

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO.: 20210015-EI

FILED: August 4, 2021

LARSON AMENDED PREHEARING STATEMENT

Pursuant to Order No. PSC-2021-0116-PCO-EI, issued on March 24, 2021, as modified by Order Nos. PSC-2021-0120-PCO-EI, Order No. PSC-2021-0120A, and PSC-2021-0233-PCO-EI issued on April 1, April 8, and June 28, 2021 respectively, Mr. Daniel R. Larson and Mrs. Alexandria Larson (“Larsons”), by and through undersigned counsel, hereby file their Amended Prehearing Statement and state as follows:

APPEARANCES:

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On behalf of the Larsons

1. All Known Witnesses

None.

2. All Known Exhibits

None at this time. The Larsons reserve the right to introduce exhibits during the evidentiary hearing.

3. Larson Statement of Basic Position

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.

4. Larson Position on the Issues

LEGAL ISSUES

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

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

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

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

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

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

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

LARSON: 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.

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

LARSON: 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).

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

LARSON: 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.

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

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

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?**

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

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

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

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?**

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

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

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

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?**

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

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

LARSON: Issue dropped.

ISSUE 14: What impact, if any, does the determination regarding Smart Thermostat 's associational standing have on its ability to participate in this proceeding?

LARSON: Issued dropped.

TEST PERIOD AND FORECASTING

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

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

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

LARSON: 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.

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

LARSON: No.

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

LARSON: No.

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?

LARSON: No.

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?

LARSON: No.

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?

LARSON: No.

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?

LARSON: No.

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

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

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

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

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.

LARSON: 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.

DEPRECIATION AND DISMANTLEMENT STUDIES

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

LARSON: 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.

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?

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

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?

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

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?

LARSON: 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.

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?

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

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

LARSON: 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.

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

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

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

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

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

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

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?

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

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?

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

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?

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

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?

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

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?

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

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

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

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

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

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

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

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

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

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

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

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

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

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?

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

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

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

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

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

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

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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

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

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?

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

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?

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

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?

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

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?

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

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

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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

LARSON: 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.

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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)?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

LARSON: No; not without adequately protecting existing FPL customers from cross subsidizing Gulf customers.

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

LARSON: No; not without adequately protecting existing FPL customers from cross subsidizing Gulf customers.

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?

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

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?

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

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?

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

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?

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

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

LARSON: No.

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

LARSON: No.

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?

LARSON: No.

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

LARSON: No.

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?

LARSON: No.

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

LARSON: Yes.

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

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

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

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

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?

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

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?

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

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?

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

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?

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

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?

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

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?

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

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

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

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?

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

OTHER ISSUES

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

LARSON: No.

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?

LARSON: No.

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

LARSON: No.

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?

LARSON: No.

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

LARSON: No.

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?

LARSON: No.

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?

LARSON: No.

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

LARSON: No.

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?

LARSON: Yes.

ISSUE 139: Should this docket be closed?

LARSON: Yes; at the time deemed appropriate by the Commission.

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?

LARSON: This issue has been dropped.

CLEO/VOTE SOLAR

ISSUE B: This issue has been 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?

LARSON: This issue has been dropped.

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

LARSON: This issue has been dropped.

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

LARSON: This issue has been dropped.

ISSUE F: This issue has been dropped.

ISSUE G: This issue has been dropped.

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)?

LARSON: This issue has been dropped.

FIPUG

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

LARSON: This issue has been dropped.

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

LARSON: This issue has been dropped.

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)?

LARSON: Yes.

NEWLY RAISED ISSUES

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?

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

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

None.

7. Pending Confidentiality Claims or Requests

The Larsons have no pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

The Larsons currently have no objections to any witness's qualifications as an expert.

9. Compliance with Order No. . PSC-2021-0116-PCO-EI, issued on March 24, 2021, as modified by Order Nos. PSC-2021-0120-PCO-EI, Order No. PSC-2021-0120A, and PSC-2021-0233-PCO-EI issued on April 1, April 8, and June 28, 2021

The Larsons have complied with all requirements of the Order Establishing Procedure entered in this docket.

10. Sequestration of Witnesses

The Larsons are not requesting the sequestration of any witnesses.

Respectfully submitted this 4th day of August 2021.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been filed with the Commission Clerk and furnished to the parties of record indicated below via electronic mail on August 4, 2021:

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