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February 28, 2025

VIA ELECTRONIC FILING

Adam Teitzman, Commission Clerk Division of Commission Clerk and Administrative Services Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: Docket No. 20250011-EI

Petition by Florida Power & Light Company for Base Rate Increase

Dear Mr. Teitzman:

Attached for filing on behalf of Florida Power & Light Company ("FPL") in the above docket are the direct testimony and exhibits of FPL witness Ina Laney.

Please let me know if you have any questions regarding this submission.

Sincerely,

s/John T. Burnett

John T. Burnett Vice President & General Counsel Florida Power & Light Company

(Document 4 of 30)

CERTIFICATE OF SERVICE Docket 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished

by electronic service this <u>28th</u> day of February 2025 to the following:

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By: s/John T. Burnett

John T. Burnett

1	BEFORE THE
2	FLORIDA PUBLIC SERVICE COMMISSION
3	DOCKET NO. 20250011-EI
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8	FLORIDA POWER & LIGHT COMPANY
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10	DIRECT TESTIMONY OF INA LANEY
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23	Filed: February 28, 2025

1		TABLE OF CONTENTS
2	I.	INTRODUCTION3
3	II.	FORECASTING AND MFR PREPARATION PROCESS8
4	III.	FERC UNIFORM SYSTEM OF ACCOUNTS15
5	IV.	MAJOR TAX ASSUMPTIONS
6	V.	DRIVERS OF 2026 BASE RATE INCREASE26
7	VI.	DRIVERS OF 2027 BASE RATE INCREASE38
8	VII.	FOUR-YEAR RATE PLAN45
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
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20		
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I. INTRODUCTION

2 Q. Please state your name and business address.

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- 3 A. My name is Ina Laney. My business address is Florida Power & Light Company, 700
- 4 Universe Boulevard, Juno Beach, Florida 33408.
- 5 Q. By whom are you employed and what is your position?
- 6 A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as the
- 7 Senior Director of Financial Forecast, Strategy, and Analysis.
- 8 Q. Please describe your duties and responsibilities in that position.
- 9 A. I am responsible for FPL's financial forecast, analysis of financial results, corporate
- budgeting, and various regulatory filings.
- 11 Q. Please describe your educational background and professional experience.
- 12 A. I hold a Bachelor of Science degree in Business Administration and a Bachelor of
- Science degree in Economics from the Academy of Economic Studies of Moldova. I
- also hold a Master of Business Administration from Harding University in Searcy,
- Arkansas. I joined NextEra Energy, Inc. in 2015 and have held several positions of
- increasing responsibility, including Manager of Cost and Performance and my current
- position as Senior Director of Financial Forecast, Strategy, and Analysis. Prior to
- NextEra Energy, Inc., I held various roles with Entergy Services, Inc. where I was
- responsible for preparation of cost-of-service studies, revenue requirement analyses,
- rider updates, and other rate-related filings. I have previously provided testimony in
- 21 various dockets before the Arkansas Public Service Commission, the Louisiana Public
- Service Commission, the Federal Energy Regulatory Commission ("FERC") and the
- Florida Public Service Commission ("Commission" or "FPSC").

1	Q.	Are you sponsoring or co-sponsoring any exhibits in this case?
2	A.	Yes. I am sponsoring the following exhibits:
3		• Exhibit IL-1 List of MFRs Sponsored or Co-sponsored by Ina Laney
4		• Exhibit IL-2 2025 FPL Annual Budget Planning Process Guideline
5		• Exhibit IL-3 MFR F-5 Forecasting Flowchart and Models
6		• Exhibit IL-4 MFR F-8 Major Forecast Assumptions
7		• Exhibit IL-5 FERC Uniform System of Accounts Changes
8		• Exhibit IL-6 Tax Credit Transfer Cumulative Revenue Requirements Impact
9		• Exhibit IL-7 Drivers of the Increase in Revenue Requirements 2023-2026
10		• Exhibit IL-8 FPL's Adjusted O&M Benchmark
11		• Exhibit IL-9 Tax Credit Rates
12		• Exhibit IL-10 Capital Investments Inflation Impact
13		• Exhibit IL-11 Drivers of the Increase in Revenue Requirements 2026-2027
14		Exhibit IL-12 Tax Adjustment Mechanism Accounting
15		• Exhibit IL-13 Tax Adjustment Mechanism Amount
16		I am co-sponsoring the following exhibit:
17		• Exhibit SRB-7 Solar and Battery Base Rate Adjustment Mechanism, filed
18		with the direct testimony of FPL witness Bores.
19	Q.	Are you sponsoring or co-sponsoring any Minimum Filing Requirements in this
20		case?
21	A.	Yes. The minimum filing requirements ("MFR") that I sponsor and co-sponsor are
22		listed in Exhibit IL-1.

Q. What is the purpose of your testimony?

- 2 A. The purpose of my testimony is to:
- 3 (1) Explain the process used for the preparation and approval of the forecast upon
- 4 which FPL's projected MFRs are based;
- 5 (2) Explain the impacts on the forecast due to FERC Order 898, Accounting and
- 6 Reporting Treatment of Certain Renewable Energy Assets ("FERC Order 898");
- 7 (3) Explain the major tax assumptions used in development of the forecast and
- 8 projected MFRs;

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- 9 (4) Explain the major cost drivers since 2023 that necessitate a 2026 Projected Test
- 10 Year increase effective January 1, 2026 (the "2026 Base Rate Increase");
- 11 (5) Explain the major cost drivers from 2026 to 2027 that necessitate a 2027 Projected
- Test Year increase effective January 1, 2027 (the "2027 Base Rate Increase");
- 13 (6) Describe two essential elements included within the four-year rate plan proposed
- by FPL witness Bores: (i) the Tax Adjustment Mechanism ("TAM"), and (ii) the
- investment tax credit ("ITC") component of the 2028 and 2029 Solar and Battery Base
- Rate Adjustment ("SoBRA") mechanism.

17 Q. Please summarize your testimony.

- 18 A. During the period of FPL's 2021 Rate Settlement (2022-2025) approved by the
- 19 Commission on December 2, 2021, in Order No. PSC-2021-0446-S-EI, Docket No.
- 20 20210015-EI, FPL has made significant improvements in lowering base operating costs
- and at the same time has made investments in its infrastructure to support growth and
- 22 maintain reliability. By the end of 2025, FPL's revenue requirements continue to
- increase, such that FPL will not be able to maintain adequate earnings in 2026 and

beyond without rate relief. Accordingly, FPL is requesting base rate increases in both 2026 and 2027 based on fully supported projected test years.

The MFRs filed in this proceeding have been prepared according to FPL's rigorous, established planning and forecasting process, relying on inputs from internal and external subject matter experts, processed through financial models widely used in the industry, and with review and approvals designed to ensure their reliability for use in setting rates in this proceeding. FPL's forecast and MFRs also reflect revisions to the Uniform System of Accounts ("USOA") in accordance with FERC Order 898 which became effective January 1, 2025.

FPL's forecast is based on current tax law, including the 2017 Tax Cuts and Jobs Act ("TCJA") and the 2022 Inflation Reduction Act ("IRA"). FPL's projected test years and proposed 2026 and 2027 base rate increases reflect the benefits of a number of tax elections allowed by the TCJA and the IRA. My testimony describes in detail the major tax assumptions and the elections made by FPL for the benefit of its customers.

FPL's proposed 2026 Base Rate Increase is needed to address increased revenue requirements since 2023, the year last used for establishing base rates. The primary drivers of the change in revenue requirements are: (1) capital investment initiatives that support system growth, maintain reliability, and ensure regulatory compliance; (2) the impact of the amortization of the Reserve Amount authorized by the 2021 Rate Settlement; (3) a change in the weighted average cost of capital; (4) unprotected excess

accumulated deferred income taxes ("ADIT") fully amortized by the end of 2025; (5) inflation and customer growth; (6) the impacts of the depreciation and dismantlement studies; (7) IRA tax credits that partially offset the increase in base revenue requirements; (8) revenue growth that partially offsets the increase in base revenue requirements; and (9) productivity gains that also partially offset the increase in base revenue requirements. As calculated on FPL witness Fuentes's Exhibit LF-4, absent a rate increase in 2026, FPL's projected earned return on equity ("ROE") falls to 8.84%, substantially below FPL's cost of equity as discussed by FPL witnesses Coyne and Bores.

FPL's proposed 2027 Base Rate Increase reflects the projected increase in base revenue requirements from 2026 to 2027. The primary drivers of this increase are: (1) capital investment initiatives that support additional customer growth, including deployment of solar generation and battery storage facilities, as well as investments to maintain reliability and improve the customer experience; (2) an increase due to the net effect of the flow through of ITCs associated with the battery storage projects, partially offset by the production tax credits ("PTCs") associated with the solar investments; (3) an increase in the weighted average cost of capital; (4) the impact of inflation and customer growth; and (5) revenue growth, that partially offsets the increase in base revenue requirements. As calculated on FPL witness Fuentes's Exhibit LF-4, without an increase in revenue in 2027, FPL's earned ROE is projected to fall by more than 100 basis points from the 2026 requested ROE of 11.90%. With no rate increase in 2026

1		and 2027, FPL's ROE in 2027 is projected to be 7.34%, substantially below the
2		requested ROE as discussed by FPL witnesses Coyne and Bores.
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4		Lastly, the Company's proposed four-year rate plan, as described in detail in FPL
5		witness Bores's direct testimony, will enable FPL to forgo general base rate increases
6		in both 2028 and 2029 while providing customers with rate stability through at least
7		January 2030. My testimony focuses on two essential elements of FPL's four-year rate
8		plan:
9		• The TAM is a non-cash mechanism that would allow FPL to flexibly amortize
10		a specified amount of two unprotected deferred tax liabilities ("DTL"): tax
11		repairs and mixed service costs. This mechanism will help offset the increasing
12		revenue requirements in 2028 and 2029.
13		• The ITC-related components of the 2028 and 2029 SoBRA: FPL intends to
14		claim PTCs on the 2028 and 2029 solar facilities and opt-out of normalization
15		on the ITCs related to the 2028 and 2029 battery storage projects.
16		The four-year rate proposal provides long term rate stability for customers, regulatory
17		efficiency, and will also allow the Company to focus on continuing to improve service
18		delivery and value to our customers.
19		
20		II. FORECASTING AND MFR PREPARATION PROCESS
21	Q.	What role did you play in the development of FPL's forecast?
22	A.	In my role as FPL's Senior Director of Financial Forecast, Strategy and Analysis, I
23		have overall responsibility for developing the O&M budget, the capital expenditure

budget, and the total company per books financial forecast. As part of this responsibility, guidance was provided to the business units to ensure that corporate assumptions were followed. A copy of the guidance is provided as Exhibit IL-2. I am also a member of the budget review committee ("Review Committee") responsible for reviewing the forecasts to ensure reasonableness and completeness for planning purposes. Key members of the Review Committee, in addition to me, are the FPL President and Chief Executive Officer, the FPL Vice President of Finance, the FPL Chief Operating Officer, the FPL Vice President of Financial Planning and Rate Strategy, and the NEE Executive Vice President of Finance and Chief Financial Officer.

Q. What forecast years have been included in this filing?

FPL has provided forecast years 2025, 2026 and 2027 for use in this proceeding. Based upon the conclusion of the term of the 2021 Rate Settlement on December 31, 2025, the Company is proposing that new rates be effective January 1, 2026, at a level sufficient to cover the Company's revenue requirements in 2026. FPL proposes a 2026 Projected Test Year in this proceeding, in order to best reflect the Company's revenues, costs and investment during the year in which those new rates are proposed to go into effect. The 2025 plan year is included as the Prior Year, consistent with the Commission's filing requirements.

A.

FPL also is proposing a 2027 Projected Test Year, which will provide for new rates effective January 1, 2027, at a level sufficient to cover the Company's revenue requirements in 2027. Accordingly, FPL has filed a complete set of MFRs for calendar

year 2027, which provide all revenues, costs and investments and reflect the
Company's projected financial position in that year.

Q. Please summarize the process used to develop the 2026 and 2027 forecasts and
 MFRs.

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FPL follows a rigorous and long-standing process in the development and approval of its O&M and capital expenditures budgets, financial forecasts and MFRs, as reflected in Exhibits IL-2 and IL-3. Beginning in 2013, FPL incorporated into the planning process a step specifically focused on generating and evaluating productivity and efficiency improvement ideas – an initiative known initially as "Project Momentum." This project was originally intended to be a one-time event, but due to its success, the Company incorporated key attributes of Project Momentum into its annual planning process. This process has continued to evolve over time and, in 2017, the initiative became known as "Project Accelerate." Project Accelerate generated the next wave of operating efficiencies through the implementation of new technologies and automation of manual processes. Project Accelerate was followed by Project Velocity which Every business unit is engaged in identifying and evaluating continues today. sustainable opportunities to gain efficiencies in business practices, reduce costs, increase revenue and improve customer value. These benefits primarily result from streamlining of processes, deployment of technology to enable automation and other actions that are focused on significant improvements in operating efficiency. As FPL witness Reed demonstrates, FPL has been best-in-class in non-fuel O&M cost performance among all peer groups for the last decade and it continues to look for opportunities to improve. The cumulative savings that FPL has generated since 2013

as a result of these productivity initiatives are fully reflected in the forecasts in this filing. Understandably, as FPL has been on this productivity journey for over 10 years, it is experiencing diminishing incremental levels of savings, primarily because many of the highest-impact opportunities for savings already have been identified and implemented; however, the cumulative impact of these efforts has been significant.

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The next step in the planning process was the development and approval of the Company's planning and budget assumptions. These include assumptions for inflation, customer and load growth, and new service accounts. These assumptions were prepared by various subject matter experts, reviewed and approved by me, and ultimately evaluated and approved by the Review Committee. The major forecast assumptions are listed in MFR F-8, which is Exhibit IL-4 to my direct testimony. Once approved, these assumptions, together with detailed budget instructions, were issued to the operating and staff units of the Company in the 2025 FPL Annual Budget Planning Process Guideline ("Planning Process Guidelines"), provided as Exhibit IL-2. The 2025 planning process resulted in the 2025 O&M and capital budgets, and the O&M and capital expenditures forecasts for 2026 and 2027. All business units entered their forecast for O&M and capital into FPL's SAP system at the work breakdown structure ("WBS") level. Each standalone project or activity is required to have a unique WBS element which maps all activities and costs to the required FERC account. Changes to FERC USOA functionalization are described later in my testimony.

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Using the assumptions and Planning Process Guidelines, the business units prepared a budget presentation that described their business unit objectives and goals, key initiatives and specific business unit level assumptions, and included a preliminary funds request to support those business objectives. Business unit executives discussed their budget presentations with a subset of the Review Committee in detailed, individual sessions. These sessions offered the executives the opportunity to present their plans and funding requests and receive feedback.

A.

Upon completion of these individual sessions, there were subsequent follow-up discussions to resolve items raised during the individual review sessions. Final approvals were made in late 2024. Accordingly, the final plans/forecasts approved by FPL's Review Committee reflect the Company's current and best assessment of the 2026 Projected Test Year and the 2027 Projected Test Year.

Q. How were forecasts other than O&M and capital expenditures developed?

Concurrent with the development of the detailed O&M and capital expenditures budgets, other key components of the financial forecast were developed, including the energy sales and revenue forecasts. The energy sales forecast is the subject of FPL witness Cohen's direct testimony.

Other inputs into the financial forecast were provided by other subject matter experts.

These inputs include other base revenues, various working capital items, taxes other than income taxes, production and investment tax credits, and financing plans, each forecasted differently, depending on the specific nature of the input. These inputs were

collectively reviewed and approved by me with the resulting comprehensive forecast reviewed and approved by the Review Committee.

Q. How are all of the various inputs combined into the financial forecast?

A.

All of the above-mentioned items were provided as inputs into FPL's Financial & Regulatory Information System ("FRI"). FRI is a utility financial forecast and regulatory model developed by Utilities International, Inc. ("UI") that is widely used in the industry. FPL has used the UI platform for financial forecasting and in support of the preparation of certain MFR schedules for more than 20 years, including the MFRs that supported FPL's rate requests in Docket Nos. 001148-EI, 050045-EI, 080677-EI, 120015-EI, 160021-EI, and 20210015-EI as well as the present proceeding.

A key attribute of the UI platform is the common data repository ("CDR"), which houses forecast per book inputs, including all the plant-specific asset information. The CDR includes capital-related calculations, including depreciation expense and Allowance for Funds Used During Construction. Additional calculations are performed in the FRI model that produce a total company balance sheet and income statement at a FERC account level and lead to the development of the FPL forecasted regulatory results (i.e., total company per book net operating income ("NOI"), rate base, and capital structure) in the same manner as it does for historical regulatory amounts included in FPL's Earnings Surveillance Reports ("ESR").

Once the FRI model calculates the per book forecast, the results are passed to the Cost of Service module in UI. As described by FPL witness DuBose, the total per book

regulatory results are used in the development of jurisdictional separation factors. Those factors are then transferred back to FRI, so that retail jurisdictional NOI, rate base and capital structure can be calculated within the forecast module. Commission and Company adjustments, which are supported by FPL witness Fuentes, are then

applied in FRI where jurisdictional-adjusted amounts are calculated.

A.

The jurisdictional-adjusted results for NOI, rate base and capital structure are then utilized to develop the cost of service study. The cost of service study calculates the revenue requirements at the individual rate class level and is the subject of the direct testimony of FPL witness DuBose. The completed financial forecast was then reviewed and approved by the Review Committee and is the source of forecast information for the MFRs filed in this proceeding. All MFRs were reviewed and approved by the originating business unit, as well as the MFR sponsors and cosponsors. Exhibit IL-3 contains a flowchart of the forecasting process and models.

Q. Has FPL followed the same process for developing all forecast years, including the 2026 Projected Test Year and 2027 Projected Test Year as it did for the 2025 plan year?

Yes. As described above, FPL prepares forecasts of O&M expense for the plan year plus two additional years at an activity level. All three years (2025, 2026 and 2027) are prepared at a monthly level of detail. Capital expenditures forecasts are prepared for the plan year, 2025, plus four additional years, 2026 through 2029, at an activity (i.e., project) level of detail. All five years are prepared at a monthly level of detail. Additionally, the capital expenditures forecast for all five years is the basis of the

1	related external financial disclosure in the Company's 10-K and 10-Q filings with the
2	Securities and Exchange Commission and is subject to an internal Sarbanes-Oxley
3	review and approval process.

Q. Do the Company's forecasts of revenue requirements in 2026 and 2027 provide a
 reasonable basis for evaluating the Company's projected deficiency?

