Florida with an offsetting declining transition credit that would be applied to peninsular Florida customers. A transition rider, which would decline to zero ratably over a five-year period, represents the difference in the overall system average costs between FPL and Gulf for base rates and all clauses in 2021. A total of \$197.3 million would be charged to Northwest Florida customers and credited to peninsular FPL customers beginning in 2022 under unified rates. The diminishing transition rider and credit will reflect the reality that customers are receiving service from one functionally integrated company and from a common set of assets and employees, without geographical distinction through payment of consolidated, equally applicable rates.

Solar Base Rate Adjustments

Like the SoBRA approved as part of the 2016 Rate Order, the SoBRA mechanism requested under the four-year rate plan provides for recovery of the incremental base revenue requirements of up to a total of 1,788 MW of new cost-effective solar generation in 2024 and 2025, which is essential to deferring the need for a general base rate increase in those years. The cost of the components, engineering and construction to be recovered for any solar project constructed

pursuant to this SoBRA mechanism must be reasonable, and the total cost eligible for SoBRA recovery will be capped at \$1,250 per kW, which is 30% lower than the cap established under FPL's 2016 Rate Settlement.

Implementation of SoBRAs requested under FPL's current proposal would be the same as the process approved as part of its 2016 Rate Settlement. FPL will file its request in the Fuel and Purchased Power Costs Recovery Clause Docket, where the Company must demonstrate cost-effectiveness, that the project is below the cost cap, and the appropriate calculation of revenue requirement and associated increase in base rates which will be subject to true-up. FPL also would be authorized to include battery storage paired with solar, subject to demonstrating that the total project cost cap was not exceeded and that solar plus storage was cost effective compared to solar without storage.

Return on Equity and Capital Structure

Fundamental to FPL's value proposition is the maintenance of a strong credit rating and balance sheet that support the execution of its capital programs, manage its liquidity needs, and provide the flexibility to respond rapidly to unexpected changes in the external environment. There is no reason to make a major change to the underpinnings of FPL's financial policies after more than 15 years of demonstrated success in delivering the best customer value proposition in the industry.

To that end, FPL proposes a continuation of the successful policies of the past, updated to reflect today's market conditions. Specifically, FPL seeks the continued use of its historical capital structure of 59.6% equity based on investor sources. FPL requests that the Commission authorize an ROE range of 10.5% to 12.5%, with a midpoint of 11.5%. This range is reasonable and is consistent with capital market conditions. The requested ROE includes an incentive of one-half percent that recognizes FPL's strong track record of superior performance and encourages continued future strong performance. FPL's proposal for an ROE performance incentive is consistent with the Commission's authority as well as its past policy and practice.

Potential Change in Tax Law

FPL requests that if a new tax law is passed during the pendency of or after this proceeding, the impact of tax reform be handled through subsequent base rate adjustments. Within 90 days of the enactment of the new tax law, FPL would submit the calculation of the required change in base rates to the Commission for review. The impact of the tax law change would be measured as the difference in revenue requirements calculated using current tax laws compared to the new tax law.

Any resulting deficient or excess deferred income taxes would be deferred to a regulatory asset or liability on the balance sheet and included within FPL's capital structure. FPL would flow back or collect the protected deferred income taxes as required by law. Absent specification in the new tax law regarding unprotected deferred income taxes, FPL proposes to flow back or collect those amounts over a 10-year period consistent with Order No. PSC-2019-0225-FOF-EI.

Reserve Surplus Amortization Mechanism

FPL proposes an RSAM that follows the same framework as the mechanism approved in its 2016 Rate Order, updated for the assumptions and projections reflected in the current filing. As with the prior multi-year settlements, FPL will use the RSAM to respond to changes in its underlying revenues and expenses in order to maintain an FPSC Adjusted ROE within the authorized range. Contrary to intervenor contentions, FPL's ability to earn at or near the top end of the range during prior multi-year plans was primarily based on FPL's productivity improvements. Likewise, FPL projects that it will be necessary to use approximately 90% of the proposed reserve amount to reach the mid-point in 2024 and 2025, leaving only about \$135 million to address uncertainty and risk in the business (only 0.4% of total base revenues over the four-year rate plan time period).

FPL proposes a depreciation reserve amount of \$1.48 billion be available for use in the RSAM until base rates are reset following FPL's next general base rate proceeding. Consistent with how the mechanism has worked in the current agreement, and key to the Company's ability to have deferred the need for rate increases by an additional year beyond the original term of the 2016 agreement, FPL would have discretion to record increases to expense (debits) to its depreciation reserve or decreases to expense (credits) to its depreciation reserve, provided that FPL would be subject to certain limitations in the use and amortization of the amount to maintain earnings within the authorized ROE range.

Opposition to the RSAM is opposition to FPL's four-year plan: without the RSAM, FPL would be forced to return in 2023 with a request for an incremental rate increases to be effective in 2024 and 2025, resulting in cash revenue increases approximating \$2 billion.

Pursuant to Rule 25-6.0436, F.A.C., FPL prepared a 2021 Depreciation Study and calculated accruals resulting from the parameters identified in that Study. FPL also calculated alternative depreciation parameters that, while different from those presented in the Company's 2021 Depreciation Study, are reasonable to support continued use of the RSAM. The RSAM-adjusted depreciation rates result in the \$1.48 billion Reserve Amount (referenced above) and reduce the annual revenue requirements by approximately \$200 million, amounting to nearly \$800 million in customer savings over the four-year term of FPL's proposed plan. FPL requests

approval of the RSAM-adjusted depreciation rates as part of its four-year rate plan.

Capital Recovery Schedules

FPL has retired certain assets that are not yet fully depreciated. Pursuant to Rule 25-6.0436, F.A.C. and consistent with Commission practice, FPL requests approval of capital recovery schedules that would recover the remaining investment for those specific assets over a 10-year period⁷ as specified in Exhibit KF-4 to the testimony of FPL witness Ferguson.

Storm Cost Recovery

FPL proposes to continue to recover prudently incurred storm costs under the framework prescribed by the 2016 Rate Order. If FPL incurs storm costs related to a named tropical storm, the Company may begin collecting up to \$4 per 1,000 kWh (roughly \$400 million annually) beginning 60 days after filing a petition for recovery with the FPSC. If costs to FPL related to named storms exceed \$800 million in any one year, the Company also can request that the Commission increase the \$4 per 1,000 kWh charge accordingly.

Excess Accumulated Deferred Income Taxes

FPL is currently amortizing unprotected excess accumulated deferred income taxes (EADIT) generated by the 2017 TCJA over a 10-year period pursuant to Order No. PSC-2019-0225-FOF-EI, with the last two years of amortization falling in 2026 and 2027. Under the four-year rate plan, FPL requests authority to accelerate the amortization of the remaining amount of unprotected EADIT that would be amortized in 2026 and 2027 (totaling \$163 million) such that those amounts would instead be amortized in 2024 (\$81 million) and 2025 (\$81 million). This acceleration is necessary under the four-year plan to support FPL's ability to manage the uncertainty over that length of time given the deferral of a cash rate increase in 2024 and 2025.

Asset Optimization

FPL requests authority to implement as an ongoing program the Asset Optimization Program that was approved as a pilot as part of FPL's 2012 and 2016 Rate Orders. Since 2012, customers have benefitted from the expanded opportunities for FPL to create gains on short-term wholesale economy sales and economy purchases and optimization of other assets to provide increased value. The Program should be continued in order to allow customers to continue to

⁷ The Commission in Order No. PSC-2019-0045-PAA-EI and at the March 2, 2021 agenda vote in Docket Nos. 20200242-EI and 20200007-EI approved the deferral and establishment of regulatory assets for recovery to be addressed in this base rate case.

benefit from it. As further described in FPL's filing, FPL seeks to update the assets that may be optimized to reflect the modernization and transformation of FPL's generation fleet. FPL would optimize all fuel sources when it is reasonable and in the best interests of customers to do so based on the system requirements, market demand, and market price of the fuel or capacity at the time. FPL also seeks to change the per-MWh rate for variable power plant O&M from \$0.65/MWh to \$0.48/MWh. Following the four-year term of FPL's base rate request, FPL would seek review of certain parameters of the Program.

Conclusion

FPL has consistently delivered residential customer bills that have been well below the national average and among the lowest in Florida at the same time it has delivered improvements in reliability, customer service and emissions. If the Commission approves the proposed four-year rate plan, FPL projects that customers will continue to enjoy the best energy value in America. Multi-year rate plans approved by this Commission over the past two decades have served customers well. Like the successful plans of the past, the four-year rate plan FPL proposes in this proceeding will allow the Company to continue focusing on ways to improve its operations and performance to better meet customer needs rather than devoting resources and focusing efforts on rate cases year after year. FPL's proposal will promote long-term rate stability for customers, is expected to result in typical bills that are well below the national average, and it should be approved by the Commission.

OPC: FPL's request is excessive for 2022, without even considering the additional requests for the subsequent time periods. FPL is proposing a so-called 4-year rate plan effective from 2022 through 2025 with requested rate increase in each of these years. FPL is seeking an approximately \$1.108 billion base rate increase in 2022. On top of this request, FPL is now asking for an additional \$607 million in 2023, plus another \$140 million increase in both 2024 and 2025 for Solar Base Rate Adjustments (SoBRAs). FPL has also requested two opposing sets of depreciation lives – the one from their expert depreciation witness Mr. Allis that show a depreciation deficit and the other using FPL employee witness Mr. Ferguson that creates a depreciation surplus. FPL is proposing this depreciation surplus to create the Reserve Surplus Adjustment Mechanism (RSAM) that would allow FPL to manipulate its earnings up to the top of any range established. In the Company's request, it asks for a 95 basis point (or almost 1% point increase) over its currently authorized ROE midpoint of 10.55% to 11.5%, with the addition of a 50 basis point "adder." Even though FPL claims its request covers a four-year period where they would not seek a "general" base rate increase, there is no prohibition for the Company filing for an increase should it earn below its authorized return, a base rate increase in a limited proceeding, nor is there a promise to not seek an increase if all of the terms are not ultimately approved by the Commission as requested.

OPC has evaluated FPL's Petition, testimony, the Minimum Filing Requirements (MFRs), discovery responses and testimonies filed in this proceeding. OPC has engaged multiple expert witnesses to conduct an extensive and thorough review: Roxie McCullar and William Dunkel, Depreciation and Dismantlement; Kevin O'Donnell, C.F.A., Capital Structure and FPL Rates; and Dan Lawton, Financial Integrity and surplus ROE inflator; Dr. Randy Woolridge, Return on Equity; Ralph Smith, C.P.A., Accounting Adjustments and Revenue Requirement. OPC has identified four principal areas for adjustment: Depreciation and Dismantlement; Revenues; Capital Structure; and Return on Equity.

Depreciation and Dismantlement

FPL's Witness Allis's proposed depreciation parameters results in a reserve deficiency of \$436.5 million. In stark contrast, FPL Witness Ferguson's proposed adjustments to the depreciation parameters results in a reserve surplus of \$1.48 billion. Ms. McCullar's review of FPL's depreciation study prepared by FPL depreciation witness Mr. Allis has demonstrated that FPL's requested increase of \$436.5 million in depreciation expense is materially overstated. Ms. McCullar also reviewed FPL employee Mr. Ferguson's proposed lives for generation plants and either agreed with them or proposed lives in between Mr. Ferguson's and Mr. Allis's proposed lives. Ms. McCullar recommends more realistic parameters for many of the depreciation accounts. Ms. McCullar's recommendation identifies a total company depreciation reserve excess of \$639.4 million, which she recommends be flowed back to customers using the remaining life technique formula which includes an overall reduction to depreciation rates that offsets any reserve surplus. Assuming that the Commission adopts Ms. McCullar's adjustments to FPL's depreciation study, the sum of the adjustments results in a reduction to FPL's 2022 revenue request by \$154.8 million for new lower depreciation rates and by an additional \$164.2 million in 2023 for new lower depreciation rates on a jurisdictional basis.

OPC Witness Mr. Dunkel proposes an adjustment to FPL's Dismantlement Study. FPL proposes to collect from current customers future retirement costs. Since these costs are being collected up front from customers, FPL has applied a cost of money rate of 3.39% to these dismantlement costs in its net present value calculation. However, based on OPC Witness O'Donnell recommendation, Mr. Dunkel applied a 6.40% overall cost of money (investor sources only) which is the same cost of money that Mr. O'Donnell is recommending be used for FPL as the overall cost of money (investor sources). This adjustment results in a \$16 million reductions in the annual accrual from \$51.0 million to \$35.8 million.

Capital Structure and Incentive Mechanism

Kevin O'Donnell has addressed FPL's excessive equity ratio request of 59.6% equity. As Mr. O'Donnell testifies, FPL's request in this case puts an unnecessary costly burden on FPL's ratepayer - an extra \$24 per year to typical residential customers and \$149,000 for a typical industrial customer-based on a modest reduction of the equity ratio to 55% and should not be allowed. Mr. O'Donnell's examination of capital structures demonstrates that the FPL proxy group average equity ratio for 2022 is 46.54% and the national average for allowed equity ratios in 2020 is 50.94%. While applying a 50% equity ratio would be more in-line with industry averages (and still more than the equity ratios of both NextEra's consolidated group of 39.5% and the FPL proxy group average), Mr. O'Donnell recommends applying the principle of gradualism. Rather than utilizing FPL's proposed unreasonable, hypothetical capital structure of 59.6% equity, Mr. O'Donnell recommends using a more rational, hypothetical capital structure of 55% equity that results in an approximately \$245 million reduction to FPL's 2022 request.

Mr. O'Donnell briefly addresses the Incentive Mechanism request including the request to expand the program. While the original program was generally understood, there is not sufficient information to understand how the requested expansions of the incentive mechanism would work or if it would benefit customers.

Return on Equity (ROE)

Dr. Woolridge has evaluated FPL's requested ROE in light of current market conditions and the changes since FPL's last rate case. FPL's requested 11% ROE, with a 0.50% ROE inflator, and especially with its requested 59.6% equity ratio, is excessive under current market conditions. Dr. Woolridge notes in his testimony that despite the recent rise in rates, interest rates and capital costs remain at historically low levels. Dr. Woolridge, applying the Discount Cash Flow (DCF) method checked by the Capital Asset Pricing Model (CAPM) method with a proposed capital structure of 55% and also utilizing a comparable electric proxy group, determined that the appropriate ROE for FPL is 8.75%. Dr. Woolridge recommends that if the 59.6% equity ratio is used, then his recommended ROE would be 8.50%.

Reserve Surplus Amortization Mechanism and 4-Year Plan

OPC Witnesses Lawton and Smith both address the RSAM and FPL's proposed 4 year plan. FPL's 4-year plan consist of FPL's request for base rate adjustments in 2022, 2023 and SoBRA increases in 2024 and 2025. FPL's 4-year plan also consist of using FPL Witness Ferguson's longer depreciation lives to create a 1.48 billion reserve surplus to be used in an RSAM to "manage" earnings. Both

Witness Lawton and Smith recommend against establishing an RSAM. Mr. Lawton points out that RSAM does not constitute cost-based ratemaking if order by the Commission and is bad regulatory policy. Mr. Smith did an analysis of the RSAM's use during the last settlement period and demonstrated that the RSAM was not needed to meet the mid-point of FPL's range, but rather was used to keep FPL's earning at the high end of the range for the majority of the settlement period.

Based on all OPC witnesses' recommendations, as Witness Smith testifies FPL has excessive revenues in 2022 of \$70.9 million which is \$1.355 billion less than FPL's requested \$1.284 billion request without an RSAM. While Witness Smith finds that based on FPL's 2023 projections and there would be a \$529 million revenue requirement, he does not recommend any rate adjustment due to the subsequent test year's inherent unreliability. As Mr. Lawton points out, forecasting into the future which is already subject to uncertainty and FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls. For these same reasons of inherent unreliability, the SoBRAs should be denied. Thus, a 4-year plan is unwarranted.

ROE Inflator

FPL request for a 0.50% inflator requests to be added to ROE for its good management should be denied. As Mr. Lawton points out that contrary to what FPL would have the Commission believe, FPL's decisions are not always correct and led to superb customer results and savings such as Woodford gas exploration decision and hedging (both which cost customer's money with little to no benefit to customers). The cumulative four-year revenue requirement to customers of FPL's 50 basis point surplus equity inflator, if this unnecessary expense is allowed, would be an additional \$136.432 million in added profit and an additional \$183.027 of annual revenue requirement.

Other Issues

Mr. Smith recommends reductions for rate case expense, tax-related costs, Scherer Unit 4 and JEA payment, and Incentive Compensation. Mr. Lawton discusses FPL's ability to maintain its financial integrity with the implementation of all OPC recommendations.

Conclusion

Based on this extensive expert review, OPC has determined a rate **decrease** of \$70.9 million is appropriate for 2022, and that no rate increase should be allowed for 2023 or for the SOBRAs in 2024 and 2025. Further, the Commission should reject the RSAM and thus the faux 4-year rate plan.

CLEO: The CLEO Institute and Vote Solar’s Statement of Basic Position:

In this proceeding, FPL proposes the largest rate increase in the history of the State of Florida. This rate case comes as Floridians are just beginning to emerge from a global pandemic and a painful recession. FPL customers are also on the front lines of a changing climate, facing ever-stronger storms, more extreme temperatures, and sea level rise. FPL acknowledges some of the challenges facing customers, but fails to provide the leadership necessary to actually confront them.

In fact, its proposal primarily serves to exacerbate the challenges that its customers are facing day to day. The result is that instead of proposing strategic, sound investments that put the state’s most vulnerable customers first, FPL instead doubles down on a traditional, polluting, over-built grid that will only exacerbate unaffordability and compound the financial risks facing customers in the coming decades.

FPL proposes over \$10 billion dollars in non-storm related transmission and distribution investments over a 4-year period without even providing a traditional benefit/cost analysis to justify these dollars. The Commission has no way of knowing if these expenses are reasonable and prudent. In fact, the little evidence that FPL has presented casts serious doubt on whether the purported benefits to customers outweigh the costs; for instance, with respect to the proposed reliability investments, FPL proposes to spend \$600-\$900 million of capital for a one-minute improvement in day-to-day (non-storm) customer outage time. FPL provides zero justification for its position that customers are willing to pay so much for so little value. Instead of this illogical approach, FPL should be engaging in transparent planning and robust analysis to ensure that every dollar of customers’ money spent on grid modernization is being spent wisely.

With respect to its generation investments, on one hand, FPL proposes some solar and battery storage investments that will move FPL’s system towards cleaner generation. But at the same time, FPL continues to make significant investments in gas resources and also seeks to extend gas plants’ useful lives to 50 years – decades beyond the point where most of FPL’s peer utilities in America are planning to be carbon-free. FPL seeks to invest in green hydrogen in the hope of converting these gas plants to run on clean fuel down the road, but this technology is untested at scale. In making these decisions, FPL ignores what would likely be the most cost-effective resource alternative – energy efficiency and conservation resources. In addition to excluding DSM from all of its resource modeling, FPL doesn’t even bother to include any FEECA-related incremental efficiency investments in its load forecasts beyond the current planning period. With respect to the 938 MW of new combustion turbines that FPL is building at Plant Crist, FPL accelerated the development of this capacity by several years, despite its own modeling delaying these plants until 2024, by which point other cost-effective

alternatives might have displaced them. Even worse, FPL did not even bother to model any alternatives to converting Plant Crist Units 6 and 7 to run on gas.

These new gas resources – compounded by the Company’s 50-year life proposal – heap risk upon risk on FPL’s customers. FPL should instead be following peer utilities in planning for a 100% carbon-free system by mid-century, and aggressively pursuing all cost-effective resources (including DSM) to meet that goal. The Commission should require FPL to demonstrate that its gas decisions are reasonable and prudent. Should the Commission decide to approve any of these new gas resources, or the 50-year useful life proposal, it should condition the approval with the provision that, in the event the units become stranded assets, FPL’s shareholders will bear the risks and costs rather than customers. The Company should be willing to accept this risk if it is confident that these new assets will be used and useful.

Lastly, FPL seeks a performance incentive of 0.5% on top of its requested return on equity based on the superior customer value it provides. FPL’s performance with respect to customer affordability, disconnections and conservation programs does not warrant a performance incentive. The place in Florida law that explicitly warrants such a performance incentive is in the realm of energy efficiency. See Fla. Stat. § 366.82(9). FPL’s quality of electric service is clearly lacking in this area. FPL ranks 51st out of 52 utilities nationally for its efficiency investments. FPL’s energy efficiency savings total just 0.06% of sales – well below the national average of 1.03% and the Southeast regional average of 0.47%. FPL customers pay relatively high electricity bills compared to customers served by other utilities, in part due to FPL’s abysmal energy efficiency offerings. The Commission should reject FPL’s request for a 50-basis point performance incentive, and should the Commission seek to incentivize FPL, it should adopt measurable and targeted performance incentive mechanisms aimed at achieving specific policy goals, such as reducing customer disconnections and improving energy efficiency programs.

Superior value means keeping the lights on when it matters most to customers. FPL should also be making targeted investments in resilience to provide emergency power when the grid goes down. There is no such thing as a hurricane-proof grid; and many of the same vulnerable customers who are at risk of disconnection also rely on emergency shelters when storms hit. Solar, storage and efficiency investments at public schools that serve as shelters would provide a critical safety net for customers – a place to cool off, refrigerate medicine, plug in oxygen machines or just charge a phone to stay in touch with loved ones.

Our recommendations in this proceeding start from the reality that customers need meaningful progress toward a resilient, equitable, clean energy future that is built from the bottom up, starting with the needs of those who are most vulnerable. FPL’s proposals in this case largely represent a missed opportunity to leverage

clean energy at scale to benefit its customers who are most vulnerable – instead, it exacerbates the risks facing customers both today and for decades to come. The Commission should reject these high-risk proposals and send FPL back to the drawing board to craft a plan that puts customers before profit.

FAIR: This case is before the Commission because of the expiration of the 2016 settlement between FPL and some consumer parties, not because FPL needs any additional revenues. In fact, FPL has consistently earned at the maximum of its authorized ROE range – 11.60 percent, which is 100 basis points above the midpoint of 10.60 percent – for the past three years, i.e., in each and every month since June 2018, including throughout the COVID-19 pandemic. FPL also earned at or near the maximum of its authorized ROE range, i.e., close to 100 basis points greater than its approved ROE, from the inception of the current settlement in January 2017 until June 2018.

As in any general rate case, the ultimate question to be addressed by the Commission in this proceeding is what the fair, just, and reasonable rates to be charged by FPL following the conclusion of the case. This question can be more formally stated as “What amount of revenues does Florida Power & Light Company (“FPL”) need in order to provide safe, adequate, and reliable service, to recover its legitimate costs of providing such service, and to have an opportunity to earn a fair and reasonable return on its reasonable and prudent investment in assets used and useful in providing such service.?” The evidence in this case shows that the answer to this question is that **FPL does not need any increase at all** in order to: (a) recover all of its legitimate costs, including a reasonable return on prudent investment provided through a reasonable and prudent capital structure; and (b) provide safe, adequate, and reliable service. Moreover, the evidence shows that FPL can provide safe, adequate, and reliable service while recovering all of its reasonable costs and earning a reasonable return on its equity investment – of approximately 11.5 percent before income taxes (8.56 percent after taxes), while reducing its total annual base rate revenues by approximately \$120 million per year in 2022.

With the lower federal corporate income tax rate now in effect, FPL's requested after-tax return on equity (ROE) of 11.5 percent (including its “performance adder”) equates to a before-tax return greater than 15 percent. This is excessive and unjustified:

- ▶ relative to current capital market conditions (in which the benchmark “risk-free” rate, i.e., the 30-year U.S. Treasury Bond rate, is currently close to 2.00 percent);
- ▶ relative to the minimal risks that FPL faces as the monopoly provider of a necessity – electric service – pursuant to regulation by the Florida Public Service Commission under applicable Florida Statutes; and

► relative to the current national average ROEs approved by state utility regulatory authorities in the United States.

In particular, the fact that FPL recovers approximately 45 percent of its total jurisdictional operating expenses (equivalent to nearly 33 percent of its total jurisdictional operating revenues) through “cost recovery clauses” and direct pass-through charges greatly reduces the risks that FPL faces, further demonstrating that FPL’s requested 11.5 percent ROE (including its “performance incentive”) is unreasonable and overreaching. Additionally, FPL’s requested ROE is excessive relative to the risks that FPL faces and the returns on other low-risk investments in current capital markets. Witnesses for FAIR, the Citizens, and the Federal Executive Agencies, who represent the United States Military Services, support ROEs between 8.56 percent and 9.40 percent. Applying the ROE and equity ratio recommended by FAIR’s expert witness indicates that FPL can provide safe and reliable service, and raise all needed capital, with no rate increase at all and, in fact, with a rate decrease of approximately \$120 million in 2022. Similarly, the Citizens’ witnesses present evidence that show that FPL can provide safe and reliable service with a rate decrease of approximately \$70 million per year in 2022. FPL’s requested 50-basis-point performance incentive adder to its ROE is not cost-based and wholly unnecessary for FPL to provide safe, adequate, and reliable service, and provides no incentive whatsoever for FPL to do anything in 2022 or thereafter. Accordingly, the Commission should reject this overreaching proposal.

Additionally, FPL’s capital structure relies on an unnecessarily high amount of higher-cost equity capital, indeed a proportionate amount – 59.6 percent - that is significantly greater than that employed by FPL’s parent company, NextEra Energy, and by the utilities in the proxy group of FPL’s own cost of capital witness.

Further, FPL’s proposed Reserve Surplus Amortization Mechanism, which FPL abbreviates as “RSAM,” is unnecessary, not cost-based, and unfair to FPL’s current and future customers. If approved, it would allow FPL to collect excessive depreciation expense amounts through its rates from 2022 through 2025 (or for any period in which it is allowed), almost certainly to allow FPL to earn above the midpoint of its authorized ROE range (whatever that may be approved to be). This has been the norm for FPL for the past three years: in each and every month since June 2018, FPL has earned at the absolute maximum of its authorized ROE range, i.e., at 11.60 percent, even though the PSC approved a midpoint ROE value of 10.60 percent as being fair, just, and reasonable. This has resulted in customers over-paying versus the fair, just, and reasonable rate of return by hundreds of millions of dollars, and there can be no doubt that FPL intends to achieve the same results with its RSAM in the future, if it is approved. The Commission should reject the RSAM outright, but if it is allowed in any form,

then the Commission should – FAIR would argue must, in the interests of fairness to customers – limit FPL’s ability to use any amount of depreciation reserve surplus to only an amount necessary to achieve the authorized midpoint of FPL’s ROE range. This is undeniably fair to FPL, and it would be fair to customers by ensuring that they pay no more than the rates determined by the Commission to be fair, just, and reasonable.

Accordingly, the Commission should require FPL to reduce its base rates as of January 2022 so as to produce revenue requirements \$120 million less than projected by FPL. The Commission should reject FPL’s subsequent year adjustments, including the 2023 increase and the solar base rate adjustments proposed by FPL for 2024 and 2025. The Commission should also reject FPL’s proposed RSAM or limit its use as described and explained above.

FEA: Regarding FPL’s overall rate of return, return on equity, and ratemaking capital structure, FEA proposes an overall rate of return that provides FPL fair compensation, maintains its credit rating and financial integrity, and preserves its access to capital, but accomplishes these utility compensation objectives while preserving just and reasonable and the lowest possible prices to customers.

FEA proposes several adjustment to FPL’s claimed revenue deficiency. First, FPL’s proposal to recover a \$100 million payment to the Jacksonville Electric Authority (“JEA”) to retire the Scherer Unit 4 early should be rejected. Second, FPL’s recovery methodology for non recurring abandoned plant regulatory assets should be modified to use a lower financing mechanism such as securitization bonds, in lieu of the utility’s weighted average cost of capital. This would provide FPL full recovery of these abandoned plant costs, while reducing the charges to customers to compensate the Company for these regulatory assets. Third, FPL’s proposal for a four-year rate plan including an adjustment to accelerate excess accumulated deferred income taxes in 2024 and 2025 in lieu of a rate change. Lastly, on revenue requirements, FPL’s proposal for a new solar rate capital cost recovery to be in effect in 2024 and 2025 should be rejected.

Furthermore, FEA’s position is that class cost of service is the starting point and most important guideline for establishing the level and design of rates charged to customers. Since the primary purpose of the distribution system is to deliver power from the transmission grid to the customer, certain distribution investments must be made to connect a customer to the system. Therefore, these investments are considered customer-related. The consolidated Class Cost of Service Study (“CCOSS”) with an MDS has been provided on an informational basis by FPL. However, FEA’s position is that this CCOSS best reflects cost causation on the Company’s system. The classification and allocation of certain distribution plant accounts in FPL’s CCOSS have been modified to classify a portion of those costs as customer-related consistent with the recognition of an MDS. The results of the CCOSS with an MDS, which takes into account actual cost utilization principles,

should be used to allocate any distribution revenue increase in this proceeding as well as the design of distribution rates. Further, with respect to Class Revenue Allocation, revenues should be allocated to classes under FEA's proposed class allocation shown on Exhibit BCC-1. This revenue allocation is guided by FPL's CCOSS with an MDS.

Finally, it is FEA's position with respect to Rate Design that FPL should retain the existing Gulf Power ("GP") Real-Time Pricing ("RTP") rate for customers and expand it to be offered for customers in the combined FPL and GP systems.

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

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

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

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

- Keep the CILC and CDR credits at current levels as set forth during the 2016 rate case settlement or increase these credits as proposed by Florida Retail Federation witness Toni Georgis;
- Use the minimum distribution system rate design methodology, an approach used in other states, presently used by Tampa Electric Company and Gulf Power Company, and recognized as a viable rate design approach by the National Association of Regulatory Utility Commissioners (NARUC);
- Use a 4CP cost allocation methodology as suggested by FIPUG witness Jeff Pollock
- Apply the Commission's gradualism policy to any base rate increase irrespective of clause proceedings.

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

- Reject FPL's rate requests for 2023, 2024 and 2025 because the forecasts used are uncertain and the Solar Based Rate Adjustments are not needed and constitute piecemeal ratemaking;
- Authorize a return on equity in line with ROE decisions reached by other regulatory commissions in 2020 and 2021, namely, a rate of less than 10%;
- Adjust FPL's capital structure so that its debt to equity ratio is 55% or less equity and 45% or more of debt, more in line with the capital structure authorized by other regulatory commissions throughout the country;
- Reject FPL's proposal to pay off \$100 million in indebtedness incurred by JEA as part of the Scherer coal plant retirement – a debt incurred by JEA which should be satisfied by JEA customers, not FPL customers; and
- Reject FPL's unprecedented 4 year base rate request because doing so is not authorized, is piecemeal ratemaking and is based on speculative forecasts;

FIT:

a. Overview

As set forth in FIT's petition to intervene, which was granted on July 13, 2021,⁸ FIT's members' concerns in this case are as both electric ratepayers and entities who pay millions of dollars per year to attach to hundreds of thousands of Florida Power & Light Company ("FPL") utility poles. Contrary to FPL's argument in response to FIT's petition to intervene, FPL's pole attachment rental rates are squarely at issue in this case as set forth in FPL's affirmative case, and as admitted in FPL's Response to FIT's petition to intervene.

First, in its affirmative case, FPL has projected \$29,381,000 in revenues from pole attachment rentals in 2020, but it projects \$36,538,000 in revenues from pole attachment rentals for test year 2022.⁹ That is a 24.36% increase. FPL projects \$39,519,000 in revenues from pole attachment rentals in test year 2023, which is an additional 8.16% increase over 2022 and a 34.5% increase over 2020 revenues.¹⁰ And, to be clear, FIT believes that FPL's 2020 revenue numbers are overstated based on FPL's imposition of unlawfully high attachment rental rates. Indeed, FPL has sought to impose an almost 38% increase in pole attachment rates from 2019 to 2021.

Thus, FPL's current rate case includes a projection of significant revenue—and substantial increases in revenue—from pole attachment rentals. Indeed, FIT's members believe that FPL's pole attachment revenue projections are greatly overstated and depend on the imposition of unlawful pole attachment rental rates. In FIT's members' experience, annual increases in pole rental rates of the magnitude reflected in FPL's projections are unlawful under applicable regulations. In particular, FIT expects that the facts to be established at the hearing will show that FPL's projections rely on pole attachment rental rates that reflect improper allocation of costs, miscalculation of the Federal Communications Commission's ("FCC") formula, or both. In addition, these issues must be addressed in this proceeding to prevent these errors becoming part of FPL's rate base.

The impact of FPL's overstated projections of pole rental rates is multi-fold. First, FPL's rate case calculations, as a whole, include projections of pole attachment rental revenues that are inaccurate and unlawful. Second, although the Commission does not currently regulate pole attachment rental rates and would not explicitly be addressing calculation of FPL's pole attachment rental rates, if the Commission approves FPL's rate request based on its projection of pole rentals, FIT is concerned that FPL will assert that its pole attachment rental rates are now "fixed" because the underlying rates are necessary to meet the revenue projections endorsed by the Commission.

⁸ Order No. PSC-2021-0255-PCO-EI (July 13, 2021).

⁹ MFR, 2022 test year, Vol. 3, Section C, Schedule C-4 pp.2-3, 14 (combining 2020 pre-merger revenues for FPL and Gulf).

¹⁰ MFR, 2023 subsequent year adjustment, Vol. 3, Section C, Schedule C-4 pp.2.

Ultimately, the relevance of the issues identified by FIT have been admitted by FPL. In its Response to FIT’s petition to intervene, FPL conceded that it “recognizes that elements within the current case will have some bearing on future pole attachment rates, inasmuch as certain cost inputs borne by FPL’s electric customers inform the pole attachment rate setting process.”¹¹

b. Summary of Pole Attachment Rate Regulation

Since 1978, federal law has required that the rates, terms, and conditions of a cable operator’s attachment to electric utility poles be just and reasonable.¹² And in 1996, to facilitate the opening of competitive telecommunications markets, Congress extended federal regulation of pole attachments to include attachments by telecommunications service providers. The “Pole Attachment Act” (codified at 47 U.S.C. § 224, as amended), embodies Congressional recognition that the networks used to provide services such as cable television, telecommunications, and co-mingled broadband services require access to existing utility poles to deploy competitive networks and provide the full scope of services that modern consumers need and demand.¹³ Congress also acknowledged, based on historic behavior that pre-dated even the original 1978 Pole Attachment Act, that utility pole owners can and have abused their unique monopoly control over essential facilities in the public rights of way.¹⁴

Thus, Section 224 directs the FCC to regulate the rates, terms, and conditions utility pole owners impose on attaching entities, unless a state satisfies certain requirements to “reverse preempt” regulation of pole attachments.¹⁵ Based on four decades of experience, the FCC has well-established rules and precedents governing the maximum just and reasonable annual rental rates that utilities, such as FPL, may lawfully charge attaching entities, such as FIT’s members. Among other things, the FCC’s regulations set forth a detailed formula from which the maximum lawful pole attachment rental rate may be calculated.¹⁶ In a series of orders, the FCC implemented a formula that cable television system attachers and utilities could use to determine a maximum allowable just and reasonable pole attachment rate – referred to as the cable rate formula – and procedures for resolving rate complaints.¹⁷ In the Telecommunications Act of 1996, which

¹¹ FPL Response to FITA Petition to Intervene at 4.

