

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20210015-EI
ORDER NO. PSC-2021-0169-PCO-EI
ISSUED: May 14, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA

ORDER SUSPENDING RATES

BY THE COMMISSION:

This proceeding commenced on March 12, 2021, with the filing of a petition for a permanent rate increase by Florida Power & Light Company (FPL or Company). The Company is engaged in business as a public utility providing electric service as defined in Section 366.02, Florida Statutes (F.S.), and is subject to the jurisdiction of the Commission. FPL provides electric service to more than 5.6 million retail customers in much of the state.

FPL has requested an increase in its retail rates and charges to generate \$1.108 billion in additional gross annual revenue, effective January 1, 2022. The Company also has requested an increase in its retail rates and charges to generate \$607 million in additional gross annual revenue, effective January 1, 2023. FPL asserts that the combined increases will allow the Company to earn a return on equity (ROE) of 11.50 percent which includes a 50 basis point ROE performance incentive. The Company based its requests on projected test years ending December 31, 2022 and December 31, 2023. FPL stated that these test years are the appropriate periods to be utilized because they best represent expected future operations in the period immediately after any new base rates go into effect. FPL has also requested Solar Base Rate Adjustments (SoBRAs) of approximately \$140 million for both 2024 and 2025. In total, the Company is requesting a \$1.995 billion base rate increase. The current proposal also includes a 5-year transition rider assessed to former Gulf Power Company customers (Northwest Florida) and credited to legacy FPL customers (Peninsula Florida). The rider is separate and apart from Gulf's recovery of storm restoration costs resulting from Hurricanes Michael and Sally, which will continue under a separate surcharge. FPL did not request any interim rate relief.

In FPL's most recent base rate proceeding in Docket No. 20160021-EI, we approved a settlement agreement which authorized a revenue increase of \$400 million effective January 1, 2017, and a revenue increase of \$211 million effective January 1, 2018.¹ In addition, the

¹ Order No. PSC-2016-0560-AS-EI, issued December 15, 2016, in Docket No. 20160021-EI, *In re: Petition for rate increase by Florida Power & Light Company*; Docket No. 20160061-EI, *In re: Petition for approval of 2016-2018*