Yes. FPL's forecasts are the products of a rigorous process involving a multi-year planning horizon. The total company per book forecasts for 2025 Prior Year, 2026 Projected Test Year and 2027 Projected Test Year were developed, reviewed, and ultimately approved in late 2024, and the resulting MFRs were developed and approved in early 2025. The assumptions and process used in developing these plan/forecasts are robust and reasonable, and the plans/forecasts can be relied upon for rate setting.

A.

A.

III. FERC UNIFORM SYSTEM OF ACCOUNTS

Q. Were there any changes to the USOA that impacted the forecast in this proceeding?

Yes. On June 29, 2023, FERC issued Order 898, Accounting and Reporting Treatment of Certain Renewable Energy Assets.¹ This order revises FERC's USOA by adding functional detail concerning the accounting treatment of certain renewable and storage technologies and creating new accounts for renewable energy credits ("REC") as well as certain hardware, software, and communication equipment. In addition to impacts to the balance sheet, the FERC Order 898 has created new functionalized income statement accounts corresponding to the balance sheet changes. According to FERC,

¹ Final Rule, 183 FERC ¶ 61,205, Docket No. RM21-11-000 (June 29, 2023).

1		the changes will provide uniformity, consistency, and transparency in accounting and
2		reporting for investments in renewable and storage technologies.
3	Q.	What is the effective date of FERC Order 898?
4	A.	The FERC Order 898 is effective January 1, 2025.
5	Q.	Please describe the FERC Order 898 balance sheet impacts.
6	A.	The FERC Order 898 requires implementation of new categories for balance sheet
7		FERC utility accounts:
8		• Creation of two new sub-functions and accounts within the Production Plant
9		function of USOA: Solar Production and Other Renewable Production
10		Creation of Energy Storage Function and accounts
11		• Creation of computer hardware, software, and communication equipment
12		accounts for all functions
13		The changes listed above are also reflected in FPL's projected rate base. Refer to
14		Exhibit IL-5, Pages 1 and 2, for a detailed listing of balance sheet account changes.
15	Q.	Please describe the FERC Order 898 income statement impacts.
16	A.	The FERC Order 898 requires implementation of various new FERC accounts:
17		• Creation of three maintenance accounts per function and subfunction
18		• Creation of new accounts to record Gains and Losses from Disposition of RECs
19		and Unbundled RECs
20		• Creation of new O&M accounts for new functions Energy Storage and Other
21		Renewable functions
22		Changes to existing O&M accounts

1		The changes listed above are also reflected in FPL's projected net operating income.
2		Refer to Exhibit IL-5, Pages 3 through 5 for a detailed listing of income statement
3		account changes.
4	Q.	Did FPL reflect the impacts of FERC Order 898 in its filing in this proceeding?
5	A.	Yes. FPL maintains its books and records in accordance with FERC's USOA found in
6		the Code of Federal Regulations, Title 18, Subchapter C, Part 101, which defines what
7		is to be charged to each FERC account and provides instructions on how to account for
8		certain transactions/activities. The FPSC has adopted the USOA to be used by electric
9		companies within its jurisdiction via FPSC Rule 25-6.014, Records and Reports in
10		General, for FPL's retail base rate filings and all FPSC audits. The impacts of FERC
11		Order 898 are reflected in FPL's MFR schedules for the Prior Year Ended December
12		31, 2025, the 2026 Projected Test Year Ended December 31, 2026, and the 2027
13		Projected Test Year Ended December 31, 2027.
14		
15		IV. MAJOR TAX ASSUMPTIONS
16	Q.	What is the basis for FPL's tax-related assumptions for the 2026 Projected Test
17		Year and the 2027 Projected Test Year?
18	A.	Both FPL's 2026 Projected Test Year and 2027 Projected Test Year forecasts are based
19		on current tax law. This includes the tax impacts that flow from the 2017 TCJA and
20		the IRA that was signed into law in 2022.
21	Q.	What tax rate is assumed pursuant to the TCJA?
22	A.	The TCJA prescribes a federal corporate income tax rate of 21%. FPL applied this tax
23		rate in calculating its income tax expense.

1 Q. Please describe the principal provisions of the IRA that impact FPL's revenue 2 requirements. 3 A. The IRA extended and expanded federal income tax benefits for renewable energy 4 projects, including updating Internal Revenue Code ("IRC") Section 45 Electricity 5 Produced from Certain Renewable Resources (covers PTC) and Section 48 Energy 6 Credits (covers ITC), and adding new Section 45Y Clean Electricity Production Credit 7 and Section 48E Clean Electricity Investment Credit. 8 9 The IRA extended and modified IRC Section 45 which authorizes a tax credit for 10 electricity produced from certain renewable sources at qualified facilities, including 11 solar plants, during the 10-year period beginning on the date the facility was placed in 12 service. Before the IRA took effect, the availability of PTCs for solar projects had 13 expired December 31, 2005 and 30% of the cost of the solar projects was subject to 14 ITC. With the enactment of IRA, owners of solar projects may elect the PTC in lieu of 15 the ITC for all solar projects that enter service as of January 1, 2022. And, effective 16 January 1, 2023, the IRA also provides a PTC benefit for clean hydrogen technology. 17 18 The IRA also extended and modified the availability of ITCs for certain investments in 19 renewable property (sometimes referred to as "qualifying property"). Specifically, the 20 IRA expanded ITC eligibility to include several additional technologies, including

standalone energy storage (battery storage projects). The ITC is calculated as a

percentage of the eligible cost of the property placed in service during the taxable year.

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Lastly, effective January 1, 2023, the IRA established a 15% Corporate Alternative

2 Minimum Tax ("CAMT") applicable to corporations under certain circumstances.

Q. Please describe the PTCs available for solar projects.

A. With the enactment of the IRA, FPL reviewed the benefits of both PTCs and ITCs for solar facilities. Given the fact that PTCs are available for 10 years following the inservice date of a solar facility, FPL determined that PTCs are more beneficial to customers and elected to claim PTCs for all its solar additions in the 2026 and the 2027 Projected Test Years. PTCs incentivize solar investments by granting a tax credit based on the amount of energy the facilities produce. PTCs are recorded as a reduction of

operating income tax expense, thereby reducing revenue requirements.

A.

FPL's customers already have benefited from the PTCs approved by the IRA that was signed into law less than a year after the 2021 rate case settlement was approved. Over the 2022 through 2025 settlement term, FPL's customers benefited directly from PTCs that reduced base revenue requirements associated with the 2022 and 2023 rate base solar projects and the 2024 and 2025 SoBRA projects for a total of approximately \$480 million.

Q. Please explain how solar PTC amounts are calculated.

Under the IRA, the solar PTC base rate amount is 0.3 cents (as adjusted for inflation) per kilowatt hour ("kWh") of electricity produced from qualified energy facilities. This rate can be increased if the project either (1) started construction prior to January 29, 2023, or (2) satisfies a prevailing wage requirement and an apprenticeship requirement, known as the "labor standards." The PTC rate increases by an additional 10% if the

qualified facility meets the domestic content requirements or is located in an energy community as defined in IRC Section 45 or 45Y. The Company intends to meet the requirements to qualify for the enhanced solar PTC rate. Additionally, some FPL solar sites will be located in applicable energy communities. Refer to Exhibit IL-9 for the PTC rate calculation.

Q. What amount of solar generation did FPL assume for its PTC calculation?

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A.

FPL's calculation assumes the same solar generation assumptions developed for use in FPL's Ten-Year Site Plan for 2025 through 2034 to be filed in April 2025. From 2022 through 2024, 52 FPL solar sites, totaling 3,874 MW closed to plant-in-service. An additional 24 sites totaling 1,788 MW are expected to enter service in 2025 and 2026 and 16 sites totaling 1,192 MW in 2027. Together, these solar facilities are projected to produce a total of approximately 12,377,224 MWh of generation in 2026 and 14,215,394 MWh of generation in 2027.

14 Q. Please describe the PTC benefits for clean hydrogen projects.

15 A. Clean hydrogen PTCs are available for a 10-year period for hydrogen produced after
16 2022 at facilities that started construction before 2033. Credits are based on the amount
17 of hydrogen produced.

Q. Please describe the calculation of PTC rate for clean hydrogen projects.

The hydrogen PTC rate is calculated by multiplying the amount of green hydrogen produced by the base credit rate, which is \$0.60 per kilogram of hydrogen. The credit amount is further increased if the project either started construction prior to January 29, 2023, or satisfies the labor standards. FPL intends to meet the requirements to qualify

- 1 for the enhanced hydrogen PTC rate. Refer to Exhibit IL-9 for the calculation of the
- 2 hydrogen PTC credit rate.
- 3 Q. What amount of hydrogen generation did FPL assume for its PTC calculation?
- 4 A. On December 31, 2023, FPL placed in service a 25 MW green hydrogen project at its
- 5 existing Okeechobee Clean Energy Center, a pilot authorized under the Settlement
- 6 Agreement in Docket No. 20210015-EI. FPL estimates that this project will produce
- 7 2,372,852 kilograms of hydrogen in 2026 and 2,533,872 kilograms of hydrogen in
- 8 2027.

9 Q. How are ITCs different from PTCs?

- 10 A. ITCs differ from PTCs in two principal ways. First, the amount of the ITC is based on
- the cost of the qualifying investment, not the amount of annual generation or
- production. Second, while PTCs from qualifying sites are generated annually as the
- projects continue to operate, the entire ITC amount is generated in the year the
- qualifying investment is placed in service. Under the IRA, ITCs are available for solar
- facilities and standalone storage. As described above, owners of solar generating
- facilities have the ability to elect either PTCs or ITCs.

17 Q. Please describe how ITCs are calculated under the IRA.

- 18 A. The ITC base rate is 6% for eligible solar generating facilities and standalone energy
- storage property placed in service during the taxable year. This rate can increase to
- 20 30% if the project either (1) started construction prior to January 29, 2023, or
- 21 (2) satisfies the labor standards. Furthermore, the ITC rate is increased by an additional
- 22 10% if the eligible property meets the domestic content requirements or is located in
- an energy community as defined in IRC Section 48 or 48E. The Company intends to

- 1 meet the requirements to qualify for the enhanced ITC rate. Additionally, some FPL
- 2 battery storage projects will be located in designated energy communities and the
- incremental ITC benefit is reflected in the forecast and MFRs.

4 Q. How is the amortization of ITCs accounted for under the IRA?

- 5 A. Historically, FPL has fully normalized ITCs with the tax benefits spread over the book
- 6 life of the assets. However, under the IRA, the project owner can opt out of
- 7 normalization and elect to flow the full ITC benefit to customers in the year in which
- 8 the battery project enters service. This allows customers to get the immediate benefit
- 9 of the tax credit and is economically beneficial on a cumulative present value of
- 10 revenue requirement basis.
- 11 Q. How does FPL plan to account for ITCs associated with the battery storage
- projects subject to the IRA?
- 13 A. FPL intends to elect out of the normalization method of accounting and proposes using
- the flow-through method for ITCs related to battery storage projects under its four-year
- proposal. Compared to the normalization method, this election has the effect of
- lowering revenue requirements significantly in the year of the flow-through. A high-
- level impact of flow-through vs. normalization accounting is reflected below:

	Impact: Flow-Through vs. Normalization (\$ Millions)	<u>2026</u>	<u>2027</u>
1	Flow Through Made 1		
1	Flow-Through Method		
2	ITC Generated	(\$587)	(\$364)
3	Depreciation Loss on the 50% ITC Basis Adjustment ²	<u>\$74</u>	<u>\$46</u>
4	Tax Expense under Flow-Through Method	(\$512)	(\$318)
5	Normalization Method		
6	ITC Amortization ³	(\$9)	(\$40)
7	Depreciation Loss on the 50% ITC Basis Adjustment ⁴	<u>\$1</u>	<u>\$5</u>
8	Tax Expense under Normalization Method	(\$8)	(\$35)
9	Net Tax Expense Impact (Line 4 – Line 8)	(\$504)	(\$283)
10	Jurisdictional Separation Factor	0.96094	0.96168
11	Net Revenue Requirements (Decrease) / Increase (Line 9 * Line 10 / 0.74655)	(\$649)	(\$365)

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3 Q. Please explain how FPL's projected test years reflect the transferred tax credits.

IRC Section 6418 Transfer of Certain Credits, a provision of the IRA, allows eligible taxpayers to transfer all, or a portion of tax credits, including PTCs and ITCs, to unrelated taxpayers for cash. The 2026 and 2027 Projected Test Year forecasts assume that FPL utilizes tax credits in the allowed amount of up to 75% of FPL's standalone federal income tax liability and is reimbursed at full value for these credits. FPL transfers tax credits generated in the current year but not utilized on its standalone federal income tax return and is reimbursed at discounted credit value for these credits.

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² Tax basis is reduced by the amount of 50% of ITC generated. The tax effect of the amount of depreciation loss is incurred in the year the asset is placed in service.

³ ITC amortization period is 20 years and assumes it commences with commercial operation date of the project.

⁴ Assumes amortization over the twenty-year useful life of battery storage projects.

- 1 Q. Does FPL project that it will generate enough tax credits to reach the 75% limit?
- 2 A. Yes. In fact, FPL projects in the 2026 Projected Test Year and the 2027 Projected Test
- 3 Year its tax credits will exceed the 75% cap. This will result in a tax credit carryforward
- 4 13-month average balance that is projected to grow to \$324 million in 2026 and to
- 5 approximately \$1.2 billion in 2027.
- 6 Q. What impact does the increase in the tax credit carryforward have on the 2026
- 7 revenue requirement?
- 8 A. The tax credit carryforward is a deferred tax asset which has an upward impact on
- 9 revenue requirements.
- 10 Q. Please explain how FPL can mitigate the impact of a tax credit carryforward.
- 11 A. FPL proposes to eliminate the carryforward by transferring, i.e., selling, any excess
- credits to third parties at a discount and applying the proceeds against the tax credit
- carryforward balance. The difference between the value of the credit and the amount
- received from the sale, known as the "valuation allowance," is recorded as an increase
- in operating income tax expense.
- 16 Q. What discount rate is FPL proposing to use?
- 17 A. FPL proposes to sell its excess ITCs at a 92% value, or an eight percent discount, and
- its excess PTCs at a 95% value, or a five percent discount. In determining the discount
- rate, FPL relied on an independent third party's tax credit market analysis. ⁵ The higher
- 20 market sales discount percentage on the ITC as compared to the PTC is due to the
- 21 inherent uncertainty with final construction costs and in-service dates on ITC eligible

⁵ Crux 2024 Mid-Year Transferable Tax Credit Market Intelligence Report

- projects such as battery storage, whereas the PTC is based on actual production
- 2 volumes for projects already in-service.

3 Q. Is selling the tax credits at a discount beneficial to customers?

- 4 A. Yes. FPL has compared the return on the lower deferred tax balance plus the valuation
- 5 allowance expense against the return on the higher deferred tax balance that would
- 6 result from a tax credit carryforward without selling the excess credits. As reflected in
- 7 Exhibit IL-6, selling the tax credits at discount in 2026 and 2027 results in a \$39 million
- 8 lower cumulative revenue requirement for customers by the end of 2027 as a result of
- 9 a lower deferred tax asset balance.

10 Q. What happens in the event FPL cannot transfer an eligible tax credit?

- 11 A. Any portion of an eligible credit that is not transferred will remain as a deferred tax
- asset and will be applied to the subsequent years' standalone federal income tax
- liability.

14 Q. Please describe CAMT.

- 15 A. Effective January 1, 2023, the IRA established a 15% CAMT on the adjusted financial
- statement income. Corporations with an average book income over the preceding three
- 17 years exceeding \$1 billion are subject to CAMT. Companies that meet the threshold
- must pay federal income taxes based on the greater of the CAMT calculation or regular
- 19 tax calculation.

20 Q. Is FPL projected to be in a CAMT position in 2026 and 2027?

21 A. No.

V. DRIVERS OF 2026 BASE RATE INCREASE

Q. What is the total amount of FPL's requested 2026 Base Rate Increase and how isit calculated?

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- A. FPL's requested base revenue increase for 2026 is \$1.545 billion and is determined as the difference between FPL's projected net operating income of \$4.580 billion and FPL's required net operating income of \$5.732 billion multiplied by the revenue expansion factor of 1.34115. For further detail regarding the calculation of these revenue requirements, please refer to FPL witness Fuentes's testimony.
- 9 Q. What are the primary drivers of the net increase in revenue requirements in the 10 2026 Projected Test Year relative to actual results for 2023, the last test year used 11 for setting rates?
- 12 Α. The primary drivers of the change in revenue requirements are depicted on Exhibit IL-13 7 and are: (1) capital investment initiatives that support system growth, maintain 14 reliability, and ensure regulatory compliance; (2) the impact of the amortization of the 15 Reserve Amount authorized by the 2021 Rate Settlement but not available in the 2026 16 Projected Test Year; (3) the change in the weighted average cost of capital; (4) the 17 unprotected excess ADIT fully amortized through 2025; (5) the impact of inflation and 18 customer growth; (6) the increase resulting from FPL's 2025 depreciation study; and 19 (7) the increase resulting from FPL's 2025 dismantlement study. The projected growth 20 in base revenue requirements is partially offset by several drivers that, relative to actual 21 results in 2023, reduce the growth in base revenue requirements: (8) IRA tax credits; 22 (9) revenue growth; and (10) incremental productivity gains. Each of these drivers will 23 be discussed individually, and they are summarized as follows:

1	Capital Initiatives	\$1,839 million
2	Loss of Reserve Amortization	\$336 million
3	Change in Weighted Average Cost of Capital	\$256 million
4	Unprotected Excess ADIT Amortization	\$167 million
5	Inflation and Customer Growth	\$134 million
6	Depreciation Study	\$122 million
7	Dismantlement Study	\$56 million
8	IRA Tax Credits	(\$983) million
9	Revenue Growth	(\$360) million
10	O&M Productivity (net of Costs to Achieve)	(\$47) million
11	Other	\$24 million
12	TOTAL	\$1,545 million

Q. Please describe the capital initiatives that impact 2026 revenue requirements.

For the period from 2024-2026, FPL's retail rate base is forecasted to increase approximately \$13.6 billion, primarily as a result of inflation and the investments made to support system growth, maintain reliability, and ensure regulatory compliance. Exhibit IL-7, page 2 of 2 depicts the revenue requirements in 2026 resulting from each of these capital initiatives. The impacts of inflation are described in the "Inflation and Customer Growth" section below and quantified in Exhibit IL-10 to my direct testimony.