¹² 47 U.S.C. § 224.

¹³ See, e.g., *In re Implementation of Section 224 of the Act, A National Broadband Plan for Our Future*, Report and Order and Order on Reconsideration, 26 FCC Rcd. 5240, ¶¶ 3-4 (2011) (“*FCC 2011 Order*”).

¹⁴ *Id.* ¶ 4 (explaining that “Congress recognized further that there is a ‘local monopoly in ownership or control of poles,’ observing that, as found by a Commission staff report, “‘public utilities by virtue of their size and exclusive control over access to pole lines, are unquestionably in a position to extract monopoly rents . . . in the form of unreasonably high pole attachment rates.’”).

¹⁵ 47 U.S.C. § 224(c).

¹⁶ 47 C.F.R. §§ 1.1406(d), 1.1408(b), 1.1409, 1.1410.

¹⁷ See, e.g., *Adoption of Rules for the Regulation of Cable Television Pole Attachments*, First Report and Order, 68 FCC 2d 1585 (1978) (adopting complaint procedures); *Adoption of Rules for the Regulation of Cable Television*

opened telecommunications markets to competition, Congress adopted a separate statutory formula for attachments by providers of telecommunications services,¹⁸ which the FCC further amended in a series of orders in order to bring the rate for telecommunications attachments more in line with the rate for cable attachments.¹⁹

A fundamental component of both the FCC's pole rate formulas is that they depend on data from the pole owning utility (in this case FPL), such as the utility's investment in poles and other plant, as well as data regarding the utility's rate of return, and the height and number of the poles each utility has in service.²⁰ Those issues and that data are all relevant in this rate case.

c. The Impact of SB 1944

On June 29, 2021, the Florida Governor signed SB 1944, a statute intended to provide this Commission with authority to regulate attachments to certain poles and to potentially certify under 47 U.S.C. § 224(c) that it has taken over regulation of pole attachments. The enactment of SB 1944, however, does not impact this proceeding nor change the applicability of the FCC's rate regulations.

First, SB 1944 provides that this Commission has until January 1, 2022 to propose rules to administer the new provisions under SB 1944. Fla. Stat. § 366.04(g). Accordingly, the Commission will not have in place rules that might satisfy the requirements under 47 U.S.C. §224(c) until at least some time in 2022 and potentially 2023. In the meantime, however, until this Commission satisfies the requirements to make the necessary certifications to the FCC, the FCC's rules will continue to govern FPL's pole attachment rates for, at least, the years 2020, 2021, and 2022, which, as discussed above, are at issue in this proceeding because they are intertwined with FPL's rate case.

Second, SB 1944 explicitly provides that when the Commission hears and resolves pole attachment rate complaints, it “**shall apply** the decisions and orders of the Federal Communications Commission and any appellate court decisions

Pole Attachments, Memorandum Opinion and Order, 77 FCC 2d 187 (1980) (defining, e.g., safety space, average usable space, attachment as occupying 12 inches of space, and make-ready as non-recurring cost); *Amendment of Rules and Policies Governing the Attachment of Cable Television Hardware to Utility Poles*, Report and Order, 2 FCC Rcd. 4387 (1987). The cable rate formula was codified at 47 C.F.R. § 1.1409(e)(1) by the *1998 Implementation Order*. *Implementation of Section 703(e) of the Telecommunications Act, Amendment of the Commission's Rules and Policies Governing Pole Attachments*, Report and Order, 13 FCC Rcd. 6777 (1998) (*1998 Implementation Order*), *aff'd in part, rev'd in part, Gulf Power v. FCC*, 208 F.3d 1263 (11th Cir. 2000) (*Gulf Power v. FCC*), *rev'd, Nat'l Cable & Telecommunications Ass'n v. Gulf Power*, 534 U.S. 327 (2002) (*Gulf Power*).

¹⁸ 47 U.S.C. § 224(e).

¹⁹ See, e.g., *1998 Implementation Order*, 13 FCC Rcd. at 6796, ¶ 34; *FCC 2011 Order*, 26 FCC Rcd. 5240, ¶¶ 135-54.

²⁰ See, e.g., *FCC 2011 Order* ¶ 172 n.553 (describing how the formula “uses publicly filed cost data, such as FERC 1 data, that are verifiable and comply with the uniform system of accounts of the Commission and FERC.”).

reviewing an order of the [FCC] regarding pole attachment rates. . . .”²¹ (Fla. Stat. § 366.04(d) (emphasis added)). Thus, even if the Commission adopts regulations sufficient to take over regulation under 47 U.S.C. § 224(c), SB 1944 creates a presumption that the Commission “shall apply” the FCC’s decisions and orders addressing pole attachments. Accordingly, for purposes of this proceeding, it is appropriate to assume that the FCC’s rules and rate formula apply.

d. Issues Relevant to the Maximum Lawful Pole Rate

Ultimately, regardless of whether pole attachment rates are subject to regulation by the FCC (currently) or this Commission (potentially in the future), the Commission oversees in this proceeding investment amounts and other factors, such as storm hardening requirements, that affect the regulated pole rates paid by FIT members, whether those rates are set by the FCC or this Commission. As a result, although this Commission does not currently regulate pole attachment rates, the issues presented in this case will directly and significantly impact the pole attachment rental rates that FPL may lawfully charge, as well as FPL’s electric service rates (and FIT members pay both).

For example, issues relevant to FPL’s lawful pole rates that overlap with this rate case include, but are not limited to, FPL’s allocation of costs to pole related accounts, the number and height of its poles used to provide distribution service, its accounting for investment in pole hardening, its treatment of accumulated deferred income taxes resulting from the 2017 Tax Cuts and Jobs Act (“TCJA”), and its projection of revenues from pole attachment rents.

There are several key elements of the FCC’s pole attachment rate formula that FIT believes are being misstated or overstated by FPL, and for some issues, FPL is refusing to produce the information necessary for FIT to calculate the maximum lawful rate under the FCC’s rules. Specifically, under the FCC’s formula, the height of FPL’s poles is a critical input. Under the formula, an attaching entity pays a portion of the investment and annual “carrying charges” (*i.e.*, on-going costs of maintenance and administration), based on the one foot of space presumed to be occupied by a fiber or coaxial cable attachment divided into the usable space of the pole.²² Because taller poles have more usable space, the allocation to the attaching party decreases.

Based on historic pole data, the FCC adopted a *presumption* that most distribution poles are 35 or 40 feet tall, and, therefore, a presumptive average pole height of

²¹ The statute provides that the Commission can deviate from the FCC’s rules only if the pole owner “establishes by competent substantial evidence” that an alternative cost-based pole attachment rate is just and reasonable and in the public interest. (Fla. Stat. § 366.04(d)).

²² 47 C.F.R. §§ 1.1406(d), 1.1410.

37.5 feet could be used by parties to calculate the annual pole rental rate.²³ However, that presumption does not apply if the attaching party asserts that the real average pole height for a utility is higher or lower.²⁴ In this case, particularly in light of FPL's on-going pole hardening efforts that have led to deployment of taller, stronger poles, FIT's members believe that FPL's average pole height is significantly greater than 37.5 feet. However, FPL has refused to provide FIT's members with records and data demonstrating the height of FPL's poles as actually deployed. This is a critical issue because if the correct average pole height is 42 feet instead of 37.5 feet, for example, the lawful rate could be nearly \$5 per pole lower. When applied across the 935,998 poles to which FIT members attach,²⁵ a \$5 rate decrease would equal a \$4.6 million annual decrease in fees. Thus, this one data point, alone, can have a significant impact.

Another data point with potential significant impact on the pole formula is the number of poles used to provide distribution service, including the possible use of mixed-use poles, *i.e.*, transmission poles with distribution service built underneath. Because the pole rate calculation is based on a net bare cost per unit investment, any potential understatement of the pole count will result in an overstatement of the per unit cost and the resultant rental rate.

Similarly, FIT is concerned that FPL's treatment of depreciation of its distribution pole assets and of accumulated deferred income tax also may be improperly leading FPL to impose unlawfully high annual pole rental rates.

Significantly, FPL's rates may not properly reflect the appropriate offset to gross plant investment due to an accounting treatment that many utilities made to account for excess accumulated deferred income taxes ("ADIT") resulting from the TCJA,²⁶ which lowered the corporate tax rate by 40% (from 35% to 21%).²⁷ This accounting treatment transferred certain accumulated deferred taxes ordinarily captured in FERC accounts used to calculate the pole attachment rental rate (typically, FERC Accounts 281, 282, 283, 190 and 411) to one or more other FERC accounts not captured in the FCC formula (typically Account 254),²⁸ thereby reducing accumulated deferred taxes subtracted from gross investment or alternatively incorporated in the calculation of the weighted cost of capital, increasing net per pole investment, and increasing pole attachment rates.

²³ The FCC initially adopted the presumption in 1979. *In re Adoption of Rules for the Regulation of Cable Television Pole Attachments*, Memorandum Opinion and Second Report & Order, 72 FCC 2d 59, 69-70 (1979); *see also In re Amendment of Rules and Policies Governing Pole Attachments*, Report and Order, 15 FCC Rcd. 6453, ¶¶ 17-19 (2000) (affirming the continued application of the presumption) ("*2000 Fee Order*").

²⁴ *Id.*

²⁵ *See* FIT Petition to Intervene ¶ 6.

²⁶ Pub. L. No. 115-97, 131 Stat. 2054 (2017) (amending the Internal Revenue Code of 1986).

²⁷ *See id.* at 2095.

²⁸ Per the FERC Uniform System of Accounts General Instructions, Account 254 titled "Other Regulatory Liabilities," is used if there is uncertainty as to the regulatory treatment of revenue. 18 C.F.R. § Pt. 101, General Instruction 22(H).

Two certified state utility commissions, the Public Utility Commission of Ohio (PUCO) and the Connecticut Public Utility Regulatory Authority (PURA), presented with concerns about the impact of this accounting adjustment on pole attachment rates, recognized that it would be inappropriate to remove the excess ADIT for purposes of the pole attachment rate calculation until such revenues are actually returned to electric rate payers. The PUCO directed “pole owners filing future pole attachment rate adjustment applications to deduct, in addition to ADIT and depreciation reserves, any unamortized excess ADIT resulting from the TCJA from total gross plant and gross pole investment in their pole attachment rate calculations.”²⁹ The specific required accounting adjustments were laid out in an approved Joint Stipulation and Recommendation governing Ohio Power Company’s implementation of the TCJA, subpart E.³⁰ Similarly, the PURA approved a settlement between Eversource and the New England Cable Television Association that revised pole attachment rates for cable television companies to “reduce Eversource’s total gross plant and gross pole investment by the amount of any unamortized Accumulated Deferred Income Tax (‘ADIT’) expense resulting from the Federal Tax and Job Cuts Act of 2017(sic), in addition to ADIT and depreciation reserves.”³¹

As explained above, there is some indication that FPL has adjusted certain ADIT-related FERC accounts used to calculate pole attachment rates in connection with the TCJA. However, further information is required to understand if or how it is adjusting its ADIT accounts due to the TCJA and how such adjustments have impacted the relevant FERC ADIT accounts used to calculate the pole attachment rates in question. FIT has propounded interrogatories to FPL in an effort to obtain this information.

Finally, there are also concerns that the rate calculation has not properly reflected the appropriate deduction of non-pole-related investment, *i.e.*, investment in cross arms and other appurtenances used in the provision of electricity that the FCC rules specifically preclude from the calculation of the pole rate.³² The hardening of cross arms has likely resulted in a growing proportion of appurtenance costs attributed to Account 364 as compared with the historic presumptive percentage used by FPL to calculate the rate. As with pole height, the historic presumption value does not apply if the attaching party asserts that the real appurtenance

²⁹ *The Commission’s Investigation of the Financial Impact of the Tax Cuts and Jobs Act of 2017 on Regulated Ohio Utility Companies*, Finding and Order, PUCO Case No. 18-47-AU-COI (Oct. 24, 2018).

³⁰ *Ohio Power Company’s Implementation of the Tax Cuts and Jobs Act of 2017; Application of Ohio Power Company to Amend Its Tariffs*, Case No. 18-1008-EL-UNC; 18-1451-EL-ATA (Oct. 3, 2018).

³¹ *Application of The Connecticut Light and Power Company d/b/a Eversource to Amend its Rate Schedules*, Approval of Amended Compliance Filing, CT PURA Docket No. 17-10-46 (Feb. 14, 2019); *Application of The Connecticut Light and Power Company d/b/a Eversource to Amend its Rate Schedules*, Amended Compliance Filing & Resolution of NECTA’s Objections Raised in Motion Nos. 46 & 47, CT PURA Docket No. 17-10-46 (Feb. 5, 2019).

³² See, e.g., *2000 Fee Order* ¶¶ 31, 33-34.

investment percentage is higher or lower based on actual utility data. FIT has propounded interrogatories to FPL in an effort to obtain this information.

e. FIT's Concerns About Electric Service Rates

FIT's members also share concerns about the rising costs of electric service. As FPL electric service customers, FPL's members pay FPL tens of millions of dollars annually. Accordingly, similar to other large users who are parties in this case, FIT seeks to assure a careful review of FPL's rate case to ensure that electric service rates are just and reasonable.

FRF: In any general rate case, the Commission must determine fair, just and reasonable rates for all retail consumers. In this instance, FPL has consistently earned returns in excess of its mid-point established in its 2016 rate settlement approved in Docket No. 20160021-EI. In fact, with the benefit of the (depreciation) Reserve Surplus Amortization Mechanism ("RSAM") established in that settlement, FPL has achieved earned returns at the very maximum of its allowed range (i.e., 100 basis points above the established return on equity ("ROE") midpoint. FPL has requested base rate increases totaling nearly \$2 billion over a four year period, but the record shows that there is no need for any revenue increase for its test year of 2022, the premise for authorizing any base rate increases in the subsequent years is problematic, and the Commission's authority under Florida law to authorize a multi-year base rate plan is questionable.

Further, the very cornerstone of cost of service based rate-making is that rates should track cost causation. FPL's filing in this matter deviates widely from this core rate setting principle, producing anomalous results that are transparently erroneous and discriminatory. In particular, FPL has long offered a lesser quality of service in which participating customers agree to numerous conditions for service disruption (interruptible service) in order to preserve electric service to FPL's firm service customers. FPL historically has and currently does not plan or build production facilities to serve interruptible load and, in its Ten Year Site Plans expressly removes that load from all calculations concerning needed generation capacity and reserve requirements. FPL's cost of service analysis in its Minimum Filing Requirements ("MFRs"), however, allocates production costs to interruptible loads as if they were firm loads. In so doing, FPL dramatically over-states the revenues required from those customer classes. This error in turn leads FPL to propose an unwarranted, much higher than system average increase to those classes. This fundamental error must be corrected before applying any base rate increase in this docket.

Next, FPL arbitrarily proposes to reduce the level of the credit offered to current and future interruptible service customers. FPL maintains that economic trends concerning the value of energy efficiency and demand response are declining, but FPL's proposal singles out only the CILC/CDR credit and not any other DSM

measures. Moreover, the record will establish that the current and expected future costs of peaking capacity are not declining and that load reductions from interruptible customers are cost competitive with the peaking generation investments that FPL has made in recent years. In short, interruptible service remains an exceptionally reliable and cost-effective resource and the credit should be increased, not decreased.

Finally, among many controversial elements to the FPL proposed multi-year rate plan, the proposed Reserve Surplus Amortization Mechanism is plainly not in the public interest and should be rejected in any final Commission order. Conceptually, a depreciation reserve surplus reflects a timing mis-alignment (apparent over-recovery) in the recovery of FPL's capital assets from ratepayers. Under the Remaining Life method of depreciation applied in Florida, that mis-alignment should be corrected over time in depreciation rates, and a serious surplus should be corrected by moderating current rates or writing down other assets. In this instance, FPL's depreciation study found no reserve surplus at all (it identifies a modest deficiency), so there is no foundational predicate for an RSAM at all. FPL proposes to disregard its study and adopt a series of asset life extension assumptions (and thus lowering depreciation expense while bolstering its rate base) purely for the purpose of creating an apparently large depreciation reserve that would support the RSAM mechanism that it proposes. This schizophrenic approach to depreciating assets is a facially unreasonable approach to rate-setting that the Commission should unequivocally reject. Asset depreciation parameters should be established in conventional fashion and assessment of any resulting reserve surplus or deficiency should follow as proposed by the Office of Public Counsel's witnesses in this case.

FLA. RISING/**LULAC/****ECOSWF:**

FPL's petition to increase rates should be denied in its entirety. The COVID pandemic has caused a year of unprecedented hardship for millions of Floridians. Rather than use its position of power and wealth to help the Floridians most in need, FPL has instead led the charge in cutting-off electricity to the most vulnerable Floridians for failure to keep up with their electric bills in this crisis. FPL does not even have a policy of suspending disconnections during the too-frequent heat waves that plague their customers. Many of FPL's low-income customers being cut-off from electricity by FPL have little access to shade, and temperatures can soar well-above outside temperatures. Cutting off power to the most vulnerable people and families is wrong and dangerous. And now, after disconnecting almost a million hardworking Florida families and small-businesses, FPL wants to increase electric rates by about 20%. This electric rate increase will not pay for things that customers actually need—like power plants to keep the lights on or a transmission system to bring the power from those power plants to the people. Instead, FPL wants to increase rates to increase its own profits—even though it is already one of the most profitable utilities in the

nation—to bring back yet more money to its shareholders. The Commission should protect Floridians who are already struggling to pay their electric bills and say no to this proposed rate increase.

FPL alleges that much of this rate increase is to pay for investments in Florida to increase reliability: new power plants and new transmission lines. However, FPL already has one of, if not the most, reliable networks in the nation. Their loss of load probability—the chance of having a rolling blackout due to lack of sufficient generation resources—is so low that by 2023 FPL expects a rolling blackout less than once every 100,000 years. The industry standard and the standard FPL allegedly plans for is once every 10 years. FPL’s expenditures regarding transmission are similarly extreme—billions in spending for a few extra minutes of reliability per year.

The reason FPL is spending so many billions of dollars for almost nothing for customers in return is no mystery—the more FPL spends on capital projects, the more FPL makes. This has led to an enormous increase in rate base (amount of capital “in-service” of customers). From 2005-2023, FPL’s rate base has more than quintupled (going from a little over \$11 billion to almost \$60 billion). The acquisition of Gulf, with a rate base of a little over \$1 billion in 2005, and about \$2.5 billion by the time it was acquired by FPL in 2019, does not explain this difference. Instead, FPL has continuously constructed power plants and transmission lines it does not need to serve customers. FPL’s drive to add to rate base is evident in its acquisition of Gulf. With a rate base of \$1.2 billion in 2003, it took until 2017—almost 15 years—for Gulf’s rate base to double to \$2.3 billion. Since acquiring Gulf in 2019, FPL plans to almost double its rate base as a standalone entity by 2023 to over \$5.1 billion. FPL, by its own admission, asked many folks who have directly benefited from these investments to testify at the service hearings. But most ratepayers are not CEOs or large developers—instead, they are simply ratepayers who have not benefited from this growth but are still expected to pay the bill. These millions of Floridians do not have time to take off several hours in order to address the Commission at the customer service hearings, the vast majority of which were held during working hours and were filled many days before they were held. The fact that many CEOs and developers spoke in favor of FPL spending is not a sign of prudent and careful investing to serve customers. The Commission need look no further than FPL’s capital expenditures sprees—unmatched in the electric industry—for proof that its relentless spending to balloon the rate base is meant to increase its own profits, to the detriment, not benefit, of its customers.

Nor are FPL’s quests for ever-increasing profits limited only to spending. FPL, at the same time of trying to increase profits through spending, proposes to increase service lives through a “Reserve-Surplus Amortization Mechanism.” First, the service lives proposed as part of this mechanism have no basis in rationality. FPL proposes to use service lives of 50-years for combined-cycle power plants. FPL

has not shown any evidence to support the idea that it is going to start making its power plants last longer, not shorter, as has been its actual practice. FPL continues to retire plants early—and still plans to recover all of the money associated with those plants through capital recovery schedules. Lower depreciation amounts going toward those power plants just means there will be a higher likelihood of stranded assets and higher undepreciated costs still expected from ratepayers, even when units are retired and no longer contributing any benefit to customers. Second, this mechanism will be used by FPL to ensure that FPL will continue to earn at the top of its allowed return on equity, which FPL asks to be 12.5%. Given today's market conditions and what other, much smaller, less financially stable electric utilities are earning throughout the nation, 12.5% is gratuitously exorbitant, unsupported, and extractive from those least able to afford it.

FPL's proposed rate increase amounts to about \$6.5 billion more dollars for FPL over the next four years. This money is not needed to serve customers to keep the lights on, to invest in solar, or to prepare for hurricanes. Instead, it is a ploy to increase profits. Setting a reasonable capital structure in line with other utilities throughout the nation and removing unneeded items from FPL's rate base, while still allowing for reasonable growth in rate base since FPL's last rate case, would result in FPL significantly decreasing rates for its customers. Since FPL has not received approval for projects driving its increases in rate base, and since these increases are not reasonable and prudent, nor even meant to serve FPL's existing customers, the Commission should order FPL to adopt a more reasonable capital structure with a more reasonable rate base and cut its rates to customers. This would bring financial relief to millions of Floridians while still allowing FPL a more-than-generous, guaranteed profit. Nevertheless, as a show of good faith, Florida Rising, ECOSWF, and LULAC will settle for a simple rejection of FPL's request to increase rates.

LARSONS: The Florida Power & Light Company ("FPL") rate request is excessive and should be properly denied or substantially reduced by the Florida Public Service Commission ("Commission") based upon the record evidence adduced at hearing to ensure that FPL rates are fair, just, and reasonable. The FPL request for a midpoint Return on Equity ("ROE") of 11.5% is also excessive compared to the 9.85% midpoint ROE that the Florida Public Service Commission ("Commission" of "FPSC") approved as an integral part of the Duke Energy Florida ("Duke") rate case settlement on May 4, 2021. The Larson positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. The Larson final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

SACE: SACE is non-profit, non-partisan clean energy organization that advocates for transitioning the state to a lower cost, lower risk, clean and equitable energy

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

We encourage the Company to invest more significantly in EV infrastructure programs given FPL’s relative size and the size of EV programs recently approved by the Commission.³³ While Florida ranks second in the nation in total EV adoption, it ranks 30th in DC fast charging deployment per capita, and poorly nationally on the level of utility investment in EV infrastructure.³⁴ Under a moderate scenario of EV adoption, the number of EVs in the state will more than double by 2026.³⁵ EV infrastructure is key to meeting customer needs while delivering billions of dollars of benefit to the state. For instance, \$2.2 billion will accrue to Florida customers in the form of reduced electricity bills by 2050 from just a moderate rate of growth in EV adoption, in addition to billions in reduced vehicle operating costs,³⁶ and economic development and job creation.

However, a cleaner, lower cost, lower risk, and more equitable energy future demands that utilities capture their most cost-effective resource, energy efficiency. In this regard, FPL’s performance on capturing energy savings through customer energy efficiency programs lags well behind other investor-owned utilities in Florida and nationally.³⁷

FPL’s continued investment in fossil fuel generation units and infrastructure, place additional economic risk on customers’ shoulders from fuel price spikes, from cost recovery of stranded assets due to policy changes that limit carbon

³³ The FPL EVolution program investment is \$30 million. The recent EV program approved as part of the Duke Energy Florida rate case was \$62.9 million. *See* Direct Testimony by Matt Valle, Docket No. 20210015, March 12, 2021; *see also* PSC Oder No. 2021-0201-AS-EI, June 4, 2021.

³⁴ Atlas Public Policy, Southern Alliance for Clean Energy, Transportation Electrification in Florida, October 2020.

³⁵ EV Infrastructure Master Plan Draft-Final v1.2, April 21, 2021.

³⁶ MJ Bradley, Electric Vehicle Cost and Benefit Analysis: Plug-in Electric Vehicle Cost Benefit Analysis: Florida, January 2019.

³⁷ Direct Testimony of Karl Rabago, Exhibit KRR-6, p. 6, Docket No. 20210015, June 21, 2021.

pollution from power plants by a certain date, and by exacerbating environmental risks, such as poor air quality and climate change. Given the climate change challenge and the regulatory responses gaining momentum to address it at the federal level, continued investments in fossil fuel infrastructure poses an escalating risk to customers' pocketbooks and Florida's natural environment.

The underlying constitutional considerations for setting rates for regulated public utilities are well established. The burden rests on the Company to prove that its proposed rates are equal to that generally being made at the same time, and in the same region of the country, on investments in other businesses that have corresponding risks and uncertainties. It must prove that its current return is not reasonably sufficient enough to assure confidence in the financial soundness of the utility, and that its not adequate, under efficient and economical management, to maintain its credit, and enable it to raise the money necessary for the proper discharge of its public duties.³⁸ If the Commission chooses reward utilities with performance based incentives, it should first identify specific performance metrics for a utility to qualify for such incentives – including a metric for energy savings performance that reflects providing meaningful energy efficiency programs that help hard working families and small businesses manage their electricity bills.

VOTE

SOLAR: Agrees with CLEO.

WALMART: The Commission should authorize an increase in revenue requirement that is minimal and only the amount necessary for the Utilities to provide reliable service, while still having the opportunity to earn a reasonable return. When examining the Companies' proposed revenue requirement and associated ROE increase, Walmart recommends that the Commission consider: (1) the impact of the resulting revenue requirement on customers; (2) the use of a future test year, which reduces the risk due to regulatory lag; (3) the trend of rate case ROEs that have been approved by state regulatory agencies; (4) recent rate case ROEs approved by this Commission; and (5) the lack of necessity for the Companies' proposed performance adder.

The Commission should reject the Companies' proposed performance adder. If the Commission approves the Companies' proposed performance adder, then the Commission should clearly state the factors driving the determination in its Final Order. Additionally, if the Commission is interested in performance-based ratemaking, a separate docket should be initiated for the Commission to determine the performance factors that are important for every utility regulated in the state and create universal reward/penalty structures that standardize the impacts on customers and the financial implications across utilities.

³⁸ *Bluefield Waterworks v. PSC*, 262 U.S. 679, 692-693 (1923)

With respect to the design of the GLSDT-1 rate, the Commission should set the basic charge, maximum demand charge, and transformation credit for GLSDT-1 as proposed by the Companies, increase the on-peak demand charge by 1.2 times the percentage base revenue increase for the schedule, and apply the remainder of the increase to the on-peak and off-peak non-fuel charges in a manner that maintains the proposed 2.3X ratio between the charges.

If the Commission approves unified rates and the proposed transition rider, then the Commission should approve a symmetrical rate design for demand-metered customer classes, where the charge and credit for both legacy utilities are assessed on either a \$/kW or \$/kWh basis. If the Commission does not approve the unified rates for FPL and Gulf, then the Commission should approve FPL's CDR for use by legacy Gulf customers.

STAFF: Staff has no position pending evidence adduced at the hearing.

VIII. ISSUES AND POSITIONS

LEGAL

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

FPL: Yes. The Commission has approved substantially the same mechanism in settlements of FPL's last three rate cases. The Florida Supreme Court has rejected challenges to the last two of those settlements and affirmed them as being in the public interest. The storm cost recovery mechanisms approved in those settlements have been implemented to provide prompt storm cost recovery for multiple hurricanes over the past several years, and they have worked effectively for that purpose. In addition, the Commission has legal authority to implement the proposed storm cost recovery mechanism based on the merits of the proposal, regardless of whether it was embodied in a prior settlement agreement. *Fla. Indus. Power Users Grp. v. Brown*, 273 So. 3d 926 (Fla. 2019); *Gulf Coast Elec. Co-op., Inc. v. Johnson*, 727 So. 2d 259 (Fla. 1999); *In re Petition to approve the 2020 settlement agreement by Tampa Electric Company et al.*, Order No. PSC-2020-0224-AS-EI, issued June 30, 2020 in Docket No. 20200092-EI.

There is substantial Commission precedent for prompt recovery of costs on an interim or projected basis, subject to true-up later. *See, e.g., In re: General investigation of fuel adjustment clauses of electric companies*, Order No. 6357 at 7 (Nov. 26, 1974), Docket No. 74680-CI; *In re Florida Power & Light Company*, Order No. PSC-050937-FOF-EI at pp. 34-35 (Sept. 21, 2005), Docket No. 041291-EI. Further, the requested storm recovery mechanism is fully consistent with the Commission's rule on storm cost recovery. The calculation of amounts to be recovered under the requested storm cost recovery mechanism would be

performed in accordance with the Incremental Cost and Capitalization Approach methodology specified in Rule 25-6.0143, F.A.C. Moreover, subsection (1)(j) of that rule specifically permits utilities to petition for “recovery of a debit balance in Account No. 182.3 discussed in paragraph (1)(i) plus an amount to replenish the storm reserve through a surcharge, securitization or other cost recovery mechanism.” This is exactly what FPL would seek to recover under its proposed mechanism.

OPC: Under the *Wilson* case, the Commission has the authority to allow a tariff to be implemented subject to a full evidentiary hearing. FPL proposes to continue the Storm Cost Recovery Mechanism (SCRM) to allow them to begin collecting a charge based on an amount up to \$4 per 1,000 KWh on a monthly residential bill for a named tropical storm beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed \$800 million in any one year, the Company can ask the Commission to increase the \$4 per 1,000 KWh. They also ask to increase their storm reserve to \$150 million.

Unlike the SCRM in the Settlement between the parties, where the parties agreed not to object to a tariff filing up to \$4 per 1,000 KWh for named storms on an interim basis subject to a full evidential hearing on the cost, FPL’s proposal in testimony falls short. First, as written, it asks the Commission to preapprove storm costs up to \$4 per 1,000 KWh. Sections 366.06 and 366.07, F.S., provides for rate changes only “after public hearing” where the Commission has investigated and determine “the actual legitimate costs...” finds that rates are insufficient that then the Commission “by order” can “fix the fair and reasonable rates.” There is no statutory basis for pre-approval of a rate increase by the Commission. Second, FPL’s proposal as written in testimony does not provide for the protesting of the amount collected which is critical to SCRM as provided for in settlements. Finally, the interim statute section, Section 366.071, F.S., only provides for interim rates based on a showing that utility is earning outside its range of reasonableness which was waived by the parties in settlement. However, the Commission cannot waive this statutory provision, even if the interim rates section were applicable under a storm circumstance.

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. The statutory scheme for storm cost recovery is set forth in section 366.8260, Florida Statutes.

LARSONS: No. Section 366.8260, Florida Statutes, Storm-recovery financing, sets forth the statutory requirements for storm cost recovery.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Commission has approved substantially the same mechanism in settlements of FPL's last three rate cases. The Florida Supreme Court has affirmed the settlements in the last two of those cases as being in the public interest. *Sierra Club v. Brown*, 243 So. 3d 903 (Fla. 2018) (approving FPL's 2016 rate settlement which included an RSAM supported by OPC); *Citizens v. Fla. Pub. Serv. Comm'n*, 146 So. 3d 1143, 1149 (Fla. 2014) (approving FPL's 2012 rate settlement which included an RSAM). In its order affirming FPL's 2012 rate case settlement, the Court specifically considered OPC's contention that the variable-amortization mechanism at issue there was not reasonable and would result in unfair rates. The Court rejected OPC's contention, finding that there was substantial, competent evidence in the record supporting the reasonableness of that mechanism.

One of the Commission's fundamental and overriding statutory rate-setting responsibilities is to ensure that rates are just and reasonable for services rendered. *See* Section 366.06(2), Florida Statutes (2020). The Commission's earnings surveillance process monitors each rate-regulated electric utility's earned ROE, to ensure that it remains within the ROE range last approved for that utility. By its terms, the RSAM provides that FPL would be permitted to use variable amortization only to stay within its Commission-approved ROE range. Thus, the RSAM is entirely consistent – and, in fact, helps to ensure FPL's continued

compliance – with a fundamental element of the Commission’s rate-setting process.

In the Florida Supreme Court order affirming FPL’s 2012 rate case settlement, the Court specifically considered OPC’s contention that the variable-amortization mechanism at issue there was not reasonable and would result in unfair rates. The Court rejected OPC’s contention, finding that there was substantial, competent evidence in the record supporting the reasonableness of that mechanism. FPL’s prepared testimony in this case likewise contains an abundance of competent, substantial evidence supporting the reasonableness of the RSAM.

OPC: No, the Commission does not have the ability to establish non-cost-based rates. Recording debits or credits to accumulated depreciation reserve unrelated to recording depreciation to achieve a certain ROE is not only contrary to the definition of the Account 108, previous U.S. Supreme Court rulings have found that the accumulated depreciation reserve “represent the consumption of capital, on a cost basis” and cautions against using depreciation “to the extent, subscribers for the telephone service are required to provide, in effect, capital contributions, not to make good losses incurred by the utility in service rendered, and thus to keep its investment unimpaired, but to secure additional plant and equipment upon which the utility expects a return. See, *Lindheimer v. Illinois Bell Tel. Co.*, 292 US 151 (1934) pp. 168-169. Further, this concept is codified in Florida Statutes, Sections 366.06, F.S., provides that after the Commission has investigated and determined “the actual legitimate costs of the property of each utility company, actually used and useful in the public service,” only the net investment of the honestly and prudently invested actual legitimate costs used and useful, less the accrued depreciation, shall be used for ratemaking purposes. There is no statutory basis for the Commission to include the accrued depreciation for ratemaking purposes. Allowing the RSAM would effectively impact the amount of money FPL is allowed to keep from the established rates during the 4-year term – thus, would be used for ratemaking purposes. Moreover, it would require any of the RSAM amount used from the accrued depreciation would have to be recollected from future customers. Therefore, using the excess accumulated depreciation a manner that allows them to keep the excess contribution of accumulated depreciation to increase profits allowed by rates is contrary to Supreme Court case law and Florida Statutes.

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. No statutory authority exists for the RSAM.

LARSONS: No. Agree with the Office of Public Counsel.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Commission approved a substantially identical Solar Base Rate Adjustment ("SoBRA") mechanism in the settlement of FPL's 2016 rate case. It approved a similar Generation Base Rate mechanism in the settlement of FPL's 2012 rate case. The Florida Supreme Court affirmed the settlements in both of those cases as being in the public interest.

The Commission's statutory obligation is to ensure that rates are set on the basis of actual costs a utility prudently incurs for facilities that are used and useful in serving the public. *See* Section 366.06(1), Florida Statutes (2020). Solar projects, which are not dependent on fossil fuels and provide emission-free energy to FPL's customers, clearly are "used and useful in serving the public." And, because FPL may only recover the costs for such facilities if they are demonstrated to be cost-effective, they are likewise prudent investments. The SoBRA mechanism contains specific requirements that FPL must meet in order to recover any costs for 2024 and 2025 solar projects. Among those requirements are that the project costs are below established cost caps and that the projects can be demonstrated to be cost-effective. If these tests are met, then FPL is permitted to recover the actual costs of the projects.

