

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20210015-EI

DATED: JULY 14, 2021

FLORIDA INTERNET & TELEVISION PREHEARING STATEMENT

Pursuant to Order Establishing Procedure in this docket, Order No. PSC-2021-0116-PCO-EI, Intervenor Florida Internet & Television, Inc. (“FIT”) respectfully submits the following prehearing statement following the information submission sequence set forth in the Order.

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(1) Name of witnesses

FIT does not intend to call any witnesses for direct examination, but reserves its right to cross-examine all witnesses and to rely on the pre-filed testimony of witnesses in this docket, as well as testimony on their cross-examination.

(2) Description of Exhibits That May Be Used in Direct Case

FIT will not introduce any exhibits on direct examination, but reserves its right to introduce exhibits through cross-examination of other parties’ witnesses.

(3) Statement of Party's Position

a. Overview

As set forth in FIT's petition to intervene, which was granted on July 13, 2021,¹ 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 2022.² 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.³ 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

¹ Order No. PSC-2021-0255-PCO-EI (July 13, 2021).

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

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

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.

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."⁴

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.⁵ 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

⁴ FPL Response to FITA Petition to Intervene at 4.

⁵ 47 U.S.C. § 224.

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.⁶ 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.⁷

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.⁸ 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.⁹ 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.¹⁰ In the Telecommunications Act of 1996, which opened

⁶ 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*”).

⁷ *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.’”).

⁸ 47 U.S.C. § 224(c).

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

¹⁰ 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 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*

telecommunications markets to competition, Congress adopted a separate statutory formula for attachments by providers of telecommunications services,¹¹ 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.¹²

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.¹³ 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. §

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*).

¹¹ 47 U.S.C. § 224(e).

¹² See, e.g., *1998 Implementation Order*, 13 FCC Rcd. at 6796, ¶ 34; *FCC 2011 Order*, 26 FCC Rcd. 5240, ¶¶ 135-54.

¹³ 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.").

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 reviewing an order of the [FCC] regarding pole attachment rates. . . ." ¹⁴ (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

¹⁴ 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)).

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.¹⁵ 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 37.5 feet could be used by parties to calculate the annual pole rental rate.¹⁶ However, that presumption does not apply if the attaching party asserts that the real average pole height for a utility is higher or lower.¹⁷ In this

¹⁵ 47 C.F.R. §§ 1.1406(d), 1.1410.

¹⁶ 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”).

¹⁷ *Id.*

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,¹⁸ 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,¹⁹ which lowered the corporate tax rate by 40% (from 35% to 21%).²⁰ This accounting treatment transferred certain accumulated deferred taxes ordinarily captured in FERC accounts used to calculate the pole

¹⁸ See FIT Petition to Intervene ¶ 6.

¹⁹ Pub. L. No. 115-97, 131 Stat. 2054 (2017) (amending the Internal Revenue Code of 1986).

²⁰ See *id.* at 2095.

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),²¹ 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.

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.”²² 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.²³ 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

²¹ 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).

²² *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).

²³ *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).

(‘ADIT’) expense resulting from the Federal Tax and Job Cuts Act of 2017(sic), in addition to ADIT and depreciation reserves.”²⁴

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.²⁵ 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 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.

²⁴ *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).

²⁵ See, e.g., *2000 Fee Order* ¶¶ 31, 33-34.

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.

(4) **Questions of Fact, Law, and Policy at Issue**

LEGAL

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

Fit Position No Position

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

Fit Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

*ISSUE 14²⁶: What impact, if any, does the determination regarding Smart Thermostat Coalition's associational standing have on its ability to participate in this proceeding?

FIT Position No Position

TEST PERIOD AND FORECASTING

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

FIT Position No Position

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

²⁶ *Issues 13 and 14 may be dropped after an order granting/denying Smart Thermostat Coalition's Petition to Intervene is issued but are listed here as place-holders.

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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.

FIT Position No Position

DEPRECIATION AND DISMANTLEMENT STUDIES

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has

misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued

discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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

FIT Position No Position

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

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections in its test year, are just and reasonable under applicable law.

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?

FIT Position No Position

ISSUE 38: What is the appropriate amount of Plant in Service for the Solar Together Centers

- A. For the 2022 projected test year?
- B. If applicable, for the 2023 subsequent projected test year?

FIT Position No Position

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?

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

ISSUE 46: Is FPL's proposed early retirement of the coal assets at Plant Crist on October 15, 2020, as compared to (Original Retirement Date), reasonable and prudent?

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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?

FIT Position FPL takes no position pending FPL response to FIT discovery.

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?

FIT Position FPL takes no position pending FPL response to FIT discovery.

ISSUE 52: Are FPL’s proposed adjustments to move certain CWIP projects from base rates to the Environmental Cost Recovery Clause appropriate?

- A. For the 2022 projected test year?
- B. If applicable, for the 2023 subsequent projected test year?

FIT Position No Position

ISSUE 53: Are FPL’s proposed adjustments to move certain CWIP projects from base rates to the Energy Conservation Cost Recovery Clause appropriate?

- A. For the 2022 projected test year?
- B. If applicable, for the 2023 subsequent projected test year?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

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

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?

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

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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 the capital structure

- A. For the 2022 projected test year?
- B. If applicable, for the 2023 subsequent projected test year?

FIT Position 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. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's treatment of ADIT is appropriate.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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

Fit Position No. To the extent the performance incentive raises the rate of return, it will increase the rate of return carrying charge factor of the pole rental rate formula, and it would be beyond just and reasonable given it is incentive versus cost based.

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?

Fit Position No Position

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?