Capital Requirements for Growth and Expansion

Capital Requirements for Growth and Expansion, in this analysis, represent the capital revenue requirements associated primarily with the transmission and distribution infrastructure needed to support the addition of new service accounts to the system and/or major new construction projects. For the period 2024 through 2026, FPL estimates that it will add approximately 352,000 new service accounts. FPL will have invested more than \$6.4 billion in infrastructure to support system growth, including the addition of new service accounts, upgrades to existing infrastructure, and/or installation of new facilities over the 2024 to 2026 period. The total increase to revenue requirements in 2026 related to system growth and expansion is \$562 million. The expenditures incurred to support growth and system expansion are explained by FPL witnesses De Varona and Oliver.

Generation Investments

FPL is investing approximately \$1.4 billion for the installation of twelve 74.5 MW solar facilities that are projected to enter service during 2026. These projects, which are described in greater detail by FPL witness Oliver, are projected to provide up to 894 MW (nameplate) of generation necessary to meet customer load while also providing significant fuel savings for our customers and will continue FPL's strategy of building low-cost generation for our customers. The revenue requirement associated with the capital investment in these solar facilities is approximately \$144 million. Net of projected PTCs and after accounting for O&M expenses, the revenue requirement is

\$77 million of the base revenue increase in 2026, which is expected to be partially offset in 2026 and later years with fuel savings.

FPL is investing approximately \$2 billion for the installation of 1,419.5 MW battery storage projects estimated to enter service during 2026. These projects will increase system reliability and flexibility, as described by FPL witness Whitley. The revenue requirement associated with the capital investment in these battery storage projects is \$81 million. Net of the ITCs and after accounting for O&M expenses, these projects represent a *reduction* to the base revenue requirement of approximately \$578 million in 2026.

In addition to the solar and battery storage projects FPL expects to place in service in 2026 described above, FPL's total capital initiatives revenue requirement of \$527 million associated with generation investments includes a \$227 million capital revenue requirement associated with the 2024 and 2025 SoBRA projects for which FPL requested and received approval of base rate changes,⁶ and \$75 million associated with the battery storage project FPL anticipates will be placed in service in October 2025.

Capital Requirements for Reliability, Grid Modernization and Other Support

FPL will invest about \$3.7 billion from 2024 to 2026 to continue providing excellent reliability and to support the transmission, distribution, nuclear, and generation systems. As described by FPL witness De Varona, FPL will continue deploying

⁶ Order No. PSC-2023-0343-FOF-EI and Order No. PSC-2024-0481-FOF-EI

innovative technology to further leverage our existing smart grid to avoid outages and reduce restoration time, thereby maintaining outstanding reliability. Additionally, FPL is rebuilding the 500 kV transmission structures to ensure the continued reliable performance of the electric system in Florida. These investments represent about \$325 million of the revenue requirements increase in 2026.

Generation Fleet Capital Maintenance

The Generation Fleet Capital Maintenance driver of \$231 million of the requested base revenue increase relates to investments that ultimately contribute to a more cost-efficient and reliable generation fleet operation as described in more detail by FPL witnesses Broad and DeBoer.

Regulatory Compliance

Investments for information technology infrastructure and cyber security include technology and systems to ensure the Company's assets and critical information are safeguarded. These include expenditures related to increased compliance costs for North American Electric Reliability Corporation and FERC reliability matters, as well as relocation of facilities as required by state agencies and local municipalities, as discussed by FPL witness De Varona. These areas represent capital expenditures of \$942 million from 2024 to 2026. In total since 2024, investments resulting in a compliant, reliable and efficient infrastructure, represent about \$135 million of revenue requirements in 2026.

1 Q. Please explain the impact of the amortization of the depreciation reserve and its 2 effect on the 2026 revenue requirements. 3 The 2021 Rate Settlement allowed FPL to amortize up to \$1.45 billion, including the A. 4 \$346 million that FPL forecasted to have remaining at the end of the prior settlement 5 period. The \$1.45 billion was defined in the 2021 Rate Settlement as the "Reserve 6 Amount." Amortization of the Reserve Amount is recorded as a credit to depreciation 7 expense and a debit to the accumulated depreciation reserve (i.e., an increase to rate 8 base). 9 For the settlement period of 2022 to 2025, by amortizing the non-cash Reserve Amount, 10 11 the Company has been able to offset variability in operating costs and revenues while 12 continuing to invest to support the significant customer growth and maintain an 13 adequate earned ROE. 14 15 As described in more detail by FPL witness Bores, the significant customer growth, 16 high interest rates, and high levels of inflation, among other factors, resulted in FPL 17 amortizing \$227 million of the Reserve Amount from 2022 to 2023. In 2025, FPL 18 projects that it will amortize all of the remaining Reserve Amount, approximately 19 \$845 million. 20 21 When comparing the 2026 Projected Test Year to 2023 actual results, the amortization 22 of the Reserve Amount during the 2022 to 2025 settlement period affects the 2026 23 revenue requirements in two ways. First, the \$227 million reduction in 2023 revenue

requirements from amortization of the Reserve Amount will no longer be available in 2026. Second, the estimated \$1.45 billion of amortization that will have been utilized through 2025 adds to rate base and therefore increases revenue requirements in 2026 by \$109 million. The combined effect of both of these impacts is that 2026 revenue requirements are \$336 million higher than 2023.

A.

Q. Please explain the difference in weighted average cost of capital and its effect on the 2026 revenue requirements.

As noted on MFR D-1a, the 2026 requested rate of return is 7.63%, which is 27 basis points higher than the 7.36% actual earned rate of return for FPL for 2023. The increase in the weighted average cost of capital is primarily driven by higher debt and equity weighted cost rates. The increase in the weighted cost of debt is driven primarily by higher interest rates since 2023, as described in detail by FPL witness Bores. The increase in the equity weighted cost rate is primarily due to higher ROE. FPL is requesting an overall mid-point ROE of 11.90%, as described by FPL witnesses Coyne and Bores.

Also contributing to the increase in debt and equity weighted cost rates is the reduction in deferred income tax and investment tax credit balances, which are driven by (i) amortization of TCJA-related excess deferred income taxes since 2018, and (ii) the continued amortization of ITC balances associated with solar and battery projects that pre-date enactment of the IRA.

1		in total, the net effect of the items mentioned above results in increased revenue
2		requirements of \$256 million.
3	Q.	Please describe the impact of unprotected excess accumulated deferred income
4		tax amortization on the 2026 projected revenue requirements.
5	A.	In December 2017, after the enactment of the TCJA, FPL remeasured all of its deferred
6		income tax balances as a result of the change in the federal corporate income tax rate
7		This remeasurement resulted in FPL recognizing excess accumulated deferred income
8		taxes ("EADIT"). EADIT can be classified into two categories: "protected" and
9		"unprotected." Protected excess deferred income taxes relate to method and life timing
10		differences in depreciable property and are subject to IRC normalization requirements
11		that govern the time over which the excess must be reversed for the benefit of
12		customers. Excess deferred income taxes that are not subject to normalization
13		requirements are referred to as "unprotected."
14		
15		In Docket No. 20180046-EI, the Commission approved 10-year straight-line
16		amortization for property-related unprotected EADIT and capped the amortization a
17		10 years for non-property-related unprotected EADIT. As part of the Settlement
18		Agreement in the 2021 Rate Case, FPL was authorized to accelerate the amortization
19		of remaining unprotected EADIT that would have been amortized in 2026 and 2027
20		and instead amortize it ratably in 2022-2025.
21		
22		When comparing the 2026 Projected Test Year to 2023 actual results, the amortization
23		of EADIT during the 2022 to 2025 settlement period is no longer available in 2026 and

1	will therefore increase the 2026 revenue requirements by \$167 million compared to
2	2023.

Q.

- Please describe the Inflation and Customer Growth driver and explain its cumulative effect on the 2026 revenue requirements.
- A. Inflation represents the increased costs for goods and services in 2026 compared to the cost of the same goods or services in 2023. Changes to the Consumer Price Index ("CPI") since 2023, including the forecast through 2026, indicate that inflation will have added 7.98% to the cost of goods and services in 2026 relative to 2023. The forecast of CPI is derived from third party subject matter experts and is discussed in more detail by FPL witness Cohen. The CPI, however, represents a generic measure of *all* goods and services. As described in more detail in FPL witness Bores's testimony, inflation has had a more profound impact on the prices of equipment, materials, and supplies FPL uses in providing day-to-day service.

FPL is projecting approximately 4.3% cumulative growth in total customers during the period 2024 through 2026, as supported by FPL witness Cohen. FPL will incur additional non-fuel base O&M costs associated with providing operational and administrative support to its growing customer base. The impact of non-fuel base O&M inflation and customer growth over the 2023 to 2026 period on 2026 revenue requirements is estimated to be \$134 million. Refer to Exhibit IL-8 for the calculation of inflation and customer growth O&M impact over the 2023 to 2026 period.

Inflation has an impact both on capital investments and non-fuel base O&M. Using
the CPI, inflation added approximately \$3.3 billion to the cost of capital investments
over the 2022 to 2025 period, which equates to approximately \$474 million in revenue
requirements, as reflected on Exhibit IL-10.

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- Q. Please explain the impact of the 2025 Depreciation Study and its effect on 2026
 revenue requirements.
- 7 A. The Commission requires that all investor-owned utilities file a depreciation study 8 every four years. FPL's current depreciation rates were approved in Order No. PSC-2021-0446-S-EI⁷ in Docket No. 20210015-EI. As described in further detail by FPL 9 10 witnesses Allis and Ferguson, FPL has made significant investments since the approval 11 of the last study, thus requiring an increase to FPL's current depreciation expense. This 12 increase related to depreciation expense also results in a modest reduction in rate base. 13 The net impact of the proposed depreciation rates included in the 2025 Depreciation 14 Study results in an increase in retail base revenue requirements of \$122 million.
 - Q. Please explain the impact of the 2025 Dismantlement Study and its effect on 2026 revenue requirements.
 - FPL's current dismantlement accrual is based on 2021 Dismantlement Study prepared and filed in FPL's last rate case. As described in further detail by FPL witnesses Allis and Ferguson, the increase in the revised annual accrual primarily reflects new solar plants and battery storage assets that have been or will be constructed since the 2021 Dismantlement Study. This increase related to dismantlement accrual also results in a

⁷ As amended by Order PSC-2021-0446A-S-EI and supplemented by PSC-2024-0078-FOF-EI

- 1 modest reduction in rate base. The net impact of the proposed dismantlement accrual 2 is an increase in retail base revenue requirements of \$56 million.
- Q. Please describe the impact of the IRA Tax Credits on the 2026 Projected Test Year
 revenue requirement.
- 5 A. The IRA tax credits described in detail earlier in my testimony will decrease the 2026 6 projected revenue requirement by a total of \$983 million, of which the PTCs represent 7 \$385 million, and the ITCs represent \$660 million. These decreases in revenue 8 requirements are partially offset by the \$63 million higher 2026 revenue requirements 9 associated with the valuation expense on transferred tax credits. As explained in more 10 detail earlier in my testimony, the valuation expense is necessary to mitigate the 11 increase in deferred income tax asset and revenue requirements and by 2027 is a net 12 benefit to customers.
- Q. Please describe the impact of the PTCs included in the 2026 Projected Test Year
 revenue requirement.
- As described earlier in my testimony, FPL will elect to take PTC benefits for its solar projects, rather than ITCs, and expects that it will generate more PTCs in 2026 compared to 2023, thereby decreasing 2026 revenue requirements. FPL projects to generate a total of \$382 million PTCs in the 2026 Projected Test Year, or approximately \$300 million more than it generated in 2023. Of the total PTCs generated in 2026, \$374 million stem from solar projects and \$7 million stem from clean hydrogen. The increase in PTCs reduces revenue requirements by \$385 million.

1	Q.	Please describe the impact of the ITCs included in the 2026 Projected Test Year
2		revenue requirement.

- As described earlier in my testimony, FPL's installation of 1,419.5 MW of battery storage projects to be placed in service in 2026 are ITC-eligible. The total amount of projected ITCs generated from these projects is \$587 million. As I mentioned previously, FPL intends to opt-out of normalization and will instead apply flow-through accounting. Doing so has the effect of reducing the 2026 revenue requirement by \$660 million.
- Q. Please describe the impact of Revenue Growth and its effect on 2026 revenue
 requirements.
- A. FPL is projected to have higher retail sales in 2026 compared to 2023, as supported by
 FPL witness Cohen, resulting in an increase in retail base revenues and a corresponding
 decrease in 2026 revenue requirements of \$322 million. Other base revenues are
 projected to have increased by \$38 million, resulting in a corresponding decrease to
 revenue requirements. The overall impact of increases to retail revenues is a
 \$360 million decrease of FPL's 2026 revenue requirements.
- Q. Please describe the impact of FPL's productivity initiatives on 2026 revenue requirements.
- A. FPL is projecting a reduction in revenue requirements of \$47 million when comparing the Company's projected 2026 base O&M to its actual 2023 base O&M. As shown on Exhibit IL-8, this analysis begins with 2023 actual expenditures as the base year and follows the benchmarking methodology reflected on the Commission's MFR C-41, to calculate a 2026 "benchmark" level of O&M. This reduction in base O&M relative to

the benchmark is comprised of \$106 million of projected cost savings, partially offset by \$59 million in revenue requirements associated with technology investments that will enable FPL to achieve these significant savings (known as cost to achieve). Project Velocity is the main catalyst that has contributed to FPL's tremendous success in lowering its operating costs since the last base rate case. This has allowed FPL to continue to provide superior service to its customers at a lower O&M cost in 2026, adjusted for inflation and customer growth, relative to 2023. FPL's non-fuel O&M per kWh cost position already was best in class as a result of previous productivity gains, yet the improvements made through Project Velocity resulted in FPL improving upon its best-in-class position among the benchmarked peer utilities described by FPL witness Reed.

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VI. DRIVERS OF 2027 BASE RATE INCREASE

- Q. What is the total amount of FPL's requested base revenue increase in the 2027
- 15 **Projected Test Year?**
- 16 A. As reflected on FPL witness Fuentes's Exhibit LF-2, FPL's requested base revenue
- increase for 2027 is \$927 million. For further detail regarding the calculation of these
- revenue requirements, please refer to FPL witness Fuentes's testimony.
- 19 Q. Why is the 2027 Projected Test Year necessary?
- 20 A. As I will describe below, FPL will continue to make investments for the benefit of
- 21 customers, which will significantly increase revenue requirement in 2027. As reflected
- on FPL witness Fuentes's Exhibit LF-4, assuming the approval of FPL's requested
- 23 2026 revenue increase and without a 2027 Base Rate Increase, FPL's ROE is expected

to drop more than 100 basis points, putting it below the bottom of the requested ROE range. Assuming FPL's 2026 request is granted in full, the 2027 Base Rate Increase reflects only the incremental revenue need in 2027 to achieve a projected ROE equal to the requested midpoint of 11.90%. The drivers of the increase in revenue requirements in 2027 versus 2026 are depicted in Exhibit IL-11.

Q. How does the 2027 Projected Test Year benefit customers?

A.

A. The 2027 Projected Test Year allows the Company to avoid filing another rate case in 2026 for new base rates effective in January 2027. Filing back-to-back rate cases would require FPL to expend significant time and resources – time that is better spent finding additional ways to create value for FPL's customers. If base rate proceedings were to become an annual requirement, customers would bear additional costs, and the Company would be investing significant resources into rate proceedings instead of finding additional opportunities to drive out costs and create long-term value for customers.

Q. What are the primary drivers of the net increase in the 2027 Projected Test Year revenue requirements?

The primary drivers of the increase in revenue requirements in 2027 are: (1) capital investment initiatives for solar generation and battery storage facilities, supporting system growth, improving the customer experience, and maintaining a compliant and reliable system; (2) an increase due to the net effect of ITCs associated with the battery storage projects, partially offset by the incremental PTCs associated with the solar investments; (3) a change in the weighted average cost of capital; (4) the impact of

1		inflation and customer growth; partially offset by (5) revenue growth. Each of these		
2		drivers will be discussed individually, and they are summarized as follows:		
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4		Capital Initiatives	\$809 million	
5		Net IRA Tax Credits	\$169 million	
6		Change in Weighted Average Cost of Capital	\$31 million	
7		Inflation and Customer Growth	\$27 million	
8		Revenue Growth	(\$108) million	
9		TOTAL	\$927 million	
10				
11	Q.	Please describe the capital initiatives that impact t	he 2027 revenue requirements.	
12	A.	FPL's retail rate base is forecasted to increase \$5.6 billion in 2027 compared to 2026,		
13		which translates to a base revenue requirement increase of approximately \$809 million,		
14		primarily as a result of the investments made to replace the customer service and billing		
15		system that is reaching the end of its serviceable life, invest in low-cost solar generation		
16		and battery storage, and investments that support system growth and maintain		
17		reliability. Exhibit IL-11, page 2 of 2, depicts the revenue requirement in 2027		
18		resulting from each of these capital initiatives.		
19				
20		As described in greater detail by FPL witness Whitley,	FPL's resource planning process	
21		reflects the need to add sixteen 74.5 MW solar genera	ating facilities in 2027. The total	
22		1,192 MW of nameplate capacity associated with these 2027 facilities will help FPL		
23		meet its generation capacity needs. These sixteen solar generating facilities have a		

capital revenue requirement of \$124 million and a total net revenue requirement of \$67 million (after accounting for O&M expenses and PTC), which will be further offset by fuel savings. To continue to ensure the reliability of our generation fleet, FPL will also add 819.5 MW of additional battery storage. The 2027 capital revenue requirement associated with these battery storage projects is \$99 million, for a net revenue requirement *reduction* of \$279 million associated with the 2027 battery storage projects (after accounting for O&M expenses and ITC). Lastly, the 2026 solar and battery storage projects are projected to be placed in service various months of the year, with only partial revenue requirement captured in the 2026 Projected Test Year. The increase in the capital revenue requirements in 2027 associated with the 2026 projects represents approximately \$232 million.

As described in further detail by FPL witness Cohen, FPL projects to add approximately 114,000 new service accounts within its service area in 2027. Capital requirements for growth in this analysis represent the revenue requirements associated with the transmission and distribution infrastructure needed to support the addition of new customers to the system during 2027. In order to support future growth, FPL will make incremental capital investments which will result in an increase of \$91 million in revenue requirements for 2027.

As described in further detail by FPL witness Nichols, FPL's existing Customer Information System ("CIS") is reaching its end of serviceable life. FPL plans to replace the existing CIS and its integrated systems with a new customer service platform. The

project is projected to be completed by December 2027, with functionality entering service throughout 2027. FPL will incur approximately \$751 million of capital expenditures, which will result in an increase of \$85 million in revenue requirements for 2027.