OPC: No. While the Commission "may adopt rules for the determination of rates in full revenue requirement proceeding which rules provide for adjustments of rates based on revenues and costs during the period new rates are to be in effect and for

incremental adjustments in rates for subsequent periods,” the Commission has no such rules. See, Section 366.076, F.S. Moreover, Section 366.071, F.S., the interim statute section, only provides for interim rates based on a showing that utility is earning outside its range of reasonableness. Thus, the Commission could grant an interim rate increase only after a showing that the Company is earning outside the range of reasonableness. The Company’s Solar Basis Rate Adjustment proposal would not require the necessary demonstration that they are earning outside the range of reasonableness, thus cannot be approved.

CLEO: Yes, there is statutory authority for the approval of a limited scope adjustment for a new generation plant, such as the SoBRA solar projects. Section 366.076(1), Florida Statutes permits the Commission to conduct a limited proceeding to consider any matter that results in a utility rate adjustment; Section 366.076(2) allows the Commission to adjust rates to be implemented in years subsequent to the test year. See *Citizens v. Florida Public Serv. Comm’n*, 146 So.3d 1143, 1157 fn.7 (Fla. 2014). (Legal issue)

FAIR: No.

FEA: Agrees with Office of Public Counsel.

FIPUG: No.

FIT: No Position

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: No. No statutory authority exists for SoBRA adjustments for 2024 and 2025 to be approved through this proceeding.

LARSONS: No. Agree with the Office of Public Counsel.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. In setting rates, the Commission may “give consideration, among other things, to the efficiency, sufficiency, and adequacy of the facilities provided and the services rendered; the cost of providing such service and **the value of such service to the public.**” Section 366.041 (1), Florida Statutes (emphasis added); see also Order No. PSC-02-0787-FOF-EI at 3 (Commission awarded Gulf a 25-basis point ROE adder in recognition of its past performance and as incentive for future performance.)

OPC: No. Sections 366.06 and 366.07, F.S., provide for rate changes only “after public hearing” where the Commission has investigated and determine “the actual legitimate costs...” and finds that rates are insufficient that then the Commission “by order” can “fix the fair and reasonable rates.” There is no statutory basis for the Commission to adjust the authorized return on equity for performance except under Section 366.82(9), F.S. Section 366.82(9), F.S., provides that the Commission is authorized to allow an investor-owned electric utility an additional return on equity of up to 50 basis points for exceeding 20 percent of their annual load-growth through energy efficiency and conservation measures. FPL's request for additional 50 basis points is not based on exceeding 20% of their annual load-growth through energy efficiency and conservation measures. FPL's DSM goals which are almost non-existent.

CLEO: Yes, in setting rates, the Commission may “give consideration, among other things, to the efficiency, sufficiency, and adequacy of the facilities provided and the services rendered; the cost of providing such service and the value of such service to the public.” Fla. Stat. § 366.041(1). Furthermore, the Commission is explicitly permitted to grant performance incentives with respect to energy conservation and efficiency performance. Fla. Stat. § 366.82(9). (Legal issue)

FAIR: No. Performance is not one of the enumerated criteria in the statute, and FPL's proposed “performance incentive” is not an incentive in any way, because it would not reward any specific behavior in the future. Rather, it would simply be baked into FPL's rates until the next rate case.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: No. While authority exists under section 366.041, Florida Statutes, to consider FPL's services/performance in fixing rates, no statutory authority exists for the Commission to adjust FPL's authorized return on equity based on FPL's performance as proposed by FPL in this proceeding.

LARSONS: No. The midpoint Return on Equity ("ROE") used by the Commission already provides FPL with the opportunity to earn an ROE up to 100 basis points higher than the midpoint ROE through performance and capturing operational efficiencies.

SACE: Yes, but the Commission should first establish specific performance metrics for a utility to qualify for performance incentives – including a metric for energy savings performance that reflects providing meaningful energy efficiency programs that help hard working families and small businesses manage their electricity bills

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Commission has authority to include non-electric transactions in FPL's optimization incentive mechanism. As proposed, FPL seeks incentives for transactions that bring customers value by optimizing the use of assets that are already being recovered through the fuel and capacity clauses. The Commission has had an incentive mechanism in place since 2001 to encourage FPL and other utilities to minimize their costs for wholesale electric power, which are recovered through the fuel adjustment clause. As part of the settlement of FPL's 2012 rate case, the Commission authorized FPL to expand the incentive mechanism to include other forms of asset optimization, including but not limited to gas storage

utilization, delivered city-gate gas sales using existing transportation, production (upstream) gas sales, capacity release of gas transportation and electric transmission, and asset management agreements. OPC appealed the Commission's order approving the 2012 rate case settlement, specifically objecting to the expanded incentive mechanism. The Florida Supreme Court affirmed the Commission order, finding that there was competent, substantial evidence that the expanded incentive mechanism was in the public interest. With minor modification, the expanded incentive mechanism was incorporated into the settlement of FPL's 2016 rate case, which the Commission approved and the Florida Supreme Court affirmed.

In 2016, the Florida Supreme Court specifically confirmed the Commission's "authority to examine fuel cost expenditures and approve cost recovery to compensate for utilities' fuel expenses through the fuel clause." The incentive mechanism relates to ways in which FPL can help to reduce and offset fuel expenses that are currently being recovered through the fuel adjustment clause. It does not involve cost recovery for the ownership of any non-electric assets.

OPC: No. Under Section 366.05(2) "Every public utility, . . . , which in addition to the production, transmission, delivery or furnishing of heat, light, or power also sells appliances or other merchandise shall keep separate and individual accounts for the sale and profit deriving from such sales. No profit or loss shall be taken into consideration by the commission from the sale of such items in arriving at any rate to be charged for service by any public utility."

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No Position

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. Cost recovery is only permissible for costs arising from generation, transmission, or distribution of electricity.

LARSONS: No. The Commission would exceed its authority by approving this request. See *Citizens v. Graham*, 191 So. 3d 897 (Fla 2016) (cost recovery is permissible only for costs arising from the generation, transmission, or distribution of electricity)

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

OPC

ISSUE 5(a): **Does the commission have the authority to approve FPL's requested proposal for a federal corporate income tax adjustment that addresses a change in tax if any occurs during or after the pendency of this proceeding?**

FPL: Yes. The Commission has approved substantially the same mechanism in four settlements that establish rates for three investor-owned utilities. See Order No. PSC-2021-0202-AS-EI (approving Duke Energy Florida's 2021 settlement agreement, subsequently amended at Order No. PSC-2021-0202A-AS-EI); Order No. PSC-2017-0456-S-EI (approving Tampa Electric Company's 2017 settlement agreement); Order No. PSC-2017-0451-AS-EU (approving Duke Energy Florida's 2017 settlement agreement); Order No. PSC-17-0178-S-EI (approving Gulf Power Company's 2017 settlement agreement).

One of the Commission's fundamental and overriding statutory rate-setting responsibilities is to ensure that rates and just and reasonable for services rendered. *See* Section 366.06(2), Florida Statutes (2020). The Commission's earnings surveillance process monitors each rate-regulated electric utility's earned ROE, to ensure that it remains within the ROE range last approved for that utility. Additionally, by its own terms, the adjustment under the proposed tax mechanism will be calculated based on FPL's Commission-approved ROE and is therefore mid-point seeking and will not cause FPL to overearn.

OPC: No. FPL's request for a tax adjustment for a speculative future tax change premature and thus prohibited based on the Commission's decision in Order No. PSC-2017-0099-PHO-EI as the Commission ruled in identical circumstances in 2017 when speculation was rampant about possible statutory tax rate changes in the absence of passed legislation. As the Commission stated then, and as it stands now, the issue is premature and not ripe for consideration at this time. Should federal tax changes occur in the future, the issue may be addressed at the appropriate time in a separate proceeding.

CLEO: CLEO has not stated a position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No, for the reasons set forth by OPC and FIPUG witness Conte.

FIT: No.

FRF: Adopt the position of OPC.

FLA. RISING/

LULAC/

ECOSWF: No, the Commission does not have the authority.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: No position.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Commission has approved a series of six Commission-approved multi-year rate settlements in resolution of FPL's rate cases over the last 22 years. As discussed above, one of the Commission's most fundamental and overriding statutory rate-setting responsibilities is to ensure that rates are just and reasonable for services rendered. *See* Section 366.06(2), Florida Statutes (2020). The Commission uses its earnings surveillance process to monitor each rate-regulated electric utility's earned ROE, to ensure that it remains within the ROE range last approved for that utility. So long as that is the case, then the utility's rates are presumptively within the parameters contemplated by Section 366.06(2) and do not need to be adjusted up or down.

FPL's requested four-year plan does not interfere with that authority. By its terms, the plan remains in effect only so long as FPL (through effective management and with the assistance of the RSAM) is able to maintain its ROE within the range authorized by the Commission. Should FPL be able to "stay within the boundaries" of the authorized ROE range, there would be no reason for the Commission to exercise its statutory rate setting authority. On the other hand,

should FPL be unable to keep its ROE within the authorized range during the four-year plan, then a rate review in accordance with the Commission's existing statutory authority and policies would be appropriate and unfettered by the plan.

OPC: No. Under Section 366.06(2), the Commission finds, upon its own motion or request made by another, that such rates are insufficient to yield reasonable compensation for the services rendered or that such rates yield excessive compensation for services rendered, the Commission shall order and hold a public hearing to determine the just and reasonable rates to be charged. Thus, while parties to a settlement may waive certain rights to seek a rate change for period of time under certain circumstances which the Commission can approve in an order, the Commission cannot waive its own statutory obligations to hold a public hearing on rate change, if requested.

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Multiyear test years are inherently unreliable and rely upon projected future revenues and expenses that become less realistic over time. Future pole attachment revenues are based upon a methodology and factors that are contrary with governing regulatory requirements.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. No statutory authority exists to grant FPL's requested four year plan as proposed by FPL.

LARSONS: No. Pursuant to Section 366.06(2), Fla. Stat., if the Commission finds, upon its own motion or request made by another, that such rates are insufficient to yield reasonable compensation for the services rendered or that such rates yield excessive compensation for services rendered, then the Commission shall order and hold a public hearing to determine the just and reasonable rates to be charged. While the parties to a settlement may waive certain rights to seek a rate change for period of time under certain circumstances which the Commission can approve in an order, the Commission cannot waive its own statutory obligations to hold a public hearing on rate change, if requested.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: No. In its pre-filed testimony in this matter, the CLEO Institute has admitted that it is not an FPL customer, thereby making it impossible for it to have individual standing. *See Agrico Chemical Co. v. Department of Environmental Regulation*, 406 So. 2d 478 (Fla. 2d DCA 1981). The CLEO Institute has also failed to provide evidence to establish associational standing to intervene in this proceeding. As an organization primarily focused on environmental advocacy and education, the subject matter of this proceeding is neither within CLEO's general scope of interest and activity nor is the relief requested by CLEO on behalf of its members appropriate. *See Fla. Home Builders Ass'n v. Dep't of Labor & Employment Sec.*, 412 So. 2d 351, 353-54 (Fla. 1982).

OPC: No position.

CLEO: Yes. The CLEO Institute's member database contains addresses for 5,231 of the Institute's 10,314 members, including 3,748 member addresses located within FPL service territory, suggesting that at least 3,748 of the Institute's members, and perhaps as many as 7,000 or more will be affected by the Commission's decisions in this docket. Furthermore, CLEO's organizational interests include reducing greenhouse gas emissions coming from carbon pollution due to their role in exacerbating climate change and its impacts on people, particularly vulnerable populations. This interest is impacted by the Commission's decisions in this docket which will: address the prudence of certain fossil-fueled electricity generation choices; approve or deny cost recovery mechanisms that assume longer than customary useful lives of combined cycle natural gas generating units; and accept, or not, FPL's resource planning methodologies that fail to adequately consider solar generation, battery storage and demand-side management programs as alternatives to fossil-fueled electricity generation. Finally, the relief sought by CLEO is appropriate for CLEO to receive on behalf of its members. It is unnecessary for any of CLEO's individual members to participate in the proceeding in order for CLEO to obtain any relief requested, and any relief CLEO requests is relief that any one of its individual members could receive on its own if such member had the resources to intervene individually. (Arditi-Rocha)

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No Position

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes.

LARSONS: No position. The issue of standing is a legal determination made by the Commission.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: None, given that the issue of CLEO's associational standing will be determined after the hearing in this proceeding.

OPC: No position.

CLEO: None. The issue is moot as of the time that the Commission's decision is made, as CLEO will have participated in all phases of the case leading up to the Commission's post-hearing decision.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No Position

FRF: No position.

**FLA. RISING/
LULAC/**

ECOSWF: No impact.

LARSONS: None, given that the issue of CLEO's associational standing will be determined after the hearing in this proceeding.

SACE: None.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: No. Floridians Against Increased Rates ("FAIR") is not an FPL customer, nor has it alleged that it is, and thus it cannot prove that it has individual standing in this matter. *See Agrico Chemical Co. v. Department of Environmental Regulation*, 406 So. 2d 478 (Fla. 2d DCA 1981). FAIR also has not provided evidence to establish associational standing to intervene in this proceeding. FAIR has failed to demonstrate that it is an association with members who possess all of the indicia of membership in an organization. *See Hunt v. Washington State Apple Advertising Com'n*, 432 U.S. 333, 344-345 (1977).

OPC: No position.

CLEO: No position.

FAIR: Yes. FAIR and FAIR's members satisfy all applicable standing criteria under Chapter 120, Florida Statutes, and under applicable case law, including *Agrico* and *Florida Home Builders*. FAIR has more than 600 members, of whom more than 500 are FPL customers, and accordingly, those members' substantial interests will be determined by the Commission in this case. The interests of FAIR and FAIR's members are specifically within the zone of interests to be protected by this general rate case proceeding, and the impacts of the

Commission's decision herein are immediate. A substantial number of FAIR's members, roughly 80 percent of FAIR's total of more than 600 members, are FPL customers. FAIR's articles of incorporation clearly articulate that FAIR's purposes include participating in proceedings such as this rate case in order to promote the public welfare by supporting the lowest possible electric service rates for Florida public utilities that are consistent with the utility providing safe and reliable service. Finally, the relief sought – the lowest possible rates consistent with safe and reliable service – is applicable to all of FAIR's members.

FEA: No position.

FIPUG: No position.

FIT: No position

FRF: No position.

**FLA. RISING/
LULAC/**

ECOSWF: No position. The issue of standing is a legal determination made by the Commission.

LARSONS: No position.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: None, given that the issue of FAIR's associational standing will be determined after the hearing in this proceeding.

OPC: No position.

CLEO: No position.

FAIR: The Commission's final determination that FAIR has standing to participate in this case will be consistent with all applicable provisions of Florida Statutes and with applicable case law. Any determination that FAIR lacks standing to participate would violate Florida law and the due process rights of FAIR and its members.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: None, given that the issue of FAIR's associational standing will be determined after the hearing in this proceeding.

LARSONS: No position.

SACE: None.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: No position.

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes. Florida Rising has demonstrated individual standing by being an undisputed customer of FPL that faces increasing costs due to the proposed rate increase. Florida Rising has also demonstrated associational standing by having a substantial number of customers substantially affected by the proposed rate increase, and by showing how the interests Florida Rising is trying to protect are well within its mission and the scope of this proceeding. (Alvarez, Gustavus, Jerkins, Marcelin, Mathis, Mercado, Osses, Salvador)

LARSONS: No position. The issue of standing is a legal determination made by the Commission.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: None, given that the issue of Florida Rising's associational standing will be determined after the hearing in this proceeding.

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: None. Florida Rising has already been granted unconditional intervention with individual standing as a customer of FPL. The determination regarding Florida Rising's associational standing does not impact its ability to take positions on issues or otherwise impact Florida Rising's ability to take the case as it finds it.

LARSONS: None, given that the issue of Florida Rising's associational standing will be determined after the hearing in this proceeding.

SACE: None.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 13: **This issue has been dropped.**

ISSUE 14: **This issue has been dropped.**

TEST PERIOD AND FORECASTING

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

FPL: Yes. The Company's petition requests an increase in base rates effective January 1, 2022. Accordingly, 2022 is the most appropriate year to evaluate the Company's projected revenue requirements to afford the appropriate match between revenues and revenue requirements for 2022. (Bores)

OPC: Yes, with appropriate adjustments. (Smith)

CLEO: No position.

FAIR: Yes.

FEA: No position.

FIPUG: Yes.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: Yes, with appropriate adjustments.

LARSONS: No. The projected test period requires appropriate adjustments.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The facts of this case support the use of a subsequent test year ending December 31, 2023 to adjust base rates. Without a subsequent year adjustment, FPL projects that its earned ROE will fall more than 100 basis points below the 2022 requested ROE, thus necessitating a subsequent year adjustment. (Bores)

OPC: No. A subsequent test year is not necessary or good policy. If the test year is chosen appropriately, it should be representative of rates on a going-forward basis, negating the need for another rate adjustment so shortly after the original test year, absent any extraordinary circumstances, which FPL has not shown. FPL has excessive revenues in 2022 of \$70.9 million which is \$1.355 billion less than FPL's requested \$1.284 billion request without an RSAM. While Witness Smith finds that based on FPL's 2023 projections and there would be a \$528.6 million revenue requirement, he does not recommend any rate adjustment due the subsequent test year's inherent unreliability. (Smith).

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Multiyear test years are inherently unreliable and rely upon projected future revenues and expenses that become less realistic over time. Future pole attachment revenues are based upon a methodology and factors that are contrary with governing regulatory requirements.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. Given the proper capital structure and rate base for FPL, the petition for an increase in rates should be denied. If FPL, in the future, projects a new need for rate relief, it can petition the Commission at that time. (Rábago)

LARSONS: No. Absent a settlement, if FPL projects a future need for additional rate relief, it can petition the Commission for a limited proceeding at that time.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL has proven financial need for rate relief for the subsequent year ending December 31, 2023. Without a subsequent year adjustment, FPL's ROE is expected to drop more than 100 basis points, putting it below the bottom of the requested ROE range. (Bores)

OPC: No. FPL has excessive revenues in 2022 of \$70.9 million which is \$1.355 billion less than FPL's requested \$1.284 billion request without an RSAM. While Witness Smith finds that based on FPL's 2023 projections and there would be a \$528.6 million revenue requirement, he does not recommend any rate adjustment due the subsequent test year's inherent unreliability. For some reason of inherent unreliability in the forecasting. FPL has failed to demonstrate a need for 2024 and 2025 related to the SoBRAs which should be denied. (Smith).

CLEO: The CLEO Institute and Vote Solar take no position with respect to whether FPL has proven a financial need for rate relief in 2023.

With respect to 2024-2025 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent, as long as they are within the kilowatt cost caps proposed by FPL.

Concerning cost recovery, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes its SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Multiyear test years are inherently unreliable and rely upon projected future revenues and expenses that become less realistic over time. Future pole attachment revenues are based upon a methodology and factors that are contrary with governing regulatory requirements.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: No. FPL has failed to prove any financial need for a rate increase at any time. (Rábago)

LARSONS: No.

SACE: No position as to 2023. In 2024 and 2025, the SoBRA projects are reasonable and prudent at or below the price points proposed by FPL.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Company has requested an additional increase in base rates effective January 1, 2023 to avoid the need for a lengthy and costly additional base rate proceeding in 2022 and to mitigate a significant decline in the Company's financial performance. Without the additional rate adjustment, the Company's return on equity is projected to decline more than 100 basis points from the midpoint ROE. The Company's forecast of 2023 revenue requirements was developed, reviewed and approved using the same rigorous process as was used for the 2022 test year. It is reasonable and reliable for setting rates. (Bores)

OPC: No. While based on FPL's 2023 projections there would be a \$528.6 million revenue requirement in 2023 if all FPL forecasts are accurate (which is highly unlikely), there should be no adjustment due the subsequent test year's inherent unreliability. (Lawton, Smith).

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Multiyear test years are inherently unreliable and rely upon projected future revenues and expenses that become less realistic over time. Future pole attachment revenues are based upon a methodology and factors that are contrary with governing regulatory requirements.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. If FPL projects a need in 2022 for a rate increase in 2023, it should petition the Commission for relief at that time.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL's forecast of customers, kWh and kW by Rate Schedule and Revenue Class for the 2022 projected test year are appropriate. FPL relies on statistically sound forecasting methods and reasonable input assumptions. Consistent with Commission precedent, FPL's forecast assumes normal weather conditions. Additionally, the forecast of customers, kWh, and kW by rate schedule is consistent with the sales and customer forecast by revenue class and reflects the billing determinants specified in each rate schedule. (Park, Cohen)

OPC: No. FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL's 2022 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No. Gulf Power assumed zero incremental demand-side management (DSM) would come from its utility programs beginning in 2025 through the end of its planning horizon. FPL assumed the DSM growth levels it proposed in the 2019 DSM Goals proceeding (despite being rejected by the Commission in its order setting Goals), which are equivalent to savings for less than ten residential homes out of the more than ten million people served. Zero incremental DSM was assumed for FPL beyond 2029. Gulf Power and FPL assume that FEECA yields zero DSM for the vast majority of the forecasted period, which is patently unreasonable and contrary to the intention of the statute. These assumptions drastically understate the amount of DSM that will be achieved, thereby over-inflating kWh and kW forecasts. The Commission should require FPL to incorporate its currently approved levels of DSM savings into the Company's load forecasts over its long-term planning horizon (rather than assume proposed goals or zero incremental DSM in later years). (Wilson, Whited)

Further, by investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources

that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No. Its projected energy savings from demand side management is not reasonable.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL's forecast of customers, kWh and kW by Rate Schedule and Revenue Class for the 2023 subsequent test year are appropriate. FPL relies on statistically sound forecasting methods and reasonable input assumptions. Consistent with Commission precedent, FPL's forecast assumes normal weather conditions. Additionally, the forecast of customers, kWh, and kW by rate schedule is consistent with the sales and customer forecast by revenue class and reflects the billing determinants specified in each rate schedule. (Park, Cohen)

OPC: No. FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL's 2023 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No. Gulf Power assumed zero incremental demand-side management (DSM) would come from its utility programs beginning in 2025 through the end of its planning horizon. FPL assumed the DSM growth levels it proposed in the 2019 DSM Goals proceeding (despite being rejected by the Commission in its order setting Goals), which are equivalent to savings for less than ten residential homes out of the more than ten million people served. Zero incremental DSM was assumed for FPL beyond 2029. Gulf Power and FPL assume that FEECA yields zero DSM for the vast majority of the forecasted period, which is patently unreasonable and contrary to the intention of the statute. These assumptions drastically understate the amount of DSM that will be achieved, thereby over-inflating kWh and kW forecasts. The Commission should require FPL to incorporate its currently approved levels of DSM savings into the Company's load forecasts over its long-term planning horizon (rather than assume proposed goals or zero incremental DSM in later years). (Wilson, Whited)

Further, by investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No. Its projected energy savings from demand side management is not reasonable.
VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL has correctly estimated the 2021 and 2022 revenues from sales of electricity at present rates. The revenue calculations for 2021 are detailed in Test Year MFRs E-13b, E-13c, and E-13d and summarized in E-13a. (Cohen)

OPC: No. FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL's 2022 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. To the extent projected future revenues include pole attachment revenues, FPL has misstated projected revenues from pole attachment rentals.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL has correctly estimated the 2023 revenues from sales of electricity at present rates. The revenue calculations for 2023 are detailed in Subsequent Year MFRs E-13b, E-13c, and E-13d and summarized in E-13a. (Cohen)

OPC: No. FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL's 2023 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. To the extent projected future revenues include pole attachment revenues, FPL has misstated projected revenues from pole attachment rentals.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate inflation factor for forecasting the 2022 test year budget is a 1.7% increase in the consumer price index (“CPI”) for 2022. This projected CPI increase incorporates assumptions regarding economic recovery and is reasonable compared to projections by leading industry experts. The appropriate customer growth and trend factors are those included in the MFRs. These represent reasonable expectations regarding projected customer growth and other trend factors. (Park, Bores)

OPC: FPL’s forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL’s 2022 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: Mike Gorman will provide testimony that a real growth outlook of around 2.15% and an inflation outlook of around 2.15% going forward is an appropriate factor to forecast the 2022 test year budget.

FIPUG: Adopt position of OPC.

FIT: At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: As proposed by FPL but adjusted downward to reflect the continuing impacts of the COVID-19 pandemic.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate inflation factor for forecasting the 2023 test year budget is a 0.8% increase in the consumer price index (CPI) for 2023. This projected CPI increase incorporates assumptions regarding economic recovery and is reasonable compared to projections by leading industry experts. The appropriate customer growth and trend factors are those included in the MFRs. These represent reasonable expectations regarding projected customer growth and other trend factors. (Park, Bores)

OPC: FPL's forecasts are based on an extremely volatile economic historic test year of 2020 which is fraught with pitfalls and forecasting into the future is already subject to uncertainty especially the farther out into the future these forecasts go. However, OPC has utilized FPL's 2023 forecast without RSAM for the proposed adjustments in this case. (Lawton, Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel if applicable.

FEA: Mike Gorman will provide testimony that a real growth outlook of around 2.15% and an inflation outlook of around 2.15% going forward is an appropriate factor to forecast the 2023 test year budget.

FIPUG: Adopt position of OPC.

FIT: At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: Adopt the position taken by the Office of Public Counsel on this issue.

LARSONS: No position at this time.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

QUALITY OF SERVICE

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

FPL: Yes, it is far better than adequate. FPL has delivered superior reliability and excellent customer service. Distribution and Transmission reliability has been the best among Florida IOUs for the fifteenth consecutive year and in 2020 FPL was the first IOU in Florida to achieve FPSC T&D SAIDI of less than 50 minutes. In 2020, FPL received PA Consulting's ReliabilityOne® National Reliability Excellence Award for the fifth time in six years. FPL's Customer Service continues to be recognized nationally with several awards for outstanding customer satisfaction and providing superior customer service. In 2020, FPL received the National Key Accounts award for outstanding customer service from Edison Electric Institute (EEI) and was ranked No. 1 for omnichannel (cross-channel strategy) experience in the Verint Experience Index for electric utilities. Also, among large electric utility fossil/solar fleets over the last 15 years, FPL's performance has been best-in-class in non-fuel O&M and heat rate, and essentially top decile or better in Equivalent Forced Outage Rate representing reliability. FPL's performance improvements for this non-nuclear generating fleet provides substantial cost benefits and value to customers. Finally, the overwhelming majority of the testimony from customers throughout the 12 quality of service hearings was positive concerning FPL's customer service, customer satisfaction and rate request. Relatively few participants expressed concern with the proposed rate increase. And, of those that did, many acknowledged FPL's exemplary quality of service and superior reliability. In

fact, of the nearly 400 customers who spoke, only 14 had service-related complaints. (Chapel, Spoor, Broad, Coffey, Reed, Silagy, Cohen)

OPC: FPL's quality of service is adequate for general ratemaking purposes. However, FPL's is not providing service beyond the "superior performance" that FPL ratepayers have already paid for in base rates and which FPL is obligated to provide under the regulatory compact. (Lawton)

CLEO: No. The quality of electric service provided by FPL is inadequate for the following reasons: 1) FPL continues its dangerous over-reliance on natural gas as its primary fuel source, creating new risks for its customers; 2) FPL fails to consider new energy conservation investments in any of its resource planning decisions or load forecasts, despite it being widely viewed as the most cost-effective resource; 3) FPL fails to offer any subscription clean energy offerings to its Gulf customers; and 4) FPL's plan does not do enough to help vulnerable customers to reduce their bills through energy efficiency, avoid disconnection, and access power during grid outages. FPL/Gulf customers pay relatively high electricity bills compared to customers served by other utilities, in part due to FPL's abysmal energy efficiency offerings. FPL must take steps to help its customers, particularly its low-income customers, implement more energy efficient measures to better manage their bills. The Company should also be assisting communities cope with the inevitable outages after major storms, such as through backup power systems for schools that serve as emergency shelters. (Wilson, Whited)

Further, by investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: FPL's service is adequate.

FEA: FEA has not contested the reasonableness of FPL's service reliability and quality in this case. However, FEA does not waive its right to make argument on this issue once all facts are complete. FEA defers to Staff's position on this issue.

FIPUG: No position at this time.

FIT: No Position

FRF: No position at this time.

FLA. RISING/

LULAC/

ECOSWF: No. FPL continues to undervalue energy conservation and the efficient use of alternative energy resources, and continues to make imprudent investments in gas power plants. Additionally, there are issues with FPL's service. FPL disconnected hundreds of thousands of residential customers—likely over a million Floridians—who were not able to pay their electricity bill during the COVID-19 pandemic, and it has cut customers' power without giving adequate notice in advance. Many customers struggle to pay their current electric bill and would not be able to afford the rate increase without having to spend less on other necessities, like food. FPL customers are concerned about the impacts of climate change and do not want to pay more in their electric bill so that FPL can continue to invest in fossil fuel generation. FPL already relies on natural gas, a nonrenewable energy source, for about 70% of its energy generation. Rising temperatures will force FPL customers to spend more on electricity to cool their homes. Customers want FPL to invest in rooftop solar programs so that they can generate their own power and save money on electricity. Additionally, FPL has one of the lowest energy efficiency achievements compared to other utilities nationwide and does not provide adequate energy efficiency aid to its customers to help them lower their usage and monthly bills.

LARSONS: FPL's quality of service is adequate for general ratemaking purposes. FPL is not providing service beyond the "superior performance" that FPL ratepayers have already paid for in base rates and which FPL is obligated to provide under the regulatory compact. Additionally, many FPL customers are not having poles replaced with hardened poles and vegetation removed from lines in a timely manner.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

DEPRECIATION AND DISMANTLEMENT STUDIES

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

FPL: The appropriate capital recovery schedules are reflected on FPL's Exhibit KF-4. (Ferguson)

OPC: None. FPL has the burden to show that its requested capital recovery schedules are reasonable and appropriate. If the Commission determines that a reserves surplus exists and does not incorporate the excess in setting rates using the remaining life methodology, then the excess depreciation reserve, where appropriate, should be applied to reduce the capital recovery amounts.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: Mike Gorman will provide testimony sponsoring Exhibit MPG-5. The appropriate capital recovery schedule is on page 3 of Exhibit MPG-5.

FIPUG: Adopt position of OPC.

FIT: FPL's capital recovery schedules are wrong and over recover more than they should from pole attachment rentals.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Significantly less than as proposed by FPL. FPL has retired many assets that are no longer useful to customers but still asks that FPL fully recover not only its costs, but an unreasonably high return on equity for these poorly made investments. Most, if not all, of the capital recovery schedules are inappropriate and should not be approved. (Rábago)

LARSONS: FPL has the burden to show that its requested capital recovery schedules are reasonable and appropriate. If the Commission determines that a reserves surplus exists and does not incorporate the excess in setting rates using the remaining life methodology, then the excess depreciation reserve, where appropriate, should be applied to reduce the capital recovery amounts.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Based on FPL's 2021 Depreciation Study, the appropriate depreciation parameters and resulting rates for each production units are reflected on FPL's Exhibit NWA-1. (Allis)

OPC: The depreciation parameters and resulting depreciation rates are as shown in OPC Witness McCullar's testimony. (McCullar)

CLEO: The Commission should continue to approve a 40-year useful life for FPL's gas-fired generators. FPL's request to extend the lives of existing assets from 40 to 50 years is inappropriate, out of sync with other utilities, and does not reflect the likelihood that gas assets will become stranded due to climate regulations and emerging alternatives like solar and battery storage. (Wilson)

Further, by extending the useful life of its gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: FPL's depreciation schedules are inappropriate. For example, they artificially shorten the lives of distribution poles yet lengthen the lives for transmission. Several of the accounts for distribution poles should have longer lives than proposed by FPL, and other adjustments appear appropriate.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Any changes to support the RSAM should be denied. Further, the adjustments of depreciation rates through the extension of asset depreciation lives using the RSAM should be denied. The depreciation parameters and depreciation rates for the accounts and subaccounts related to each production unit will depend on whether investments FPL is seeking to add to rate base are deemed prudent and

reasonable. Many of the investments currently being depreciated should not be approved for recovery. Additionally, FPL has the burden to support its proposed life span estimates in the 2021 Depreciation Study for Scherer Unit 3 and FPL's combined cycle turbines, and it has failed to do so. FPL has also not carried its burden for the depreciation parameters and rates for at least the following accounts: 341 (Structures and Improvements – Solar); 343 (Prime Movers – General – Solar); and 348 (Energy Storage Equipment). (Rábago).

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Based on FPL's 2021 Depreciation Study, the appropriate depreciation parameters and resulting rates for each transmission, distribution, and general plant account are reflected on FPL's Exhibit NWA-1. (Allis)

OPC: The depreciation parameters and resulting depreciation rates are as shown in OPC Witness McCullar's testimony. (McCullar)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: FPL's depreciation schedules are inappropriate. For example, they artificially shorten the lives of distribution poles yet lengthen the lives for transmission. Several of the accounts for distribution poles should have longer lives than proposed by FPL, and other adjustments appear appropriate.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Any changes to support the RSAM should be denied. Further, depreciation parameters and rates regarding the construction of the NFRC transmission project and the proposal to replace the 500 kV transmission and distribution system should be denied. The depreciation parameters and depreciation rates for transmission, distribution, and general plant accounts will depend on whether investments FPL is seeking to add to rate base are deemed prudent and reasonable. Many of the investments currently being depreciated should not be approved for recovery. Additionally, FPL has the burden to support its proposed depreciation parameters and rates, and it has failed to do so for at least the following accounts: 354 (Towers and Fixtures); 355 (Poles and Fixtures); 364.1 (Poles, Towers and Fixtures – Wood); 364.2 (Poles, Towers and Fixtures – Concrete); 365 (Overhead Conductors and Devices); 370 (Meters); and 370.1 (Meters – AMI); 390 (Structures and Improvements). (Rábago)

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate depreciation parameters and resulting rates to be used in conjunction with the Reserve Surplus Amortization Mechanism are reflected on FPL’s Exhibit KF-3(B). (Ferguson)

OPC: The depreciation parameters and resulting whole life depreciation rates as shown in OPC Witness McCullar’s testimony. (McCullar)

CLEO: Should the Commission approve FPL’s proposed RSAM, the Commission should continue to require a 40-year useful life for FPL’s gas-fired generators. FPL’s

request to extend the lives of existing assets from 40 to 50 years is inappropriate, out of sync with other utilities, and does not reflect the likelihood that gas assets will become stranded due to climate regulations and goals and emerging alternatives like solar and battery storage. (Wilson)

Further, by extending the useful life of its gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: The Commission should not approve the RSAM. If it does, then FAIR agrees with the Office of Public Counsel as to these parameters. Devlin, Herndon

FEA: No position.

FIPUG: The Commission should not approve FPL's proposed Reserve Surplus Amortization Mechanism; otherwise, adopt position of OPC.