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery s set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law including as a result of transactions with affiliated companies.

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, which include inputs from distribution O&M expenses, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT’s summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No Position

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)?

FIT Position No Position

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?

FIT Position FIT takes no position at this time

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?

FIT Position No Position

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, which include inputs from distribution O&M expenses, and resulting revenue projections, are just and reasonable under applicable law

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?

FIT Position No Position

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?

FIT Position FIT takes no position at this time pending response to FIT's discovery.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, which include inputs from distribution O&M expenses, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery.

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?

FIT Position No position at this time pending FPL response to FIT discovery.

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?

FIT Position No position at this time pending FPL response to FIT discovery. Consolidated pole attachment rates and units billed should be no higher post consolidation than pre consolidation. Moreover, as set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position No Position

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

FIT Position No Position

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

FIT Position No Position

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?

FIT Position No Position

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

FIT Position No Position

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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

FIT Position No Position

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

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position No Position

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position No Position

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

FIT Position No Position

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?

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

OTHER ISSUES

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

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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 ending December 31, 2025 is equal to the sum of the amortization expense for 2022-2025?

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

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

FIT Position FIT does not take a position at this time. FIT is continuing to review testimony and discovery and will take a position on this at the pre-hearing conference.

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?

FIT Position No Position

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

FIT Position FIT does not take a position at this time pending FPL response to FIT discovery.

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?

FIT Position 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. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's treatment of ADIT is appropriate.

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?

FIT Position 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. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's treatment of ADIT is appropriate.

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

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

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?

FIT Position Yes

ISSUE 139: Should this docket be closed?

FIT Position No position at this time pending FPL response to FIT discovery. As set forth in FIT's summary of its position, above, FIT maintains that, at a minimum, FPL has misstated projected revenues from pole attachment rentals. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL's pole attachment rental rate calculations, and resulting revenue projections, are just and reasonable under applicable law.

CONTESTED ISSUES

OPC

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

FIT Position No Position

CLEO/VOTE SOLAR

ISSUE B: [Dropped].

ISSUE C: Do FPL’s proposed capital investments in natural gas ensure adequate fuel diversity and fuel supply reliability of the electric grid, per F.S. 366.05?

FIT Position No Position

ISSUE D: Are FPL’s T&D growth-related capital expenditures of \$5.86 billion between 2019-2023 reasonable and prudent?

FIT Position No position at this time pending FPL response to FIT discovery.

ISSUE E: Are FPL’s reliability/grid modernization-related T&D capital expenditures of \$5.64 billion between 2019-2023 reasonable and prudent?

FIT Position No position at this time pending FPL response to FIT discovery.

ISSUE F & G: [[Issues F & G were dropped by CLEO/VOTE SOLAR]]

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

FIT Position No position at this time pending FPL response to FIT discovery.

FIPUG

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

FIT Position No Position

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

FIT Position No Position

WALMART

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

FIT Position No position at this time pending FPL response to FIT discovery.

FIT ADDITIONAL ISSUES

ISSUE FIT-1: Whether FPL’s projected revenues from utility pole attachment revenue are overstated and whether FPL’s projection of revenues from utility pole attachment

rentals is based on pole attachment rental rates that are unlawfully high under applicable regulations.

FIT Position FIT believes that FPL’s annual pole attachment rental rates exceed the maximum rate permitted under law, and as a result, FPL’s projections of revenues from pole attachments are overstated. FIT has propounded discovery to FPL on the issues relevant to calculating the maximum lawful pole attachment rental rate, but FPL has not yet responded.

ISSUE FIT 2: Is FPL’s annual pole attachment rental rates higher than permitted applicable law and regulations?

FIT Position FIT believes that FPL’s annual pole attachment rental rates exceed the maximum rate permitted under law, and as a result, FPL’s projections of revenues from pole attachments are overstated. FIT has propounded discovery to FPL on the issues relevant to calculating the maximum lawful pole attachment rental rate, but FPL has not yet responded.

ISSUE FIT-3: Is the average height of FPL’s distribution poles greater than 37.5 feet?

FIT Position FIT believes that FPL’s average pole height is greater than the 37.5 foot presumption set forth in FCC regulations, which would lead to a lower annual pole rental fee. FIT has propounded discovery to FPL on this issue.

ISSUE FIT-4: Has FPL used the appropriate offset to gross plant investment due to excess accumulated deferred income taxes resulting from the Tax Cuts and Jobs Act of 2017 (“TCJA”) to include all unamortized amounts of excess ADIT including amounts booked as regulatory liabilities in Account 254?

FIT Position FIT believes that FPL’s treatment of ADIT may not be appropriate. 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. FIT has issued discovery designed to elicit information and data necessary to evaluate whether FPL’s treatment of ADIT is appropriate

(5) **Stipulated Issues**

FIT has not yet had an opportunity to enter into any stipulations with FPL or any other party regarding issues in this proceeding.

(6) **Pending Motions**

There are no motions currently outstanding on which FIT seeks action.

(7) Party's Pending Requests or Claims for Confidentiality

FIT does not currently have any pending requests or claims for confidentiality but reserves the right to raise any that may develop prior to the start of the hearing.

(8) Objections to Witnesses' Qualifications as An Expert

Because FIT was only recently granted intervention, FIT does not currently object to any FPL witness' qualifications as an expert.

(9) Requests for Sequestration of Witnesses

FIT does not request sequestration of witnesses.

(10) Requirements in The Order That Cannot Be Complied With

None

Dated this 14th day of July, 2021. Respectfully submitted,

/s/ Floyd R. Self

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CERTIFICATE OF SERVICE

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

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