FPL will invest approximately \$444 million during 2027 in order to continue to comply with a variety of policies, standards, orders and requirements of regulatory commissions and agencies, as well as to harden the infrastructure and improve FPL's cyber resilience. These investments increase the 2027 revenue requirement by approximately \$78 million.

During 2027, the Company will invest approximately \$1.4 billion in order to continue to provide excellent reliable service to our customers through the continued modernization and maintenance of our system and the further deployment of smart devices to avoid and/or mitigate outages. These reliability investments increase the 2027 revenue requirement by approximately \$55 million.

Lastly, FPL also projects an increase in base revenue requirements of approximately \$46 million for the period 2026 to 2027 related to investments in our generation fleet made to maintain reliability, as described in more detail by FPL witness Broad.

Q. Please describe the impact of IRA tax credits on the 2027 revenue requirements.

A. The IRA tax credits will result in an increase of \$169 million in revenue requirements in 2027 compared to 2026, of which \$250 million increase relates to ITC tax credits,

1 partially offset by a \$72 million decrease in revenue requirements associated with the 2 incremental PTC tax credits generated in 2027 compared to 2026, and \$9 million lower 3 revenue requirements due to lower valuation allowance expense. 4 Q. Please describe how ITCs will impact the 2027 revenue requirements. 5 A. ITCs will have a two-part impact in the 2027 Projected Test Year. As I have explained, 6 FPL intends to use flow-through accounting, which provides the full ITC benefit to 7 customers in a single year as opposed to normalization, which would spread the benefit 8 over twenty years. In 2027, FPL will need to address both the ITCs generated from the 9 2027 battery storage projects, as well as the conclusion of the 2026 ITCs. 10 11 FPL projects to place in service 819.5 MW of battery storage projects in 2027, which 12 will generate approximately \$364 million ITC. Similar to the 2026 battery storage 13 projects, FPL plans to elect out of normalization and apply flow-through accounting method related to the ITC generated in 2027. These ITCs will decrease the 2027 14 15 revenue requirements by \$410 million. 16 17 Also in 2027, the \$587 million of ITCs generated in 2026 are no longer available to 18 reduce FPL's tax expense because the entire amount was flowed through in the prior 19 year. The loss of the 2026 ITCs plus the incremental ITCs generated in 2027 results in 20 a net revenue requirement increase of \$250 million.

1	Q.	Using flow-through accounting for the ITCs had an upward impact in 2027. Does
2		that mean normalization would have been more beneficial for customers?
3	A.	No. The flow-through benefits and impacts on 2026 and 2027 must be considered
4		together. Had FPL normalized the ITC amortization in both years, FPL's revenue
5		requirement would have decreased by a combined total of \$46 million, compared to the
6		\$410 million net revenue requirements reduction realized by using flow-through
7		accounting.
8	Q.	Please describe how PTCs generated in 2027 will impact that year's revenue
9		requirements.
10	A.	FPL projects to generate \$437 million in PTCs during the 2027 Projected Test Year, or
11		\$56 million more than it generated in 2026. Of the total PTCs, \$46 million stem from
12		the 2027 projects placed in service during 2027. The increase in PTCs reduces revenue
13		requirements by \$72 million.
14	Q.	Please explain the change in the weighted average cost of capital and its effect on
15		the 2027 revenue requirements.
16	A.	As demonstrated on MFR D-1a, the 2027 weighted average cost of capital is 0.02%
17		higher than the 2026 weighted average cost of capital. The difference is primarily
18		attributable to an increase in the cost of long-term debt. The higher weighted average
19		cost of capital is projected to increase the 2027 revenue requirements by \$31 million.
20	Q.	Please describe the impact of inflation and customer growth on the 2027 O&M
21		revenue requirements.
22	A.	As described previously, inflation represents the increased cost of goods and services
23		in 2027 as compared to 2026. The CPI projection for 2027 indicates that goods and

1		services will cost 2.12% more relative to 2026. In addition, as described by FPL		
2		witness Cohen, the Company projects to add an additional 70,480 retail customers in		
3		2027. The impact of inflation and projected customer growth on O&M in 2027 results		
4		in a \$27 million increase in revenue requirements.		
5	Q.	Please describe the impact of revenue growth on the 2027 revenue requirements.		
6	A.	Retail base revenue resulting from projected increased sales reflects modest growth,		
7		resulting in a decrease in 2027 revenue requirements of \$108 million.		
8	Q.	Are the Company's forecasts for 2027 reasonable and reliable for setting rates in		
9		this proceeding?		
10	A.	Yes. Similar to the 2026 Projected Test Year, the basis and process used in developing		
11		the 2027 test year forecasts are robust and reasonable, and the resulting forecasts of		
12		revenue requirements can be relied upon for rate setting. FPL's forecasts are the		
13		product of a rigorous process involving a multi-year planning horizon that I describe in		
14		detail earlier in my testimony.		
15				
16		VII. FOUR-YEAR RATE PLAN		
17	Q.	Please refer to the four-year rate plan described by FPL witness Bores. Are there		
18		specific elements that you plan to describe?		
19	A.	Yes. I will be describing two essential elements of FPL's four-year rate plan: (i) the		
20		TAM, and (ii) the ITC-related components of the 2028 and 2029 SoBRA.		

Tax Adjustment Mechanism

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term.

- 2 Q. Please generally describe the purpose of the TAM.
- A. The TAM is a non-cash flexible amortization mechanism. Similar to the Reserve

 Surplus Amortization Mechanism ("RSAM") that has served FPL customers well for

 many years, the TAM will allow FPL to avoid general base rate increases in the final

 two years of the four-year term while also providing the opportunity for FPL to earn a

 fair and reasonable return while managing risks and uncertainties over the four-year
- 9 Q. Please describe why FPL needs a non-cash mechanism in 2028 and 2029.
- A. FPL projects that, without base rate adjustments in 2028 and 2029, the Company's ROE will fall below the proposed authorized range, meaning the Company will be unable to earn a fair return and would be forced to return to the Commission to seek an incremental base rate increase to be effective January 1, 2028. FPL's proposed four-year rate plan, as described in detail in FPL witness Bores's direct testimony, will enable FPL to forgo general base rate increases in both 2028 and 2029 while providing customers with rate stability through at least January 2030.
- 17 Q. Please describe how the non-cash mechanism will benefit customers.
- A. Over the period of its last four rate settlements, FPL's revenue requirement has been met through a combination of cash rate increases and the use of RSAM to reach the mid-point ROE. A new rate plan now is needed to cover FPL's current and prospective revenue requirements. FPL is seeking authorization for the TAM to offset additional revenue requirements expected during 2028 and 2029, thus avoiding additional general base rate increases until January 2030 at the earliest.

Although the TAM provides for only non-cash earnings, within the context of FPL's proposal to not seek a general base rate increase for 2028 and 2029, the TAM as proposed provides sufficient assurance of adequate book earnings to allow the Company to commit to its four-year plan. FPL has demonstrated over many years and several multi-year rate plans, that regulatory stability and rate certainty over a multi-year period enables the Company to continue to improve the value proposition for customers.

Q. FPL has used the RSAM since 2010. Why is FPL now proposing a new non-cash mechanism instead of continuing to use RSAM?

A. FPL used the RSAM framework over the last four FPL settlement agreements, i.e., 2010, 2012, 2016, and 2021, and it has been a constructive part of FPL's ability to continue to deliver value for customers for over a decade. As described in FPL witness Allis's direct testimony, FPL's 2025 Depreciation Study shows that FPL has a reserve deficit rather than a reserve surplus, meaning that use of an RSAM is not practical for FPL's proposed four-year rate plan.

Q. Please generally describe TAM.

A.

FPL has historically normalized unprotected deferred tax liabilities over the lives of the related assets. When the DTLs reverse over the life of the assets, they provide customers a reduction in deferred tax expense. Under the proposed TAM, the Company proposes to accelerate the period of reversal. Specifically, FPL seeks authorization to flow certain DTLs back to customers over the four-year rate period.

The TAM involves the flexible amortization of a specified amount of two unprotected DTLs: tax repairs and mixed service costs. FPL's proposed treatment would accelerate the period over which the reduction in deferred tax expense flows to customers. In support of the four-year rate plan, FPL is requesting to accelerate the recording of this reduction in deferred tax expense to help offset the increasing revenue requirements in 2028 and 2029. As noted by FPL witness Bores, FPL's four-year rate plan offers customers base rate stability through at least January 2030. This stability is being accomplished by deferring cash rate increases in 2028 and 2029 even though FPL's revenue requirements will continue to increase. The acceleration of recording the reduction in deferred tax expense related to these two unprotected deferred income tax liabilities will help offset the increasing revenue requirements and is a key component of FPL's proposed four-year plan and ability to manage the uncertainty over that length of time.

Q. Please describe how FPL's proposed TAM will operate.

15 A. The TAM is an accounting mechanism that will draw from a balance of unprotected
16 DTLs, and similar to RSAM, will allow FPL to respond to changes in its underlying
17 revenues and expenses to maintain an FPSC-adjusted ROE within the ROE range
18 authorized by the Commission.

FPL requests approval to recognize a TAM regulatory liability and an equal, offsetting TAM regulatory asset as of January 1, 2026. The regulatory liability represents the full amount of the reduction in deferred tax expense projected to be provided to customers over the proposed four-year rate plan. The regulatory asset, which will initially equally

offset the regulatory liability, represents the amount of deferred taxes that will be recovered in future periods over the average life of the underlying assets. The amortization of the regulatory asset will begin upon its recognition on the Company's books and records. Exhibit IL-12 provides an illustrative representation and additional details associated with the TAM accounting entries.

A.

A.

Similar to RSAM, in each monthly ESR period, the Company proposes to record debits or credits to increase or decrease, respectively, its operating income tax expense, maintaining an ROE within the authorized range. I provide more details below.

Q. Please discuss the concept of a DTL.

DTLs represent the tax liability that has been accrued but not paid as of a certain point in time due to differences between accounting under generally accepted accounting principles ("GAAP") and accounting for tax. This is the tax effect of what is known as temporary timing differences, which exist when the period in which a tax payment on an asset due to the Internal Revenue Service ("IRS") differs from the period in which that tax liability is recognized for accounting and ratemaking purposes. The same tax liability amount is recognized for both IRS and ratemaking purposes but is paid or recovered over different periods of time. All DTLs reverse over time and converge to zero over the life of the underlying item that gave rise to that balance.

20 Q. Please describe the tax repairs deferred tax liability.

In general, a taxpayer may immediately deduct amounts incurred for repairs and maintenance to tangible property if the amounts are not otherwise required to be capitalized. However, it is common for these types of costs to be capitalized and

depreciated for book purposes. For tax purposes, the costs are considered deductible repair expenses and not capitalized unless they are incurred for either (a) betterment of the property, (b) restoration of the property, or (c) to adapt the unit of property to a new or different use. The cumulative difference between book depreciation expense and the tax repairs deduction multiplied by the statutory tax rate gives rise to a deferred tax liability.

Q. Please describe the mixed service costs deferred tax liability.

A.

IRC Section 263A requires taxpayers to capitalize into the cost of real and tangible property both the direct costs of acquiring the property and the proper share of indirect costs allocated to such property, which may differ from the amounts capitalized for book purposes. FPL performs a calculation to determine the amount of indirect cost that should be capitalized for tax purposes and compares it to the amount of costs capitalized for book purposes for the same period. The cumulative difference between the two methods generates a temporary difference that is deducted (i.e., expensed) in the current year tax return. The cumulative difference between book depreciation expense and the mixed service cost deduction multiplied by the statutory tax rate gives rise to a deferred tax liability.

Q. Please describe how these deferred tax liabilities are currently recovered in the ratemaking process.

A. FPL currently normalizes tax timing differences related to tax repairs and mixed service costs over the remaining useful life of the assets. These deferred tax liabilities are currently included in FPL's capital structure with a zero cost of capital. Over time,

1		deferred income tax expense offsets the Company's current income tax expense as the		
2		deferred tax liabilities reverse over the remaining life of the asset.		
3	Q.	What is the projected tax repairs and mixed service cost deferred tax liability		
4		balance as of January 1, 2026?		
5	A.	As of January 1, 2026, FPL is projected to have an approximately \$2 billion deferred		
6		tax liability related to tax repairs and mixed service costs.		
7	Q.	What deferred tax liability amount does the Company propose to use for the TAM		
8		over the 2026-2029 period?		
9	A.	The DTL amount must be sufficient to afford FPL the opportunity to achieve the mid-		
10		point ROE through 2029. FPL proposes to utilize the actual tax repairs and mixed		
11		service cost DTL balance on FPL's books and records as of January 1, 2026 during the		
12		four-year rate plan for a total of up to \$2 billion as the amount available for use as TAM		
13		("TAM Amount").		
14				
15		As reflected on Exhibit IL-13, FPL's base rate revenue requirements are projected to		
16		grow approximately \$957 million in 2028 and approximately \$843 million in 2029.		
17		After accounting for additional base revenues projected to be received under FPL's		
18		proposed SoBRA mechanism, FPL will still require incremental base revenue in the		
19		amounts of approximately \$661 million in 2028 and \$577 million in 2029 to earn at the		
20		established mid-point return on equity, or a total of \$1.9 billion. Additionally, as I		
21		described earlier, the amortization of the regulatory asset representing the recovery of		
22		deferred taxes in future periods will begin upon the recognition of the regulatory asset.		
23		The amortization of the regulatory asset will amount to \$133 million in 2028 and 2029.		

Thus, \$2.033 billion is a measure of the amount necessary to afford FPL the opportunity to earn the mid-point return on equity in both 2028 and 2029 without new incremental rates being established. FPL is requesting a \$2 billion TAM Amount, which is slightly less than the amount that would allow FPL to earn at the mid-point ROE.

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- Q. Please describe how the Company intends to use the TAM over the four-year term.
- 8 A. Similar to the RSAM, FPL requests authority to use TAM flexibly at its discretion from 9 2026 through 2029. It will be incumbent on FPL to manage its business such that its 10 earnings do not exceed or fall below the authorized ROE range. The Company may 11 record debits/increases to deferred operating income tax expense and correspondingly 12 credit/increase the regulatory liability, or credits/decreases to deferred operating 13 income tax expense and correspondingly debit/decrease the regulatory liability, in any 14 accounting period, at its sole discretion, to achieve the pre-established ROE for that 15 period. However, during the four-year rate period, the Company cannot credit (i.e., 16 decrease) operating income tax expense that would cause the TAM amount to be 17 reduced below \$0. Similarly, FPL may not debit (i.e., increase) operating income tax 18 expense at any time during the four-year period that would cause the TAM amount to 19 exceed \$2 billion.
- Q. Where will the proposed regulatory asset and liability be reflected for ratemaking purposes?
- A. Both the regulatory asset and the regulatory liability will be included in FPL's capital structure at zero cost.

1	Q.	Are there any IRS regulations or other accounting rules that must be considered
2		prior to changing the amortization period?
3	A.	No. Both the tax repairs and the mixed service costs DTLs are unprotected deferred
4		income taxes not subject to IRS normalization rules; therefore, the Commission has the
5		discretion to establish any amortization period it deems appropriate and could approve
6		the proposed amortization as part of the four-year rate plan.
7		
8		ITC-related components of the 2028 and 2029 SoBRA
9	Q.	What amount of solar and battery generation does FPL propose to recover
10		through the SoBRA mechanism?
11	A.	As described by FPL witnesses Oliver and Bores, FPL requests approval to petition to
12		adjust base rates to recover the cost of approximately 1,490 MW and 1,788 MW of
13		solar facilities that enter commercial operation in 2028 and 2029, respectively, and
14		596 MW of battery storage projects to be placed in service each year in 2028 and 2029.
15	Q.	What tax credit treatment does FPL propose for solar and battery storage
16		additions?
17	A.	Under current law, FPL intends to claim PTCs on the 2028 and 2029 solar facilities
18		and ITCs on the 2028 and 2029 battery storage additions.
19	Q.	Please describe the ITC adjustment component of the SoBRA proposed by FPL.
20	A.	As I have described throughout my testimony, FPL intends to elect out of normalization
21		and, instead, flow through the full ITC benefit in the first year of all battery storage
22		facilities added during the 2026 through 2029 period, such that the full ITC will flow
23		through to customers as a one-time revenue requirement reduction in the year the

facility enters service. Conclusion of the one-time ITC flow-through in the year following the year the unit enters service requires a revenue requirement increase. All other things being equal, there will be an under recovery of revenue the following year in the absence of this restoration.

In the year battery storage projects are placed into service, they receive a one-time tax credit benefit due to the flow-through tax election. FPL proposes that the SoBRA reflect both the reduction from the first-year flow-through and the necessary increase once the flow-through is depleted, beginning with the conclusion of the \$295 million ITC impact from 2027. The credit/restoration netting will continue as new battery storage facilities enter service in 2028 and 2029. This means that the revenue requirement for the 2028 and 2029 SoBRA will reflect the conclusion of the 2027 and 2028 ITCs, respectively, as well as the addition of the full amount of ITCs associated with the battery storage assets to be installed in 2028 and 2029, respectively.