FIT: FPL's depreciation schedules are inappropriate. For example, they artificially shorten the lives of distribution poles yet lengthen the lives for transmission. Several of the accounts for distribution poles should have longer lives than proposed by FPL, and other adjustments appear appropriate.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Any changes to support the RSAM should be denied. Even if the Commission were to approve the RSAM, it should deny the extension of asset depreciation lives using the RSAM. Additionally, FPL has the burden to support its proposed life span estimates in the 2021 Depreciation Study for Scherer Unit 3 and FPL's combined cycle turbines, and it has failed to do so. The depreciation parameters and depreciation rates will depend on whether investments FPL is seeking to add to rate base are deemed prudent and reasonable. Many of the investments currently being depreciated should not be approved for recovery. Additionally, FPL has the burden to support its proposed depreciation parameters and rates, and it has failed to do so for at least the following accounts: 341 (Structures and Improvements – Solar); 343 (Prime Movers – General – Solar); 318 (Energy Storage Equipment); 354 (Towers and Fixtures); 355 (Poles and Fixtures); 364.1 (Poles, Towers and Fixtures – Wood); 364.2 (Poles, Towers and Fixtures – Concrete); 365 (Overhead Conductors and Devices); 370 (Meters); and 370.1 (Meters – AMI); 390 (Structures and Improvements). (Rábago)

LARSONS: The Commission should not adopt FPL's proposed Reserve Surplus Amortization Mechanism (Issue 130); otherwise adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: If the Commission adopts the RSAM as part of the Company's four-year rate proposal, then the appropriate theoretical reserve imbalance is a surplus of approximately \$1,480,203,000 as reflected in Exhibit KF-3(B). If the Commission does not approve the RSAM, the theoretical reserve imbalances from FPL's 2021 Depreciation Study are reflected on NWA-1, which totals a net deficit of \$436,529,000 (total system). (Allis, Ferguson)

OPC: The depreciation parameters and resulting depreciation rates as shown in OPC Witness McCullar's testimony results in a reserve surplus of \$638,367,828 which is used in the remaining life depreciation rates as an adjustment to the depreciation rates to offset any reserve imbalance. (McCullar)

CLEO: No position.

FAIR: Agree with FPL that FPL has a theoretical reserve surplus (excluding capital retirement assets) of approximately \$1.48 billion. (Devlin)

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: There is a large surplus.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Significantly lower than proposed by FPL. High reserve imbalances indicate that current and past ratepayers have paid and will pay more than their fair share of depreciation expenses than future ratepayers. Additionally, the imbalances resulting from the parameters and assumptions using the RSAM should be denied. Any resulting imbalance will depend on whether investments FPL is seeking to add to rate base are deemed prudent and reasonable. Many of the investments currently being depreciated should not be approved for recovery. The reserves for these investments can help resolve any imbalance. (Rábago)

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: If the Commission adopts the RSAM as part of FPL's four-year rate proposal, then the corrective reserve measures outlined in FPL's Exhibit REB-11 should be taken. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, then the remaining life technique should be used, and no other corrective reserve measures should be taken. (Allis, Ferguson, Barrett)

OPC: The reserve surplus of \$638,367,828 should be used in the remaining life depreciation rates as an adjustment to the depreciation rates to offset any reserve imbalance. (McCullar)

CLEO: No position.

FAIR: The Commission should reject FPL's proposed RSAM and flow back the surplus over four years. If the Commission approves any form of the RSAM, it should limit FPL's ability to use any reserve surplus amounts to no more than necessary for FPL to achieve the midpoint of its ROE range. (Devlin, Herndon)

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: Any excess reserve should be amortized to customers reducing depreciation expense.

FRF: Generally agrees with the Office of Public Counsel. If the final approved depreciation rates demonstrate that a substantial reserve surplus exists, 50% of the excess should be applied to reduce the base rate revenue requirement and 50% should be applied to amortizing FPL assets listed on the Capital Recovery Schedule (Georgis).

FLA. RISING/

LULAC/

ECOSWF: Any excess reserve should be amortized to customers reducing depreciation expense.

LARSONS: The Commission should reject FPL's proposed RSAM and flow back the surplus over four years. If the Commission approves any form of the RSAM, it should limit FPL's ability to use any reserve surplus amounts to no more than necessary for FPL to achieve the midpoint of its ROE range.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The implementation date should be January 1, 2022. (Ferguson)

OPC: The new depreciation rates, capital recovery schedules and amortization schedules should be implemented at the same time new base rates go into effect.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: January 1, 2022.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: January 2022.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The current-approved annual dismantlement accrual is \$26,840,000 (total system). The accrual should be increased to \$51,915,000 (total system) based on FPL's 2021 Corrected Dismantlement Study made as part of FPL's Notice of Identified Adjustments filed on May 7, 2021. (Ferguson, Kopp)

OPC: Yes. The dismantlement should be adjusted to use a higher cost of money rate – the same rate OPC recommends be used for FPL – and should be applied to the present value calculation for the dismantlement accrual. (Dunkel)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No Position

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: Yes, to consider investments that FPL has not shown to be reasonable and prudent.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The Commission should approve FPL's request to transfer the Scherer ash pond dismantlement reserve balance of \$62,822,000 as of January 1, 2022, and proposed annual accrual of \$8,275,000 as reflected on Exhibit KF-5 – Corrected, beginning on January 1, 2022 from base rates to the ECRC. In addition, FPL has proposed transfers of reserve balances from the units that either had excess reserves or were the furthest from retirement to the units that are closest to retirement or are in the process of being dismantled. In doing so, FPL minimized the calculated incremental dismantlement accrual. The proposed reserve reallocations are reflected in FPL's 2021 Corrected Dismantlement Study as part of FPL's Notice of Identified Adjustments filed on May 7, 2021 and should be approved. (Ferguson)

OPC: Applying the same cost of money to customers, as FPL, results in a decrease in the annual accrual amount of \$16,023,308. (Dunkel)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No Position

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Any excess reserve should be amortized to customers reducing dismantlement expense.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate annual provision for dismantlement is \$38,399,000 (jurisdictional adjusted) for the 2022 projected test year and \$38,387,000 (jurisdictional adjusted) for the 2023 projected test year based on FPL's 2021 Corrected Dismantlement Study made as part of FPL's Notice of Identified Adjustments filed on May 7, 2021, which is included in FPL witness Fuentes' Exhibit LF-10. The total dismantlement reserve is \$144,409,000 (jurisdictional adjusted) for the 2022 projected test year and \$145,873,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Ferguson)

OPC: The appropriate annual accrual amount is \$35,891,312. (Dunkel)

CLEO: No position.

FAIR: A. Agree with the Office of Public Counsel.
B. Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: The appropriate annual accrual amount is \$35,891,312.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

RATE BASE

ISSUE 36: **Has FPL made the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital**

A. For the 2022 projected test year?

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

FPL: Yes. All non-utility activities have been appropriately removed from rate base. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.
B. No. FPL has the burden of demonstrating that the appropriate adjustments to remove all non-utility activities from Plant in Service, Accumulated Depreciation and Working Capital. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: Based upon the evidence thus far, no to both A and B.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/
ECOSWF:** No.

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position

**VOTE
SOLAR:** Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: None. The appropriate amount of plant in-service for FPL's Dania Beach Clean Energy Center Unit 7 is \$438,055,000 (jurisdictional adjusted) for the 2022 projected test year and \$831,104,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: None. However, FPL has the burden of demonstrating that its Dania Beach Clean Energy Center Unit 7 costs are properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Zero. FPL has not met its burden to show that the Dania Beach Clean Energy Center Unit 7 will be in useful service to FPL customers in 2022 and 2023. Given that Dania Beach Clean Energy Center Unit 7 was not truly needed to meet FPL's load, FPL's asserted costs should be given extra scrutiny. Although Florida Rising, ECOSWF, and LULAC believe that Dania Beach Clean Energy Center Unit 7 is not needed, they do not challenge whether its existence is reasonable and prudent given the prior Commission proceedings on this issue. However, as it has not entered service yet, and it has not been demonstrated to be a reliable and cost-effective source for power, the Plant in Service should be zero, or at a minimum, reduced from that claimed by FPL.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 38: **What is the appropriate amount of Plant in Service for the SolarTogether Centers**

A. For the 2022 projected test year?

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

FPL: The appropriate amount of plant in-service for FPL's SolarTogether Centers is \$1,659,770,000 (jurisdictional adjusted) for the 2022 projected test year and \$1,659,391,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: None. FPL has the burden of demonstrating that its SolarTogether Centers costs are properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Given that FPL has repeatedly maintained that subscribers pay for the entirety of the SolarTogether Centers (see FPL Post-Hearing Brief and Statement of Positions (<http://www.psc.state.fl.us/library/filings/2020/00705-2020/00705-2020.pdf>) at 2 (“The participants’ payments are designed to cover slightly more than the total net fixed costs of the SolarTogether solar facilities and program administrative costs [and] the general body of customers . . . are projected to share in the savings”)), and there has been no demonstration that these plants are reasonable and prudent for the general body of ratepayers, the appropriate amount is zero.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 39: **What is the appropriate amount of Plant in Service for FPL’s Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement approved by Order No. PSC-2016-0560-AS-EI?**

A. For the 2022 projected test year?

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

FPL: The appropriate amount of plant in-service for FPL’s Battery Storage Pilot is \$92,018,000 (jurisdictional adjusted) for the 2022 projected test year and \$92,116,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: None. FPL has the burden of demonstrating that its Battery Storage Pilot projects costs are properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The 2017 Settlement Agreement mandates that parties to that agreement do not contest the prudence of the battery storage pilot in this proceeding. LULAC, ECOSWF, and Florida Rising are not parties to that agreement, and hereby contest the reasonableness and prudence of these investments—they are not reasonable, prudent, and in customer interests. The appropriate amount of Plant in Service for FPL’s Battery Storage Pilot projects associated with Paragraph 18 of the 2017 Settlement Agreement is zero, as FPL has not met its burden to prove the prudence of these investments.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The North Florida Resiliency Connection (“NFRC”) will enhance electric service reliability and resiliency in North and Northwest Florida. The NFRC

allows FPL and Gulf systems to be integrated into a single utility system allowing economic dispatch of the combined fleet of generation assets providing cleaner, more reliable, and lower cost energy for all customers. NFRC is prudent as its projected cost is \$722 million CPVRR which is \$560 million CPVRR lower than the next alternative of wheeling through existing transmission lines. (Sim, Spoor, Forrest, Valle)

OPC: No. FPL has the burden to show that its requested North Florida Resiliency Connection is reasonable and prudent and FPL present value calculation has failed to take into account all appropriate inputs including costs that will be reimbursed to other utilities and upon FPL/Gulf's own customers through the fuel clause. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. Gulf Power Customers have had reliable service without this investment. FPL has failed to show that this investment is reasonable and prudent. (Rábago)

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. As discussed by FPL's witnesses, these fuel-free solar additions will provide significant savings to customers in addition to contributing to improvements in EFOR, O&M, fuel efficiency, and fleet emission rates. (Valle, Sim, Broad)

OPC: No. FPL has the burden of demonstrating that its 2020 through 2023 solar generation additions and costs are reasonable and prudent and properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: Yes, FPL has demonstrated that its 2020 through 2023 solar generation additions are reasonable and prudent, representing the most cost-effective available resource alternative. However, FPL should consider whether its method of procurement could lead to even more cost-effective solar resources. Future solar procurement should consider a range of system sizes, both long-term leases and land purchases, open competitive solicitations, as well as additional financing structures such as power purchase agreements. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Although FL Rising, LULAC, and ECOSWF support utility-scale solar investments, FPL has failed to show that it has bid out these projects at the least-cost, and therefore has failed to prove that these investments are reasonable and prudent.

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The four new CTs were selected as cost-effective capacity options by the AURORA optimization model in both the initial Step 1 (Gulf stand-alone system) and Step 2 (Gulf stand-alone system with NFRC connection to the stand-alone FPL system) analyses. In addition, the four new CTs will greatly assist in maintaining reliable electric service in the Gulf area once that area is no longer part of the Southern Company system. (Sim)

OPC: No. FPL has the burden of demonstrating that its 938 MW Northwest combustion turbine additions in 2022 and related costs are reasonable and prudent. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing.

CLEO: No. FPL has not demonstrated that it was reasonable to override its own model by accelerating the 938 MW gas units' in-service dates from 2023/2024 to 2021/2022. By locking these units in place before they were deemed cost-effective, it committed FPL customers to resources that were not the cheapest available generation resources. Further, FPL completely ignored the potential for cost effective DSM resources to meet the short-term need identified.

Further, by investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Absolutely not. These combustion turbine additions are the epitome of wasteful capital spending in an attempt to enlarge rate base. Completely redundant to the NFRC, rejected by FPL's own models in 2022 and 2023, and not expected to be used more than a small percentage of the time, these investments are not meant to serve customers, but are only meant to enlarge rate base. (Rábago)

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. These upgrade projects across nine combined cycle units, primarily involving 26 General Electric and 9 Mitsubishi CTs, are projected to result in approximately \$780 million in CPVRR savings over their operating life. Besides an incremental generating fleet efficiency improvement, the total projected peak capacity addition from these upgrades through 2022 is more than 1,000 MW. (Broad, Sim, Bores)

OPC: No. FPL has the burden of demonstrating that its combined cycle generation upgrade projects and related costs are reasonable and prudent. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: Additional investments in gas infrastructure create sizable stranded asset risk for customers of FPL. If the Commission decides to approve these upgrades, it should condition the determination of prudence for these new gas units with the provision that, in the event the units become stranded assets, FPL's shareholders will bear the risks and costs rather than customers. The Company should be willing to accept this risk if it is confident that these new assets will be used and useful. (Wilson)

Further, by investing in additional gas capacity, despite being over 70% dependent on gas resources today, FPL's proposal does not ensure adequate fuel diversity and fuel supply reliability, as required under s 366.05, F.S. Additionally, FPL failed to give any consideration to cost effective, fuel-free DSM resources that could have mitigated the system's over-reliance on gas resources while still allowing uneconomic coal assets to be retired. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No, FPL has not met its burden to show that these projects are in customer interests and are reasonable and prudent. (Rábago)

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. Approximately 470 MW of battery energy storage capacity charged by fuel-free solar generation will be added to FPL's system, with the largest 409 MW battery facility in 2021 to partially offset the retirement of Manatee Units 1 and 2. This 409-megawatt Manatee Energy Storage Center will be the world's largest

integrated solar powered battery system. As demonstrated by FPL witness Sim, all of these projects are cost effective and provide customers significant fuel savings. (Broad, Sim)

OPC: No. FPL has the burden of demonstrating that its proposed 469 MW of battery storage projects and related costs are reasonable and prudent. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: Yes. FPL has met its burden to demonstrate that the 469 MW of battery storage projects are reasonable and prudent. These projects represent significant savings for customers, compared to alternative resources that were analyzed. However, the Commission should require consideration of energy efficiency in combination with other resources like solar and battery storage in the future; pairing solar, battery storage and DSM resources would likely yield even more benefits for customers. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: No. FPL has showed no need for these investments at this time. They should be denied. (Rábago)

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

- FPL:** Yes. This proposed pilot would allow FPL to assess how its combustion turbine units operate with a hydrogen fuel mix and also will allow FPL to learn how a hydrogen fuel production and storage facility can be effectively used on site with combustion turbine units. With the successful addition of green hydrogen, less natural gas will be needed for the combined cycle unit to produce power; the total carbon dioxide emissions of the unit will be reduced; and fuel diversity will be increased, which can help mitigate the impacts of supply shortages and disruptions. (Valle)
- OPC:** No. FPL has the burden of demonstrating that its proposed hydrogen storage project and related costs are appropriate for recovery. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.
- CLEO:** Yes, in part. FPL claims that this pilot is based on green hydrogen's potential future ability to allow natural gas infrastructure to run on a carbon emissions-free basis. Given the untested nature of this technology, the Commission should not place unfounded reliance on hydrogen technologies as a means to curb FPL's significant carbon emissions related to natural gas. The Commission should allow half of the cost of the proposed pilot program (\$30 million dollars) to be rate based, with the remainder of the cost covered by shareholders, to reflect a fairer apportionment of costs and risks between customers and the Company.
- FAIR:** Agree with the Office of Public Counsel.
- FEA:** No position.
- FIPUG:** No.
- FIT:** No position.
- FRF:** Agrees with the Office of Public Counsel.
- FLA. RISING/
LULAC/
ECOSWF:** No. This project is simply an additional project to increase rate base and greenwash FPL's other gas (and otherwise imprudent) investments. (Rábago)
- LARSONS:** No. Adopt the position taken by the Office of Public Counsel on this issue.
- SACE:** Yes, the project can lead to an emission free resource to displace fossil gas, but the technology at scale is yet untested. The Commission should encourage innovation while balancing risk to customers. Therefore, the Company should be

required to exhaust all avenues for additional funding before moving forward with the project.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 46: Is FPL's proposed early retirement of the coal assets at Plant Crist on October 15, 2020, reasonable and prudent?

FPL: Yes, as demonstrated by the economic evaluation for Crist Units 6 and 7. (Sim)

OPC: No. FPL has the burden of demonstrating that its proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), and related costs are reasonable and prudent and properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: Yes. FPL has demonstrated that these assets are no longer economic for customers and that it is in customers' best interests to retire them early.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. Although Plant Crist should have been retired, it should have been done in an equitable fashion that did not burden ratepayers with paying for the full costs of this stranded asset. Although customers surrounding Crist now benefit from the reduced pollution and the ceasing of uneconomic generation, customers should not be forced to pay the full costs of ended uneconomic generation and paying FPL for stranded assets. The early closure of Crist provides a warning against FPL's continued construction of other new fossil generating units that are also

likely to become stranded assets well before the end of their useful lives, for which ratepayers should not be saddled paying for FPL's reckless/imprudent investment decisions.

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The projected net cost savings to customers from the coal-to-gas conversion project is \$236 million CPVRR. (Sim)

OPC: No. FPL has the burden of demonstrating that its conversion of Plant Crist Units 4-7 from coal to gas and related costs are reasonable and prudent and properly recorded on its books and records and reflected in the MFRs. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: No. FPL has not met its burden to demonstrate that conversion of Crist Units 4-7 was reasonable and prudent. FPL only modeled a single scenario: conversion from coal to gas. It didn't model a scenario where the units are simply retired, or retired and replaced with other resources. The Commission should disallow the costs associated with the coal-to-gas conversion of Crist Units 6 and 7 until FPL presents an analysis demonstrating that the cost to convert the units (including the cost of a new gas line) is less than the cost to retire and replace them with clean energy alternatives. (Wilson)

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No position at this time.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. These gas investments are unneeded to meet the needs of Gulf customers. Not only are the additional gas investments bad for ratepayers (increasing dependency on a single fuel source) and are bad for the environment by doubling-down on fossil fuels, they also are not needed and FPL has failed to demonstrate any need for these units to adequately serve customers. FPL has also failed to show, to the extent that there is any capacity need, that renewable energy sources, energy efficiency, and energy conservation could not be used to diversify fuel sources and meet that need. (Rábago)

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. Scherer Unit 4 is no longer economical to dispatch and maintain given FPL's modern and efficient generation fleet. FPL's economic analysis projects \$583 million of CPVRR benefit for customers, inclusive of recovery of the remaining net book value and the Consummation Payment to JEA. However, Unit 4 can only be retired with the consent of its co-owner JEA. (Forrest, Bores)

OPC: No. FPL has the burden of demonstrating that FPL's proposed early retirement of the Plant Scherer Unit 4 and related transactions costs are reasonable and prudent and properly recorded on its books and records and reflected in the MFRs. It is not reasonable or prudent to impose an additional \$100 million to FPL customers for any amounts related to JEA's ownership in Scherer Unit 4.

CLEO: In part, yes. The early retirement of Plant Scherer Unit 4 is reasonable and prudent, and the Commission should approve it. FPL has demonstrated that this unit is no longer economic for customers, and should be retired as soon as possible. However, the Commission should not approve rate basing the full \$100 million dollar Consummation Payment. Asking FPL customers to bear these costs represents a double penalty due to these stranded fossil fuel assets, and FPL has not demonstrated that a payment of this amount was necessary to persuade JEA to retire the unit, or that some or all of these costs couldn't be absorbed by shareholders or JEA ratepayers.

FAIR: No. FPL has not established that any of the transactions related to the proposed retirement of Plant Scherer Unit 4 are reasonable and prudent. Specifically, the Consummation Payments made to cover JEA financial obligations associated with Scherer 4 should not be recovered from FPL retail customers.

FEA: Mike Gorman will testify that FPL's proposal to recover the \$100 million payment to JEA from its retail customers is unreasonable. Under the terms of retiring Scherer Unit 4, FPL's retail customers in Florida will be burdened by the unrecovered sunk costs of Scherer Unit 4 based on its decision to retire early. FPL's contractual relationship with JEA would leave JEA customers saddled with unrecovered costs associated with the retirement of Scherer Unit 4, but JEA's economics indicate that its customers would be economically better off even with these sunk investments.

FIPUG: No.

FIT: No position.

FRF: No. This issue comprises multiple concerns. FRF does not take a position on FPL's continuing need for generation from Scherer Unit 4. FPL has not established that the transactions related to the proposed unit retirement are reasonable and prudent. The FPL Consummation Payments made to cover JEA financial obligations associated with the unit should not be recovered from FPL retail customers.

FLA. RISING/

LULAC/

ECOSWF: Although the retirement may be reasonable and prudent, the related transactions were not, nor are FPL's plans to continue to include these costs in capital schedules and continue to earn an ROE. These costs were not prudently incurred and should be removed from rate base.

LARSONS: No. Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate rate making treatment for the Consummation payment to JEA is to establish a regulatory asset with amortization over ten years consistent with the recovery of the related unrecovered retired plant at Scherer Unit 4 beginning in February 2022. This treatment recognizes FPL's proposal to defer and recover these costs in FPL's base rates to be established in this proceeding. (Fuentes)

OPC: The Commission should require that any payment to JEA be taken below the line and not charged to customers of FPL and Gulf.

CLEO: No position.

FAIR: The Consummation Payments made to cover JEA financial obligations associated with Scherer 4 should not be recovered from FPL retail customers.

FEA: Mike Gorman will testify that FPL's agreement with JEA to retire Scherer Unit 4 also included a 20-year new Power Purchase Agreement ("PPA") where JEA would purchase gas-fired generating resources from FPL at stated capacity prices, fixed gas costs, and later potentially converting to a solar resource backed PPA. The contractual relationship between FPL and JEA will continue beyond the retirement of Scherer Unit 4, and the \$100 million payment from FPL to JEA was part of this ongoing contractual relationship. The Commission should reject permitting FPL to recover the \$100 million payment to JEA from its retail customers' cost of service in this case, and instead direct FPL to recover its \$100 million payment to JEA as part of the contractual agreement between FPL and JEA to retire Scherer Unit 4, and enter a 20-year PPA. There is no direct tie between FPL's infrastructure investments or operating costs needed to provide service to its retail customers in this case, and its separate contractual arrangements with JEA based on wholesale contract sales for Scherer Unit 4 and/or the new 20-year PPA that would justify shifting this wholesale contractual payment to JEA to its retail operations.

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

FIT: No position.

FRF: The Consummation Payments should not be recovered from FPL retail customers. The Commission should reject the FPL proposal to recover the Payments through a regulatory asset recovered in base rates.

FLA. RISING/

LULAC/

ECOSWF: The Consummation Payments made to JEA should not be included in rates or charged to FPL customers.

LARSONS: The Commission should require that any payment to JEA be taken below the line and not charged to FPL and Gulf customers.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 50: **What is the appropriate level of Plant in Service (Fallout Issue)**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Plant in Service is \$65,723,258,000 (jurisdictional adjusted) for the 2022 projected test year and \$71,075,660,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: The appropriate level of Plant in Service should reflect all adjustments by OPC witnesses.

CLEO: There is insufficient evidence in the record to determine if the proposed \$5.86 billion of T&D growth-related capital expenditures are reasonable and prudent. FPL's support for these expenditures consists of two pages of witness testimony (Spoor). CLEO/VS's attempts to obtain evidence further supporting the proposed

expenditures through discovery were unsuccessful, as FPL either objected to the discovery requests or provided high-level, unhelpful responses. The Commission should require FPL to develop a T&D capital performance management framework prior to approval of the Company's proposed expenditures. Appropriate adjustments should be made by the Commission depending upon the action it chooses to take (Volkman).

Further, there is insufficient evidence in the record to determine if the proposed \$5.64 billion of reliability/grid modernization capital expenditures are reasonable and prudent. The requested expenditures are in addition to FPL's Commission-approved Storm Protection Plan expenditures, and are intended to reduce day-to-day outages and restoration times. FPL's day-to-day reliability performance is already very good, and the Company has not provided evidence that customers want and are willing to pay for incremental improvements in day-to-day reliability. Most importantly, in contrast to industry standard practice, FPL has not conducted a benefit/cost analysis for its proposed reliability/grid modernization expenditures to demonstrate cost-effectiveness and reasonableness. The Commission should require FPL to develop both a comprehensive benefit/cost analysis demonstrating cost effectiveness and reasonableness and a T&D capital performance management framework prior to approval of the Company's proposed expenditures. Appropriate adjustments should be made by the Commission depending upon the action it chooses to take (Volkman).

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of plant in service should reflect all of the appropriate adjustments. FIT generally agrees with the adjustments proposed by OPC and the intervenors.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Appropriate level of Plant in Service would remove all of the imprudent investments noted in this section, along with additional imprudent transmission and distribution investments, along with any other investments that FPL has not proven to be reasonable and prudent. FPL has failed to meet its burden that the appropriate level of Plant in Service is reflected in the MFRs.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 51: What is the appropriate level of Accumulated Depreciation (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Accumulated Depreciation with RSAM is \$14,812,367,000 (jurisdictional adjusted) for the 2022 projected test year and \$16,013,887,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of Accumulated Depreciation without RSAM is \$14,924,962,000 (jurisdictional adjusted) for the 2022 projected test year and \$16,363,035,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: The appropriate level of Accumulated Depreciation based on the adjustments in OPC Witness McCullar's testimony. (McCullar, Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of accumulated depreciation should reflect all of the appropriate adjustments. FIT generally agrees with the adjustments proposed by OPC and the intervenors. Based upon the evidence thus far, it appears it should be significantly lower than FPL has proposed.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Should be lowered from what has been proposed by FPL to reflect the items disallowed from rate base for the reasons discussed above. Further, any changes to support the RSAM should be denied. (Rábago)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 52: **This issue has been dropped.**

ISSUE 53: **This issue has been dropped.**

ISSUE 54: **What is the appropriate level of Construction Work in Progress to be included in rate base**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of CWIP is \$1,724,135,000 (jurisdictional adjusted) for the 2022 projected test year and \$1,469,296,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: CWIP should not be afforded rate base treatment. CWIP, by its very nature, is plant that is not completed and is not providing service to customers. CWIP is not used or useful in delivering electricity to FPL's customers. Rate base recovery of CWIP should be limited to extraordinary circumstances and removal of CWIP from FPL's rate base will not materially impact FPL's earnings or financial indicators. However, given this Commission's history of allowing CWIP, OPC is not recommending non-interest bearing CWIP be removed from rate base at this time. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Construction Work in Progress (CWIP) should not be afforded rate base treatment. CWIP is plant that is not completed and thus has not provided service to customers. Therefore, the appropriate CWIP to be included in rate base is zero.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 55: **Are FPL's proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel appropriate**

A. For the 2022 projected test year?

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

FPL: Yes. FPL's proposed accruals for Nuclear End of Life ("EOL") Material and Supplies and Last Core Nuclear Fuel for both the 2022 projected test year and 2023 subsequent projected test year is in accordance with Commission Order No. PSC-2021-0232-PAA-EI. The appropriate amount of EOL material and supplies reserve is (\$31,786,000) (jurisdictional adjusted) for the 2022 projected test year and (\$33,376,000) (jurisdictional adjusted) for the 2023 subsequent projected test year. The appropriate amount of EOL last core nuclear fuel reserve is (\$153,016,000) (jurisdictional adjusted) for the 2022 projected test year and (\$156,440,000) (jurisdictional adjusted) for the 2023 subsequent projected test year. (Ferguson)

OPC: No. FPL has the burden of demonstrating that its proposed reserves for Nuclear End of Life Material and Supplies and Last Core Nuclear Fuel are reasonable and prudent and that the costs are properly recorded on its books and records and reflected in the MFRs.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 56: **What is the appropriate level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core)**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Nuclear Fuel for the 2022 projected test year is \$679,666,000 (jurisdictional adjusted) and \$676,128,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. Note, these amounts do not include EOL materials and supplies or nuclear fuel last core as these items are reflected in different FERC

Accounts and included in working capital. See Issue 55 for the requested balances for EOL materials and supplies and nuclear fuel last core reserves. (Bores, Fuentes)

OPC: No. FPL has the burden of demonstrating that its proposed level of Nuclear Fuel (NFIP, Nuclear Fuel Assemblies in Reactor, Spent Nuclear Fuel less Accumulated Provision for Amortization of Nuclear Fuel Assemblies, End of Life Materials and Supplies, Nuclear Fuel Last Core) are reasonable and prudent and that the costs are properly recorded on its books and records and reflected in the MFRs.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: As a fuel, these costs should be transferred from rate base to O&M. It is not appropriate for FPL to earn a return on equity for holding Nuclear Fuel. Therefore, the appropriate level in rate base is zero.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Property Held for Future Use is \$367,949,000 (jurisdictional adjusted) for the 2022 projected test year and \$601,291,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Valle, Spoor, Bores, Fuentes)

OPC: FPL has made no showing in their testimony why the PHFFU projects should be included in rate base which are not expected to provide service for more than 10 years after the test year and are reasonably needed to provide reliable service to existing and future customers. However, in their FERC Form-1 filing, FPL showed anticipated in-service dates for each PHFFU items to occur within 10 years. Thus, no adjustment is recommended at this time. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No more than \$100 million. Much of the property currently held by FPL has no date certain of intended future use. \$100 million of Property Held for Future Use is more than enough to meet FPL's future construction needs for utility-scale solar projects and other necessary projects. It is inappropriate for FPL to earn a return on equity for holding land that is not serving customers. To the extent this land is being held for future, unapproved solar, FPL should seek to site solar on customer property to avoid the need to use greenfield sites.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 58: What is the appropriate level of fossil fuel inventories

A. For the 2022 projected test year?

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

FPL: The appropriate level of FPL's fossil fuel inventories is \$159,059,000 (jurisdictional adjusted) for the 2022 projected test year and \$148,788,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. FPL's fossil fuel inventories are appropriate and reflect the necessary levels FPL must maintain at each plant to sustain operations during transit time and to cover contingencies that may delay delivery, such as weather, port delays, and plant-specific delivery infrastructure risks. (Forrest, Broad)

OPC: None. However, FPL has the burden of demonstrating that its proposed level of fossil fuel inventories are reasonable and prudent and that the costs are properly recorded on its books and records and reflected in the MFRs.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Fuel stock should be transferred from rate base to O&M. FPL does not need to earn a return on equity for fuel stock. Therefore, the appropriate level in rate base is zero.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 59: Should the unamortized balance of Rate Case Expense be included in Working Capital and, if so, what is the appropriate amount to include

A. For the 2022 projected test year?

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

FPL: Yes. The inclusion of the unamortized balance of rate case expenses of \$4,523,000 (jurisdictional) for the 2022 projected test year and \$3,231,000 (jurisdictional) for the 2023 subsequent projected test year in Working Capital is appropriate in order to avoid a disallowance of reasonable and necessary costs. Full recovery of necessary rate case expenses is appropriate but will not occur unless FPL is afforded the opportunity to earn a return on the unamortized balance of those expenses. (Fuentes)

OPC: No. The Commission should follow its long-standing policy in electric cases of not allowing inclusion of the unamortized rate case expense in rate base. Consistent with the Commission's findings in the Progress Energy Florida base rate case, the Gulf Power Company base rate case, and FPL's 2010 rate case, it would be unfair for customers to pay a return on the costs incurred by the Company in this case when these are being used to increase customer rates. Working capital should be reduced by the full amount of the unamortized balance of rate case expense of \$4.523 million (corrected). (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. Because there is no need for a rate case, ratepayers should not be forced to pay for rate case expenses, let alone pay a return on the costs incurred by FPL in this case when they are being used to attempt to increase customer rates.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 60: **What is the appropriate amount of deferred pension debit in working capital for FPL to include in rate base**

A. For the 2022 projected test year?

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

FPL: Based on the identified adjustment listed on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of deferred pension debit in working capital for FPL to include in rate base is \$1,635,380,000 (jurisdictional adjusted) for the 2022 projected test year and \$1,726,477,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Fuentes)

OPC: None. FPL has the burden of demonstrating that its proposed level deferred pension debit in working capital is reasonable and prudent and that the costs are properly recorded on its books and records and reflected in the MFRs.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: Deferred pension debit should be transferred from rate base to O&M. FPL does not need to earn a return on equity for deferred pension debits. Therefore, the appropriate level in rate base is zero.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL incurs costs to deliver energy to customers, all of which have been accrued or paid. Delivery of that energy gives rise to both customer accounts receivables and a receivable for unbilled revenues. FPL must finance the costs of delivering energy, whether or not the energy sales have yet been billed. For this reason, the Commission has a long-standing practice of including unbilled revenues in working capital. (Fuentes)

OPC: No. FPL has the burden of demonstrating that its proposed level unbilled revenues in working capital is reasonable and prudent and that the costs are properly recorded on its books and records and reflected in the MFRs.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 62: What is the appropriate methodology for calculating FPL's Working Capital

A. For the 2022 projected test year?

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

FPL: The balance sheet approach is the appropriate methodology for calculating Working Capital for the 2022 projected test year and 2023 subsequent projected test year. The Commission authorized this methodology in the early 1980s and it has been consistently applied since then. This approach reasonably measures the investment in current operations that FPL must make to deliver electric service and is therefore appropriate for calculating working capital. No witness has presented a viable, internally consistent calculation of working capital using an alternative methodology. (Fuentes)

OPC: The appropriate method of calculating working capital is the balance sheet method.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: FIT does not take a position at this time.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate method of calculating working capital is the balance sheet method.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 63: What is the appropriate level of Working Capital (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of working capital with RSAM for the 2022 projected test year is \$1,741,287,000 (jurisdictional adjusted) and for the 2023 subsequent projected test year is \$1,694,238,000 (jurisdictional adjusted). If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of working capital without RSAM for the 2022 projected test year is \$1,741,289,000 (jurisdictional adjusted) and for the 2023 subsequent projected test year is \$1,694,247,000 (jurisdictional adjusted). (Bores, Fuentes)

OPC: Based on OPC witness Smith's testimony, 2022 working capital should be reduced by the full amount of the unamortized balance of rate case expense of \$4.523 million (corrected). Other adjustments to working capital may also be appropriate, based on the evidence adduced at hearing. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of Working Capital should reflect all of the appropriate adjustments, and FIT agrees with OPC.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Working capital should be reduced by the full amount of the unamortized balance of rate case expense. Other adjustments to working capital may also be appropriate, based on the evidence adduced at hearing.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 64: What is the appropriate level of rate base (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of rate base with RSAM for the 2022 projected test year is \$55,423,929,000 (jurisdictional adjusted) and for the 2023 subsequent projected test year is \$59,502,725,000 (jurisdictional adjusted). If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of rate base without RSAM for the 2022 projected test year is \$55,311,335,000 (jurisdictional adjusted) and for the 2023 subsequent projected test year is \$59,153,587,000 (jurisdictional adjusted). (Bores, Fuentes)

OPC: Based on the testimony of OPC witnesses, 2022 jurisdictional rate base should be \$55,322.902 million. (Other adjustments to rate base may also be appropriate, based on the evidence adduced at hearing. Based on the testimony of OPC witnesses, 2023 jurisdictional rate base should be \$59,333.114 million. (Other adjustments to rate base may also be appropriate, based on the evidence adduced at hearing. (Smith, McCullar, Dunkel) (Smith, McCullar, Dunkel))

CLEO: There is insufficient evidence in the record to determine if the proposed \$5.86 billion of T&D growth-related capital expenditures are reasonable and prudent. FPL's support for these expenditures consists of two pages of witness testimony (Spoor). CLEO/VS's attempts to obtain evidence further supporting the proposed expenditures through discovery were unsuccessful, as FPL either objected to the discovery requests or provided high-level, unhelpful responses. The Commission should require FPL to develop a T&D capital performance management framework prior to approval of the Company's proposed expenditures. Appropriate adjustments should be made by the Commission depending upon the action it chooses to take (Volkman).