Q. Does this conclude your direct testimony?

16 A. Yes.

Docket No. 20250011-EI List of MFRs Sponsored or Co-Sponsored by Ina Laney Exhibit IL-1, Page 1 of 3

Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY INA LANEY

MFR	Period	Title	
SOLE SPONSO	R:	<u> </u>	
	2025 Prior Year	T	
B-03	2026 Projected Test Year	13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS	
D -03	2027 Projected Test Year	13 MONTH AVERAGE BALANCE SHEET - STOTEM BASIS	
	2027 Projected Test Teal		
B-05	2026 Projected Test Year	DETAIL OF CHANGES IN RATE BASE	
D-03	2027 Projected Test Year	DETAIL OF CHANGES IN KATE BASE	
	2026 Projected Test Year		
B-07	2027 Projected Test Year	PLANT BALANCES BY ACCOUNT AND SUB-ACCOUNT	
	2026 Projected Test Year		
B-08	2027 Projected Test Year	MONTHLY PLANT BALANCES TEST YEAR - 13 MONTHS	
	2026 Projected Test Year		
B-09	2027 Projected Test Year	DEPRECIATION RESERVE BALANCES BY ACCOUNT AND SUB-ACCOUNT	
	2026 Projected Test Year		
B-10	2027 Projected Test Year	MONTHLY RESERVE BALANCES TEST YEAR - 13 MONTHS	
	2026 Projected Test Year		
B-13	, · · · · · · · · · · · · · · · · · · ·	CONSTRUCTION WORK IN PROGRESS	
	2027 Projected Test Year 2026 Projected Test Year		
B-14	2027 Projected Test Year	EARNINGS TEST	
	2026 Projected Test Year		
B-21	2027 Projected Test Year	ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2 and 228.4	
	2026 Projected Test Year		
C-16	2027 Projected Test Year	OUTSIDE PROFESSIONAL SERVICES	
	2026 Projected Test Year		
C-19	2027 Projected Test Year	AMORTIZATION/RECOVERY SCHEDULE 12 MONTHS	
	2026 Projected Test Year		
C-22	2027 Projected Test Year	STATE AND FEDERAL INCOME TAX CALCULATION	
	2026 Projected Test Year		
C-24	2027 Projected Test Year	PARENT(S) DEBT INFORMATION	
	2026 Projected Test Year		
C-27	2027 Projected Test Year	CONSOLIDATED TAX INFORMATION	
C-28	2027 Projected Test Year	MISCELLANEOUS TAX INFORMATION	
C-42	2027 Projected Test Year	HEDGING COSTS	
CO-SPONSOR:			
D 06	2026 Projected Test Year	HIDISDICTIONAL SEDADATION FACTORS. DATE DASS	
B-06	2027 Projected Test Year	JURISDICTIONAL SEPARATION FACTORS - RATE BASE	
	2025 Prior Year		
B-11	2026 Projected Test Year	CAPITAL ADDITIONS AND RETIREMENTS	
	2027 Projected Test Year		
	2025 Prior Year		
B-12	2026 Projected Test Year	PRODUCTION PLANT ADDITIONS	
	2027 Projected Test Year		
	2025 Prior Year		
B-15	2026 Projected Test Year	PROPERTY HELD FOR FUTURE USE - 13 MONTH AVERAGE	
	2027 Projected Test Year		
	2025 Prior Year		
B-16	2026 Projected Test Year	NUCLEAR FUEL BALANCES	
	2027 Projected Test Year		
	2025 Prior Year		
B-17	2026 Projected Test Year	WORKING CAPITAL - 13 MONTH AVERAGE	
	2027 Projected Test Year		
B-19	2026 Projected Test Year	MISCELLANEOUS DEFERRED DEBITS	

Docket No. 20250011-EI List of MFRs Sponsored or Co-Sponsored by Ina Laney Exhibit IL-1, Page 2 of 3

Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY INA LANEY

MFR	Period	Title	
D 20	2026 Projected Test Year	OTHER REFERRED CREDITS	
B-20	2027 Projected Test Year	OTHER DEFERRED CREDITS	
	2025 Prior Year		
B-22	2026 Projected Test Year	TOTAL ACCUMULATED DEFERRED INCOME TAXES	
	2027 Projected Test Year		
	2025 Prior Year		
B-23	2026 Projected Test Year	INVESTMENT TAX CREDITS - ANNUAL ANALYSIS	
	2027 Projected Test Year		
	2025 Prior Year		
B-24	2026 Projected Test Year	LEASING ARRANGEMENTS	
	2027 Projected Test Year		
	2026 Projected Test Year		
C-04	2027 Projected Test Year	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME	
	2026 Projected Test Year		
C-05	2027 Projected Test Year	OPERATING REVENUES DETAIL	
	2025 Prior Year		
C-06	2026 Projected Test Year	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES	
[-00	2027 Projected Test Year	BODGETED VERSOS ACTORE OF ERATING REVENCES AND EXTENSES	
	2025 Prior Year		
C-08	2026 Projected Test Year	DETAIL OF CHANGES IN EXPENSES	
C-08	2027 Projected Test Year	DETAIL OF CHANGES IN EAFENSES	
	2027 Projected Test Year		
C-10	2026 Projected Test Year	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS	
	2026 Projected Test Year		
C-12	2027 Projected Test Year	ADMINISTRATIVE EXPENSES	
	2026 Projected Test Year		
C-14	2027 Projected Test Year	ADVERTISING EXPENSES	
	2026 Projected Test Year		
C-15	2027 Projected Test Year	INDUSTRY ASSOCIATION DUES	
	2025 Prior Year		
C-20	2026 Projected Test Year	TAXES OTHER THAN INCOME TAXES	
	2027 Projected Test Year		
	2025 Prior Year		
C-21	2026 Projected Test Year	REVENUE TAXES	
" "	2027 Projected Test Year	THE VERYOR THREE	
	2026 Projected Test Year		
C-23	2027 Projected Test Year	INTEREST IN TAX EXPENSE CALCULATION	
	2025 Prior Year		
C-25	2026 Projected Test Year	DEFERRED TAX ADJUSTMENT	
25	2027 Projected Test Year		
	2025 Prior Year		
C-29	2026 Projected Test Year	GAINS & LOSSES ON DISPOSITION OF PLANT AND PROPERTY	
2	2027 Projected Test Year		
	2025 Prior Year		
C-33	2026 Projected Test Year	PERFORMANCE INDICES	
	2027 Projected Test Year	and ottomicon in propo	
	2025 Prior Year		
C-36	2026 Projected Test Year	NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI	
	2027 Projected Test Year	TOTAL OLD OF ENTROPY IN THE WILLIAM OLD EAR EAST COMMAND TO CIT	
	2026 Projected Test Year		
C-37	2027 Projected Test Year	O & M BENCH COMPARISON BY FUNCTION	
	2026 Projected Test Year		
C-41	2027 Projected Test Year	O & M BENCHMARK VARIANCE BY FUNCTION	
	2025 Prior Year		
C-42	2026 Projected Test Year	HEDGING COSTS	
	12020 Frojected Test Teal	I .	

Docket No. 20250011-EI List of MFRs Sponsored or Co-Sponsored by Ina Laney Exhibit IL-1, Page 3 of 3

Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY INA LANEY

MFR Period		Title		
	2025 Prior Year			
C-43	2026 Projected Test Year	SECURITY COSTS		
	2027 Projected Test Year			
	2025 Prior Year			
D-01a	2026 Projected Test Year	COST OF CAPITAL - 13-MONTH AVERAGE		
	2027 Projected Test Year			
	2025 Prior Year			
D-06	2026 Projected Test Year	CUSTOMER DEPOSITS		
	2027 Projected Test Year			
F-05	2026 Projected Test Year	FORECASTING MODELS		
17-03	2027 Projected Test Year	TORECASTING MODELS		
F-08	2026 Projected Test Year	ASSUMPTIONS		
17-08	2027 Projected Test Year	ASSUMPTIONS		

Florida Power & Light

Annual Budget Planning Process Guideline

Effective: August 2024

Version: 2024

Table of Contents

	Page
Guideline Overview	3
Annual Budget Planning Process Overview	4
Executive Presentation - General	6
Executive Presentation - Development	7
<u>Appendix</u>	13
> Data Requirements for Forecasting and Annual Budget Planning	15
Entering and Reviewing Required Data	17
 Capital Forecasting and Annual Budget Planning 	20

Guideline Overview

General

- This process applies to Florida Power & Light. The processes discussed in the guideline are managed using planning version (WVC).
- The 2025-2029 planning cycle focuses on developing the FPL Annual Budget for both O&M and Capital.
 - Budget presentations will include walks and schedules through 2029.
 - Schedules 2023 Actuals, 2024 2029 RXX Forecast
 - Walks 2024 2029 RXX Forecast
- There are key areas where increased due diligence is required when developing the Annual Budget. Additional information is included throughout the guideline.
 - Development of O&M and Capital budgets that are accurate, complete, consistent, relevant, and timely.
 - Proper assignment of FERC accounts to the plan.
 - Staffing that directly align with gross payroll (including existing staff, attrition, additions, reductions).
 All business units should account for natural attrition based on historical experience or known changes in the business and should ensure that is built into the payroll forecast for all years presented.
 - Walks that are clear and concise in communicating year over year changes.
 - Savings initiatives are identified in the 2025 2029 budget.

Version Utilization

- Version WVC (Working Version Current) is used for forecasting current year and five years out. The
 out years in this version will be used to develop the plan for 2025 2029 On WD6, WVC will be copied
 into WV1 for a snapshot of all years to create a budget version titled R##, where ## is a sequential
 number (e.g. R07 is created during June MOPR).
 - Out year forecasts are to be updated by 12pm on WD 6 each month. Maintaining the forecast to be a state of completeness will support a reliable plan.
 - When working through the planning cycle, there may be times when some elements of a business unit's forecast may require more than a month to update as due to material changes to the business (e.g. revised outage schedule, addition of new clause). In these instances, the business unit should take the necessary time to update the impacted portion of the forecast with focus on providing a forecast that is accurate and complete.
- Version WV1 (Working Version 1) will be the forecast data used to create all snapshots.
- Version **WVR# (FPL Final approved targets)** is created at the conclusion of the 2025 2029 Annual Planning Process (APP). WVR# will consist of the final approved O&M and Capital targets. The data in WVR# remains static and is an archive of the approved budget.
- Version PCY (Plan Current Year) is also created at the conclusion of the budget planning cycle for
 consistent naming convention with other NextEra Energy companies. PCY will consist of the final
 approved O&M and Capital targets from version WVR#. PCY is overwritten every planning cycle, version
 P## (where ## stands for current year planning cycle) is created to preserve the data.

Florida Power and Light Master Data

 All O&M and Capital data will be entered into FPL company specific master data (Cost Centers and WBSs).

Annual Budget Planning Process Overview

General

- The Annual Budget Planning Process is managed using an Annual Budget Planning cycle calendar that is
 distributed as soon as authorized near the beginning of the formal planning cycle.
- This section of the document contains instructions for preparing the executive presentation and general requirements for loading detail data into Input Templates. (Page 7)
- The Appendix to this document provides more detailed instructions for using Input Templates to load detail forecasts and can be a useful reference whenever using the forecasting tool/
- Throughout the Annual Planning Process (APP) all business unit presentation materials must be submitted through the <u>FPL Finance SharePoint Site</u>. The SharePoint site is designed to facilitate the Annual Planning Process (APP) and includes reference materials, data and presentation templates, references to BOBJ reports, and access to business unit folders. Only appointed contacts from each Business Unit will have access to the site to upload the presentation and access materials.
- FPL Finance will rely upon the business unit level data in SAP BPC to roll up the total corporate funding requirements for each review meeting. It is required that all business unit presentations tie to the data in the system.
- To assist with the development of forecasts and presentations, BOBJ reporting tools are referenced throughout the guideline along with the file path location.

Budget Versions

- Enter and save forecast data in version WVC throughout the APP.
- Use the July MOPR current year-end forecast and Outer Year forecast (version R08) for the first round of presentation submittals.
- Use the August MOPR current year-end forecast and Outer Year forecast (version R09) for the second round of presentation submittals.
- Use the September MOPR current year-end forecast and Outer Year forecast (version R10) for the third round of presentation submittals.
- The table below provides a summary of the versions that will be used in the FPL SAP BPC system (Analysis and Input Templates) throughout the planning cycle.

Purpose	Version Code / Name		Time	Description
For input	WVC	Working Version Current	Current Year	Forecasted data for 2024 - 2029
			+ 5 Years	
For review	R08	Aug – Dec 2024	Current Year	July MOPR Forecast
		2025 - 2029	+ 5 Years	
	R09	Sep - Dec 2025	Current Year	Aug MOPR Forecast
		2025 - 2029	+ 5 Years	
	R10	Oct-Dec	Current Year	Sep MOPR Forecast
		2025 - 2029	+ 5 Years	
	WVR#	Oct – Dec	Current Year	Remainder of the year 2024 Forecast and
		Final 2025 - 2029	+ Final	snapshot of Final Approved target 2025 - 2029
			approved 5	
			Years	
	PCY	Plan Current Year	5 Years	Snapshot of Final Approved Targets 2025 - 2029

Employee Headcount/Payroll

Headcount budget should reflect when positions are added / deleted, and vacancies are created / filled.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 5 of 25

- Ensure the FTE forecast is updated for all existing and planned heads within a home cost center to the applicable WBS elements.
- Vacant positions that are not going to be filled in the plan should be removed from the HR organizational chart.
- Plans should clearly identify when headcount is planned to be added or removed and vacancies are planned to be filled. All business units should account for natural attrition based on historical experience or known changes in the business and ensure that is built into the payroll forecast for all years presented.
- It is critical that headcounts are accurately input to ensure proper alignment to the plans for gross payroll.
- For more detail, please see Appendix.

Input – WBS Allocation % (Planning and/or Work Order WBS settling to a Financial WBS)

- Review / adjust O&M FERC Functionalization percentages.
- Review / adjust CSC percentages (guidance to be provided by Regulatory Accounting).
- Review / adjust Capital Installation / Removal / Dismantlement percentages.
- Review / adjust SS&E and Stores settlement allocation.
- For more detail, please see Appendix.

Velocity/Accelerate

- Present the differences for Velocity and any remaining Accelerate savings in the Base O&M and the Employee presentation "walks".
- For more detail, please see Appendix.

FPL Finance SharePoint

- The SharePoint is structured to help both the business units and FPL Finance with the preparation of deliverables.
- The SharePoint site contains the following items:
 - Guidelines
 - Planning Calendar
 - Templates for developing presentations.
 - Links to business unit folders
 - Reference materials
- Link: Annual Budget Planning Process SharePoint site

SAP BPC BOBJ – Input templates

- SAP BPC Input templates are accessed thru the SAP Financial Application BOBJ Launch pad.
 - SAP Finance > Applications > BOBJ Launch Pad > Folders > Public Folders > Finance > Managerial > Operational > 01 Input
 - Models and Workbooks used to enter headcount, payroll, and non-payroll can be found on page 18 of this guideline.

SAP BPC BOBJ – Budget Reports

- Budget reports are accessed thru SAP Financial Application BOBJ Launch pad.
 - The following reports can be found thru the SAP BI Launch Pad thru the following paths:
 - SAP Finance > Applications > BOBJ Launch Pad > Folders > Public Folders > Finance
 - 01 Managerial > Operational
 - 03 Regulatory > FERC Actuals and Forecast
 - 04 Detailed Transactional > Employee Related
 - 99 Master Data & Other Support
 - The reports that will help verify on-system data aligns with presentation material are identified throughout this guideline, beginning on page 17.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 6 of 25

Executive Presentation - General

- Each business unit is required to prepare a presentation deliverable for submittal to FPL Finance in advance of each scheduled review meeting.
 - Scheduled deliverable dates are identified in the <u>2025 Annual Budget Planning Process Calendar.</u>
- Financial presentation <u>materials</u> must be tied out to the on-system data at each submittal point during the Annual Budget Planning Process.
- Headcount presentation materials should include FPL employee counts as described in the above section. The Executive presentations will be used as the document of record to determine headcount for each business unit.
- Use the BOBJ reports found on SAP Financial Application BOBJ Launch pad to verify the data loaded onsystem is correct. The paths to the reports are available as follows.
 - SAP Finance > Applications > BOBJ Launch Pad > Folders > Public Folders > Finance
- Once Input Template is updated and verified thru BOBJ reports, transfer the results to the Excel
 templates. Copy and paste the templates into the Power Point presentation.
 - Blank Excel and PowerPoint templates are available on the SharePoint site.
 - o Step 3: Prepare Annual Budget Submission Documents in Microsoft Office.
- Submit the completed <u>PowerPoint presentation</u> by uploading to appropriate business unit's folder on SharePoint.
 - Access to your business unit's folder is located on the SharePoint site.
 - Step 4: Submit Annual Budget Deliverables in Business Unit SharePoint Folder
 - Business Unit Presentations to be uploaded here. Annual Budget Presentations

Executive Presentation - Development

The Annual Budget Presentation must contain the following sections.

1. Executive Summary (Business Unit's own design)

2. Base O&M Schedules

- a. Schedule should identify your business unit's major projects and activities for the years indicated. BOBJ report useful to stratify your Base O&M budget: Year over Year Forecast (9Yr A-Fc)
 - Public Folders>Finance>01-Managerial>01-Operational > Year over Year Forecast (9Yr A-Fc)

Base O&M							
Business Unit:							
(\$millions) or (\$thousands)							
Project / Activity	2023 Actual	2024 Forecast	2025 Funds Request	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Project 1							
Activity A							
Activity B							
Project 2							
Activity A							
Activity B							
Project 3							
Activity A							
Activity B							
Total Base O&M	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

- b. Year to Year "Walk" which includes detail and explanations for all budget changes.
 - 2024 MOPR Year End Forecast to 2025 Funds Request.
 - 2025 Funds Request to 2026 Forecast
 - 2026 Forecast to 2027 Forecast
 - 2027 Forecast to 2028 Forecast
 - 2028 Forecast to 2029 Forecast
 - Provide detail for each step-up and step-down in each category shown in the table.
 - Inflation category should include merit increases and any other increases related to inflation. Non-recurring costs should not reflect inflation.
 - Velocity/Accelerate savings removed the prior year should be added back to the current year
 forecast, to be removed as full year of savings. This allows for reconciliation of the full savings against
 targets, as well as ensuring deductions were only made once.
 - Changes in the Business should only include increases for new work and cost reductions for non-recurring events. This should not show any changes related to Velocity/Accelerate savings.

Base O&M Business Unit:		
(\$millions) or (\$thousands)		
2024 Year End Forecast		\$100.0
Inflation		2.2
2023 Estimated/Actual Accelerate Savings - Add Ba	icks	
2023 Estimated/Actual Savings - item 1	4.0	
2023 Estimated/Actual Savings - item 2	2.0	
•		6.0
Changes in the Business - Increase / (Decrease)		
New Activity - item 3	2.0	
Non-recurring - item 4	(1.0)	
		1.0
2024 Full Year Velocity Savings - (Reductions)		
2024 Full Year Savings - item 1	(9.0)	
2024 Full Year Savings - item 2	(5.0)	
2024 Full Year Savings - item 5	(10.0)	
		(24.0)
2025 Funds Request	_	\$85.2
Repeat 2024 to 2025 Walk Elements	50.0	
2026 Forecast		\$135.2
Repeat 2025 to 2026 Walk Elements	50.0	
2027 Forecast		\$185.2
Repeat 2026 to 2027 Walk Elements	50.0	,
2028 Forecast		\$235.2
Repeat 2027 to 2028 Walk Elements	50.0	7_00. _
2029 Forecast		\$285.2

3. Below the Line O&M Schedules

- a. Schedule should identify your business unit's major projects and activities for the years indicated.
 BOBJ report useful to stratify your BTL budget: Year over Year Forecast (9Yr A-Fc)
 - Public Folders>Finance>01-Managerial>01-Operational > Year over Year Forecast (9Yr A-Fc)

Below the Line Business Unit:(\$millions) or (\$thousands)							
Project / Activity	2023 Actual	2024 Forecast	2025 Funds Request	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecas
Project 1							
Activity A							
Activity B							
Project 2							
Activity A							
Activity B							
Total Below the Line	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

- b. Year to Year "Walk" which includes detail and explanations for all budget changes.
 - 2024 MOPR Year End Forecast to 2025 Funds Request.
 - 2025 Funds Request to 2026 Forecast
 - 2026 Forecast to 2027 Forecast
 - 2027 Forecast to 2028 Forecast
 - 2028 Forecast to 2029 Forecast
 - Provide detail for each step-up and step-down in each category shown in the table.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 9 of 25

Business Unit:		
(\$millions) or (\$thousands)		
2024 Year End Forecast		\$1,000
Additional	5.0	
Required	50.0	
Non-recurring	(30.0)	25.0
2025 Forecast	_	\$1,025
Additional	5.0	
Required	50.0	
Non-recurring	_(30.0)_	
		25.0
2026 Forecast		\$1,050
Additional	5.0	
Required	50.0	
Non-recurring	(30.0)	
	_	25.0
2027 Forecast		\$1,075
Additional	5.0	
Required	50.0	
Non-recurring	(30.0)	
	_	25.0
2028 Forecast		\$1,100
Additional	5.0	
Required	50.0	
Non-recurring	(30.0)	25.0

4. Capital Schedules

- a. Schedule should identify your business unit's major projects and activities for the years indicated.
 - Provide a level of detail appropriate for a thorough senior executive review.
 - Provide a summary explanation of the benefits to support the request for the capital including identification of the customer benefit that the capital investment drives.
 - The Total Capital schedule should be stratified into two categories:
 - Earning Projects
 - Project receives AFUDC
 - Clause projects (indicate which clause)
 - Infrastructure Projects
 - All other capital expenditures not included in Earning Projects

BOBJ report useful to stratify your Capital budget: Year over Year Forecast (9Yr A-Fc)

- Public Folders>Finance>01-Managerial>01-Operational > Year over Year Forecast (9Yr A-Fc)

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 10 of 25

\$0.0

Total Capital Business Unit:(\$millions) or (\$thousands)							
Project / Activity	2023 Actual	2024 Forecast	2025 Funds Request	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
AFUDC / Carrying Charges / Clause / AMI							
Project / Activity 1							
Project / Activity 2							
Project / Activity 3							
Total AFUDC / Carrying Charges / Clause / AMI	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Infrastructure							
Project / Activity 1							
Project / Activity 2							
Project / Activity 3							
Total Infrastructure	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0

\$0.0

5. Employee Schedule

Total Capital

a. Schedule should identify your business unit's expected Headcount. All positions, even part time, account for 1 head.

BOBJ report useful to stratify your employee plans: Comparative Headcount Analysis (A-Fc)

 Public Folders>Finance>04-Detailed Transactional>02-Employee Related>Comparative Headcount Analysis (A-Fc)

Employees Business Unit:							
FPL Employees	2023 Actual	2024 Forecast	2025 Funds Request	2026 Forecast	2027 Forecast	2028 Forecast	2029 Forecast
Full Time (excluding Temporaries)							
FPL Exempt							
FPL Non-Exempt							
FPL Bargaining Unit							
Total FPL Full Time Employees	0	0	0	0	0	0	(
Part Time (count each as 1.0)	-						
FPL Exempt							
FPL Non-Exempt							
FPL Bargaining Unit							
Total FPL Part Time Employees	0	0	0	0	0	0	
Total FPL Employees (excl Temporaries)	0	0	0	0	0	0	

- b. Year to Year "Walk" which includes detail and explanations for all budget changes.
 - 2023 Actual to 2024 MOPR Year End Forecast.
 - 2024 MOPR Year End Forecast to 2025 Funds Request.
 - 2025 Funds Request to 2026 Forecast
 - 2026 Forecast to 2027 Forecast
 - 2027 Forecast to 2028 Forecast
 - 2028 Forecast to 2029 Forecast
 - Include a brief explanation for each step-up and step-down on the table. Include the month of action and the number of positions associated with the addition / reduction.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 11 of 25

- Plans should clearly identify when headcount is planned to be added or removed and vacancies are
 planned to be filled. All business units should account for natural attrition based on historical
 experience or known changes in the business and ensure that is built into the payroll forecast for all
 years presented.
- Update the business unit headcount plans to properly reflect when positions are needed to support business operations and project completion or when the headcount will no longer be needed.
- Regarding changes due to Velocity/Accelerate, please note that the employee "walk" is on an incremental basis, not an annual basis. Unlike the Base O&M "walk," the employee "walk" does not add back the prior year's reductions related to Accelerate.

	Month - Year	Increment	<u>Total</u>
2023 Actual			1,000
Accelerate	Sep-23	(2)	
Replace open postion	Oct-23	1	
Accelerate	Dec-23	(3)	
			(4
2024 Forecast			996
Replace open postion	Feb-24	1	
Accelerate	Mar-24	(5)	
Accelerate	Jul-24_	(3)	
		_	(7
2025 Request			989
Accelerate	Mar-25	(2)	
		_	(2.0
2026 Forecast			987
Accelerate	Jun-26	(1)	
		_	(1
2027 Forecast			986
Accelerate	Jun-27_	(1)	
		_	(1
2028 Forecast			985
Accelerate	Jun-28	(1)	

6. Impact of Forecasts on Key Performance Measures

- Business units should provide a discussion of the relationship between the proposed forecasts and the unit's key performance indicators.
- Provide correlations and sensitivities to illustrate the relationships. No templates are provided. Use an appropriate format:
 - Tables
 - Graphs
 - Other

7. Final Approved 2025 Annual Budget Planning Presentation

- This section provides the requirements for the development of the Final Approved 2025 Annual Budget Presentation deliverable.
- At the conclusion of the Annual Budget review and approval process, each business unit may be requested to provide a final approved version of its presentation for submittal to FPL Finance.
- Minimum requirements include all templates and walks used during the budget review process, and key performance indicators.
 - Base O&M Schedules
 - Below the Line Schedules

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 12 of 25

- Capital Schedules
- FPL Employee Schedules
- Key Performance Indicators
- Ensure budgets and forecasted amounts reflect final approved targets and tie to WVR#/PCY in reporting.
- Revise all walks as necessary to support the changed annual amounts.
- At the discretion of the business unit, the final approved presentation may be expanded to include elements such as the following.
 - Objectives and Goals
 - Key Initiatives
 - Assumptions
 - Additional Benchmarking and Performance Indicators

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 13 of 25

Appendix

Using the FPL SAP System

Planning and Forecasting in version WVC

Appendix Contents Page Data Requirements for Forecasting and Budget Planning 15 Cash Flow Data (Payroll and Non-Payroll) Payroll / Headcount Data Project Types / Business Areas **Entering and Reviewing Required Data** 17 Workbooks Available • Notes on Using Input Templates Notes on Forecasting Charges to Affiliates Notes on FERC Functionalization of O&M **Capital Forecasting and Budget Planning** 20 General Install, Remove, Demolition & Nuclear Fuel Assignment Master Data Setup Special Capital Budget Requirements

Data Requirements for Forecasting and Annual Budget Planning

The following outline provides a summary of the level of data detail required to be reviewed and updated, using the FPL SAP BPC system, prior to each forecast or budget submittal.

Cash Flow Plan Data (Payroll and Non-Payroll)

- Review of on system data:
 - Monthly cash flow projections (Payroll and Non-Payroll) with appropriate WBS element (Level 3) and account data
 - Operating Expense (O&M) and Revenue
 - Capital and Deferred Expenditures
- Review and update of on system data:
 - O&M/Capital Planning and Financial WBS non-payroll monthly cash flow projections
 - WBS element plan allocations
 - Planning WBS plan allocations (as applicable)
 - O&M/Capital Planning WBS payroll / non-payroll plan settlement allocations to Financial WBS's
 - Payroll / Headcount Plan Data
- Review of on system data:
 - Monthly headcounts with appropriate headcount movement data
 - Monthly FTE's including forecast for vacancies, movement, and part time employees.
- The following table provides the Project Types / Business Area combinations for which forecasts and budgets should be entered into the system:

Project Type	Business Area	Description
Operating Expenses		
E	A01	Base O&M
E	A02	ECCR (Energy Conservation Cost Recovery)
E	A04	O&M Fuel (Clause)
E	A05	O&M Capacity (Clause)
E	A06	Below the Line
E	A08	ECRC (Environmental Cost Recovery Clause)
E	A09	O&M NR Fuel
E	A12	Clearing/Overheads (Forecast Only - Stores OH, SS&E, etc.)
E	A20	Revenue Enhancement Expense
E	A22	Inter-Company (Forecast Only - IT and PGD only)
E	A26	O&M SPPCRC (Storm Protection Plan Cost Recovery Clause)
Capital Expenditures		
С	A01	Capital Base
С	A02	Capital ECCR (Energy Conservation Cost Recovery Clause)
С	A05	Capital Capacity (Clause)
С	A06	Capital Below the Line
С	A08	Capital ECRC (Environmental Cost Recovery Clause)
С	A17	Capital Storm
С	A18	Capital New Nuclear (Above the Line)
С	A26	Capital SPPCRC (Storm Protection Plan Cost Recovery Clause)
Deferred Expenditures		
D	A10	Budgeted Deferred Projects (Considered a capital expenditure)
D	A11	Other Balance Sheet Activity (Optional)
D	A12	Clearing/Overheads (Forecast Only - Stores OH, SS&E, etc.)
Revenues		
Е	A20	Revenue Enhancement Revenue

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 16 of 25

- Special notes regarding Revenue Enhancement:
 - The assignment of Revenue Enhancement business area A20 is determined solely by the accounting treatment the actual transaction receives when recorded in the general ledger.
 - Use of business area A20 is limited to existing revenue enhancement programs.
 - Business unit proposals for new revenue enhancement programs should be submitted to Accounting and Corporate Budgets prior to the inclusion of required resources in the 2025 budgets deliverables.
 - Revenues are entered as <u>credits</u> in the appropriate <u>Gross Margin accounts</u>.
 - Expenses are entered as <u>debits</u> in the appropriate <u>Other Operating Expense accounts</u>.

Entering and Reviewing Required Data

Workbooks Available for Forecast and Budget Data Entry / Review

• The table below provides a summary of workbooks (Management Reporting and Input Templates) available to review and update forecast and budget data details required in the FPL SAP BPC system.

Activity	Data Type	Sub-Activity	Analysis / EPM Workbook
	Cash flow plan data (payroll and	Review monthly cash flow projections (Payroll and Non-Payroll) with appropriate WBS element and account data.	Year over Year (9Yr A-Fc)
Review of on system data,	non-payroll)	Operating Expense (O&M) and Revenue	Year over Year (9Yr A-Fc)
using Analysis		Capital and Deferred Expenditures	Year over Year (9Yr A-Fc)
workbooks	Payroll / headcount plan data	Headcount	Comparative Headcount Analysis (A-Fc)
Review and	Cash flow plan	Review / update Planning and Financial WBS non-payroll monthly cash flow projections	Input - Cost Planning (A-Fc) Input - Capital Planning (A-Fc)
update of on system data, using Input Templates (Cost, Capital,	data (payroll and non-payroll	Review / update WBS element plan allocations (as applicable for payroll / non-payroll plan values entered using mixed capital, planning, or CSC Financial WBS).	Input - WBS Allocation % (Fc)
and Payroll)	Payroll / headcount plan data	Review / update headcount monthly forecast (i.e. baseline of current employees and increases / decreases to account for new hires, separations, and transfers).	Input-Payroll Forecasting (A-Fc) • Headcount Input Tab
		Review / update FTE forecast to generate base payroll calculation.	Input-Payroll Forecasting (A-Fc) • FTE Input Tab
		Review / update any other payroll items (i.e. other earnings, sign-on, overtime, or other payroll related forecast as needed).	Input-Payroll Forecasting (A-Fc) • Others - OT Input Tab

Notes on Budget Data Entry/Review using Input – Payroll Forecasting Template

FPL Employee Headcount

- Budgets should clearly identify when headcount is planned to be added or removed and vacancies are planned to be filled. It is assumed that natural attrition is built into the payroll forecast.
- Update the business unit headcount to properly reflect when positions are needed to support business
 operations and project completion or when the headcount will no longer be needed.
- It is critical that headcounts are accurately input to ensure proper alignment to the budget for gross payroll.

Straight-Time Payroll – FTE Input

- The FTE forecast creates the straight time payroll forecast.
- Forecast is to be entered at the Role level based on the employees within that home cost center.
- Time and payroll cost allocations coming from another business unit to your business unit's WBS
 elements are not visible in the "Payroll Cost" tab of the Input Payroll Planning template, but the
 corresponding payroll will be visible in your management reporting.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 18 of 25

Payroll (Other Than Straight-Time Payroll)

- Ensure the following payroll and payroll related costs are forecasted in the Input Payroll Forecasting template on the Others-OT tab.
 - Overtime
 - Other Earnings
 - Lump Sum Awards
 - Relocation
 - Recruiting
 - Sign-on Bonus
 - Severance

Please note:

- Relocation & Recruiting are forecasted in the Input Cost Planning template.
- Affiliate to FPL direct charge payroll is forecasted by affiliates on FPL master data. See Notes
 on Planning Charges to Affiliates Direct Charge for more detail.

Labor Overheads

- Labor Overheads are applied when straight time payroll is calculated from the FTE inputs.
- Labor Overheads are also applied to entries on the Other OT input tab where noted.
- SS&E Overheads are applied as applicable.
 - For the current rates being applied by the system see the Overheads and Loader Rates Summary
 Report Public Folders / Finance / Managerial / Operational / Input / Cost & Payroll / Overhead and Loader Rates Summary Report

Payroll Cost Tab

- The Payroll Cost tab in the Input Payroll Forecasting Template will show the following:
 - Straight-time payroll
 - Other / OT payroll entered using Other / OT Input
 - Overheads

Additional Polaris training / reference materials

- Use the following links to access reference materials to guide you in using the Polaris input templates described in this document.
 - o Project Polaris SharePoint
 - o Training Sessions

Notes on Planning Charges to Affiliates

Operations Support Charges - OSC

- This charge is specific to Nuclear Business Unit.
- Business units having a specific service agreement with an affiliate need to forecast the OSC charges as a direct charge using both FPL and NEER WBS elements.
- To provide a fully loaded view of the Operations Support Charges, affiliate incremental overheads will be systematically forecasted in Loc10.

Corporate Service Charges (CSC)

- Staff business unit expenditures that are allocable to affiliate entities through the CSC need to be forecasted 100% in a WBS defined as business area A01 Base O&M.
- Costs that are applicable to the CSC need to be allocated to WBS elements (Level 3) that are marked with the appropriate CSC drivers (Investment Reason) and receiving company (WBS Services).
- CSC WBS element (Level 3) allocations will be based on driver percentages determined by Regulatory Accounting's Cost Measurement and Allocation team.

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 19 of 25

- Regulatory Accounting will work with the business units to determine if forecasted costs are applicable to the CSC. If so, the business unit and Regulatory Accounting will work together to create the appropriate master data. Creation of master data <u>must not</u> be completed without the approval from Regulatory Accounting.
- Regulatory Accounting will calculate the appropriate allocation percentages for CSC costs. It will be the
 responsibility of the business units to ensure that the correct WBS element (Level 3) allocations are
 reflected in the system using the "Input WBS Allocation %"
- Once a WBS element is determined to be eligible for the CSC, any non-CSC costs must not be allocated to that WBS element.
 - FPL receives a credit in actuals and forecast for the portion of costs pushed to affiliates thru the CSC.
 This credit is derived from the system using the allocations provided during creation of master data.
 The allocated credit FPL receives for these shared costs reside in Location 10 for management reporting purposes.

Direct Charges

- A business unit planning to direct charge an affiliate entity must forecast 100% of their portion of the expenditures to a WBS element received from the affiliate.
- Payroll dollars must be forecasted on the affiliate WBS in the Input-Payroll Forecasting (A-Fc) template on the FTE input tab to generate system calculated overhead rates.
- To provide a fully loaded view of Direct Charges, overheads associated with this payroll will be systematically credited to Location 10 in actuals and forecast.
- Affiliate direct charges to FPL will be forecasted by the affiliate on the appropriate WBS given by the FPL Business Unit they are supporting. FPL Business Unit will see these charges in their budget through management reporting.

Notes on FERC Functionalization of O&M

- FERC functionalization occurs as forecast is entered. FERC settlements occur based off the WBS FERC Function and GAAP account used for forecasting.
- FERC forecasts are reviewed monthly by each business unit to ensure FERC allocations for actuals and forecasts are in line.
- Reviewing the FERC forecasts and updating allocations on a timely basis will help to ensure an accurate forecast from a regulatory perspective.
- Planning WBS's need to be reviewed and ensure that allocations to Financial WBS's are accurate. If
 forecast allocations appear to be incorrectly allocated, update the allocation percentage to realign the
 dollars.

Capital Forecasting and Budget Planning

General

- Each business unit is required to provide capital forecast details in accordance with the foregoing
 instructions for entering detail forecasts into Capital Planning and the following guidance specific to
 capital forecasting.
- Enter monthly cash flows in whole dollars for <u>all</u> years.
 - Do not forecast annual amounts in December; provide monthly cash flows.
 - Major projects must be cash flowed monthly based on the best information available.
 - Minor projects may be forecasted using an even monthly spread if better information is not available.
- Ensure all master data is correct for all capital WBS elements.

Installation, Removal, Dismantlement and Nuclear Fuel Assignment

- Review, and if necessary, adjust the Planning WBS allocation percentage splits for installation, removal, and dismantlement. This will ensure accurate cost detail is available to support depreciation calculations in the Financial Forecasting Model.
 - All capital projects must be classified as install, removal, dismantlement, or nuclear fuel.
 - In most cases a capital project will be assigned one or both of the following FERC accounts to the Financial WBS:
 - Install: FERC 9107100
 - Remove: FERC 9108050
 - When a plan represents the dismantlement of assets, such as in the case of the dismantlement of a plant, the "Dismantlement" FERC 9108132 must be assigned to the Financial WBS
 - When a plan represents the purchase of Nuclear Fuel, Financial WBS's need to be created as Capital Type 3 with specific FERC accounts assigned:
 - Nuclear Fuels In Process 9120100
 - Nuclear Fuels In Stock 9120200
 - Nuclear Fuels Inventory in Rx 9120300
 - If using Planning WBS's, the WBS Allocation % needs to be updated to reflect any changes to the percentage splits for FERC accounts to reflect the correct forecast.