Further, there is insufficient evidence in the record to determine if the proposed \$5.64 billion of reliability/grid modernization capital expenditures are reasonable and prudent. The requested expenditures are in addition to FPL's Commission-approved Storm Protection Plan expenditures, and are intended to reduce day-to-day outages and restoration times. FPL's day-to-day reliability performance is already very good, and the Company has not provided evidence that customers want and are willing to pay for incremental improvements in day-to-day reliability. Most importantly, in contrast to industry standard practice, FPL has not conducted a benefit/cost analysis for its proposed reliability/grid modernization expenditures to demonstrate cost-effectiveness and reasonableness. The Commission should require FPL to develop both a comprehensive benefit/cost analysis demonstrating cost effectiveness and reasonableness and a T&D capital performance management framework prior to approval of the Company's proposed expenditures. Appropriate adjustments should be made by the Commission depending upon the action it chooses to take (Volkman).

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of rate base should reflect all of the appropriate adjustments. FIT generally agrees with the adjustments proposed by OPC and the intervenors. Based upon the evidence thus far, it appears it should be significantly lower than FPL has proposed.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: To arrive at the appropriate level of rate base, the following projects to be removed include, but are not limited to: CWIP (\$4,068,961,000 in jurisdictional rate base in 2022, and \$3,232,998,000 in jurisdictional rate base in 2023), 938 MW Northwest Florida CT (\$401,245,181 in jurisdictional rate base in 2022, and \$384,811,931 in jurisdictional rate base in 2023), conversion of Crist to gas (including Crist pipeline, which is \$116,281,289 in jurisdictional rate base in 2022, and \$111,318,249 in jurisdictional rate base 2023), North Florida Resiliency Connection (\$307,421,634 in jurisdictional rate base in 2022, and \$517,011,065 in jurisdictional rate base in 2023) other transmission and distribution projects to further increase reliability/grid modernization (including 500kV improvement (\$1,347,514,008 in jurisdictional rate base in 2022, and \$1,592,199,140 in jurisdictional rate base in 2023), Pensacola UG Modernization (\$6,522,450 in jurisdictional rate base in 2022, and \$78,088,606 in jurisdictional 2023) and other transmission and distribution projects to increase reliability

(\$4,121,012,300 in jurisdictional rate base in 2022, and \$4,975,582,107 in jurisdictional rate base in 2023)), hydrogen projects, battery projects (including Manatee Battery storage which adds \$310,997,096 to jurisdictional rate base in 2022, and \$278,387,389 to jurisdictional rate base in 2023), consummation payment for Scherer Unit 4 (\$84,493,000 added to jurisdictional rate base in 2022 and \$82,309,000 added in 2023), SolarTogether projects (\$1,465,422,986 in jurisdictional rate base in 2022, and \$1,411,680,801 in jurisdictional rate base in 2023), and other generation upgrades that are not reasonable and prudent (\$843,632,069 in jurisdictional rate base in 2022, and \$802,510,192 in rate base in 2023). FPL has also failed to make any showing that several transmission and distribution projects for growth are reasonable and prudent, and has failed to show that these projects should be included in general rate base rather than paid for by those developments requiring those costs to be expended. This represents an enormous cross-subsidy to new customers from existing customers. Major projects for transmission and distribution for growth purposes during the period add another \$4,818,303,752 to jurisdictional rate base in 2022, and \$5,933,469,771 to jurisdictional rate base in 2023. Removal of these projects will result in at least \$17,891,806,765 being removed from rate base in 2022, and at least \$19,400,366,251 being removed from rate base in 2023. A determination regarding a more precise level of appropriate rate base will follow the completion of discovery and the evidentiary hearing. Even with these deductions, FPL's rate base would still be billions higher than approved in its last rate case. (Rábago)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

COST OF CAPITAL

ISSUE 65: **What is the appropriate amount of accumulated deferred taxes to include in the capital structure and should a proration adjustment to deferred taxes be included in capital structure**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of accumulated deferred taxes with RSAM included in capital structure for the 2022

projected test year is \$5,884,833,000 (jurisdictional adjusted) and \$6,253,783,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. A proration adjustment to deferred taxes has been included in capital structure in order to comply with treasury regulations when calculating rates using a projected test year. In addition, as reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of FAS 109 deferred income taxes included in capital structure for the 2022 projected test year is \$3,369,030,000 (jurisdictional adjusted) and \$3,398,407,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of accumulated deferred taxes without RSAM included in capital structure for the 2022 projected test year is \$5,876,059,000 (jurisdictional adjusted) and \$6,226,697,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. In addition, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of FAS 109 deferred income taxes without RSAM included in capital structure for the 2022 projected test year is \$3,362,188,000 (jurisdictional adjusted) and \$3,378,473,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Fuentes)

OPC: A. The ADIT in the capital structure should be adjusted to the amounts shown in Exhibit RCS-2, Schedule D. (Smith)

B. The ADIT in the capital structure should be adjusted to the amounts shown in Exhibit RCS-3, Schedule D. (Smith)

CLEO: No position.

FAIR: The appropriate amount of accumulated deferred taxes, including both Deferred Income Taxes and FAS 109 Deferred Taxes, for 2022 is \$9,267,599,000, and the cost rate is 0.0%. (Mac Mathuna)

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: To the extent ADIT is included in the capital structure, it must include all unamortized amounts of excess ADIT, including amounts booked as regulatory liabilities in Account 254. Based upon the evidence thus far, it appears that adjustments are appropriate as proposed by OPC and intervenors.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate amount of accumulated deferred taxes is \$9,267,599,000 and the cost rate is 0.0%. (Mac Mathuna)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 66: **What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of unamortized investment tax credits and cost rate with RSAM included in capital structure for the 2022 projected test year is \$1,040,494,000 (jurisdictional adjusted) and 8.38%, respectively, and \$1,200,022,000 (jurisdictional adjusted) and 8.45%, respectively, for the 2023 subsequent projected test year. The determination of the cost rate should include only the long-term sources of capital, common and preferred stock and long-term debt. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of unamortized investment tax credits and cost rate without RSAM included in capital structure for the 2022 projected test year is \$1,040,707,000 (jurisdictional adjusted) and 8.38%, respectively, and \$1,200,326,000 (jurisdictional adjusted) and 8.45%, respectively, for the 2023 subsequent projected test year. (Fuentes)

OPC: A. The appropriate 2022 amount of unamortized ITCs included in the capital structure is \$1,039.683 million and the cost rate is 6.48% per Exhibit RCS-2, Schedule D. Other adjustments to ITCs may also be appropriate, based on the evidence adduced at hearing. (Smith)

B. The appropriate 2023 amount of unamortized ITCs included in the capital structure is \$1,200.157 million and the cost rate is 6.56% per Exhibit RCS-3, Schedule D. Other adjustments to ITCs may also be appropriate, based on the evidence adduced at hearing. (Smith)

CLEO: No position.

FAIR: A. The appropriate amount of unamortized investment tax credits for 2022 is \$1,049,226,000, and the cost rate is 6.350%. (Mac Mathuna)

B. If applicable, the appropriate amount of unamortized investment tax credits for 2023 is \$1,208,920,000, and the cost rate is 6.420%. (Mac Mathuna)

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: Based upon the evidence thus far, adjustments need to be made to the amount and cost rate of the unamortized investment tax credits for the capital structure. Generally support the OPC adjustments.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate amount of unamortized investment tax credits for 2022 is \$1,049,226,000, and the cost rate is 6.350%. If applicable, the appropriate 2023 amount of unamortized investment tax credits is \$1,208,920,000, and the cost rate is 6.420%. (Mac Mathuna)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 67: **What is the appropriate amount and cost rate for short-term debt to include in the capital structure**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for short-term debt with RSAM for the 2022 projected test year is \$654,283,000 (jurisdictional adjusted) and 0.94%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for short-term debt with RSAM in the 2023 subsequent projected test year is \$750,229,000 (jurisdictional adjusted) and 0.97%. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for short-term debt without

RSAM for the 2022 projected test year is \$652,880,000 (jurisdictional adjusted) and 0.94%. As reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for short-term debt without RSAM in the 2023 subsequent projected test year is \$745,604,000 (jurisdictional adjusted) and 0.97%. (Barrett, Fuentes)

OPC: A. The appropriate cost rate for short-term debt is 0.94%. The amount and cost rate are shown on Exhibit RCS-2, Schedule D. (Smith, O'Donnell)

B. The appropriate cost rate for short-term debt is 0.97%. The amount and cost rate are shown on Exhibit RCS-3, Schedule D. (Smith, O'Donnell)

CLEO: No position.

FAIR: A. The appropriate amount of short-term debt for 2022 is \$654,984,000, and the cost rate is 0.940%. (Mac Mathuna)

B. If applicable, the appropriate amount of short-term debt for 2023 is \$751,215,000, and the cost rate is 0.970%. (Mac Mathuna)

FEA: A. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate amount of short-term debt to include in the 2022 projected test year capital structure is 1.18% regulatory weight and 1.46% investor weight, with a cost rate of 0.94%.

B. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate amount of short-term debt to include in the 2023 projected test year capital structure is 1.26% regulatory weight and 1.56% investor weight with a cost rate of 0.97%.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: More debt as a ratio to equity should be included. (Rábago) The appropriate amount of short-term debt for 2022 is at least \$654,984,000, and the cost rate is no more than 0.940%. If applicable, the appropriate amount of short-term debt for 2023 is at least \$751,215,000, and the cost rate is no more than 0.970%. (Mac Mathuna).

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 68: What is the appropriate amount and cost rate for long-term debt to include in the capital structure

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for long-term debt with RSAM for the 2022 projected test year is \$17,391,478,000 (jurisdictional adjusted) and 3.61%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for long-term debt with RSAM in the 2023 subsequent projected test year is \$18,706,686,000 (jurisdictional adjusted) and 3.77%. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for long-term debt without RSAM for the 2022 projected test year is \$17,354,004,000 (jurisdictional adjusted) and 3.61%. As reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for long-term debt without RSAM in the 2023 subsequent projected test year is \$18,590,357,000 (jurisdictional adjusted) and 3.77%. (Barrett, Fuentes)

OPC: A. The appropriate cost rate for long term debt is 3.61%. The amount and cost rate are shown on Exhibit RCS-2, Schedule D. (Smith, O'Donnell)
B. The appropriate cost rate for long term debt is 3.77%. The amount and cost rate are shown on Exhibit RCS-3, Schedule D. (Smith, O'Donnell)

CLEO: No position.

FAIR: A. The appropriate amount of long-term debt for 2022 is \$19,664,993,000, and the cost rate is 3.610%. (Mac Mathuna)
B. If applicable, the appropriate amount of long-term debt for 2023 is \$21,175,806,000, and the cost rate is 3.770%. (Mac Mathuna)

FEA: A. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate amount of long-term debt to include in the 2022 projected test year capital structure is 36.30% regulatory weight and 45.04% investor weight with a cost rate of 3.61%.
B. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate amount of long-term debt to

include in the 2023 projected test year capital structure is 36.37% regulatory weight and 44.94% investor weight, with a cost rate of 3.68%.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Gulf's long-term debt cost rate has been significantly lower than FPL's, so FPL's cost-rate should be revised lower. Furthermore, more debt as a ratio to equity should be included. (Rábago) The appropriate amount of long-term debt for 2022 is at least \$19,664,993,000, and the cost rate is no more than 3.610%. If applicable, the appropriate amount of long-term debt for 2023 is at least \$21,175,806,000, and the cost rate is no more than 3.770%. (Mac Mathuna).

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 69: **What is the appropriate amount and cost rate for customer deposits to include in the capital structure**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for customer deposits with RSAM for the 2022 test year is \$454,851,000 (jurisdictional adjusted) and 2.03%. As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount and cost rate for customer deposits with RSAM for the 2023 subsequent projected test year is \$490,182,000 (jurisdictional adjusted) and 2.04%. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for customer deposits without RSAM for

the 2022 test year is \$453,875,000 (jurisdictional adjusted) and 2.03%. As reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount and cost rate for customer deposits without RSAM for the 2023 subsequent projected test year is \$487,147,000 (jurisdictional adjusted) and 2.04%. (Chapel, Bores, Fuentes)

OPC: A. Per OPC adjustments, the appropriate amount of 2022 customer deposits is \$453.428 million, after adjustments to reconcile the capital structure to rate base. The appropriate cost rate for customer deposit is 2.03%. The amount and cost rate are shown on Exhibit RCS-2, Schedule D. (Smith)

B. Per OPC adjustments, the appropriate amount of 2023 customer deposits is \$487.887 million, after adjustments to reconcile the capital structure to rate base. The appropriate cost rate for customer deposit is 2.04%. The amount and cost rate are shown on Exhibit RCS-3, Schedule D. (Smith)

CLEO: No position.

FAIR: A. The appropriate amount of customer deposits for 2022 is \$455,339,000, and the cost rate is 2.030%. (Mac Mathuna)

B. If applicable, the appropriate amount of customer deposits for 2023 is \$490,827,000, and the cost rate is 2.040%. (Mac Mathuna)

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate amount of customer deposits for 2022 is \$455,339,000, and the cost rate is 2.030%. If applicable, the appropriate amount of customer deposits for 2023 is \$490,827,000, and the cost rate is 2.040%. (Mac Mathuna).

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 70: What is the appropriate equity ratio to use in the capital structure for ratemaking purposes

A. For the 2022 projected test year?

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

FPL: FPL's equity ratio should remain at 59.6 percent based on investor sources. FPL has maintained its equity ratio generally around the 59-60 percent level for more than two decades, and this has been an important underpinning of the overall financial strength that has served customers well. (Barrett, Coyne)

OPC: A. The appropriate equity ratio is 55% for the 2022 projected test year. FPL's bloated 59.6% equity ratio request in this case puts an unnecessary cost burden on FPL's ratepayer - an extra \$24 per year to typical residential customers - and should be rejected. The FPL proxy group average equity ratio is 46.54% for 2022 and the national average for allowed equity ratios is 50.94% for 2020. Rather than utilizing FPL's proposed hypothetical capital structure of 59.6% equity, OPC recommends using a more rational, hypothetical capital structure of 55% equity. Applying a 55% equity ratio, which is gradually moving FPL's equity ratio more in-line with industry averages (and still more than the equity ratios of both NextEra's consolidated group and the FPL proxy group average), results in an approximately \$245 million reduction to FPL's 2022 request. (O'Donnell) In the context of the total capital structure for ratemaking purposes, the equity ratio is 44.32% as shown on Exhibit RCS-2, Schedule D. (Smith)

B. The appropriate equity ratio is 55% for the 2023 subsequent projected test year. FPL's bloated 59.6% equity ratio request in this case puts an unnecessary costly burden on FPL's ratepayer and should not be allowed. The FPL proxy group average equity ratio is 46.54% for 2022 and the national average for allowed equity ratios is 50.94% for 2020. Rather than utilizing FPL's proposed equity-fattened capital structure of 59.6% equity, OPC recommends gradually moving FPL's equity ratio to a more rational, hypothetical capital structure of 55% equity. (O'Donnell) In the context of the total capital structure, the equity ratio is 44.50% as shown on Exhibit RCS-3, Schedule D. (Smith)

CLEO: No position.

FAIR: A. The appropriate equity ratio to use in the capital structure for 2022 is 55.4 percent of investor-supplied funds. (Mac Mathuna)

B. If applicable, the appropriate equity ratio to use in the capital structure for 2023 is 55.4 percent of investor-supplied funds. (Mac Mathuna)

FEA: A. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate forecasted test year 2022

capital structure reflects a 53.5% common equity ratio of total investor capital and 43.12% regulatory weight.

B. Mike Gorman will testify that as depicted in Table 6 in his prefiled direct testimony and Exhibit MPG-1 that the appropriate forecasted test year 2023 capital structure reflects a 53.5% common equity ratio of total investor capital and 43.30% regulatory weight.

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

FIT: FPL's proposed equity ratio is excessively high. The equity percentage should be no more than 55%.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate equity ratio is no higher than 52.93%. (Rábago)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL is asking the Commission to increase the authorized ROE established in this case by one-half percent, to reflect FPL's superior value proposition for its customers and as an incentive to promote further efforts to improve the customer value proposition. Across almost every metric, FPL stands among the best in the industry in delivering value for its customers and has continued to improve over the course of this most recent settlement agreement. While all utilities have access to the same technology and the same financial capital (dependent upon their financial strength), human capital differentiates superior performance from merely average performance. (Barrett, Reed)

OPC: No, the outlandish surplus ROE inflator should be rejected. FPL claims that its “superior value proposition” justifies a 50 basis point ROE “booster.” FPL’s is not providing service beyond what FPL ratepayers have already paid for in base rates and which FPL is obligated to provide under the regulatory compact. The cumulative four-year revenue requirement to customers of FPL’s 50 basis point surplus equity inflator, if this unnecessary expense is allowed, would be an additional \$136.432 million in added profit and an additional \$183.027 of annual revenue requirement. (Lawton)

CLEO: No position.

FAIR: No. FPL’s proposed performance incentive is not an incentive in any way whatsoever, because it provides no incentive for FPL, or any employees of FPL, to do anything to earn it. Rather, as proposed by FPL, it would simply be baked into FPL’s rates until the next rate case. (Herndon)

FEA: No position.

FIPUG: No.

FIT: No. The proposed extra 50 basis points is unnecessary and inappropriate.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No. FPL does nothing to tie this “performance incentive” to any proposed enhanced “performance.” It appears to be nothing more than an attempt by FPL to increase its profits without delivering any additional benefits to customers, at the cost of hundreds of millions of dollars to customers over the next 4 years. (Rábago)

LARSONS: No. FPL request for a midpoint Return on Equity (“ROE”) of 11.5% is excessive compared to the 9.85% midpoint ROE that the Florida Public Service Commission (“Commission” of “FPSC”) approved as an integral part of the Duke Energy Florida (“Duke”) rate case settlement on May 4, 2021.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: The Commission should reject the Companies' proposed performance adder. If the Commission determines that the Companies' performance has influenced its determination of the appropriate ROE within its existing discretion and authority, the factors driving that determination should be clearly delineated in the Commission's Final Order. Walmart's Direct Testimony of Steve W. Chriss, pp. 5, 15-20.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 72: **What is the appropriate authorized return on equity (ROE) to use in establishing FPL's revenue requirement**

A. For the 2022 projected test year?

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

FPL: The Commission should authorize 11.5%, inclusive of the 50-basis point performance incentive, as the return on common equity. Granting FPL's requested return on equity will appropriately take into account FPL's unique risk profile and the Company's commitment to a strong financial position. The requested rate also addresses the risk of the Company's proposed multi-year stay-out. Granting FPL's requested return on common equity is critical to maintaining FPL's financial strength and flexibility and will help FPL attract capital necessary to serve its customers on reasonable terms. (Coyne, Barrett)

OPC: The appropriate ROE is 8.75%. FPL's requested 11% ROE with a 0.50% surplus ROE inflator and a 59.6% equity ratio is extravagant and excessive under current market conditions. Both interest rates and awarded ROEs have remained low since 2016. After applying the Discount Cash Flow (DCF) method checked by the Capital Asset Pricing Model (CAPM) with a proposed capital structure of 55% and also applying the electric proxy groups, the appropriate ROE for FPL is 8.75%. If the Commission grants the 59.6% equity ratio then the appropriate ROE is 8.5%. (Woolridge)

CLEO: No position.

FAIR: A. 8.56 percent for the 2022 projected test year. (Mac Mathuna)
B. 8.56 percent for the 2023 subsequent projected test year, if applicable.

FEA: A. Mike Gorman will testify that as depicted in Exhibit MPG-1 that the appropriate return on common equity to use in establishing FPL's revenue requirement for the 2022 projected test year is in the range of 9.10% to 9.70%,

with a midpoint of 9.40%. This return on equity reflects FPL's current market cost of equity. FEA recommends the Commission approve a return on equity that reflects FPL's investment risk, and charges customers tariff prices that are no more than necessary to fairly compensate FPL and maintain its financial integrity and credit standing.

B. Mike Gorman will testify that as depicted in Exhibit MPG-1 that the appropriate return on common equity to use in establishing FPL's revenue requirement for the 2023 projected test year is in the range of 9.10% to 9.70%, with a midpoint of 9.40%. This return on equity reflects FPL's current market cost of equity. FEA recommends the Commission approve a return on equity that reflects FPL's investment risk, and charges customers tariff prices that are no more than necessary to fairly compensate FPL and maintain its financial integrity and credit standing.

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

FIT: The ROE proposed by FPL is excessive and burdensome to customers. The appropriate ROE is no more than the 8.75% demonstrated by the OPC.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: The appropriate ROE is that suggested by the Office of Public Counsel—8.75%, and even that number is conservatively high. Under no circumstances is there any justification for an ROE to exceed 10%. (Rábago)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue, but with the additional caveat that the Commission should not approve a midpoint ROE exceeding 10.5%.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: When considering the appropriate revenue requirement increase for the Companies in the current proceeding, the Commission should consider: (1) the impact of the resulting revenue increase will have on customers; (2) the use of a future test year, which reduces the risk due to regulatory lag; (3) recent rate case ROEs approved by the Commission; (4) the recent rate case ROEs approved by other state regulatory commissions nationwide; and (5) the lack of necessity for the Companies' proposed performance adder. Walmart's Direct Testimony of Steve W. Chriss, pp. 5, 9-15.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The associated components, amounts and cost rates with RSAM are reflected on FPL witness Fuentes's Exhibit LF-12 for the 2022 projected test year and 2023 subsequent projected test year. Based on those amounts, the appropriate after-tax weighted average cost of capital for the 2022 projected test year is 6.84% and 6.93% for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate after-tax weighted average cost of capital without RSAM for the 2022 projected test year is 6.84% and 6.93% for the 2023 subsequent projected test year. (Fuentes, Barrett)

OPC: A. The weighted average cost of capital is 5.29% as shown on Exhibit RCS-2, Schedule D. Pursuant to the standards set forth in *Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923) ("Bluefield") and *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) ("Hope") that financial integrity should be sufficient to attract capital on reasonable terms under a variety of market and economic conditions, FPL will maintain its financial integrity under OPC's recommended capital structure of 8.75% equity return with a 45% debt/55% equity capital structure with a 5.29% overall rate of return. (O'Donnell, Woolridge, Lawton, Smith)

B. The weighted average cost of capital of 5.38% as shown on Exhibit RCS-3, Schedule D. Pursuant to the standards set forth in *Bluefield Water Works and Improvement Co. v. Public Service Commission of West Virginia*, 262 U.S. 679 (1923) ("Bluefield") and *Federal Power Commission v. Hope Natural Gas Co.*, 320 U.S. 591 (1944) ("Hope") that financial integrity should be sufficient to attract capital on reasonable terms under a variety of market and economic conditions, FPL will maintain its financial integrity under OPC's recommended capital structure of 8.75% equity return with a 45% debt/55% equity capital

structure with a 5.38% overall rate of return. (O'Donnell, Woolridge, Lawton, Smith)

CLEO: No position.

FAIR: A. 5.19%. (Mac Mathuna)
B. 5.28%. (Mac Mathuna)

FEA: A. Mike Gorman will testify that the appropriate weighted average cost of capital for 2020 is 5.52%
B. Mike Gorman will testify that the appropriate weighted average cost of capital for 2020 is 5.52% The appropriate weighted average cost of capital for 2023 is 5.58%

FIPUG: Adopt position of OPC.

FIT: The weighted average cost of capital proposed by FPL is excessive and burdensome to customers. After all the adjustments proposed by OPC and intervenors, the appropriate weighted average cost of capital is no more than the amounts proposed by OPC for 2022 and 2023.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: Given Florida Rising's, ECOSWF's, and LULAC's suggested ROE and capital structure, the weighted average cost of capital should be no more than 5.24% in the 2022 projected test year (as noted, the debt costs seem high). For the 2023 subsequent projected test year, the weighted average cost of capital should be no more than 5.33% (as noted, the debt costs seem high, and FPL has not met its burden to show their reasonableness).

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

NET OPERATING INCOME

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Other Operating Revenues is \$231,990,000 (jurisdictional adjusted) for the 2022 projected test year and \$226,049,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: A. The appropriate projected amounts of Other Operating Revenues per OPC adjustments for the 2022 projected test year is \$231.990 million. (Smith)
B. The appropriate projected amounts of Other Operating Revenues per OPC adjustments for the 2023 projected test year is \$226.049 million. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: FPL has misstated projected revenues for both projected periods from pole attachment rentals because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based. By using a projected trend analysis, FPL has materially overstated its revenues which does have an impact notwithstanding the stipulation offered by FPL at the prehearing conference.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: The appropriate projected amounts of Other Operating Revenues is \$231,990,000 for the 2022 projected test year, and if applicable, \$226,049,000 for the 2023 test year. (Smith)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 75: **Has FPL appropriately accounted for SolarTogether Program subscription charges**

A. For the 2022 projected test year?

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

FPL: Yes. FPL has appropriately included \$120,534,000 of subscription charge revenues within its net operating income for the 2022 projected test year and \$120,640,000 for the 2023 subsequent projected test year. (Bores, Valle)

OPC: No. FPL has the burden of demonstrating that FPL appropriately accounted for SolarTogether Program subscription charges. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No position at this time.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Total Operating Revenues is \$7,947,229,000 (jurisdictional adjusted) for the 2022 projected test year and \$8,005,469,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: A. The appropriate projected amounts of Total Operating Revenues per OPC adjustments for the 2022 projected test year is \$7,947.230 million. (Smith)
B. The appropriate projected amounts of Total Operating Revenues per OPC adjustments for the 2023 projected test year is \$8,005.469 million. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: Operating revenues need to be adjusted to reflect the excessive pole attachment revenues projected by FPL. Notwithstanding the assertions of FPL's attorneys, it is not clear that the stipulation provided by FPL on pole attachments is meaningful.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate projected amounts of Total Operating Revenues is \$7,947,230,000 for the 2022 projected test year, and if applicable, \$8,005,469,000 for the 2023 test year. (Smith)

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL has made the appropriate test year adjustments to remove fuel revenues and expenses recoverable through the Fuel Adjustment Clause. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that it appropriately removed fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.
B. No. FPL has the burden of demonstrating that it appropriately removed fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/
ECOSWF:** No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

**VOTE
SOLAR:** Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 78: Has FPL made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause

A. For the 2022 projected test year?

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

FPL: Yes. FPL has made the appropriate test year adjustments to remove capacity revenues and expenses recoverable through the Capacity Cost Recovery Clause. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that if appropriately removed capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

B. No. FPL has the burden of demonstrating that it appropriately removed capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 79: Has FPL made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause

A. For the 2022 projected test year?

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

FPL: Yes. FPL has made the appropriate test year adjustments to remove environmental revenues and expenses recoverable through the Environmental Cost Recovery Clause. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that it appropriately removed environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

B. No. FPL has the burden of demonstrating that it appropriately removed environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 80: Has FPL made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause

A. For the 2022 projected test year?

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

FPL: Yes. FPL has made the appropriate test year adjustments to remove conservation revenues and expenses recoverable through the Energy Conservation Cost Recovery Clause. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that it appropriately removed conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

B. No. FPL has the burden of demonstrating that it appropriately removed conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 81: Has FPL made the appropriate adjustments to remove all revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause

A. For the 2022 projected test year?

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

FPL: Yes. FPL has made the appropriate test year adjustments to remove Storm Protection Plan revenues and expenses recoverable through the Storm Protection Plan Cost Recovery Clause. (Fuentes)

OPC: A. No. FPL does not appear to have removed all related vegetation management costs to the SPP. An adjustment to remove vegetation expense from the operating expense being used to set FPL's base rate revenue requirements of \$3.230 million should be made. (Smith)

B. No. FPL does not appear to have removed all related vegetation management costs to the SPP. An adjustment to remove vegetation expense from the operating expense being used to set FPL's base rate revenue requirements of \$3.230 million should be made. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: It appears from the evidence to date that FPL has not properly removed all of the expenses recoverable through the Storm Protection Plan Cost Recovery Clause for the two projected years.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 82: **Has FPL made the appropriate adjustments to remove all non-utility activities from operating revenues and operating expenses**

A. For the 2022 projected test year?

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

FPL: Yes. All non-utility activities have been appropriately removed from operating revenues and expenses. (Fuentes)

OPC: A. No. FPL has the burden of demonstrating that it appropriately removed all non-utility activities from operating revenues and operating expenses.
B. No. FPL has the burden of demonstrating that it appropriately removed all non-utility activities from operating revenues and operating expenses.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: It appears from the evidence to date that FPL has not properly removed all of the non-utility activities from operating revenues and expenses for the two projected years.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 83: What is the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates

A. For the 2022 projected test year?

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

FPL: Corporate Services Charges are allocated using specific drivers and the Massachusetts Formula, pursuant to which 35% of FPL Corporate Service Charges are forecasted to be allocated to affiliates for the 2022 projected test year and 36% for the 2023 subsequent projected test year. (Ferguson)

OPC: A. None. However, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to reflect the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates.

B. None. However, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to reflect the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No costs reflecting FPL affiliates' use or benefits from shared services should be charged to customers. The appropriate percentage value to allocate to FPL's affiliates for shared corporate services should be much higher than proposed by FPL. FPL has failed to demonstrate that it has made the appropriate test year adjustments to reflect the appropriate percentage value (or other assignment value or methodology basis) to allocate FPL shared corporate services costs and/or expenses to its affiliates for the 2022 and 2023 test years.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 84: **What is the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates**

A. For the 2022 projected test year?

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

FPL: The appropriate amount of FPL Corporate Service Charges to be allocated to affiliates is \$113,677,000 for the 2022 projected test year and \$120,614,000 for the 2023 subsequent projected test year. (Ferguson)

OPC: A. FPL should make OPC executive compensation adjustments and incorporate those adjustments in any allocations applicable to shared corporate services costs. Moreover, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to reflect the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates. (Smith)

B. FPL should make OPC executive compensation adjustments and incorporate those adjustments in any allocations applicable to shared corporate services costs. Moreover, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to reflect the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: No costs reflecting FPL affiliates' use or benefits from shared services should be charged to customers. FPL customers should not be allocated any expenses that should rightly be paid by other respective members of the NextEra umbrella. The appropriate amount to allocate to FPL's affiliates for shared corporate services should be much higher than proposed by FPL. In 2020, FPL customers were charged 56% of the salaries of NextEra's President and CEO (\$834,687); Executive Vice President, Finance and CFO (\$687,700); and Executive Vice President, General Counsel (\$605,551). This is inappropriate and FPL has failed to make any showing that these charges to FPL customers are reasonable and appropriate. FPL has failed to meet its burden to demonstrate that it has made the appropriate test year adjustments to reflect the appropriate amount of FPL shared corporate services costs and/or expenses (including executive compensation and benefits) to be allocated to affiliates for the 2022 and 2023 test years.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 85: **Should any adjustments be made to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies**
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

FPL: No adjustments are required to be made to FPL's forecasted operating revenues or operating expenses for the effects of transactions with affiliated companies for either the 2022 projected test year or 2023 subsequent projected test year. (Ferguson)

OPC: A. No. However, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies.
B. No. However, FPL has the burden of demonstrating that it has made the appropriate test year adjustments to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Yes. The adjustments to FPL's operating revenues and expenses for transactions with affiliated companies must ensure that no costs reflecting FPL affiliates' use or benefits from shared services should be charged to customers. FPL has failed to demonstrate that it has made the appropriate test year adjustments to FPL's operating revenues or operating expenses for the effects of transactions with affiliated companies for the 2022 and 2023 test years.