Capital Project Master Data Assignments

- aprilar to journal and a state of grant and											
Capital Type	GAAP Account	FERC Account									
1 – Install	2609300 – CWIP	9107100									
2 – Remove	2650200 - ACC. DEPRECIATION (DP)	9108050									
3 – Nuclear Fuel	2607200 - NUCLEAR FUELS - In Process	9120100									
	2607100 - NUCLEAR FUELS - In Stock	9120200									
	2607310 - NUCLEAR FUELS: Inventory In Rx	9120300									
4 – Dismantlement	3701010 - DISMANTLEMENT RESERVE: Fossil	9108132									

Capital WBS Element Master Data

- Master Data for all capital WBS elements includes "corporate attributes" that define the capital project:
 - Business Area
 - IM Position
 - WBS Project Type
 - WBS Capital Type
 - FERC Function code
 - Plant Site code
 - Major Project designation
 - In-service date (Required only for Major Projects)
 - AFUDC relevance
 - Earning a Return status
 - Depreciation status
 - Storm Secure status

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 21 of 25

When budgeting capital expenditures, it is important to ensure the corporate attributes that define the
Project or WBS element accurately describe all the capital expenditures forecasted under that Project or
WBS element. If not, then the expenditures must be allocated to two or more WBS elements as
necessary.

FERC Function Code (FERCFncID

- A single digit code describing a classification of expenditures under the FERC System of Accounts
- All costs associated with a single WBS must be reflective of the FERC Function selected. Multiple WBS elements may be needed for proper differentiation:
- List is not all encompassing, please reach out to Property Accounting if you need assistance.

0 - General Plant Intangible 29 - Other Prod - GEN PLT - Software 1 – Steam Generation 30 - Other Prod - GEN PLT - EDP Equip 2 – Nuclear Generation 31 - Other Prod - GEN PLT - COMM Equip 32 - Other Prod - GEN PLT - Fiber 3 – Other Generation 4 - Transmission 33 - Other Prod - GEN PLT - Equip 5 - Distribution Line 34 - Solar - Generation 6 – Distribution Substation 35 - Solar - Transmission - GSU 7 - General Plant Buildings 36 - Solar - GEN PLT - Software 37 - Solar - GEN PLT - EDP Equip 8 - General Plant Equipment 38 - Solar - GEN PLT - COMM Equip 9 – GEN PLT - Transportation 10 - Distribution - Gas 39 - Solar - GEN PLT- Fiber 40 - Solar - GEN PLT - Equip 11 - Storage Plant - Gas 12 - Intangible - Software 41 - Energy Storage - Generation 42 - Energy Storage - Transmission - GSU 13 - General Plant - EDP Equipment 43 - Energy Storage - GEN PLT - Software 14 - General Plant - Communication Equipment 15 - General Plant - Fiber Optic 44 - Energy Storage - GEN PLT - EDP Equip 16 - Transmission - GSU 45 - Energy Storage - GEN PLT - COMM Equip 46 - Energy Storage - GEN PLT - Fiber 17 - Transmission - Gen Lead 47 - Energy Storage - GEN PLT - Equip 18 - Transmission - Radial 19 - Steam - GEN PLT - Software 48 - Transmission - GEN PLT - Software 20 - Steam - GEN PLT - EDP Equip 49 - Transmission - GEN PLT - EDP Equip 21 - Steam - GEN PLT - COMM Equip 50 - Transmission - GEN PLT - COMM Equip 22 - Steam - GEN PLT - Fiber 51 - Transmission - GEN PLT - Fiber 23 - Steam - GEN PLT - Equip 52 - Transmission - GEN PLT - Equip 24 - Nuclear - GEN PLT - Software 53 - Distribution - GEN PLT - Software 25 - Nuclear - GEN PLT - EDP Equip 54 - Distribution - GEN PLT - EDP Equip 26 - Nuclear - GEN PLT - COMM Equip 55 - Distribution - GEN PLT - COMM Equip 27 - Nuclear - GEN PLT - Fiber 56 - Distribution - GEN PLT - Fiber 28 - Nuclear - GEN PLT - Equip 57 - Distribution - GEN PLT - Equip

Plant Site Code

- A three-digit code
- Expenditures pertaining to a specific plant site must be forecasted in a WBS element unique to that site, per the following table (next page): for all other expenditures use default plant site 000. This list is not all encompassing, please reach out to Property Accounting if you need assistance.

Plant Site	Code	Plant Site	Code	Plant Site	Code	The state of the s	Code
NON-PRODUCTION PLANT	0	CEDAR BAY	200	Hibiscus Solar	214	Etonia Solar(Weyerhaeuser)	329
CUTLER	10	INDIANTOWN COGENERATION	205	Sandricourt Farms Solar	215	Mortimer Bates(solar land)	330
RIVIERA UNIT #3 & #4	40	TURKEY POINT UNIT #3 Uprates	243	CLYMAN SOLAR	216	Terril Creek Solar	331
RIVIERA BEACH ENERGY CENTER U5	41	TURKEY POINT UNIT #4 Uprates ST LUCIE UNIT #1 Uprates	244	Egret Solar CORAL FARM SOLAR	217 260	Fort Drum Site	332
RIVIERA UNIT #2 TURKEY POINT UNIT #3 EPU LAR	42	ST LUCIE UNIT #1 Uprates ST LUCIE UNIT #2 Uprates	251	HORIZON SOLAR	261	Raymond&Deborah Williams (Solar Lnd)	333
	44	120 CHAIR STORY STORY STORY STORY	289	IBIS SOLAR	262	Bluefield Organic Farms (solar land)	335
TURKEY POINT UNIT #4 EPU LAR PUTNAM	50	Tesoro Groves	289	Market and an artifacture of the state of th		Slavic Natural Resources In. (solar Land)	338
	51	Turkey Point U6/U7 Common WEST COUNTY ENERGY CENTER UNIT 2	292	Hammock Solar	263	GHOST ORCHID SOLAR	337
ST LUCIE UNIT#1 EPU LAR ST LUCIE UNIT#2 EPU LAR	52	WEST COUNTY ENERGY CENTER UNIT 1	293	INTERSTATE SOLAR Twin Lakes Solar	264 265	SAWGRASS SOLAR IMMOKALEE SOLAR	338
PALATKA	80	WEST COUNTY ENERGY CENTER COMMON		KROME SOLAR	266	Watson Cattle CO (Land for Solar)	339
PALATKA PLANT UNIT 3	61	Turkey Point U3/U4 Common	295	Wildflower Solar	267	Shirer Branch Solar	340
Sanford Unit 3	70	Martin U1/U2 Common	296	111111111111111111111111111111111111111	268	Flowers Creek Solar/Yoder (land)	341
	71		297	Blue Cypress Solar		Heritage Family Farms (land)	342
Sanford Unit 5	77.7	Martin U3/U4 Common		Loggerhead Solar	269		
Sanford Unit 4 Sanford U4/U5 Common	72 73	MARTIN PLANT FUEL OIL PIPELINE Transmission - Gen Step Up (GSU)	298 401	Barefoot Bay Solar Indian River Solar	270 271	Yoder (land) / Flowers Creek Solar Gerald Bishop (land) / Solar	343
Ft. Lauderdale Unit 4	80	TRANSMISSION - OTHER RETAIL	402	Miami Dade Solar	272	Wid Quail & Hardwood	345
FT LAUDERDALE Gas Turbines - Blackstart	81	TRANSMISSION - OTHER WHOLESALE	403	Echo River Solar	273	The state of the s	346
	-		408			Chautaugua Solar	
Ft Lauderdale Simple Cycle Peakers U6	82	Okeechobee Hydrogen Pilot		DE SOTO POWER PLANT COMMON	274	Pecan Tree Solar	347
DANIA BEACH ENERGY CENTER	83	SJRPP Unit 1	500	Pioneer Trail Solar	275	FPL Evolution Hub-45th St (Solar)	377
Ft. Lauderdale Unit 5	84 85	SURPP COAL CARS	501 502	Northern Preserve Solar	276	Blue Lagoon Floating - Solar	380
Ft. Lauderdale Common		SJRPP UNIT 2		Commonwealth Solar	277	Van Der Veer (land/solar site)	
Ft. Lauderdale U4/U5 Common	86	SJRPP COAL TERMINAL	503	Sunshine Gateway Solar	278	Optimum Ranch (land for solar)	382
FLORIDA GAS PIPELINE	90	SJRPP U1/U2 Common	504	Blue Heron Solar	279	Horus (land for solar)	383
Ft Myers Total Site Common	110	Scherer Unit 4	505	Sweetbay Solar	280	Honeybell (land for solar)	384
Ft. Myers Unit 2	112	CRIST PIPELINE*	611	Monarch Solar	281	Chipola Solar (FKA Shelton 3628)	385
Ft Myers Simple Cycle Peakers U3	113	CRIST COMMON*	612	Weyerhaeuser Solar	282	McArthur Farms (land/solar)	386
Ft. Myers Unit 3	114	CRIST UNIT 4'	613	Pink Trail Solar	283	Speckled Perch (fka Hamrick)	387
Ft. Myers Common	115	CRIST UNIT 5*	614	Skinner Solar (aka Trailside Solar)	284	Prairie Creek Solar (fka Chapman)	388
Ft Myer Gas Turbines - Blackstart	116	CRIST UNIT 6*	615	Lakeside Solar	285	Cypress Pond Solar (fka WSR)	389
Ft. Myers U2/U3 Common	117	CRIST UNIT 7*	616	Cattle Ranch Solar	286	FIRST CITY SOLAR SITE (FPL)	390
Port Everglades Energy Center Common	120	DANIEL COMMON'	617	Okeechobee Solar	287	APALACHEE SOLAR EC SITE	391
Port Everglades Energy Center Unit 5	121	DANIEL UNIT 1'	618	Southfork Solar	288	SPARKLEBERRY SOLAR (RMS TIMBERLAKE)	392
Port Everglades Gas Turbines	122	DANIEL UNIT 2"	619	St Lucie River Farms	299	APALACHEE SOLAR (PFI TIMBERFUND)	393
CAPE CANAVERAL	130	SCHERER COMMON'	620	Jebbie Solar	300	NATURE TRAIL & CEDAR TRAIL (MRT2450)	394
Cape Canaveral Unit 3	131	SCHERER UNIT 3*	621	Davis & Davis LLP	301	CAVENDISH SOLAR (OKEE III)	395
Turkey Point Unit 1	139	SCHOLZ PLANT'	622	Palm Bay Solar	302	NORTH FORK-LAND/SOLAR	396
Turkey Point Total Site Common	140	PACE PLANT	623	Willow Solar (Del Monte)	305	MAGIC DIME LLC LAND FOR SOLAR	397
TURKEY POINT UNIT 5	141	PERDIDO LANDFILL*	624	Elder Branch (Del Monte (north) solar	306	LONG CREEK SOLAR	398
TURKEY POINT UNIT #3 EPU	142	SMITH UNIT 3"	625	Nassau Solar (aka Crawford Dia)	307	Silver Palm Solar	399
TURKEY POINT UNIT 3	143	SMITH PLANT CT*	626	Union Springs Solar (aka Plum Creek)	308	Crestview West	409
TURKEY POINT UNIT 4	144	SMITH COMMON*	627	Norris (land for solar)	309	Tumpike Solar	420
TURKEY POINT UNIT #4 EPU	145	CRIST SIMPLE CYCLE CTS*	628	Trucane Sugar	310	Woodyard Solar	421
TURKEY POINT UNIT 8	146	Steam Common	771	Orange Blossom	311	Beautyberry Solar	422
TURKEY POINT UNIT 7	147	Other Generation Common	772	Lakewood Park	312	Canoe Solar	423
TURKEY POINT COMMON #8 & #7	148	Active Fossil Fleet	777	Buttonwood Solar	313	Hendry Isles	424
TURKEY POINT COMMON EPU	149	Active Nuclear Fleet	778	Thomas Creek Solar	314	Sambucus	426
ST LUCIE COMMON	150	ALL Active GEN Reet	779	St Joe Company	315	Three Creeks	427
ST LUCIE UNIT 1	151	INTANGIBLE PLANT FT LAUDERDALE	908	Sundew Solar	316	Fourmile Creek	428
ST LUCIE UNIT 2	152			Ridge Farm North 320	317	Orchard	429
ST LUCIE COMMON EPU	153	Energy Storage	73	Caloosahatchee Solar	318	Swallowtail Solar	430
ST LUCIE UNIT#1 EPU	154	Dania Beach Energy Storage	374	Roper (land for solar)	319	Groves Brothers	437
ST LUCIE UNIT#2 EPU	155	Babcock Ranch Solar Battery Storage	375	Nail Ranch	320	Cedar Trail Solar	438
ST LUCIE UNIT 1 STOREROOM	156	FIU Microgrid Energy Storage	376	Norton Creek Solar	321	Kayak Solar	440
ST LUCIE UNIT 2 STOREROOM	157	FPL Evolution Hub-45th St (Battery)	378	B&E Holdings	322	Green Pasture Solar	442
ST. LUCIE WIND	160	Turkey Point Clean Energy Center	379	Holopaw Solar	323	Fox Trail Solar	443
Manatee Total Site Common	170	Wynwood Energy Storage Center	400	AW Hatcher Farms Inc	324	Tenmile Creek Solar	444
Manatee Unit 3	171	Citrus Solar Battery Storage Center	404	Babcock Ranch Reserve Solar	325	Redlands	445
Manatee Unit 1	173	Manatee Energy Storage Center	405	Jones Road LLC (aka Lincoln Energy)	326	Georges Lake Solar	446
Manatee Unit 2	174	Echo River Energy Storage Center	406	Discovery Solar Energy Center	327	Mitchell Creek Solar	447
Manatee U1/U2 Common	175	Sunshine Gateway Energy Storage Center	407	Southeast Grove	313	MASON SOLAR*	650
Martin Total Station Common	180	BLACKWATER SUB - SOLAR EGS*	656	Rayonier Atlantic Timber	314	BLUE SPRINGS SOLAR!	651
MARTIN UNIT 1	181	Unidentified Battery Storage	994	St Joe Company	315	YODER SOLAR*	652
Martin Unit 8	182			Sundew Solar	316	M. BATES SOLAR*	653
Martin Coal Unit	183	SOLAR SITES	- 0	Ridge Farm North 320	317	SLAVIC SOLAR'	654
MARTIN UNIT 2	184	MANATEE PV SOLAR	172	First Citrus	318	J. WALKER SOLAR*	655
MARTIN GAS PIPELINE	185	MARTIN SOLAR ENERGY CENTER	188	Roper (land for solar)	319	HERMAN WALKER SOLAR*	657
MARTIN UNIT #7	186	DESOTO SOLAR ENERGY CENTER	192	Nail Ranch	320	COTTON CREEK SOLAR'	658
MARTIN Unit 3	187	SPACECOAST SOLAR ENERGY CENTER	193	Woodland III	321	NORTH ESCAMBIA SOLAR*	659
MARTIN Unit 4	189	BABCOCK RANCH SOLAR PV.	197	B&E Holdings	322	Future Solar Site	775
West County Energy Center U1/U2	190	CITRUS PV SOLAR	199	St Lucie River Farms 989	323	Unidentified Solar	993
WEST COUNTY ENERGY CENTER UNIT 3	191	WHITE TAIL SOLAR	201	AW Hatcher Farms Inc	324		200
Okeechobee Clean Energy Center	194	VOLUNTARY SOLAR PARTNERSHIP (VSP)	210	Babcock Ranch Reserve Solar	325		
UNSITED COMBINED CYCLE	195	C & I SOLAR PARTNERSHIP	211	Jones Road LLC (aka Lincoln Energy)	326		
Hendry Site	196	IOTA CAROL (SOLAR PROJECT)	212	Discovery Solar Energy Center	327		
VERO BEACH	198	Magnolia Springs Solar	213	Rodeo Solar Energy Center	328	10	

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 23 of 25

• Major Project Designation

- A specific project is considered a Major project when the total cost over the life of the project is \$10 million or more
- A Major project must be identified with a Level 1 WBS Element
- Stratify a Major project into sub-activities using separate Level 2 WBS elements for the following reasons:
 - When a project comprises individual sub-projects that have individual total lifetime costs of \$10 million or more
 - When the sub-projects have different in-service dates, regardless of their respective sub-project cost
 - To identify dismantlement or removal costs (see below for further guidance)
 - To identify asbestos removal costs (see below for further guidance)
 - To identify land held for future use (see below for further guidance)
 - When the business unit finds a further breakdown to be a meaningful way to forecast the project
- Use "Y" to indicate a Major project and "N" if not a major project

In Service Date (ISD)

- The date a Major project will be completed and go into service
- ISDs are used for Major projects only; it is not necessary to provide or maintain ISDs for minor projects
- The ISD is used by the Financial Forecasting Model (FFM), which is a non-SAP system. The FFM uses the ISD to determine when a project's Construction Work In-Progress (CWIP) balance must be reclassified to Plant In-Service and for initiating Depreciation. The FFM only requires a MM/YYYY ISD format. However, the SAP convention for entering dates is the MM/DD/YYYY format. To reconcile the formatting differences and to minimize the need to update changes in ISDs the following guidance is provided.
- Creating a new major capital WBS Element
 - Enter the ISD in the format MM/DD/YYYY
 - Always enter the last day of the month that the project will go into service
 - Examples
 - Enter 06/30/YYYY for a June ISD
 - Enter 08/31/YYYY for an August ISD
- Revising the ISD for an existing major capital WBS Element
 - Revise the ISD only when the month or year has changed; it is not necessary to revise the ISD to reflect a change in the day of the month within the same month
 - When revising an ISD always enter the <u>last day of the month</u> that the project will go into service.
 - Examples:
 - o If the current ISD is 06/15/2023 and the new ISD is 06/30/23, no change is required
 - o If the current ISD is 06/15/2023 and the new ISD is 07/15/23, revise the ISD to 07/31/23

AFUDC Relevance

- Indicates eligibility for an accounting treatment known as Allowance for Funds Used During Construction
- Used only for a WBS element designated as a Major Project; check with accounting to make the determination for AFUDC eligibility
- Enter "Y" if the project is AFUDC relevant and "N" if not.
 - AFUDC forecasts are calculated through Utilities International (UI) and provided as inputs to each
 of the Capital budget.
 - AFUDC will be recalculated for the combined budget for 2024-2028.