LARSONS: Yes. Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 86: **What is the appropriate level of generation overhaul expense**

A. For the 2022 projected test year?

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

FPL: The appropriate level of generation overhaul expense is \$37,876,000 (jurisdictional adjusted) for the 2022 projected test year and \$39,490,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Broad)

OPC: A. None. However, FPL has the burden of demonstrating that it has the appropriate level of generation overhaul expense.
B. None. However, FPL has the burden of demonstrating that it has the appropriate level of generation overhaul expense.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's proposed level of generation overhaul expense is far too low, reflecting the Company's approach of inappropriately moving O&M expenses to the rate base in order to earn a return on equity. Generation overhaul expense should be increased by the amounts transferred back from the rate base.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 87: **What is the appropriate amount of FPL's production plant O&M expense**

A. For the 2022 projected test year?

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

FPL: FPL's production plant O&M expense of \$584,849,000 (jurisdictional adjusted) for the 2022 projected test year and \$596,724,000 (jurisdictional adjusted) for the 2023 subsequent projected test year are appropriate. The non-nuclear O&M request in 2022 (\$271,716,000) and in 2023 (\$277,233,000) is commensurate with the continuing technology transformation to a cleaner, more efficient generating fleet that includes approximately 8,400 MW of new generating capacity from 2017 to 2023 with more than 50 percent renewable Solar PV/Battery Storage capacity versus natural gas CC/GT capacity. The nuclear O&M expense is \$313,134,000 (jurisdictional adjusted) for the 2022 projected test year and \$319,491,000 (jurisdictional adjusted) for 2023 subsequent projected test year are necessary to maintain nuclear facilities in order to maximize fuel savings, enhance

system fuel diversity, and permit the safe and reliable operation of its nuclear units into their renewed license terms. (Broad, Coffey)

OPC: A. None. However, FPL has the burden of demonstrating that its production plant O&M expenses are reasonable.
B. None. However, FPL has the burden of demonstrating that its production plant O&M expenses are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's proposed level of production plant O&M expense is too low, reflecting the Company's approach of inappropriately moving O&M expenses to the rate base in order to earn a return on equity. Production plant O&M expense should be increased by the amounts transferred back from the rate base.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 88: **What is the appropriate amount of FPL's transmission O&M expense**

A. For the 2022 projected test year?

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

FPL: FPL's transmission O&M expense of \$48,087,000 (jurisdictional adjusted) for the 2022 projected test year is appropriate. FPL's transmission O&M expense of

\$46,458,000 (jurisdictional adjusted) for the 2023 projected subsequent year is appropriate. (Fuentes, Spoor)

OPC: A. None. However, FPL has the burden of demonstrating that its transmission O&M expenses are reasonable.
B. None. However, FPL has the burden of demonstrating that its transmission O&M expenses are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's proposed level of transmission O&M expense is too low, reflecting the Company's approach of inappropriately moving O&M expenses to the rate base in order to earn a return on equity. Transmission O&M expense should be increased by the amounts transferred back from the rate base.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 89: **What is the appropriate amount of FPL's distribution O&M expense**

A. For the 2022 projected test year?

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

FPL: FPL's distribution O&M expense of \$200,419,000 (jurisdictional adjusted) for the 2022 projected test year is appropriate. FPL's distribution O&M expense of

\$206,409,000 (jurisdictional adjusted) for the 2023 projected subsequent year is appropriate. (Fuentes, Spoor)

OPC: A. None. However, FPL has the burden of demonstrating that its distribution O&M expenses are reasonable.
B. None. However, FPL has the burden of demonstrating that its distribution O&M expenses are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: FPL's distribution O&M expenses need to be adjusted to reflect the excessive pole attachment revenues projected by FPL.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's proposed level of distribution O&M expense is too low, reflecting the Company's approach of inappropriately moving O&M expenses to the rate base in order to earn a return on equity. Distribution O&M expense should be increased by the amounts transferred back from the rate base.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 90: **What is the appropriate annual storm damage accrual and storm damage reserve**

A. For the 2022 projected test year?

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

FPL: FPL requested a storm reserve replenishment amount of \$150 million, representing approximately the amount of reserves reflected in the former FPL settlement agreement (\$112.3 million) and the Gulf settlement agreement (\$40.8 million), and has not requested an annual storm damage accrual. FPL is requesting that if FPL incurs storm costs related to a named tropical storm or hurricane, the Company may begin collecting up to \$4 per 1,000 kWh beginning 60 days after filing a petition for recovery as set forth in Exhibit REB-10. (Barrett)

OPC: A. FPL has the burden of demonstrating that its storm damage reserve is reasonable. The appropriate level should be no greater than what FPL has requested in its Petition and direct testimony if the SCRM is not approved. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

B. FPL has the burden of demonstrating that its storm damage reserve is reasonable. The appropriate level should be no greater than what FPL has requested in its Petition and direct testimony if the SCRM is not approved. OPC is not proposing an adjustment prior to hearing but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The \$150 million reserve proposed by the Company for the combined FPL/Gulf system is reasonable and appropriate. However, the Commission should reject FPL's proposed SCRM scheme. Because FPL will already have a reserve for storm response, there is no justification for allowing FPL to impose surcharges up to \$4/1000 kWh on its customers before coming to the Commission to establish the need and prudence of FPL's storm recovery expenditures.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 91: What is the appropriate amount of Other Post Employment Benefits expense

A. For the 2022 projected test year?

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

FPL: As reflected on MFR C-35 and adjusted by FPL's Second Notice of Identified Adjustments reflected in Exhibit LF-11, the appropriate amount of Other Post Employment Benefit expense for the 2022 projected test year is \$4,978,000 (jurisdictional adjusted), and \$7,799,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Slattery)

OPC: A. None. However, FPL has the burden of demonstrating that its Other Post Employment Benefits expenses are reasonable.

B. FPL has the burden of demonstrating that its Other Post Employment Benefits expenses are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No position.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: One hundred percent of the 2022 and 2023 projected test year level of Salaries and Employee Benefits expense is appropriate, and reflects portions of executive and non-executive incentive compensation already excluded. The reasonableness of salary and benefit expense is demonstrated in a number of ways, including comparison of: FPL's salaries, annual pay increase program, and non-executive variable incentive pay to the relevant comparative market; FPL's salary cost and efficiency to those of similar utilities; and the relative value of benefits programs to other utility and general industry companies. (Slattery)

OPC: A. None. However, FPL has the burden of demonstrating that its salaries and employee benefits expenses are reasonable. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing.
B. None. However, FPL has the burden of demonstrating that its salaries and employee benefits expenses are reasonable. OPC is not proposing an adjustment prior to hearing, but may propose an adjustment based on evidence adduced at hearing.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: FPL's executive level compensation greatly exceeds industry norms and should be reduced accordingly. Moreover, FPL customers should not be made to pay the salaries of non-FPL employees, namely executive officers of NextEra. In 2020, FPL customers were charged 56% of the salaries of NextEra's President and CEO

(\$834,687); Executive Vice President, Finance and CFO (\$687,700); and Executive Vice President, General Counsel (\$605,551).

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 93: **What is the appropriate amount of Incentive Compensation Expense to include in O&M expense**

A. For the 2022 projected test year?

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

FPL: The amount of incentive compensation expense included in 2022 and 2023 is \$75,459,000 (jurisdictional adjusted) and \$78,993,000 (jurisdictional adjusted), respectively. These amounts are the remaining portion of non-executive stock-based incentive compensation and one hundred percent of non-executive cash incentive compensation O&M expense. One hundred percent of the 2022 and 2023 projected test year level of executive incentive compensation has been removed from O&M expense. (Slattery)

OPC: A. There is an inconsistency in the amount of Incentive Compensation Expense removed in the 2010 rate case decision and the amount proposed to be removed in this case which is claimed to be consistent with the 2010 decision. OPC had outstanding discovery on the matter at the time OPC testimony was filed. OPC is not proposing a numeric adjustment prior to hearing, but based on discovery response and rebuttal intends to propose an adjustment based on evidence adduced at hearing. Incentive Compensation Expense relate to Construction Project Performance should be reduced by the amount specified in Mr. Smith testimony which is confidential. (Smith)

B. There is an inconsistency in the amount of Incentive Compensation Expense removed in the 2010 rate case decision and the amount proposed to be removed in this case which is claimed to be consistent with the 2010 decision. OPC had outstanding discovery on the matter at the time OPC testimony was filed. OPC is not proposing a numeric adjustment prior to hearing, but based on discovery response and rebuttal intends to propose an adjustment based on evidence adduced at hearing. Incentive Compensation Expense relate to Construction

Project Performance should be reduced by the amount specified in Mr. Smith testimony which is confidential. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's Incentive Compensation Expense is too high. FPL's incentives exceed industry norms and should be reduced.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 94: What is the appropriate amount of Pension Expense

A. For the 2022 projected test year?

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

FPL: As reflected on MFR C-17 and adjusted by FPL's Second Notice of Identified Adjustments in Exhibit LF-11, the appropriate amount of Pension Credit for the 2022 projected test year is (\$85,739,000) (jurisdictional adjusted) and (\$94,812,000) (jurisdictional adjusted) for the 2023 subsequent projected test year. (Fuentes, Slattery)

OPC: A. None. However, FPL has the burden of demonstrating that its pension expenses are reasonable.

B. None. However, FPL has the burden of demonstrating that its pension expenses are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No position.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: No. The Directors and Officers Liability insurance is an essential and prudent cost of attracting and retaining executive talent that historically has been included within FPL's cost of service. (Bores)

OPC: Yes. The Commission should reduce Directors and Officers Liability Insurance expense consistent with Commission precedent that allocates the cost evenly between shareholders and ratepayers. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Yes, it should be reduced to zero. Directors and Officers Liability Insurance protects shareholders from decisions they made when they hired FPL's Board of Directors and when the Board in turn hired FPL's officers. Because this liability insurance is expressly for the benefit of shareholders, not FPL's customers, FPL rate payers should not be charged for these premiums.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 96: **What is the appropriate amount and amortization period for Rate Case Expense**

A. For the 2022 projected test year?

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

FPL: The appropriate amount of FPL's rate case expense is \$5,170,000, and the appropriate amortization period is four years. (Fuentes)

OPC: A. The increase in rate case expense due to the complexity of the FPL's request for multi-year adjustments and SoBRAs are not reasonable and should not be borne by ratepayer. OPC is not proposing a numeric adjustment prior to hearing but intends to propose a numeric adjustment based on evidence adduced at hearing. (Smith)

B. The increase in rate case expense due to the complexity of the FPL's request for multi-year adjustments and SoBRAs are not reasonable and should not be

borne by ratepayer. OPC is not proposing a numeric adjustment prior to hearing but intends to propose a numeric adjustment based on evidence adduced at hearing. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

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

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Zero dollars. FPL ratepayers should not be made to bear the costs FPL has incurred in preparing and litigating this unreasonable and unsupported request for increased rates.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 97: **What is the appropriate amount of uncollectible expense and bad debt rate**

A. For the 2022 projected test year?

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

FPL: Based on the identified adjustments listed on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of uncollectible expense is \$8,968,000 for the 2022 projected test year and \$7,798,000 for the 2023 subsequent projected test year. The appropriate bad debt rate is 0.072% for the 2022 projected test year and 0.066% for the 2023 subsequent projected test year, as reflected on FPL witness Fuentes's Exhibit LF-12. (Chapel, Bores)

OPC: A. FPL has the burden of demonstrating that its uncollectible expense and bad debt rate are reasonable. Any incremental amount of uncollectible expense in the historic test year of 2020 related to the Covid-19 pandemic should be excluded from the projected test years.

B. FPL has the burden of demonstrating that its uncollectible expense and bad debt rate are reasonable. Any incremental amount of uncollectible expense in the historic test year of 2020 related to the Covid-19 pandemic should be excluded from the projected test years.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: With respect to uncollectible expenses and bad debt attributable to Covid-19, FPL has already obtained Commission approval of a regulatory asset to recover these costs. To the extent that FPL experiences non-COVID related, incremental uncollectible expenses and bad debt in the 2022 and 2023 test years, the Company is in a very strong financial position and is much better equipped to absorb those marginal costs than its customers. Therefore, the appropriate amount is zero.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: Agree with Office of Public Counsel.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 98: What are the appropriate expense accruals for: (1) end of life materials and supplies and 2) last core nuclear fuel

A. For the 2022 projected test year?

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

FPL: FPL's proposed accruals for Nuclear End of Life ("EOL") Material and Supplies and Last Core Nuclear Fuel for both the 2022 projected test year and 2023 subsequent projected test year is in accordance with Commission Order No. PSC-2021-0232-PAA-EI. The appropriate amount of expense accruals for the 2022 test year for the EOL M&S and last core nuclear fuel is \$1,579,000 and \$3,418,000 (jurisdictional adjusted), respectively. The appropriate amount of expense accruals for the 2023 Subsequent Year for the EOL M&S and last core nuclear fuel is \$1,579,000 and \$3,417,000 (jurisdictional adjusted), respectively. (Ferguson)

OPC: A. None. However, FPL has the burden of demonstrating that its expense accruals for: (1) end of life materials and supplies and (2) last core nuclear fuel are reasonable.
B. None. However, FPL has the burden of demonstrating that its expense accruals for: (1) end of life materials and supplies and (2) last core nuclear fuel are reasonable.

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Consistent with the position take in Issue 56, all nuclear O&M costs should be recovered through O&M or Fuel clauses, not added to the rate base. Therefore, to the extent that FPL's total nuclear O&M costs, including end of life materials and supplies and last core nuclear fuel, are appropriate, FPL's expense accruals here are too low, and should be increased by the amounts transferred to O&M from the rate base.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 99: What is the appropriate level of O&M Expense (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of O&M Expense is \$1,355,010,000 (jurisdictional adjusted) for the 2022 projected test year and \$1,369,270,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of O&M expenses is \$1,330.302 million for the 2022 test year. (Smith)
B. Based on the testimony of OPC witnesses, the appropriate level of O&M expenses is \$1,348.365 million for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of O&M expense should reflect all of the appropriate adjustments. FIT generally agrees with the adjustments proposed by OPC and the intervenors. Based upon the evidence thus far, it appears it should be significantly lower than FPL has proposed.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Based on FPL's proposed inclusions to the rate base, FPL's claimed O&M expense is excessive and should be reduced per the adjustments in OPC witness Smith's testimony to \$1,330,302,000 in 2022 and \$1,348,365,000 in 2023. However, to the extent that the Commission correctly disallows certain rate base expenditures, but nonetheless finds those expenses to be reasonable and

prudent as O&M expenses instead, O&M Expense should be increased by those transferred amounts.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 100: **What is the appropriate amount of depreciation, amortization, and fossil dismantlement expense (Fallout Issue)**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of depreciation and amortization expense with RSAM is \$2,230,378,000 (jurisdictional adjusted) for the 2022 projected test year and \$2,416,758,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of depreciation and amortization expense without RSAM is \$2,457,657,000 (jurisdictional adjusted) for the 2022 projected test year and \$2,662,649,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes, Ferguson)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of depreciation, amortization, and fossil dismantlement expenses is \$2,288.845 million for the 2022 test year. (McCullar, Dunkel, Smith)

B. Based on the testimony of OPC witnesses, the appropriate level of depreciation, amortization, and fossil dismantlement expenses is \$2,484.066 million for the 2023 test year. (McCullar, Dunkel, Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's level of depreciation amortization and fossil dismantlement expense is excessive and should be reduced per the adjustments in OPC witness testimony to \$2,288,846,000 in 2022 and \$2,484,066,000 in 2023.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 101: **What is the appropriate level of Taxes Other Than Income (Fallout Issue)**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Taxes Other Than Income Taxes is \$787,745,000 (jurisdictional adjusted) for the 2022 projected test year and \$859,601,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of taxes other than income is \$787.746 million for the 2022 test year. (Smith)

B. Based on the testimony of OPC witnesses, the appropriate level of taxes other than income is \$859.601 million for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of taxes other than income should reflect all of the appropriate adjustments.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate level of Taxes Other Than Income is \$787,746,000 for the 2022 test year, and to the extent applicable, \$859,601,000 for the 2023 test year.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 102: What is the appropriate level of Income Taxes

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Income Taxes with RSAM is \$584,005,000 (jurisdictional adjusted) for the 2022 projected test year and \$494,303,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of Income Taxes without RSAM is \$515,675,000 (jurisdictional adjusted) for the 2022 projected test year and \$421,059,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Fuentes)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of income taxes is \$541.032 million for the 2022 test year. (Smith)

B. Based on the testimony of OPC witnesses, the appropriate level of income taxes is \$445.285 million for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: The appropriate level of Income Taxes is \$541,032,000 for the 2022 test year, and to the extent applicable, \$445,285,000 for the 2023 test year.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 103: **What is the appropriate level of (Gain)/Loss on Disposal of utility property**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of (Gain)/Loss on Disposal of Plant is \$(482,000) (jurisdictional adjusted) for the 2022 projected test year and \$(239,000) (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of (Gain)/Loss on Disposal of utility property is \$(482,000) for the 2022 test year. (Smith)

B. Based on the testimony of OPC witnesses, the appropriate level of (Gain)/Loss on Disposal of utility property is \$(239,000) for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: The appropriate level of (Gain)/Loss on Disposal of utility property is (\$482,000) for the 2022 test year, and to the extent applicable, (\$239,000) for the 2023 test year.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 104: **What is the appropriate level of Total Operating Expenses? (Fallout Issue)**
A. For the 2022 projected test year?
B. If applicable, for the 2023 subsequent projected test year?

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Total Operating Expenses with RSAM is \$4,956,657,000 (jurisdictional adjusted) for the 2022 projected test year and \$5,139,693,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of Total Operating Expenses without RSAM is \$5,115,606,000 (jurisdictional adjusted) for the 2022 projected test year and \$5,312,340,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of Total Operating Expenses is \$4,968.053 million for the 2022 test year. (Smith)
B. Based on the testimony of OPC witnesses, the appropriate level of Total Operating Expenses is \$5,157.082 million for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of total operating expenses should reflect all of the appropriate adjustments.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's claimed Total Operating Expenses are excessive and should be reduced per the adjustments in OPC witness Smith's testimony to \$4,968,054,000 in 2022 and to the extent applicable, \$5,157,082,000 in 2023 (Smith). However, to the extent the Commission transfers certain expenditures from the rate base to O&M as requested, Total Operating Expenses should increase by those amounts.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 105: **What is the appropriate level of Net Operating Income (Fallout Issue)**

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate amount of Net Operating Income with RSAM is \$2,990,573,000 (jurisdictional adjusted) for the 2022 projected test year and \$2,865,776,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate amount of Net Operating Income without RSAM is \$2,831,623,000 (jurisdictional adjusted) for the 2022 projected test year and \$2,693,129,000 (jurisdictional adjusted) for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: A. Based on the testimony of OPC witnesses, the appropriate level of Net Operating Income is \$2,979.177 million for the 2022 test year. (Smith)
B. Based on the testimony of OPC witnesses, the appropriate level of Net Operating Income is \$2,848.387 million for the 2023 test year. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate level of net operating income should reflect all of the appropriate adjustments. At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: FPL's claimed Net Operating Income is understated and should be changed per the adjustments in OPC witness Smith's testimony to \$2,979,176 in 2022 and \$2,848,387,000 in 2023 (Smith). However, to the extent the Commission transfers certain expenditures from the rate base to O&M as requested, Net Operating Income will decrease by those amounts.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

REVENUE REQUIREMENTS

ISSUE 106: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for FPL

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the revenue expansion factor and net operating income multiplier for the 2022 projected test year is 0.74547 and 1.34143, respectively, and for the 2023 subsequent projected test year is 0.74552 and 1.34135, respectively. (Fuentes)

OPC: A. The appropriate revenue expansion factor is 0.74547 for the 2022 test year. (Smith)
B. The appropriate revenue expansion factor is 0.74552 for the 2023 test year. (Smith)

CLEO: No position.

FAIR: A. Agree with the Office of Public Counsel.
B. Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: The appropriate revenue expansion factor is 0.74665, and the appropriate NOI multiplier is 1.33950.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 107: What is the appropriate annual operating revenue increase or decrease (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: As reflected on FPL witness Fuentes's Exhibit LF-12, the appropriate annual operating revenue increase with RSAM is \$1,074,933,000 for the 2022 projected test year and \$605,385,000 for the 2023 subsequent projected test year. If the Commission does not adopt the RSAM as part of FPL's four-year rate proposal, as reflected on FPL witness Fuentes's Exhibit LF-13, the appropriate annual operating revenue increase without RSAM is \$1,277,474,000 for the 2022 projected test year and \$599,521,000 for the 2023 subsequent projected test year. (Bores, Fuentes)

OPC: A. The appropriate annual revenue decrease is \$70.901 million for the 2022 test year without the RSAM. (Smith)
B. The appropriate annual revenue increase is \$457.218 million for the 2023 test year without the RSAM. (Smith)

CLEO: No position.

FAIR: A. FPL's annual operating revenues should be decreased by \$121 million in 2022. (Mac Mathuna; Herndon)
B. No increase or decrease for 2023.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: As a fallout issue, the appropriate annual operating revenue should reflect all of the appropriate adjustments. At a minimum, FPL has misstated projected revenues from pole attachments because the methodology FPL has utilized is contrary to governing regulatory requirements, which under the FCC formula are cost based.

FRF: Agrees with the Office of Public Counsel.

**FLA. RISING/
LULAC/**

ECOSWF: FPL's annual operating revenue should decrease by \$121 million in 2022 and should not change in 2023 (Mac Mathuna; Herndon). However, Florida Rising, LULAC, and ECOSWF are willing to accept simply maintaining FPL's annual operating revenue at its current level and denying any increase.

LARSONS: Adopt the position taken by Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

COST OF SERVICE AND RATE DESIGN ISSUES

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

FPL: Yes. FPL’s proposed consolidated cost of service and unified tariffs and rates for FPL and the former Gulf Power Company should be approved. Because FPL and Gulf are operationally and legally combined, unified rates are the next logical step in the merger and integration process that is expected to be complete by year end 2021. If the Commission declines unification, it should adopt the tariffs and rates pursuant to the Supplemental FPL and Gulf Standalone Information in MFR Format, subject to the adjustments set forth in Exhibits LF-13 and LF-14. (Cohen, DuBose, Reed)

OPC: No position.

CLEO: No position.

FAIR: FAIR does not oppose the ultimate unification of rates for the customers of FPL and the former Gulf Power Company. The rate decreases advocated by FAIR and other parties should be allocated among all classes and customers so as to move all toward parity.

FEA: Brian Collins will testify that if the consolidated cost of service is approved, the Commission should implement the Class Cost of Service Study (“CCOSS”) with an MDS as this CCOSS best reflects cost causation on the Company’s system. Furthermore, as to the unification of tariffs and rates for FPL and the former Gulf Power Company the Commission should require that the GP RTP rate should not be eliminated until a comparable RTP rate is established for FPL.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes. The consolidate cost of service and unified rate structure should be approved, although not as proposed by FPL (as rate increase should be denied and any issues with cost of service study addressed).

LARSONS: No; not without adequately protecting existing FPL customers from cross-subsidizing Gulf customers.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: If the Commission approves unified rates and the proposed transition rider, the Commission should approve a symmetrical rate design for demand-metered customer classes, where the charge and credit for both legacy utilities are assessed on either a \$/kW or \$kWh basis. If the Commission determines that it will not approve unified rates for FPL and Gulf, the Commission should approve FPL's CDR for use by legacy Gulf customers. Walmart Direct Testimony of Steve W. Chriss, pp. 6, 29-30.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 108(a): If the Commission determines that it will not approve unified rates for FPL and Gulf, should Gulf's legacy customers be provided access to FPL's Commercial/Industrial Demand Reduction Rider (CDR)?

FPL: No. Customers in the Gulf Power service area already have access to a Curtailable Load Optional Rider in the event that unified rates are not approved.

OPC: No position.

CLEO: No position.

FAIR: Yes.

FEA: Agrees with Walmart.

FIPUG: Yes.

FIT: No position.

FRF: Agrees with Walmart.

**FLA. RISING/
LULAC/
ECOSWF:** No.

LARSONS: Yes.

SACE: No position.

**VOTE
SOLAR:** Agrees with CLEO.

WALMART: If the Commission determines it will not approve the unified rates for FPL and Gulf, the Commission should approve FPL's CDR for use by legacy Gulf customers. Walmart Direct Testimony of Steve W. Chriss, pp. 6, 30-31.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The proposed transition rider and credit for the years 2022 through 2026 should be approved. The transition rider, which will be phased out over five years, reflects initial differences in the cost to serve. FPL designed the transition rider to represent the difference in the overall system average costs between the two companies in 2021 for base rates and all clauses including fuel, capacity, environmental, conservation, and storm protection. The diminishing transition rider is intended to reflect the reality that customers are receiving service from one functionally integrated company and from a common set of assets and employees, without geographical distinction (in the same way FPL in communities with varying degrees of cost of service across disparate parts of the state are treated today) through payment of consolidated, equally applicable rates. (Cohen)

OPC: If the Commission approves consolidated cost of serve and unified tariffs and rates for FPL and Gulf, then any transition rider charges and credits should reflect any adjustments to this base rate case revenue requirement, as applicable.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

**FLA. RISING/
LULAC/**

ECOSWF: Yes, although adjusted to reflect that no rate increase has been approved.

LARSONS: No; not without adequately protecting existing FPL customers from cross-subsidizing Gulf customers.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: If the Commission approves unified rates and the proposed transition rider, the Commission should approve a symmetrical rate design for demand-metered customer classes, where the charge and credit for both legacy utilities are assessed on either a \$/kW or \$kWh basis. If the Commission determines that it will not approve unified rates for FPL and Gulf, the Commission should approve FPL's CDR for use by legacy Gulf customers. Walmart Direct Testimony of Steve W. Chriss, pp. 6, 29-30.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 110: **Is FPL's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?**

A. For the 2022 projected test year?

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

FPL: Yes, subject to the adjustments listed on FPL witness Liz Fuentes's Exhibit LF-11 – FPL's Second Notice of Identified Adjustments, the jurisdictional separation of costs and revenues between the wholesale and retail jurisdictions filed by FPL is appropriate. The separation factors filed by FPL were developed consistent with the Commission guidance in prior rate cases and the instructions provided in MFR E-1 and with the method used in the Company's surveillance reports. (DuBose)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: Adopt position of OPC.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 111: **What is the appropriate methodology to allocate production, transmission, and distribution costs to the rate classes?**

A. For the 2022 projected test year?

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

FPL: The 12 CP and 1/13th method should be approved by the Commission because it reflects how FPL's generation is planned and operated. The 12 CP and 1/13th is appropriate for FPL's system because: (1) recognizes that the type of generation unit selected is influenced by both demand and energy use throughout the year, and that these choices drive the level of total capital costs, operation and maintenance costs, and fuel costs; (2) reflects the influence of the summer reserve margin criterion; and (3) recognizes that capacity must be available throughout the year to meet FPL's winter reserve margin and the annual Loss of Load Probability criteria. The Commission should approve FPL's 12 CP method for allocating transmission plant-related costs to rate classes because it reflects FPL's transmission planning criteria. The appropriate method to allocate distribution plant costs is that filed by FPL. FPL's allocation method reflects FPL's distribution planning criterion. Meters, pull-offs, and service drops are driven by the number of customers and therefore classified as customer-related. All other

distribution plant is planned based on customer demand and therefore classified as demand-related. (DuBose)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: A. Brian Collins will testify that the Commission should implement the Class Cost of Service Study (“CCOSS”) with an MDS as this CCOSS best reflects cost causation on the Company’s system.
B. Brian Collins will testify that the Commission should implement the Class Cost of Service Study (“CCOSS”) with an MDS as this CCOSS best reflects cost causation on the Company’s system.

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

FIT: Cost allocation should occur on the basis of a class cost of service allocation with appropriate adjustments in the public interest.

FRF: A. FPL does not plan or construct its production plant and transmission system to serve interruptible load. Non-firm customers should not be treated as firm customers for production and transmission related cost allocation purposes. As such, production and transmission related costs allocations must be adjusted and reduced for classes with interruptible customers to reflect the reduced firm capacity services provided by FPL for the reasons stated in Mr. Georgis’ testimony. FRF agrees with FIPUG that production costs should be allocated to firm load using a 4 coincident peak method, and agrees with FIPUG that a Minimum Distribution System (“MDS”) approach should be adopted for allocating distribution costs.
B. FPL does not plan or construct its production plant and transmission system to serve interruptible load. Non-firm customers should not be treated as firm customers for production and transmission related cost allocation purposes. As such, production and transmission related costs allocations must be adjusted and reduced for classes with interruptible customers to reflect the reduced firm capacity services provided by FPL for the reasons stated in Mr. Georgis’ testimony. FRF agrees with FIPUG that production costs should be allocated to firm load using a 4 coincident peak method, and agrees with FIPUG that a Minimum Distribution System (“MDS”) approach should be adopted for allocating distribution costs.

FLA. RISING/

LULAC/

ECOSWF: For production, although other methods may be preferable, for the purposes of this case, the 12 CP and 1/13th methodology is a reasonable compromise. For transmission, the 12 CP method should be used.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: The methodology is reasonable.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 112: How should the change in revenue requirement be allocated to the customer classes?

A. For the 2022 projected test year?

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

FPL: The increase should be allocated as shown in MFR E-8. FPL followed Commission guidance and limited revenue increases to each class to no more than 150% of the system average in total including clauses. The result is all classes are moved closer to parity to the greatest extent practical. (Cohen)

OPC: A. The revenue requirement approved by the Commission should be applied in accordance with the Commission's long-standing practice that in designing new rates: (1) to the extent possible, consistent with other parameters, the revenue increase should be allocated so as to bring all rate classes as close to parity as practicable; (2) no class should receive an increase greater than 1.5 times the system average increase in total; and (3) no class should receive a decrease. See, Order No. PSC-0283-FO-EI at pp. 86-87.

B. The revenue requirement approved by the Commission should be applied in accordance with the Commission's long-standing practice that in designing new rates: (1) to the extent possible, consistent with other parameters, the revenue increase should be allocated so as to bring all rate classes as close to parity as practicable; (2) no class should receive an increase greater than 1.5 times the system average increase in total; and (3) no class should receive a decrease. See, Order No. PSC-0283-FO-EI at pp. 86-87.

CLEO: No position.

FAIR: A. The rate decreases advocated by FAIR and other parties should be allocated among all classes and customers so as to move all toward parity.
B. Any rate decrease approved for 2023 should be allocated among all classes and customers so as to move all toward parity.

FEA: A. Brian Collins will testify that because the FPL CCOSS with MDS better reflects class cost causation, FEA recommends the CCOSS with an MDS be used as a guide for class revenue allocation. Further, FEA proposes the allocations for the 2022 projected test year as shown on Exhibit BCC-1. As reflected there, class classes have been limited to an increase no greater than 1.65 times the system average increase of 14.4%. Also, classes should be held at current rates when the CCOSS indicates those classes should receive a rate decrease.
B. Brian Collins will testify that because the FPL CCOSS with MDS better reflects class cost causation, FEA recommends that a CCOSS with an MDS be developed and used as a guide for class revenue allocation for any 2023 increase approved by the Commission.

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

FIT: Cost allocation should occur on the basis of a class cost of service allocation with appropriate adjustments in the public interest.

FRF: A. Any change in the FPL base rate revenue requirement should be allocated on an equal percentage basis among customer classes for the reasons stated in Mr. Georgis' testimony.
B. Any change in the FPL base rate revenue requirement should be allocated on an equal percentage basis among customer classes for the reasons stated in Mr. Georgis' testimony.

FLA. RISING/

LULAC/

ECOSWF: Although Florida Rising, LULAC, and ECOSWF believe there is no additional revenue requirement, the existing revenue requirement should be allocated to achieve parity between the rate classes. As proposed by FPL, the residential rate class will be overpaying as compared to other rate classes.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 113: What are the appropriate service charges (initial connection, reconnect for nonpayment, connection of existing account, field visit, temporary overhead and underground, late payment charge, meter tampering)

A. For the 2022 projected test year?

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

FPL: The appropriate service charges effective January 1, 2022 and January 1, 2023 are listed below. (Chapel, Cohen, Spoor)

	Effective Jan. 1, 2022	Effective Jan. 1, 2023
Initial Service Connect/ Disconnect New Premise	\$12.00	\$13.00
Service Connect/ Disconnect Existing Premise	\$9.00	\$9.00
Field Visit	\$26.00	\$26.00
Reconnect for Non-Payment	\$5.00	\$5.00
Late Payment	Greater of \$5 or 1.5% applied to any past due unpaid balance of all accounts	Greater of \$5 or 1.5% applied to any past due unpaid balance of all accounts
Return Payment	\$25 if < or = \$50; \$30 if > \$50 < or = \$300; \$40 if > \$300 < or = \$800; 5% if > \$800	\$25 if < or = \$50; \$30 if > \$50 < or = \$300; \$40 if > \$300 < or = \$800; 5% if > \$800
Unauthorized Use of Energy	Reimbursement of all extra expenses	Reimbursement of all extra expenses
Meter Tampering Charge (non-demand)	\$500.00	\$500.00
Meter Tampering Charge (demand)	\$2,500.00	\$2,500.00
Temporary Service- Overhead Charge ³⁹	\$381.44	\$390.98
Temporary Service- Underground Charge ⁴⁰	\$186.04	\$190.60

³⁹ These are revised numbers that will be included in errata that will be filed.

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: The initial connection fee of \$12, as proposed by FPL, is appropriate. To reconnect for nonpayment, the fee should be \$0 if the customer is facing financial hardship. Otherwise, the \$5 as proposed by FPL is appropriate. The \$9 service charge for connection of existing account as proposed by FPL is appropriate. The field visit charge should be waived if the customer is facing financial hardship. Furthermore, FPL's proposed changes to its terms of service regarding discontinuance of service (section 1.6) seem like an attempt to allow FPL to deny interconnection to net metering customers and should therefore be disapproved. The ability of FPL to unilaterally impose a \$500 penalty (currently \$200) on residential customers based on FPL's assessment of whether they tampered with a meter should be disapproved as a violation of due process. Many customers cannot afford such a penalty.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: Fees should be as low as possible, particularly for customers facing financial hardship.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

⁴⁰ *Id.*

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

FPL: Yes. The tariff revisions provide for underground service in new residential subdivisions and also apply to small commercial or industrial customers that request installation of underground electric distribution facilities. These revised charges represent the consolidated differential costs between underground residential/commercial facilities and their equivalent overhead design. (Spoor)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. Subsequent to the Commission’s approval of the GAF, FPL has obtained a considerable amount of additional data to calculate Avoided Storm Restoration Cost (“ASRC”) as a result of experiencing numerous hurricanes and tropical

storms. FPL's proposed revisions to the tariff adopt that same methodology such that any applicant seeking to convert overhead facilities to underground, provided they meet the requirements of the tariff, are afforded the same reductions in Contribution in Aid of Construction based upon the calculated ASRC. FPL's analysis suggests that the reduction in costs under the tariffs proposed in this proceeding are comparable to the credit provided under the GAF waiver. (Spoor)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: No. The RTP program is not functioning as intended. Customers are not responding or curtailing load in response to higher price signals. The 120 customers on the RTP rate schedule are significantly subsidized by the remaining

general body of customers. FPL offers many alternative rate schedules that are appropriately priced for customers of various sizes and load shapes. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: Brian Collins will testify the GP RTP rate should not be eliminated until a comparable RTP rate is established for FPL. RTP tariffs offer customers the ability to make energy asset investments or modify operations to alter hourly demands based on the price signals produced in an RTP rate. GP's customers that take service on its RTP rate stand to lose the conservation benefits of these load modifications if the RTP rate is eliminated before FPL develops and offers a comparable RTP rate. The RTP tariff is another tool available to customers to manage their power costs and consumption during peak periods on the utility's system, provides price incentives to pursue economic renewable and green power investments that reduce carbon emissions and encourage enhanced utilization of the utility's infrastructure investments (e.g., improve load factor). These conservation/clean energy efforts by GP customers benefit both utility customers and the utility.

FIPUG: Yes.

FIT: No position.

FRF: Yes.

**FLA. RISING/
LULAC/**

ECOSWF: No. Although varying rate structures can provide bill savings to customers while reducing system peak demand for the utility, FPL has provided evidence that the tariff is currently working as a large subsidy to participating customers while not significantly reducing peak load.

LARSONS: No.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The new Economic Development Rider "Large EDR" is intended to be a middle layer between the current EDR at 350 kW and the CISR at 2 MW. Adding one additional incentive rider will assist in attracting companies with higher demand than the regular EDR while encouraging job creation. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: No. This proposed rider amounts to being a large subsidy from low-income customers to large developments and should be denied.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. This proposed increase appropriately reflects that the consolidated FPL is a larger company that will serve 8 additional counties, an additional population base of nearly 878,000, and 476,000 additional customers in the Northwest Florida region under one unified Economic Development program. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: Yes.

FIT: No position.

FRF: Yes.

**FLA. RISING/
LULAC/
ECOSWF:** No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. Under a consolidated tariff structure, the Gulf CS rider does not exist. This rider was a limited availability experimental rider and has never had any participating customers. (Cohen)

OPC: No position.

CLEO: Yes. The Community Solar rider has not had any subscribers, and is not a cost-effective option for customers. However, FPL should commit to make available another, more cost-competitive solar subscription offering to Gulf Power customers in place of the community solar rider.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes, although FPL should offer a true community solar option for customers to participate in – one in which the community can own the solar (i.e., not SolarTogether).

LARSONS: Yes.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: The appropriate monthly credit for Commercial/Industrial Demand Reduction (CDR) Rider is \$5.80/kW. (Sim)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

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

FIT: No position.

FRF: As explained in the testimony of Mr. Tony Georgis, the CDR Rider should be changed to \$10.07/kW-month, effective January 1, 2022.

FLA. RISING/

LULAC/

ECOSWF: FPL's proposal to reduce the compensation rate should be denied and the Commission should order FPL to aggressively pursue program enrollment growth. (Rábago)

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. Currently, most commercial/industrial time-of-use customers pay \$0 for any demand consumed off-peak. FPL is the only investor owned utility in Florida without a maximum demand charge that is standard for all time-of-use rates. Paying a maximum demand charge recognizes there are off-peak distribution costs that should be paid by the cost-causer and correct and intra-class annual subsidy. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: No position.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Yes, although the proposed maximum demand charge should be reduced to reflect that no rate increase has been approved.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: Walmart does not oppose the Companies' proposal to add a maximum demand charge to the time-of-use commercial and industrial base rate schedules. Walmart Direct Testimony of Steve W. Chriss, p. 6.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

A. For the 2022 projected test year?

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

FPL: The appropriate customer charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Cohen)

OPC: A. The appropriate base charges should be based on OPC's recommend revenue requirement and rates that implement the Commission's long-standing practice for establishing new rates as stated in Issue 112.
B. No charge is appropriate for 2023.

CLEO: FPL's proposed rates and charges are not fair, just or reasonable with respect to low-income customers who are struggling to pay their bills. The Commission should require FPL to adopt customer protections against disconnections during emergencies (e.g., when preparing for or recovering from major storms), and when temperatures are hazardous. FPL should also commit to developing discounted rates for low-income customers who are unable to afford electric bill payments, similar to those adopted by other states.

Further, FPL does not offer sufficient rate options to assist customers who are in need of emergency back-up power. FPL should start by implementing a tariffed program designed to improve resilience at schools, such as through expanded energy efficiency offerings, solar plus storage solutions, and school bus vehicle-to-grid pilots that could provide back-up power. (Whited)

FAIR: No existing rates should be increased. (Herndon)

FEA: No position.

FIPUG: Adopt the position with OPC.

FIT: No position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: Although it would be appropriate for base charges to be decreased given the amount of rate base that should be denied as not reasonable and prudent and given the proper capital structure, the simplest thing for the Commission to do is maintain present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: The Commission should set the basic charge, maximum demand charge, and transformation credit for GSLDT-1 as proposed by the Companies, increase the on-peak demand charge by 1.2 times the percentage base revenue increase for the schedule, and apply the remainder of the increase to the on-peak and off-peak non-fuel charges in a manner that maintains the proposed 2.3X ratio between the charges. Walmart Direct Testimony of Steve W. Chriss, pp. 6, 21-28.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 123: What are the appropriate demand charges (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: The appropriate demand charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Cohen)

OPC: A. The appropriate demand charges should be based on OPC's recommend revenue requirement and rates that implement the Commission's long-standing practice for establishing new rates as stated in Issue 112.
B. No charge is appropriate for 2023.

CLEO: FPL's proposed rates and charges are not fair, just or reasonable with respect to low-income customers who are struggling to pay their bills. The Commission should require FPL to adopt customer protections against disconnections during emergencies (e.g., when preparing for or recovering from major storms), and when temperatures are hazardous. FPL should also commit to developing discounted rates for low-income customers who are unable to afford electric bill payments, similar to those adopted by other states.

Further, FPL does not offer sufficient rate options to assist customers who are in need of emergency back-up power. FPL should start by implementing a tariffed program designed to improve resilience at schools, such as through expanded energy efficiency offerings, solar plus storage solutions, and school bus vehicle-to-grid pilots that could provide back-up power. (Whited)

FAIR: No existing rates should be increased. (Herndon)

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: A. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis, and that the determination of energy and demand charges should be derived from those findings.

B. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the

recommendations of Mr. Tony Georgis, and that the determination of energy and demand charges should be derived from those findings.

FLA. RISING/

LULAC/

ECOSWF: Although it would be appropriate for demand charges to be decreased given the amount of rate base that should be denied as not reasonable and prudent and given the proper capital structure, the simplest thing for the Commission to do is maintain present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: The Commission should set the basic charge, maximum demand charge, and transformation credit for GSLDT-1 as proposed by the Companies, increase the on-peak demand charge by 1.2 times the percentage base revenue increase for the schedule, and apply the remained of the increase to the on-peak and off-peak non-fuel charges in a manner that maintains the proposed 2.3X ration between the charges. Walmart Direct Testimony of Steve W. Chriss, pp. 6, 21-28.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 124: What are the appropriate energy charges (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: The appropriate energy charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Cohen)

OPC: A. The appropriate energy charges should be based on OPC's recommend revenue requirement and rates that implement the Commission's long-standing practice for establishing new rates as stated in Issue 112.

B. No charge is appropriate for 2023.

CLEO: FPL's proposed rates and charges are not fair, just or reasonable with respect to low-income customers who are struggling to pay their bills. The Commission should require FPL to adopt customer protections against disconnections during emergencies (e.g., when preparing for or recovering from major storms), and when temperatures are hazardous. FPL should also commit to developing

discounted rates for low-income customers who are unable to afford electric bill payments, similar to those adopted by other states.

Further, FPL does not offer sufficient rate options to assist customers who are in need of emergency back-up power. FPL should start by implementing a tariffed program designed to improve resilience at schools, such as through expanded energy efficiency offerings, solar plus storage solutions, and school bus vehicle-to-grid pilots that could provide back-up power. (Whited)

FAIR: No existing rates should be increased. (Herndon)

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: A. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis, and that the determination of energy and demand charges should be derived from those findings.
B. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis, and that the determination of energy and demand charges should be derived from those findings.

FLA. RISING/

LULAC/

ECOSWF: Although it would be appropriate for energy charges to be decreased given the amount of rate base that should be denied as not reasonable and prudent and given the proper capital structure, the simplest thing for the Commission to do is maintain present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: Walmart takes no position at this time, except as implied by Walmart's position on Issues 122 and 123.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 125: What are the appropriate charges for the Standby and Supplemental Services (SST-1, ISST-1) rate schedules (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: The appropriate energy charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Cohen)

OPC: No position.

CLEO: FPL's proposed rates and charges are not fair, just or reasonable with respect to low-income customers who are struggling to pay their bills. The Commission should require FPL to adopt customer protections against disconnections during emergencies (e.g., when preparing for or recovering from major storms), and when temperatures are hazardous. FPL should also commit to developing discounted rates for low-income customers who are unable to afford electric bill payments, similar to those adopted by other states.

Further, FPL does not offer sufficient rate options to assist customers who are in need of emergency back-up power. FPL should start by implementing a tariffed program designed to improve resilience at schools, such as through expanded energy efficiency offerings, solar plus storage solutions, and school bus vehicle-to-grid pilots that could provide back-up power. (Whited)

FAIR: No existing rates should be increased. (Herndon)

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: A. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis, and that the determination of standby and supplemental service charges should be derived from those findings.

B. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis, and that the determination of standby and supplemental service charges should be derived from those findings.

FLA. RISING/

LULAC/

ECOSWF: No change from present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 126: What are the appropriate charges for the Commercial Industrial Load Control (CILC) rate schedule (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: The appropriate energy charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Sim, Cohen)

OPC: No position.

CLEO: No position.

FAIR: No existing rates should be increased. (Herndon)

FEA: No position.

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

FIT: No position.

FRF: A. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis. The appropriate credit reflected in the CILC rate for interruptible service should be consistent with the recommendations in Mr. Georgis' testimony.

B. FRF generally agrees with the Office of Public Counsel concerning the development of the FPL revenue requirement for 2022 and 2023, maintains that customer class revenue allocation should be performed consistent with the recommendations of Mr. Tony Georgis. The appropriate credit reflected in the CILC rate for interruptible service should be consistent with the recommendations in Mr. Georgis' testimony.

FLA. RISING/

LULAC/

ECOSWF: No change from present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 127: What are the appropriate lighting rate charges (Fallout Issue)

A. For the 2022 projected test year?

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

FPL: The appropriate energy charges are those shown in 2022 Test Year and 2023 Subsequent Year MFR A-3. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: No, existing rates should be increased. (Herndon)

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: No change from present rates.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The Commission should approve tariffs reflecting the Commission's approved rates and charges effective January 1, 2022, January 1, 2023 and tariffs reflecting the commercial operation of the SoBRA facilities in 2024 and 2025. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Cohen)

OPC: No position.

CLEO: No position.

FAIR: Yes, administrative authority to approve Commission-approved rates and charges is appropriate, but such administrative authority should not extend to any substantive changes in any terms or conditions of any tariffs.

FEA: No position.

FIPUG: No position.

FIT: No position.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

ISSUE 129: What are the effective dates of FPL's proposed rates and charges?

A. For the 2022 projected test year?

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

FPL: The effective dates for FPL's proposed rates and charges are as follows:
Test Year proposal: January 1, 2022
Subsequent Year proposal: January 1, 2023
Solar Base Rate Adjustments: 2024 and 2025 (concurrent with the in-service date of the projects) (Cohen, Bores)

OPC: A. The effective dates for FPL's proposed rates and charges as adjusted by OPC's recommendations should be after January 1, 2022.
B. No charge is appropriate for 2023.

CLEO: No position.

FAIR: A. The first day of the first billing cycle of 2022.
B. If applicable, the first day of the first billing cycle of 2023.

FEA: No position.

FIPUG: No position.

FIT: January 1, 2022. No changes are appropriate beyond the 2022 test year.

FRF: No position.

FLA. RISING/

LULAC/

ECOSWF: Since the petition to increase rates should be denied, there should be no effective date.

LARSONS: Adopt the position taken by the Office of Public Counsel on this issue.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

OTHER ISSUES

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

FPL: Yes. The Reserve Surplus Amortization Mechanism ("RSAM") has been effectively used by FPL for more than ten years. The RSAM is a core element of FPL's four-year rate plan and should be approved as set forth in Exhibit REB-11. (Barrett, Bores)

OPC: No. The creation of an RSAM by the Commission is not permissible legally as discussed in prior Issue 2. Mr. Lawton points out that RSAM does not constitute cost-based ratemaking if ordered by the Commission and is bad regulatory policy. FPL's RSAM proposal is actually a taking of customer's assets (i.e., excess of the customer's monies paid toward depreciation) to be used to enhance shareholder profits. The RSAM has been used historically to enhance shareholder returns causing customer to incur more costs in the future resulting in hundreds of millions of additional costs. The Commission should not be adopting a policy that encourages manipulation of depreciation studies by Companies to create depreciation reserves to be used to siphon off customer monies to shareholders. Further, the Commission should not be adopting a policy through creation of a RSAM that would allow a company to manage their earnings levels to keep them in the range without a termination point like in a Settlement, which would unintentionally limit the Commission's and other parties' ability to review FPL's rates in the future by creating a self-regulating mechanism. Mr. Smith did an analysis of the RSAM's use during the last settlement period and demonstrated that the RSAM was not needed to meet the mid-point of FPL's range, but rather was used to keep FPL's earning at the high end of the range for the majority of the settlement period. (Lawton, Smith)

CLEO: No position.

FAIR: No. If, however, the Commission approves any form of a Reserve Surplus Amortization Mechanism, the Commission should only allow FPL to use any

available amounts of depreciation surplus to achieve the midpoint of FPL's authorized ROE range. (Devlin, Herndon)

FEA: No position.

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

FIT: No. Although FIT agrees with OPC that the requested RSAM is not in the public interest, FIT also objects to the proposed resulting significant increase in depreciation rates for distribution poles. FPL's depreciation schedules are inappropriate. For example, they artificially shorten the lives of distribution poles yet lengthen the lives for transmission. Several of the accounts for distribution poles should have longer lives than proposed by FPL, and the other adjustments appear appropriate.

FRF: No. FRF agrees with the Office of Public Counsel that the proposed RSAM is not in the public interest and should not be approved in any form.

FLA. RISING/

LULAC/

ECOSWF: No. (Rábago)

LARSONS: No.

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

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL should be allowed to accelerate the amortization of capital recovery if a debit to depreciation expense would be required to prevent FPL from exceeding the top of the authorized range and such debit would result in the Reserve Amount exceeding the \$1.48 billion. FPL will adjust prospective amortization in

December of each year such that the total equates to \$512 million over the 2022-2025 period. (Barrett)

OPC: No. The Commission should apply a straight-line amortization over the four-year period ended December 31, 2025 for the capital recovery for retired assets amortization expense for 2022-2025.

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Agree with OPC position.

FRF: No. This aspect of the FPL proposed RSAM should be rejected.

FLA. RISING/

LULAC/

ECOSWF: No. Almost the entirety of FPL's proposed capital recovery schedules should be denied. Ratepayers should not be paying for uneconomic assets that do not provide any value to ratepayers. (Rábago)

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The asset optimization incentive mechanism has been successful in delivering additional value for FPL's customers while also providing FPL the opportunity to share in the benefits when certain customer-value thresholds are achieved. The approval of the incentive mechanism as an ongoing program with periodic reviews in the annual Fuel and Purchased Power Cost Recovery Clause

proceedings will maintain appropriate incentives for FPL to continue identifying and acting upon opportunities for gains that create substantial value for customers. (Forrest)

OPC: No. While the activities approved by the Commission in the original pilot program are well understood, there is insufficient information to understand how the requested expansions of the incentive mechanism would work or if it would benefit customers. (O'Donnell)

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. Agree with OPC position.

FRF: Adopt the position of OPC.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. The approval of the Solar Base Rate Adjustment ("SoBRA") mechanism will permit FPL to petition to adjust base rates to recover the cost of up to approximately 1,788 MW_{AC} of new cost-effective solar facilities that enter commercial operation in 2024 and 2025. The SoBRA mechanism is a core

element of FPL's four-year rate plan and should be approved as set forth in REB-12. (Barrett, Valle, Sim, Fuentes, Cohen)

OPC: No. FPL has not demonstrated a need for limited adjustments in 2024 and 2025 for new solar additions. The historical test year upon which the forecasts and projections are based was an extremely volatile historical test year due to the COVID-19 pandemic which virtually shut down large segments of the economy. Relying on 2020 as the historical test year beyond 2022 to multiple test years is fraught with pitfalls. The Commission should decline to employ any rate adjustments beyond the 2022 forecasted test year, like was done after the subprime mortgage crisis of 2008-2009. As that Commission noted as one reaches farther into the future, predictions and projections of future economic conditions become less certain and more subject to the vagaries of changing variable. See, PSC-10-0153-FOF-EI at page 10.

In addition, the Commission has expressed concerns that a SoBRA type mechanism does not afford them the level of economic oversight as can be done in a traditional rate case proceeding. *Id.* The Commission has also noted that a substantial portion of FPL's total revenue requirement (61%) flows through a pass-through mechanism, so another non-traditional rate making mechanism or pass through may not provide any advantage or benefits. Now, there is the SPP cost recovery clause for storm hardening capital improvements. Any benefits of a SoBRA mechanism does not outweigh the risk to customers. The Company can file for a rate case if economic conditions in 2024 and 2025 warrant. Moreover, FPL has not demonstrated that a 2024 or 2025 base rate increase is necessary to keep FPL from falling below the low point of its authorized range. (Lawton, Smith)

CLEO: With respect to 2024-2025 and FPL's proposed SoBRA mechanism, FPL has demonstrated that the SoBRA projects themselves are reasonable and prudent investments. The Commission should deem these future solar additions to be reasonable and prudent, as long as they are within the kilowatt cost caps proposed by FPL. (Wilson)

Concerning cost recovery, the Commission should require FPL to demonstrate a need for interim rate relief at the time that it makes SoBRA filing related to these solar additions. If FPL's earnings are within its approved range of return at that time, then the Commission should retain the authority to defer cost recovery until a need for relief can be demonstrated, or FPL's next rate case.

FAIR: No.

FEA: Mike Gorman will testify that FPL's proposal for a SoBRA mechanism should be denied. It reflects incremental cost of new Solar Resource capital investments in 2024 and 2025, but does not capture the reduction in capital costs for solar

investments that are in-service in 2022 and 2023, which will further depreciate into 2024 and 2025. That is, the incremental capital investments for 2024 and 2025 do not accurately track the change in total FPL Solar Resource “net” plant in-service for all of its solar resources, including those in-service in 2022/2023. Allowing for an incremental mechanism charge for new investments in 2024/2025 without tracking a decline in the net plant or rate base values of the solar facilities that are in-service before 2024, will have the effect of overcharging customers for FPL total Solar Resource “net” plant in-service investments. For these reasons, FPL’s proposed solar base rate adjustments for investments made in 2024 and 2025 should be rejected.

FIPUG: No, as these solar generation assets are not needed to serve firm load. The addition of these solar generation assets in 2024 and 2025 are piecemeal ratemaking and should not be approved as a matter of law and as a matter of policy.

FIT: No position.

FRF: No. The FPL request for Solar Base Rate Adjustments in 2024 and 2025 are premature and constitute impermissible piecemeal rate making.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: Yes.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL proposes to continue to have access to the storm cost recovery framework prescribed by the 2010 Rate Settlement and continued by the 2012 and 2016 Rate Settlements. The Storm Cost Recovery Mechanism should be approved as set forth in Exhibit REB-10. (Barrett)

OPC: No, the Commission should not approve a SCRM as proposed by FPL. FPL proposes to continue the Storm Cost Recovery Mechanism (SCRM) to allow them to begin collecting a charge based on an amount up to \$4 per 1,000 KWh on a monthly residential bill for a named tropical storm beginning 60 days after filing a petition for recovery with the Commission. This interim recovery period will last up to 12 months. If costs related to named storms exceed \$800 million in any one year, the Company can ask the Commission to increase the \$4 per 1,000KWh. They also ask to increase their storm reserve to \$150 million. As discussed in Issue 1, FPL's proposal is legally problematic.

However, if the Commission as a matter of policy decides to adopt a scheme that is legally permissible, then clarifications for the customers' benefit should be made. The current framework prescribed by the 2016 Rate Settlement generally is sufficient, however, it should be modified to add safeguards. The Company should have the recovery subject to a level that is limited to major, named storms as defined by the National Hurricane Center, not just any storm. Further, the language "that any proceeding to recover costs associated with any storm shall not be a vehicle for a "rate case" type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure or consider previous or current base rate earnings or level of theoretical depreciation reserve" should be clarified. If the Company chooses to implement tariff for recovery of storm cost and the Commission permits it to go into effect within 60 days that Parties shall be granted a full evidentiary hearing within a reasonable time period on the recoverable costs subject to an earnings test for recoverable costs. Moreover, the intent of including this language in the settlements was not and should not be memorialized by the language in the proposal to limit legitimate inquiry into the reasonableness and prudence of the costs that the Company claims to have incurred in storm damage repair and restoration activities. The Commission should ensure in any order approving the mechanism outside of a settlement that a full opportunity to test and challenge costs will be provided in the time that is needed since the company will be allowed to receive expedited interim recovery of costs. However, under no circumstance should FPL be allowed to ever again charge storm recovery costs against the depreciation reserve surplus or to use an RSAM for recovery of storm costs. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: No position.

FIPUG: No.

FIT: No. Agree with OPC position.

FRF: Agrees with the Office of Public Counsel.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL proposes a mechanism that will allow FPL to adjust base rates in the event tax laws change during or after the conclusion of this proceeding. Following enactment, FPL would calculate the impact of the change in tax law by comparing revenue requirements with and without the change, and submit the calculation of the rate adjustment needed to ensure FPL is not subject to tax expenses that are not reflected in the MFRs submitted with its base rate request. (Bores)

OPC: No. The Commission cannot even lawfully entertain the proposal under commission precedent. Furthermore, there is no pending legislation as such any proposal is premature and speculative. (Smith)

CLEO: No position.

FAIR: No.

FEA: No position.

FIPUG: No.

FIT: No. To the extent ADIT is included in the capital structure, it must include all unamortized amounts of excess ADIT including amounts booked as regulatory liabilities in Account 254.

FRF: No. The Commission should not pre-approve a piecemeal base rate adjustment solely for a change in tax laws.

FLA. RISING/

LULAC/

ECOSWF: No. If a change in tax law necessitates a change in rates, FPL should return to the Commission at that time to request such a change.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL is requesting to accelerate the amortization of unprotected excess deferred income taxes that were to be amortized in 2026 and 2027 such that those amounts would instead be amortized in 2024 and 2025 (\$81 million in each year). The acceleration of the remaining two years of unprotected excess deferred income tax amortization in 2024 and 2025 will help offset the increasing revenue requirements during those two years and is a core element of the four-year plan and FPL's ability to manage the uncertainty over that length of time. (Bores)

OPC: The EDIT should be accelerated into 2022 and 2023 to offset any revenue requirement. (Smith)

CLEO: No position.

FAIR: Agree with the Office of Public Counsel.

FEA: Mike Gorman will testify that FPL's proposal to accelerate unprotected accumulated excess deferred income tax amortization should be rejected. The revenue requirement net value would be approximately \$109 million for tax gross-up of this operating income excess ADIT credit. However, FPL has not demonstrated that it has \$218 million (2 times \$109 million) of revenue

requirement offset that justifies accelerating these excess tax deferred credits in 2024 and 2025 in the amount it is requesting. Further, FPL has not presented a cost of service analysis that shows allowing for accelerated write-down of these customer regulatory liabilities in 2024 and 2025. Allowing the Company to accelerate amortization of these costs, without determining whether or not a rate decrease to customers is appropriate, will prejudice customers' rights to full value of these regulatory liabilities, and as such, customers would be harmed under this proposal.

FIPUG: No.

FIT: No. FPL's proposal to accelerate is not appropriate.

FRF: No. If a multi-year base rate plan is authorized, any remaining unprotected excess ADIT should be recovered evenly over that rate period.

FLA. RISING/

LULAC/

ECOSWF: No.

LARSONS: No.

SACE: No position.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

FPL: Yes. FPL has operated under six multi-year rate plans over the past two decades and the results for customers have been nothing short of remarkable. The fact that these plans have resulted from settlement agreements does not invalidate a multi-year plan as an authorized ratemaking option for the Commission in establishing just and reasonable rates. Multi-year plans offer rate certainty and stability for customers, and importantly they allow the Company the opportunity to continue to improve the value delivered to customers during a period of regulatory stability. Over these many multi-year periods FPL has driven its performance to the top of the industry across a series of metrics that matter most to customers -- low bills, high reliability, low emissions, and excellent customer service. (Barrett)

OPC: No. FPL's 4-year rate plan is ephemeral at best. Given that the 4-year plan is only based on the Commission granting FPL request without modification or non-substantive modification, the Commission should ignore this "offer" as it is meaningless. While the Commission could accept FPL's offer to stay out as proposed, with any modifications it is likely that FPL's offer would be withdrawn. It is doubtful that the Commission could order the Company not to file a rate case if they were to be outside the range. So, this "offer" is illusory.

CLEO: No position.

FAIR: No.

FEA: Mike Gorman will testify that the Commission should reject the FPL's proposal for a four-year rate plan. FPL has not presented any quantification of its cost of service relative to the rate revenue expected to be collected in 2022 and 2023. Further, they have not provided a complete revenue requirement in relationship to the projected rate revenue under current rates for 2024 and 2025. Further, the filing only supports its claimed cost of service and rate revenue relationships under a two-year rate plan – 2022 and 2023. For these reasons the four year plan should be rejected.

FIPUG: No.

FIT: No. Multiyear test years are inherently unreliable and rely upon projected future revenues and expenses that become less realistic over time. Future pole attachment revenues are based upon a methodology and factors that are contrary with governing regulatory requirements.

FRF: No.

FLA. RISING/

LULAC/

ECOSWF: No. (Rábago)

LARSONS: No.

SACE: No, not as filed.

VOTE

SOLAR: Agrees with CLEO.

WALMART: No position.

STAFF: Staff has no position pending evidence adduced at the hearing.

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

Proposed stipulation – See Section X.

ISSUE 139: Should this docket be closed?

Proposed stipulation – See Section X.

IX. EXHIBIT LIST

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
<u>Direct</u>			
Eric Silagy	FPL	ES-1	Eric Silagy Biography
Eric Silagy	FPL	ES-2	Value Provided to FPL Customers
Eric Silagy	FPL	ES-3	Typical Residential 1,000 kWh Bill Comparisons
Eric Silagy	FPL	ES-4	Gulf Power Operational Improvements
Eric Silagy	FPL	ES-5	Gulf Power Adjusted O&M Improvements
Robert E. Barrett	FPL	REB-1	Consolidated MFRs Sponsored or Co-sponsored by Robert E. Barrett
Robert E. Barrett	FPL	REB-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Robert E. Barrett
Robert E. Barrett	FPL	REB-3	FPL's Virtuous Circle
Robert E. Barrett	FPL	REB-4	Average Annual Capital Expenditures by Industry

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Robert E. Barrett	FPL	REB-5	PP&E Replenishment Profile
Robert E. Barrett	FPL	REB-6	Historical Hurricane Probabilities by State
Robert E. Barrett	FPL	REB-7	Annual Average Number of Storms by Decade
Robert E. Barrett	FPL	REB-8	Regional Comparison: Key Performance Metrics
Robert E. Barrett	FPL	REB-9	Non-Fuel O&M per Retail MWh
Robert E. Barrett	FPL	REB-10	Storm Cost Recovery Mechanism
Robert E. Barrett Keith Ferguson	FPL	REB-11	Reserve Surplus Amortization Mechanism
Robert E. Barrett Liz Fuentes, Matthew Valle, Tiffany C. Cohen	FPL	REB-12	Solar Base Rate Adjustment Mechanism
Scott R. Bores	FPL	SRB-1	Consolidated MFRs Sponsored or Co-sponsored by Scott R. Bores
Scott R. Bores	FPL	SRB-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Scott R. Bores
Scott R. Bores	FPL	SRB-3	Gulf Power O&M Performance 2018 vs. 2022
Scott R. Bores	FPL	SRB-4	2021 Planning and Budgeting Process Guidelines
Scott R. Bores	FPL	SRB-5	MFR F-5 Forecasting Flowchart and Models
Scott R. Bores	FPL	SRB-6	MFR F-8 Major Forecast Assumptions

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Scott R. Bores	FPL	SRB-7	Drivers of the Increase in Revenue Requirements 2018 vs. 2022
Scott R. Bores	FPL	SRB-8	Summary of CPVRR Analysis for Generation Upgrade Projects
Scott R. Bores	FPL	SRB-9	FPL's Adjusted O&M Benchmark
Scott R. Bores	FPL	SRB-10	Drivers of the Increase in Revenue Requirements 2023 vs. 2022
Scott R. Bores	FPL	SRB-11	Summary of CPVRR Analysis for Scherer Unit 4 Retirement
Liz Fuentes	FPL	LF-1	Consolidated MFRs Sponsored or Co-sponsored by Liz Fuentes
Liz Fuentes	FPL	LF-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Liz Fuentes
Liz Fuentes	FPL	LF-3	MFR A-1 with RSAM for the 2022 Test Year and 2023 Subsequent Year
Liz Fuentes	FPL	LF-4	List of Proposed Company Adjustments for the 2022 Test Year and 2023 Subsequent Year
Liz Fuentes	FPL	LF-5	2022 and 2023 ROE Calculation Without Rate Adjustment
Liz Fuentes	FPL	LF-6	MFR A-1 without RSAM for the 2022 Test Year and 2023 Subsequent Year

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Liz Fuentes	FPL	LF-7	DIT Proration Adjustment Capital Structure for 2022 Test Year and 2023 Subsequent Year
Liz Fuentes	FPL	LF-8	Schedule A-1 for FPL as a Separate Ratemaking Entity for the 2022 Test Year and 2023 Subsequent Year
Liz Fuentes	FPL	LF-9	Schedule A-1 for Gulf as a Separate Ratemaking Entity for the 2022 Test Year and 2023 Subsequent Year
James M. Coyne	FPL	JMC-1	Resume and Testimony Listing of James M. Coyne
James M. Coyne	FPL	JMC-2	Comprehensive Summary of ROE Results
James M. Coyne	FPL	JMC-3	Proxy Group Screening Analysis
James M. Coyne	FPL	JMC-4	Constant Growth DCF Analysis
James M. Coyne	FPL	JMC-5.1	Market Risk Premium
James M. Coyne	FPL	JMC-5.2	CAPM Analysis
James M. Coyne	FPL	JMC-6	Risk Premium Analysis
James M. Coyne	FPL	JMC-7	Expected Earnings Analysis
James M. Coyne	FPL	JMC-8	Capital Expenditures Analysis
James M. Coyne	FPL	JMC-9	Regulatory Risk Assessment
James M. Coyne	FPL	JMC-10	Flotation Cost Analysis
James M. Coyne	FPL	JMC-11	Capital Structure Analysis
Michael Spoor	FPL	MS-1	Consolidated MFRs Co-Sponsored by Michael Spoor

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Michael Spoor	FPL	MS-2	Supplemental FPL and Gulf Standalone Information in MFR Format Co-Sponsored by Michael Spoor
Michael Spoor	FPL	MS-3	FPL and Gulf's FPSC T&D SAIDI
Michael Spoor	FPL	MS-4	FPL and Gulf's FPSC Distribution MAIFI
Michael Spoor	FPL	MS-5	National & Regional Distribution SAIDI Benchmarking
Michael Spoor	FPL	MS-6	FPL's AFS Avoided/Actual Customer Interruptions
Thomas Broad	FPL	TB-1	Consolidated MFRs Sponsored or Co-sponsored by Thomas Broad
Thomas Broad	FPL	TB-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Thomas Broad
Thomas Broad	FPL	TB-3	FPL Fossil/Solar Fleet MW Capability and Technology Changes
Thomas Broad	FPL	TB-4	FPL Fleet Performance Improvements
Thomas Broad	FPL	TB-5	FPL 15 Year NFOM, NHR & EFOR Performance Comparison
Thomas Broad	FPL	TB-6	Pg. 1 of 2 FPL Fossil/Solar Fleet Heat Rate Comparison Pg. 2 of 2 Cumulative Benefits from FPL's Modernized Fleet

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Thomas Broad	FPL	TB-7	FPL's/Gulf's Fleet Level O&M, Heat Rate and EFOR Performance Comparisons
Thomas Broad	FPL	TB-8	FPL's/Gulf's CC & PV Plant Level O&M Performance Comparisons
Thomas Broad	FPL	TB-9	FPL's/Gulf's Total O&M and CAPEX Maintenance Expenditure, Heat Rate & EFOR Comparisons
Christopher Chapel	FPL	CC-1	Consolidated MFRs Sponsored or Co-Sponsored by Christopher Chapel
Christopher Chapel	FPL	CC-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Christopher Chapel
Christopher Chapel	FPL	CC-3	FPL Customer Service Awards and Recognition
Christopher Chapel	FPL	CC-4	2020 Customer Satisfaction Research
Christopher Chapel	FPL	CC-5	Florida Public Service Commission Logged Complaints
Christopher Chapel	FPL	CC-6	Gulf Power Customer Experience Improvements
Robert Coffey	FPL	RC-1	Consolidated MFRs Sponsored or Co-sponsored by Robert Coffey
Robert Coffey	FPL	RC-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Robert Coffey

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Robert Coffey	FPL	RC-3	NRC Performance Indicators
Robert Coffey	FPL	RC-4	NRC Inspection Findings
Robert Coffey	FPL	RC-5	NRC Regulatory Status
Robert Coffey	FPL	RC-6	Nuclear Performance Metrics
Sam Forrest	FPL	SAF-1	Incentive Mechanism Comparison for Period 2013-2020
Sam Forrest	FPL	SAF-2	Proposed New Total Gains Schedule
Matthew Valle	FPL	MV-1	Consolidated MFRs Sponsored or Co-sponsored by Matthew Valle
Matthew Valle	FPL	MV-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Matthew Valle
Matthew Valle	FPL	MV-3	2022 and 2023 Solar Projects Details
Matthew Valle	FPL	MV-4	Layout of Major Solar Center Equipment Components
Matthew Valle	FPL	MV-5	Property Held for Future Use
Matthew Valle	FPL	MV-6	Electric Vehicle Pilots
Matthew Valle	FPL	MV-7	Battery Storage Pilot
Matthew Valle	FPL	MV-8	Green Hydrogen Pilot
Dr. Steven R. Sim	FPL	SRS-1	With Programs and Without Programs Resource Plans for CDR and CILC Incentive Payment Analysis

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Dr. Steven R. Sim	FPL	SRS-2	Analysis of the Current and Proposed Monthly Incentive Levels for the CDR & CILC Programs
Dr. Steven R. Sim	FPL	SRS-3	Comparison of Resource Plans: W/ 2022 Manatee Changes and W/ 2029 Manatee Changes
Dr. Steven R. Sim	FPL	SRS-4	Load Forecasts Used in the Current Analyses
Dr. Steven R. Sim	FPL	SRS-5	Fuel Cost Forecasts Used in the Current Analyses
Dr. Steven R. Sim	FPL	SRS-6	CO2 Compliance Cost Forecast Used in the Current Analyses
Dr. Steven R. Sim	FPL	SRS-7	Results of the Initial Step 1 and Step 2 Analyses
Dr. Steven R. Sim	FPL	SRS-8	Results of the Current Step 1 Analysis
Dr. Steven R. Sim	FPL	SRS-9	Results of the Current Step 2 Analysis
Dr. Steven R. Sim	FPL	SRS-10	Projected CPVRR Costs for: the NFRC Line Project, Wheeling Through the Southern Company System, and Wheeling Through the DEF System
Dr. Steven R. Sim	FPL	SRS-11	FPL Stand-Alone Resource Plan Developed in the Current Step 2 Analyses
Dr. Steven R. Sim	FPL	SRS-12	Results of the Current Step 3 Analyses
Dr. Steven R. Sim	FPL	SRS-13	Economic Analysis Results for the Planned 2022 and 2023 Solar Additions

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
John J. Reed	FPL	JJR-1	Résumé
John J. Reed	FPL	JJR-2	Testimony Listing
John J. Reed	FPL	JJR-3	Situational Assessment Rankings
John J. Reed	FPL	JJR-4	Cost Efficiency Rankings
John J. Reed	FPL	JJR-5	Operational Metrics
John J. Reed	FPL	JJR-6	Benchmarking Workpapers
John J. Reed	FPL	JJR-7	2019 Assessment and Efficiency Tables
John J. Reed	FPL	JJR-8	Annual Non-Fuel O&M Savings per Customer
John J. Reed	FPL	JJR-9	2017 - 2019 Combined Situational Assessment and Cost Efficiency Rankings
John J. Reed	FPL	JJR-10	Emissions Comparison
John J. Reed	FPL	JJR-11	Consumer Price Index and Producer Price Index
John J. Reed	FPL	JJR-12	Average Weekly Electric Utility Employee Earnings
John J. Reed	FPL	JJR-13	Handy-Whitman Construction Cost Indices
John J. Reed	FPL	JJR-14	Rate Level and Stability Comparison
John J. Reed	FPL	JJR-15	Examples of Performance Based ROE Incentives
Jun K. Park	FPL	JKP-1	Consolidated MFRs Sponsored or Co-sponsored by Jun K. Park

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jun K. Park	FPL	JKP-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Jun K. Park
Jun K. Park	FPL	JKP-3	Historical and Forecasted Consolidated FPL Customers
Jun K. Park	FPL	JKP-4	Historical and Forecasted Consolidated FPL Retail Delivered Sales
Jun K. Park	FPL	JKP-5	Forecasted Consolidated FPL Summer Peak Demands
Kathleen Slattery	FPL	KS-1	Consolidated MFRs Sponsored or Co-sponsored by Kathleen Slattery
Kathleen Slattery	FPL	KS-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Kathleen Slattery
Kathleen Slattery	FPL	KS-3	Total Salaries & Wages
Kathleen Slattery	FPL	KS-4	Position to Market (2020 Base Pay)
Kathleen Slattery	FPL	KS-5	Merit Pay Program Awards
Kathleen Slattery	FPL	KS-6	Total Benefit Program
Kathleen Slattery	FPL	KS-7	Active Employee Medical Plan
Kathleen Slattery	FPL	KS-8	Average Medical Plan Expense Per Employee
Kathleen Slattery	FPL	KS-9	Pension & 401(k) Employee Savings Plan
Tiffany C. Cohen	FPL	TCC-1	Consolidated MFRs Sponsored or Co-sponsored by Tiffany C. Cohen

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Tiffany C. Cohen	FPL	TCC-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Tiffany C. Cohen
Tiffany C. Cohen	FPL	TCC-3	Bills at Unified Rates (Current FPL Customers)
Tiffany C. Cohen	FPL	TCC-4	Bills at Unified Rates (Northwest Florida Customers)
Tiffany C. Cohen	FPL	TCC-5	National Bill Comparisons
Tiffany C. Cohen	FPL	TCC-6	Summary of Parity of Major Rate Classes
Tiffany C. Cohen	FPL	TCC-7	Summary of Proposed Rate Structure for Major Rate Schedules
Tiffany C. Cohen	FPL	TCC-8	Calculation of 2022 System Differential Transition Rider and Credit
Tiffany C. Cohen, Scott R. Bores, Liz Fuentes, James M. Coyne, Tara B. DuBose, Keith Ferguson, Ned W. Allis, Jeffrey T. Kopp	FPL	TCC-9	Rates for FPL and Gulf as Separate Ratemaking Entities
Tara B. DuBose	FPL	TBD-1	Consolidated MFRs Sponsored or Co-Sponsored by Tara B. DuBose
Tara B. DuBose	FPL	TBD-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-Sponsored by Tara B. DuBose

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Tara B. DuBose	FPL	TBD-3	Load Research Rate Classes and Related Rate Schedules
Tara B. DuBose	FPL	TBD-4	Rate Class Extrapolation Methodologies
Tara B. DuBose	FPL	TBD-5	Rates of Return and Parity at Present Rates
Tara B. DuBose	FPL	TBD-6	Target Revenue Requirements at Proposed Rates
Tara B. DuBose	FPL	TBD-7	Informational Consolidated MDS Cost of Service in MFR Format
Tara B. DuBose	FPL	TBD-8	Comparison of Proposed Target Revenue Requirements by Rate Class with and without MDS
Keith Ferguson	FPL	KF-1	Consolidated MFRs Sponsored or Co-sponsored by Keith Ferguson
Keith Ferguson	FPL	KF-2	Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Keith Ferguson
Keith Ferguson	FPL	KF-3(A)	Impacts to Depreciation Expense using 2021 Depreciation Study Depreciation Rates by Year for Base vs. Clause for 2022 and 2023
Keith Ferguson Ned W. Alli	FPL	KF-3(B)	Proposed Depreciation Company Adjustments by Year for Base vs. Clause for 2022 and 2023 using the RSAM Adjusted Depreciation Rates

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Keith Ferguson	FPL	KF-4	Summary of Capital Recovery Schedules for 2022 and 2023 – Base Rates vs. Clause
Keith Ferguson	FPL	KF-5 ⁴¹	Proposed Dismantlement Company Adjustments for Base vs. Clause
Keith Ferguson	FPL	KF-6	Proposed Company Adjustments for Change in Nuclear End of Life Accruals
Keith Ferguson	FPL	KF-7	2021 Cost Allocation Manual
Keith Ferguson	FPL	KF-8	Affiliate Charges Based on Billing Methodology for the 2022 Test Year
Ned W. Allis	FPL	NWA-1	2021 Depreciation Study
Ned W. Allis	FPL	NWA-2	List of Cases in which Ned W. Allis has Submitted Testimony
Ned W. Allis	FPL	NWA-3	Schedules 1A and 1B
Ned W. Allis	FPL	NWA-4	Summary of Depreciation for Production Plant Resulting from Different Life Span Estimates
Ned W. Allis	FPL	NWA-5	Summary of Depreciation Based on Current Service Life and Net Salvage Estimates
Ned W. Allis	FPL	NWA-6	Summary of Depreciation Based on Proposed Service Life Estimates and Current Net Salvage Estimates for Transmission, Distribution and General Plant Accounts

⁴¹ Corrected exhibit filed May 7, 2021.

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Ned W. Allis	FPL	NWA-7	Summary of Depreciation Based on Current Service Life Estimates and Proposed Net Salvage Estimates for Transmission, Distribution and General Plant Accounts
Ned W. Allis	FPL	NWA-8	Summary of Depreciation for Standalone FPL Assets
Ned W. Allis	FPL	NWA-9	Summary of Depreciation for Standalone Gulf Assets
Jeffrey T. Kopp, Keith Ferguson	FPL	JTK-1 ⁴²	2021 Dismantlement Study
Jeffrey T. Kopp	FPL	JTK-2	Resume of Jeffrey T. Kopp
Roxie McCullar	OPC	RMM-1	Previous Experience of Roxie McCullar
Roxie McCullar	OPC	RMM-2	OPC Proposed Remaining Life Depreciation Rates
Roxie McCullar	OPC	RMM-3	OPC Whole Life Depreciation Rates
Roxie McCullar	OPC	RMM-4	FPL Notification to NRC Regarding St. Lucie SLR
Roxie McCullar	OPC	RMM-5	Solar Life Survey
Roxie McCullar	OPC	RMM-6	Comparison Future Net Salvage Accruals
Roxie McCullar	OPC	RMM-7	Comparison of Estimate Reserve Imbalance
Roxie McCullar	OPC	RMM-8	FPL Response FIPUG Interrogatory No. 8
William Dunkel	OPC	WWD-1	Previous Experience of William Dunkel

⁴² Corrected 2021 Dismantlement Study filed May 7, 2021

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
William Dunkel	OPC	WWD-2	Annual Accrual for Dismantlement at a 6.40% Discount Rate
Kevin O'Donnell, CFA	OPC	KWO-Appendix A	Curriculum Vitae
Kevin O'Donnell, CFA	OPC	KWO-1	FPL All-Sources Requested Cap Structure
Kevin O'Donnell, CFA	OPC	KWO-2	Yield Spread 2011 through 2020
Kevin O'Donnell, CFA	OPC	KWO-3	Interest Cost Differential
Kevin O'Donnell, CFA	OPC	KWO-4	O&M Costs per MWH
J. Randall Woolridge, PH. D.	OPC	JRW	Qualifications
J. Randall Woolridge, PH. D.	OPC	JRW-1	Recommended Cost of Capital
J. Randall Woolridge, PH. D.	OPC	JRW-2	Public Utility Capital Cost Indicators
J. Randall Woolridge, PH. D.	OPC	JRW-3	Summary Financial Statistics for Proxy Group
J. Randall Woolridge, PH. D.	OPC	JRW-4	Capital Structure Ratios and Debt Cost Rates
J. Randall Woolridge, PH. D.	OPC	JRW-5	The Relationship Between Expected ROEs and M/B Ratios Industry Betas
J. Randall Woolridge, PH. D.	OPC	JRW-6	Public Utility Financials Indicators
J. Randall Woolridge, PH. D.	OPC	JRW-7	DCF Study
J. Randall Woolridge, PH. D.	OPC	JRW-8	CAPM Study
J. Randall Woolridge, PH. D.	OPC	JRW-9	FPL's Proposed Cost of Capital
J. Randall Woolridge, PH. D.	OPC	JRW-10	GDP and S&P 500 Growth Rates

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Daniel J. Lawton	OPC	DJL-1	Resume
Daniel J. Lawton	OPC	DJL-2	Historical Equity Return For FPL Per the ESR's
Daniel J. Lawton	OPC	DJL-3	Financial Metrics
Ralph Smith, CPA	OPC	RCS-1	Qualifications Appendix
Ralph Smith, CPA	OPC	RCS-2	Revenue Requirement and Adjustment Schedules for 2022 Test Year
Ralph Smith, CPA	OPC	RCS-3	Revenue Requirement and Adjustment Schedules for 2023 Subsequent Year
Ralph Smith, CPA	OPC	RCS-4	Demonstration of the Lack of Need for a Reserve Surplus Amortization Mechanism Excluding Storm Write-Off
Ralph Smith, CPA	OPC	RCS-5	Florida Power and Light Company Earned Return on Equity History
Rachel Wilson	CLEO/VOTE SOLAR	RW-1	Resume
Rachel Wilson	CLEO/VOTE SOLAR	RW-2	Electric Utilities Carbon Emission Reduction Goals
Curt Volkmann	CLEO/VOTE SOLAR	CV-1	Statement of Qualifications
Curt Volkmann	CLEO/VOTE SOLAR	CV-2	Prior Testimony & Comments by Curt Volkmann
Curt Volkmann	CLEO/VOTE SOLAR	CV-3	Discovery Requests, Objections, and Responses by FPL to CLEO Institute and Vote Solar
Curt Volkmann	CLEO/VOTE SOLAR	CV-4	Potential Metrics for FPL-Gulf T&D Capital Performance Management

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Curt Volkman	CLEO/VOTE SOLAR	CV-5	ICE Calculator Screenshots
Curt Volkman	CLEO/VOTE SOLAR	CV-6	Grid Modernization Playbook
Curt Volkman	CLEO/VOTE SOLAR	CV-7	Benefit-Cost analysis for Grid Modernization
Curt Volkman	CLEO/VOTE SOLAR	CV-8	Excerpts of FPL Witness Spoor's Deposition
Melissa Whited	CLEO/VOTE SOLAR	MW-1	Melissa Whited Resume
Melissa Whited	CLEO/VOTE SOLAR	MW-2	FPL First Set of Interrogatories No. 33
Melissa Whited	CLEO/VOTE SOLAR	MW-3	FPL First Set of Interrogatories No. 39
Melissa Whited	CLEO/VOTE SOLAR	MW-4	FPL First Set of Interrogatories No. 37
Breandan Mac Mathuna	FAIR	BTM-1	Professional Qualifications of Breandan T. Mac Mathuna
Breandan Mac Mathuna	FAIR	BTM-2	DCF Model Analysis
Breandan Mac Mathuna	FAIR	BTM-3	Sensitivity DCF Analysis
Breandan Mac Mathuna	FAIR	BTM-4	Market-to-Book Ratios
Breandan Mac Mathuna	FAIR	BTM-5	Modifications to Exhibit JMC-5.2
Breandan Mac Mathuna	FAIR	BTM-6	Common Equity Ratio Analysis
Breandan Mac Mathuna	FAIR	BTM-7.1	Credit Metrics ROE 8.56%
Breandan Mac Mathuna	FAIR	BTM-7.2	Credit Metrics ROE 8.56% Eq. Ratio 55.4%
Breandan Mac Mathuna	FAIR	BTM-7.3	Credit Metrics ROE 11.50% Eq. Ratio 55.4%

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Breandan Mac Mathuna	FAIR	BTM-7.4	Credit Metrics ROE 8.56% Eq. Ratio 55.4% COD+0.28%
Breandan Mac Mathuna	FAIR	BTM-8.1	Data Verification Workpapers
Breandan Mac Mathuna	FAIR	BTM-8.2	Other Workpapers
Timothy J. Devlin	FAIR	TJD-1	Résumé of Timothy J. Devlin
Timothy J. Devlin	FAIR	TJD-2	Comparison of Authorized ROE to Achieved ROE, 2017- 2021 (YTD)
Timothy J. Devlin	FAIR	TJD-3	FPL's Past Use of the RSAM, 2017-2021 (YTD)
Timothy J. Devlin	FAIR	TJD-4	Effects of RSAM on FPL's Revenue Requirements, 2017- 2020
Timothy J. Devlin	FAIR	TJD-5	Effects of RSAM on Future FPL Revenue Requirements, 2022-2025
John Thomas Herndon	FAIR	JTH-1	Résumé of John Thomas Herndon
John Thomas Herndon	FAIR	JTH-2	PSC Rate Case History Report
John Thomas Herndon	FAIR	JTH-3	FAIR's Articles of Incorporation
John Thomas Herndon	FAIR	JTH-4	FAIR's Membership Application
John Thomas Herndon	FAIR	JTH-5	FPL's Proposed Rate Increases, Annually and Cumulative 2022-2025
Nancy H. Watkins	FAIR	NHW-1	Résumé of Nancy H. Watkins
Nancy H. Watkins	FAIR	NHW-2	FAIR's Articles of Incorporation
Nancy H. Watkins	FAIR	NHW-3	FAIR's Membership Roster as of June 15, 2021 (REDACTED)

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Nancy H. Watkins	FAIR	NHW-4	Sample Form of FAIR's Membership Application (Paper)
Nancy H. Watkins	FAIR	NHW-5	Sample Form of FAIR's Membership Application (Electronic)
Michael P. Gorman	FEA	MPG-1	Rate of Return
Michael P. Gorman	FEA	MPG-2	JEA Special Board of Directors Meeting
Michael P. Gorman	FEA	MPG-3	Scherer Unit 4 Consummation Payment
Michael P. Gorman	FEA	MPG-4	Unrecovered Investment Summary
Michael P. Gorman	FEA	MPG-5	Capital Recovery Adjustment
Michael P. Gorman	FEA	MPG-6	Valuation Metrics
Michael P. Gorman	FEA	MPG-7	Revenue Impact
Michael P. Gorman	FEA	MPG-8	Embedded Cost of Debt Adjustment
Michael P. Gorman	FEA	MPG-9	Proxy Group
Michael P. Gorman	FEA	MPG-10	Consensus Analysts' Growth Rates
Michael P. Gorman	FEA	MPG-11	Constant Growth DCF Model (Consensus Analysts' Growth Rates)
Michael P. Gorman	FEA	MPG-12	Payout Ratios
Michael P. Gorman	FEA	MPG-13	Sustainable Growth Rate
Michael P. Gorman	FEA	MPG-14	Constant Growth DCF Model (Sustainable Growth Rates)
Michael P. Gorman	FEA	MPG-15	Electricity Sales are Linked to U.S. Economic Growth

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Michael P. Gorman	FEA	MPG-16	Multi-Stage Growth DCF Model
Michael P. Gorman	FEA	MPG-17	Common Stock Market/Book Ratio
Michael P. Gorman	FEA	MPG-18	Equity Risk Premium – Treasury Bond
Michael P. Gorman	FEA	MPG-19	Equity Risk Premium – Utility Bond
Michael P. Gorman	FEA	MPG-20	Bond Yield Spreads
Michael P. Gorman	FEA	MPG-21	Treasury and Utility Bond Yields
Michael P. Gorman	FEA	MPG-22	Value Line Beta
Michael P. Gorman	FEA	MPG-23	CAPM Return
Michael P. Gorman	FEA	MPG-24	Standard & Poor's Credit Metrics
Michael P. Gorman	FEA	MPG-25	Accuracy of Interest Rate Forecasts
Brian C. Collins	FEA	BCC-1	Consolidated Comparison of Proposed Target Revenue Requirements by Rate Class with and without MDS For the Test Year 2022
Brian C. Collins	FEA	BCC-2	Summary of 2019 FPL System Lambda
Jeff Pollock	FIPUG	JP-1	FPL Projected Summer and Winter Peak Reserve Margins Excluding the 2024 Solar Plant Additions
Jeff Pollock	FIPUG	JP-2	FRCC Projected Summer and Winter Peak Reserve Margins Excluding the 2024 Solar Plant Additions

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jeff Pollock	FIPUG	JP-3	CILC Incentive Payments Using Test-Year Assumptions
Jeff Pollock	FIPUG	JP-4	CDR Incentive Payments Using Test-Year Assumptions
Jeff Pollock	FIPUG	JP-5	Allocation of Costs to Non-Firm Customer Classes
Jeff Pollock	FIPUG	JP-6	Derivation of Revenues at Present and Proposed Rates Using Test-Year CDR/CILC Incentive Payments
Jeff Pollock	FIPUG	JP-7	Summary of Class Cost-of-Service Study Results: MDS, Test-Year CDR/CILC Incentive Payments
Jeff Pollock	FIPUG	JP-8	FPL System Load Analysis
Jeff Pollock	FIPUG	JP-9	Change in Class Revenue Requirements Using the 4CP Method Of Allocating Production and Transmission Demand-Related Costs
Jeff Pollock	FIPUG	JP-10	FIPUG Recommended Class Revenue Allocation Using FPL's MDS Study and Test-Year CDR/CILC Incentive Payments
Jeff Pollock	FIPUG	JP-11	FIPUG Recommended Class Revenue Allocation Using FPL's MDS Study; Test-Year CDR/CILC Incentive Payments, 4CP Method
Jeff Pollock	FIPUG	JP-12	Trends in Generation Capital Costs
Jeff Pollock	FIPUG	JP-13	Installed Cost of Generation Capacity Additions Since 2012

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Jeff Pollock	FIPUG	JP-14	CDR Monthly Incentive Reflecting Avoided Capital Costs
Billie Conte	FIPUG	BSL-1	RRA Regulatory Focus, Major Rate Case Decisions 2020 Report
Billie Conte	FIPUG	BSL-2	Change Return on Equity to National Average ROE
Billie Conte	FIPUG	BSL-3	Change Common Equity Ratio to 51.73%
Billie Conte	FIPUG	BSL-4	Reduce ROE and Common Equity Ratio to National Average
Billie Conte	FIPUG	BSL-5	Regulatory Weighted Average Cost of Capital
Billie Conte	FIPUG	BSL-6	Financial Weighted Average Cost of Capital
Billie Conte	FIPUG	BSL-7	Change ROE to 9.59%
Tony M. Georgis	FRF	TMG-1	Resume and Record of Testimony of Tony Georgis
Tony M. Georgis	FRF	TMG-2	CILC/CDR Credit Rider Embedded Valuation
Tony M. Georgis	FRF	TMG-3	Select FPL Responses to FRF Interrogatories 7 and 11
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-1	Karl Rábago Resume
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-2	Karl Rábago Prior Testimony
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-3	Florida Spotlight on Poverty and Opportunity

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-4	NCLC – Utility Rate Design: How Mandatory Monthly Customer Fees Cause Disproportionate Harm - FL
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-5	Excerpt from EEI 2020 Financial Review
Karl Rábago	FL Rising, LULAC, ECOSWF	KRR-6	ACEEE: Expanding Energy Efficiency Opportunities for Utility Customers in Florida
Becky Ayech	ECOSWF	BA-1	ECOSWF Articles of Incorporation
Steve W. Chriss	WALMART	SWC-1	Witness Qualifications Statement
Steve W. Chriss	WALMART	SWC-2	2022 Revenue Requirement Impact of the Companies' Proposed Increase in Return on Equity
Steve W. Chriss	WALMART	SWC-3	2023 Revenue Requirement Impact of the Companies' Proposed Increase in Return on Equity
Steve W. Chriss	WALMART	SWC-4	Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2018 to Present
Steve W. Chriss	WALMART	SWC-5	Calculation of 2022 Revenue Requirement Impact of the Companies' Proposed ROE vs National Average ROE, Vertically Integrated Utilities, Proposed Capital Structure
Steve W. Chriss	WALMART	SWC-6	2022 Revenue Requirement Impact of the Companies' Proposed Performance Incentive

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Steve W. Chriss	WALMART	SWC-7	2023 Revenue Requirement Impact of the Companies' Proposed Performance Incentive
Steve W. Chriss	WALMART	SWC-8	Revenue Requirement Impact of Gulf Power's Authorized Performance Bonus, Docket 20010949-EI
Steve W. Chriss	WALMART	SWC-9	Derivation of Walmart's Proposed GSLDT-1 Rate Design
Rhonda Hicks	STAFF	RLH-1	Billing complaints logged against Florida Power & Light Company 6/15/16 to 6/15/21
Rhonda Hicks	STAFF	RLH-2	Service complaints logged against Florida Power & Light Company 6/15/16 to 6/15/21
Rhonda Hicks	STAFF	RLH-3	Billing complaints logged against Gulf Power Company 6/15/16 to 6/15/21
Rhonda Hicks	STAFF	RLH-4	Service complaints logged against Gulf Power Company 6/15/16 to 6/15/21
Debra Dobiac	STAFF	DMD-1	Florida Public Service Commission Auditor's Report –Rate Case Audit dated June 2, 2021
Rebuttal			
Name	Utility/Staff	ABC-1	
Robert E. Barrett	FPL	REB-13	Business Risk Comparison

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Robert E. Barrett	FPL	REB-14	Effect of Intervenors' Recommendations on Moody's Credit Rating Triggers
Scott R. Bores	FPL	SRB-12	2024 and 2025 High-Level Revenue Requirements
Scott R. Bores	FPL	SRB-13	Productivity Gains
Liz Fuentes, Scott R. Bores, Kathleen Slattery, Christopher Chapel, Keith Ferguson, Michael Spoor, Tara B. DuBose, Matthew Valle	FPL	LF-10	FPL's Notice of Identified Adjustments filed May 7, 2021 and Witness Sponsorship
Liz Fuentes, Tara B. DuBose, Kathleen Slattery	FPL	LF-11	FPL's Second Notice of Identified Adjustments filed May 21, 2021 and Witness Sponsorship
Liz Fuentes	FPL	LF-12	2022 Test Year and 2023 Subsequent Year Recalculated Revenue Requirements with RSAM
Liz Fuentes	FPL	LF-13	2022 Test Year and 2023 Subsequent Year Recalculated Revenue Requirements without RSAM
Liz Fuentes	FPL	LF-14	2022 Test Year and 2023 Subsequent Year Recalculated Revenue Requirements for FPL as a Separate Ratemaking Entity
Liz Fuentes	FPL	LF-15	2022 Test Year and 2023 Subsequent Year Recalculated Revenue Requirements for Gulf Power as a Separate Ratemaking Entity

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
James M. Coyne	FPL	JMC-12	Comprehensive Summary of ROE Results
James M. Coyne	FPL	JMC-13	Constant Growth DCF Analysis
James M. Coyne	FPL	JMC-14.1	Market Risk Premium
James M. Coyne	FPL	JMC-14.2	CAPM Analysis
James M. Coyne	FPL	JMC-15	Risk Premium Analysis
James M. Coyne	FPL	JMC-16	Expected Earnings Analysis
James M. Coyne	FPL	JMC-17	Woolridge Constant Growth DCF Analysis
Michael Spoor	FPL	MS-7	T&D Property Held for Future Use
Keith Ferguson	FPL	KF-9	Comparison of Dismantlement Accruals at Different Discount Ra
Keith Ferguson	FPL	KF-10	FPL's 2021 EEI Invoice
Sam Forrest	FPL	SAF-3	2013-2020 Aggregate Incentive Mechanism Comparison
Steven R. Sim	FPL	SRS-14	Inaccurate, Misleading, and/or Contradictory Statements Made by Intervenor Witnesses
John J. Reed	FPL	JJR-16	Combined Situational Assessment and Cost Efficiency Rankings
Tiffany C. Cohen	FPL	TCC-10	Real Time Pricing Customer Response
Tara B. DuBose	FPL	TBD-9	Analysis of Monthly Peak Demands
Tara B. DuBose	FPL	TBD-10	FERC Three Peak Ratios Test

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
Tara B. DuBose	FPL	TBD-11	Target Revenue Requirements Comparison 4 CP to 12 CP
Matthew Valle	FPL	MV-9	Property Held for Future Use – Forecasted COD

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.

X. PROPOSED STIPULATIONS

There are proposed Type 2 stipulations⁴³ as stated below.

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

Stipulation: Yes.

ISSUE 139: Should this docket be closed?

Stipulation: Yes.

XI. PENDING MOTIONS

FIT Motion to Compel

FIT filed its Petition to Intervene on June 30, 2021, and served its first and second sets of discovery on FPL July 1 and 8, 2021, respectively. Based on these discovery service dates and the 25 day response deadline set forth in the Amending Order (Establishing Procedure),⁴⁴ FIT calculates the due dates for discovery responses as July 26 (first) and August 2 (second), 2021. Upon being informed by FPL that it did not consider the responses due until August 9, 2021, FIT filed the instant Motion to Compel or, in the alternative, for an Order Requiring Expedited Responses to Discovery.⁴⁵ As a common relief for both alternatives presented in the Motion, FIT requests an order requiring FPL to respond to FIT's First Set of Interrogatories Nos. 1-23 and

⁴³ A Type 2 stipulation occurs on an issue when the utility and the staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties and staff do not object to the Commission relying on the agreed language to resolve that issue in a final order.

⁴⁴ Order No. PSC-2021-0120A-PCO-EI, issued August 8, 2021.

⁴⁵ FIT also filed a Request for Oral Argument on Motion to Compel. The Prehearing Officer granted that Request and heard oral argument on the Motion to Compel at the August 2, 2021, Prehearing Conference.

Second Set of Interrogatories Nos. 24-32 and produce all documents responsive to FIT's First Request for Production of Documents Nos. 1-15 and Second Request for Production of Documents Nos. 16-18 no later than August 3, 2021.

On July 30, 2021, FPL filed its Response in Opposition to FIT's Motion to Compel Discovery. FPL states that FIT was granted intervention and became a party to this proceeding on July 13, 2021. Using the July 13 intervention order date and the 25-day discovery response deadline, FPL calculates its due date as August 9, 2021, for responding to both sets of outstanding discovery from FIT. While maintaining it has until August 9, 2021, to provide full discovery responses, FPL has provided responses to some of the discovery.

Uniform Rule 28-106.206, F.A.C., states that "*parties* may obtain discovery through the means and in the manner provided in Rules 1.280 through 1.400, Florida Rules of Civil Procedure (FRCP)." Rule 1.280(a), FRCP, states, in part, that "*Parties* may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; written interrogatories; production of documents or things or permission to enter upon land or other purposes; physical and mental examinations; and requests for admission." The referenced rule provisions authorize only parties to obtain discovery. A petitioning intervenor does not become a party to a proceeding until authorized by the presiding officer.⁴⁶ Therefore, FIT became a party with attendant rights to discovery on July 13, 2021. The earliest possible due date for responses to discovery propounded by FIT is 25 days from that date; August 9, 2021. Accordingly, FIT's Motion to Compel and alternative Motion to Expedite is denied.

FPL Motion for Protective Order

On July 30, 2021, FPL filed a Motion for Protective Order from Notice of Remote Deposition Duces Tecum served by FIT. The sole basis for this Motion is FPL's contention that the deposition seeks no relevant information. In its Opposition to Motion for Protective Order from Notice of Remote Deposition Duces Tecum filed August 2, 2021, FIT argues that discovery is broad and this deposition is reasonably calculated to lead to the discovery of admissible evidence. Specifically FIT asserts that because projections of pole attachment revenues – the subject matter of the deposition – are contained in the base filings (MFRs) in this proceeding, FPL has put the projections at issue.

A party must demonstrate good cause in seeking a protective order to protect it from annoyance, undue burden, or expense. Rule 1.280(c), FRCP. Because the instant request for protective order would entirely deny FIT the right to take a deposition, FPL bears an especially high burden. *See: Deltona Corp. v. Bailey*, 336 So. 2d 1163, 1170 (Fla. 1976) ("All motions [for protective order] under these subparagraphs of the rule must be supported by 'good cause' and a strong showing is required before a party will be denied entirely the right to take a deposition.") FPL has not met this burden and, accordingly, the Motion for Protective Order is denied.

⁴⁶ Rule 28-106.205(1), F.A.C. (person not an original party must file a motion to intervene) and Rule 28-106.204(1) ("The presiding officer shall conduct such proceedings and enter such orders as are deemed necessary to dispose of issues raised by the motion."; *Sullivan v. Sapp*, 866 So.2d 28, 33 (Fla. 2004)(court must approve intervention).

Fla. Rising Motion to Cosponsor FAIR's witnesses

At the Prehearing, for the first time, Fla. Rising requested that it be allowed to cosponsor FAIR's witnesses: Breandan Mac Mathuna, Timothy J. Devlin, and John Thomas Herndon. FPL takes the position that Fla. Rising was required pursuant to Order No. PSC-2021-0120A-PCO-EI to identify FAIR's witnesses as its own and sponsor their testimony on June 21, 2021, and cannot do so for the first time at the Prehearing Conference.

Fla. Rising was granted intervention on an individual basis, without objection by FPL, by Order No. PSC-2021-0139-PCO-EI, issued April 20, 2021. Fla. Rising filed the testimony of nine witnesses on June 21, 2021. FAIR was granted provisional associational standing, over FPL's objection, by Order No. PSC-2021-0180-PCO-EI, issued May 19, 2021. Issue No. 9 in this proceeding is the legal issue regarding whether FAIR has associational standing. This issue may be briefed by the parties and will be decided by the Commission post-hearing at the same time as the other issues raised in this docket.

FAIR filed the testimony of its witnesses in a timely fashion on June 21, 2021. FPL served a First Set of Interrogatories Nos. 1-28, First Request for Production of Documents Nos. 1-4 and Second Request for Production of Documents No. 5 on FAIR on May 24 and June 22, 2021, respectively. FAIR filed responses and objections to this discovery on July 19 and 23, 2021. On July 14, 2021, FPL filed the rebuttal testimony of James M. Coyne, John J. Reed, and Robert E. Barrett. The testimony of these witnesses directly responds to the prefiled testimony of the Witnesses. Additionally, FPL deposed Witnesses Herndon and Watkins on July 19 and July 29, 2021, respectively.

Section IV, Prefiled Testimony and Exhibits, of Order No. PSC-2021-0120A-PCO-EI,⁴⁷ states that each party shall file all testimony and exhibits that it intends to sponsor pursuant to the schedule set in Section IX. In this instance that would be on or before June 21, 2021. However, Section IV also states that: "Failure of a party to timely prefile exhibits and testimony from any witness in accordance with the foregoing requirements *may* bar admission of such exhibits and testimony."

The Florida Supreme Court has established the following factors to be weighed in deciding whether to exclude witnesses solely because their identity had not been previously disclosed as required by a pretrial order:

It follows, of course, that a trial court can properly exclude the testimony of a witness whose name has not been disclosed in accordance with a pretrial order. The discretion to do so must not be exercised blindly, however, and should be guided largely by a determination as to whether use of the undisclosed witness will prejudice the objecting party. Prejudice in this sense refers to the surprise in fact of the objecting party, and it is not dependent on the adverse nature of the

⁴⁷ Order No. PSC-2021-0120A-PCO-EI, issued April 8, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

testimony. Other factors which may enter into the trial court's exercise of discretion are: (i) the objecting party's ability to cure the prejudice or, similarly, his independent knowledge of the existence of the witness; (ii) the calling party's possible intentional, or bad faith, noncompliance with the pretrial order; and (iii) the possible disruption of the orderly and efficient trial of the case (or other cases). If after considering these factors, and any others that are relevant, the trial court concludes that use of the undisclosed witness will not substantially endanger the fairness of the proceeding, the pretrial order mandating disclosure should be modified and the witness should be allowed to testify.

Binger v. King Pest Control, 401 So. 2d 1310, 1313–14 (Fla. 1981) (notes omitted).

FPL has been aware of these witnesses and their testimony since June 21, 2021, and was afforded, and has availed itself of, the opportunity to engage in extensive written and oral discovery regarding their testimony. There is no surprise, and therefore no prejudice, to FPL and no disruption to these proceedings by allowing Fla. Rising to cosponsor these witnesses at this time. Nor is there any evidence that Fla. Rising's failure to add their name to FAIR's as sponsoring these witnesses on June 21 was done in bad faith. For these reasons, Fla. Rising shall be allowed to cosponsor FAIR witnesses: Breandan Mac Mathuna, Timothy J. Devlin, and John Thomas Herndon. FPL may conduct additional discovery up to and including close of business on August 13, 2021, to address any new issue raised by allowing Fla Rising to cosponsor FAIR's witnesses.

XII. PENDING CONFIDENTIALITY MATTERS

FPL has the following pending requests for confidential classification:

1. FPL's Request for Confidential Classification of Materials Provided Pursuant to Audit No. 2021-096-1-1, filed July 1, 2021.
2. FPL's Request for Confidential Classification of certain information provided in testimony of FAIR witness Breandan T. Mac Mathuna, filed on June 25, 2021.
3. FPL's Request for Confidential Classification of certain information provided in exhibits RCS-2 and RCS-3 to the testimony of OPC witness Ralph Smith, filed on June 21, 2021.
4. FPL's Request for Confidential Classification of certain information provided in fourth supplemental response to OPC's First Request for Production of Documents No. 36, filed on June 14, 2021.
5. FPL's Request for Confidential Classification of certain information provided in first supplemental response to OPC's Third Set of Interrogatories No. 148, filed June 9, 2021.

6. FPL's Request for Confidential Classification of certain information provided in responses to Vote Solar's First Request for Production of Documents Nos. 10, 42, and 43, filed June 8, 2021.
7. FPL's Request for Confidential Classification of certain information provided in responses to Staff's Third Request for Production of Documents Nos. 11 and 12 and Third Set of Interrogatories (No. 80), filed June 8, 2021.
8. FPL's Request for Confidential Classification of certain information provided in first supplemental response to FIPUG's First Request for Production of Documents No. 45, filed June 2, 2021.
9. FPL's Request for Confidential Classification of certain information provided in responses to FIPUG's First Request for Production of Documents Nos. 5, 8, 16, 35-37, 41-45, and 47-48, filed May 17, 2021.
10. FPL's Request for Confidential Classification of certain information provided in responses to FL Rising, LULAC, and ECOSWF's First Request for Production of Documents Nos. 4 and 18, filed May 17, 2021.

FAIR has the following pending requests or claims for confidentiality:

1. FAIR's Corrected First Request for Confidential Classification, filed July 23, 2021.
2. FAIR's Second Request for Confidential Classification, filed June 21, 2021.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. Summaries of each position, of no more than an average of 100 words, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing positions are longer than an average of 100 words, they must be reduced to no more than an average of 100 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time. However, in this case, due to the large number of issues and parties the total number of pages for the brief shall be expanded to 100 pages.

XIV. RULINGS

Opening statements, if any, shall be fifteen minutes for FPL and seven minutes each for the remaining parties.

It is therefore,

ORDERED by Chairman Gary F. Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Chairman Gary F. Clark, as Presiding Officer, this 10th day of August, 2021.



GARY F. CLARK
Chairman and Presiding Officer
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.