Earning a Return

- A project is considered earning a return if it meets any of the following requirements
 - o Project receives AFUDC
 - Project is Clause related (ECCR, ECRC, Capacity, New Nuclear, Gas Reserves)
- Enter "Y" if the project is earning a return and "N" if not

Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 24 of 25

• Depreciation Status

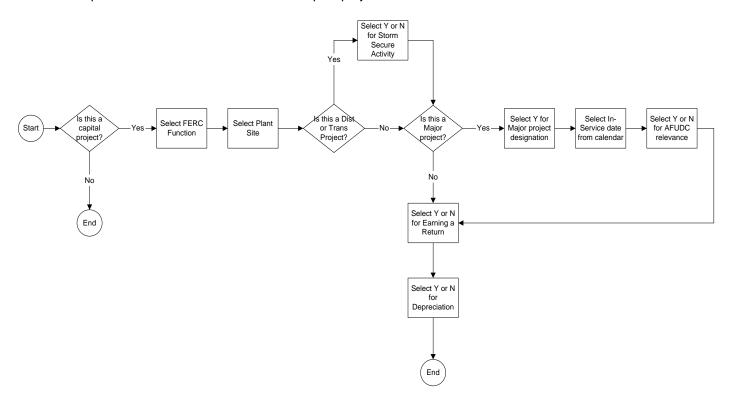
- Use "Y" if depreciable and "N" if non-depreciable
- Land is the only capital expenditure that is non-depreciable; land should be in a separate WBS with a code of "N"

Storm Secure

- Applicable for Power Delivery projects only
- Enter "Y" if a Storm Secure project and "N" if not

• Flow Diagram for Assigning Corporate Defined Attributes

 The following is a flow diagram to help guide in the set-up of WBS elements and projects using the "Corporate" defined WBS attributes for Capital projects



Docket No. 20250011-EI 2025 FPL Annual Budget Planning Process Guideline Exhibit IL-2, Page 25 of 25

Special Capital Forecasting Requirements

• Dismantlement Costs for a major project

- Must be forecasted in a separate level 3 WBS element
- The word Dismantlement must appear in the WBS element name and description
- WBS must have a FERC Indicator 9108132 and 100% of the plan assigned to this WBS element

Land Held for Future Use

- Must be forecasted in a separate level 3 WBS element
- The words Future Use must appear in the WBS element name and description
- All land purchases for future generation sites must be set up as Major Projects with an In-Service Date for proper treatment by the Financial Forecasting Model (FFM)

Asbestos Removal Activity

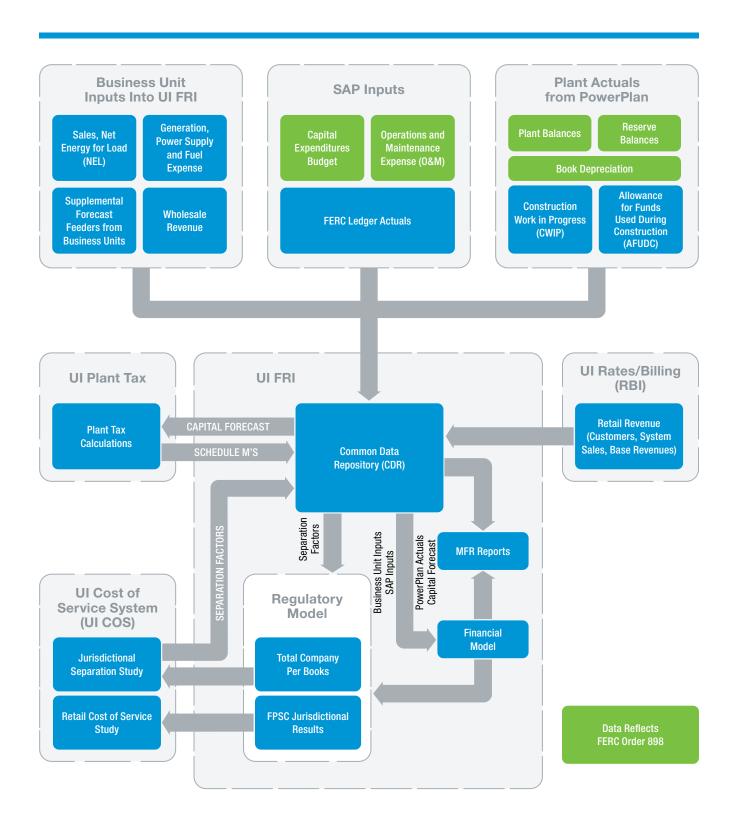
- Must be forecasted in a separate level 3 WBS element
- The words Asbestos Removal must appear in the WBS element name and description
- WBS must have a FERC Indicator 9108132 and 100% of the plan assigned to this WBS element
- Also, see the Accounting Department memo of July 30, 2009 titled "FPL-2016 Asbestos Removal Accounting Process Reference," in the "Reference Material" section of the SharePoint site for additional requirements relative to FIN 47 and FASB 143

Retirements

- Units must submit a list of major project retirements for individual items of property with historical costs of \$10 million or more
- Identify the month and year of retirement
- If none, submit notification indicating nothing to report



FPL Forecasting Process Overview



COMPANY:	ORIDA PUBLIC SERVICE COMMISSION EXPLANATION DMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES DCKET NO.: 20250011-EI			usec mini	a projected test year, provide d in developing projected or e mum, state assumptions use ement and sales forecast.	estimated data. A	ıs a		Type of Data Shown: X Projected Test Year Ended 12/31/26 Prior Year Ended//_ Historical Test Year Ended/_//			
DOCKET NO	.: 2025001	1-EI									, Ina Laney, Tiffany C. Cohen er, Thomas Broad	
Line No.			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1 2			ES, CUSTOMERS, NET EN IERAL ASSUMPTIONS	IERGY FOR LO	DAD					2026		
3 4		A.	Households (Florida)							9,848,476		
5 6		В.	Employment (Florida)							10,200,808		
7 8		C.	Housing Starts (Florida)							168,796		
9 10		D.	Florida GSP							1,850,354,415,142		
11 12		E.	Florida Real Wage Salary	Distribution F	Per Household					62,382		
13 14		F.	Real Electric Price Increa							8.65		
15 16		G.	Real Electric Price Increa	·						9.99		
17 18		Н.	Real Electric Price (12-me	·	,					3.98		
19 20			•	_	• ,	e 72-80 Degree Temperature	۵)			1,292.21		
21		l.	•				e)			,		
22 23		J.				e 80 Degree Temperature)				402.08		
24 25			FPL Service Territory Co			. ,				3,097.35		
26 27		L.	FPL Service Territory Hea	ating Degree D	Days per Bill Day (Base	56 Degree Temperature)				43.56		
28 29		М.	NW FL Service Territory	Cooling Degre	e Hours per Bill Day (B	ase 67-75 Degree Temperat	ture)			227.94		
30 31		N.	NW FL Service Territory	Cooling Degre	e Hours per Bill Day (B	ase 75-85 Degree Temperat	ture)			1,135.91		
32 33		0.	NW FL Service Territory	Cooling Degre	e Hours per Bill Day (B	ase 85 Degree Temperature	e)			584.08		
34		P.	NW FL Service Territory	Heating Degre	e Hours per Bill Days (E	Base 50-59 Degree Temper	ature)			132.74		
35 36		Q.	NW FL Service Territory	Heating Degre	e Hours per Bill Days (E	Base 50 Degree Temperatui	re)			213.64		
37 38		R.	NW FL Service Territory	Cooling Degre	e Hours per Bill Day (B	ase 75 Degree Temperature	e)			1,720.00		
39 40 41		S.	NW FL Service Territory	Heating Degre	e Hours per Bill Days (E	Base 59 Degree Temperatur	re)			635.84		

	DA PUBLIC SERVICE COMMISSION ANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES			EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.					Type of Data Shown: _X Projected Test Year Ended 12/31/26 Prior Year Ended// Historical Test Year Ended/_/_/			
KET NO.	:20250011-	-EI								Ina Laney, Tiffany C. Cohen r, Thomas Broad		
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1 2 3		ALES, CUSTOMERS, I SENERAL ASSUMPTIO	NET ENERGY FOR LOA NS	AD.								
4	Т	. NW FL Service Ter	rritory Cooling Degree	Hours per Bill Day	(Base 60-73 Degree Tempera	ture)			547.04			
6	U	. NW FL Service Ter	rritory Cooling Degree	Hours per Bill Day	(Base 73 Degree Temperatur	e)			2,790.20			
7 8	V	. Energy Efficiency	Codes and Standards	per FPLE Residenti	al Customer (MWh)				-0.93			
9 10	W	V. Energy Efficiency	Codes and Standards	per FPLE Commerc	ial Customer (MWh)				-4.13			
11 12	х	. Energy Efficiency	Codes and Standards	per NWFL Resident	ial Customer (MWh)				-0.96			
13 14	Y	. 2026 Sales by Rev	2026 Sales by Revenue Class - Most Likely (GWh)									
15 16		Residential	Commercial	Industrial	Highway Lighting	Other	Railroads	Total Retail	Sales for Resale	<u>Total</u>		
17 18		70,172	53,056	4,735	376	23	68	128,430	8,666	137,096		
19 20	z	. 2026 Customers b	y Revenue Class									
21 22		Residential	Commercial	Industrial	Highway Lighting	Other	Railroads	Total Retail	Sales for Resale	<u>Total</u>		
23 24		5,420,089	665,449	15,713	8,237	157	27	6,109,672	12	6,109,684		
25 26	Δ		n Customers by Reven	,	5,25			-,,		-, ,		
27 28		Residential	Commercial	Industrial	Highway Lighting	Other	Railroads	Total Retail	Sales for Resale	<u>Total</u>		
29		· <u> </u>	<u> </u>	<u> </u>								
30 31		64,125	7,521	-35	592	0	0	72,203	-1	72,202		
32 33												
34 35												
36 37												
38 39		Note:										
40 41			culation = Average 2026	Customers - Averag	ge 2025 Customers							

Type of Data Shown:

EXPLANATION: For a projected test year, provide a schedule of assumptions

FLORIDA PUBLIC SERVICE COMMISSION

	MPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES OCKET NO.: 20250011-EI				in developing projected num, state assumptions ment and sales forecas	used for balance she		-	_X Projected Test Year Ended 12/31/26 Prior Year Ended// Historical Test Year Ended// Witness: Liz Fuentes, Ina Laney, Tiffany C. Cohen			
									Dan DeBo	er, Thomas Broad		
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1	- I.	SALES, CUSTOMERS, N	ET ENERGY FOR LOA	n								_
2	-	GENERAL ASSUMPTION		_								
3 4		AB. Most Likely Foreca	st of Monthly Net Ener	gy for Load (GWh)								
5		AB. Most Emery Forcoa	2026	gy for Load (OTTII)								
6		January	10,335									
7		February	9,804									
8		March	10,694									
9		April	11,159									
10		May	12,730									
11		June	13,536									
12		July	14,510									
13		August	14,611									
14		September	13,466									
15		October	12,444									
16		November	10,608									
17		December	10,790									
18			144,687	_								
19			,									
20		AC. Most Likely Foreca	st of System Monthly I	Peaks (MW)								
21		,,	<u>2026</u>	,								
22		January	23,273									
23		February	21,650									
24		March	21,639									
25		April	23,154									
26		May	25,442									
27		June	27,458									
28		July	27,939									
29		August	28,596									
30		September	27,466									
31		October	25,650									
32		November	22,393									
33		December	21,159									
34		2000201	21,100									
35	II.	INFLATION RATE FORE	CAST									
36												
37		Most Likely Annual	Rate of Change									
38		2026										
39			onsumer Price Index (0	:PI)								
40			ne CPI measures the price		market basket of good	ls and services over	ime					
41			or company purposes, it					. excluding const	truction work			

ASSUMPTIONS

Type of Data Shown:

_X Projected Test Year Ended 12/31/26

Prior Year Ended ___/__/__

___ Historical Test Year Ended ___/_

EXPLANATION: For a projected test year, provide a schedule of assumptions

statement and sales forecast.

used in developing projected or estimated data. As a

minimum, state assumptions used for balance sheet, income

Schedule

F-8

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: FLORIDA POWER & LIGHT COMPANY

AND SUBSIDIARIES

2026 Projected Test Year

Docket No. 20250011-EI MFR F-8 Major Forecast Assumptions Exhibit IL-4, Page 4 of 23

Page 4 of 11

FLORIDA PU	BLIC SERVICE COMMISSIO	N		a projected test year, pro d in developing projected				Type of Data Shown: X Projected Test Year Ended 12/31/26					
COMPANY:	FLORIDA POWER & LIGHT AND SUBSIDIARIES	COMPANY	mini	mum, state assumptions ement and sales forecas		Prior Year Ended//_ Historical Test Year Ended//							
DOCKET NO	.: 20250011-EI							Witness: Liz Fuentes Dan DeBo					
Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
1	IV. IN SERVICE DATES O		(-)	. ,	(-/	(-)		(-/	(-,				
2	A.	F WAJOR PROJECTS											
3	BUDGET						IN SERVICE						
4	ITEM #	PROJECT DESCRIPTI	ION				DATE						
5	Various	Customer Service Platfe	orm				Jan-27						
6	Various	Jan 2026 Solar Projects	S				Jan-26						
7	Various	Apr 2026 Solar Projects	S				Apr-26						
8	Various	Jan 2027 Solar Projects					Jan-27						
9	Various	Apr 2027 Solar Projects					Apr-27						
10	Various	Jul 2027 Solar Projects					Jul-27						
11	Various	Oct 2027 Solar Projects					Oct-27						
12	Various	Jan 2028 Solar Projects					Jan-28						
13	Various	Jul 2028 Solar Projects					Jul-28						
14 15	B2.000551 Various	500kV Rebuild Fiber Optic					Mar-27 2028-2029	(Various In-Service	Dotoo)				
16	B2.000807	Grid Transformation - N	Jorth Area Project				2026-2029	(Various In-Service	,				
17	B2.000804		Drange River - Andytown -	Leves Project			2028-2031	(Various In-Service	,				
18	B2.000612	Holmes Creek - Millers		Levee i roject			2026-2031	(Various In-Service	,				
19	Various	Miami – Miami Beach U					2026-2028	(Various In-Service	,				
20	Various	State Road 80	,,,,,,				2026	(Various In-Service	,				
21	Various	Northwest Area Reliabil	lity Project				2026-2033	(Various In-Service	Dates)				
22	B2.000606	Santa Rosa Injection Pr	roject				2026-2028	(Various In-Service	Dates)				
23	Various	South Florida Increased	d Transfer Capabilities Pro	oject			2026-2027	(Various In-Service	Dates)				
24	Various		ee Area Integration Projec	ct			2029-2030	(Various In-Service	,				
25	Various	State Road 70					2026	(Various In-Service	,				
26	B2.000669	Miami Dade Corridor Pr					2028-2033	(Various In-Service	Dates)				
27	Various	Jul 2026 Battery Storag					Jul-26						
28	C3.000409	Oct 2026 Battery Storag					Oct-26						
29	Various	Nov 2026 Battery Stora					Nov-26						
30 31	Various	Apr 2027 Battery Storag Jul 2027 Battery Storag					Apr-27 Jul-27						
31 32	Various Various	Jan 2028 Battery Storag					Jul-27 Jan-28						
33	Various	Jul 2028 Battery Storag					Jul-28						
34	C6.424002	Corporate Headquarter					Oct-29						
35	30.72400Z	Corporato i locadquarter	~				00.20						
36													

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: For a projected test year, provide a schedule of assumptions Type of Data Shown: used in developing projected or estimated data. As a X Projected Test Year Ended 12/31/26 COMPANY: FLORIDA POWER & LIGHT COMPANY minimum, state assumptions used for balance sheet, income Prior Year Ended / / AND SUBSIDIARIES statement and sales forecast. Historical Test Year Ended ___/__/__ DOCKET NO.: 20250011-EI Witness: Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad Line No. (1) (2) (3) (4) (5) (6) (7) (8) (9) V. MAJOR GENERATING UNIT OUTAGE ASSUMPTIONS 2 3 A. Nuclear Maintenance Schedules (Including outage period and reason) 4 2026 2026 5 Outage Period 6 Unit **Outage Description** 2/14/2026 - 3/28/2026 Steam generator Eddy Current testing, Integrated leak rate testing, Load 24-month Fuel Turkey Point Unit 3 8 St., Lucie Unit 2 4/11/2026 - 5/23/2026 Reactor Integrated Head, Load 24-month Fuel 9 10 B. Fossil Units Outage Schedule (including outage period and reason) 11 12 2026 2026 13 **Outage Period Outage Description** <u>Unit</u> 14 Lauderdale 6 1/10/2026-1/16/2026 MAINTENANCE OUTAGE 15 Lauderdale 6 1/17/2026-1/23/2026 MAINTENANCE OUTAGE 16 Lauderdale 6 1/24/2026-1/30/2026 MAINTENANCE OUTAGE 17 Ft Myers 2 2/15/2026-2/21/2026 MAINTENANCE OUTAGE 18 Ft Myers 3 2/15/2026-3/20/2026 HOT GAS PATH AND SYNCHRONOUS CONDENSER OUTAGE 19 Port Everglades 5 2/15/2026-4/5/2026 GENERATOR MAJOR 2/15/2026-3/18/2026 20 West County 2 HOT GAS PATH 21 West County 3 2/15/2026-3/26/2026 GENERATOR MAJOR 22 West County 2 2/17/2026-3/20/2026 HOT GAS PATH 23 Ft Myers 2 2/22/2026-2/28/2026 MAINTENANCE OUTAGE 24 Okeechobee 1 2/26/2026-4/16/2026 COMBUSTION TURBINE MAJOR 25 Gulf Clean Energy Center 6 3/7/2026-4/20/2026 **BOILER MAJOR** 26 3/8/2026-4/16/2026 STEAM TURBINE VALVES/GENERATOR MAJOR Okeechobee 1 27 Okeechobee 1 3/8/2026-4/16/2026 MAINTENANCE OUTAGE 28 Okeechobee 1 3/8/2026-4/16/2026 MAINTENANCE OUTAGE 29 West County 1 3/23/2026-5/6/2026 STEAM TURBINE VALVES 30 West County 1 3/23/2026-5/6/2026 MAINTENANCE OUTAGE 31 West County 1 3/23/2026-5/6/2026 MAINTENANCE OUTAGE 32 West County 1 3/23/2026-5/6/2026 HOT GAS PATH 33 West County 3 3/27/2026-5/25/2026 HOT GAS PATH/GENERATOR MAJOR 34 Lauderdale 6 4/8/2026-4/27/2026 HOT GAS PATH 35 Martin 3 4/17/2026-4/23/2026 MAINTENANCE OUTAGE 36 Martin 3 4/24/2026-4/30/2026 MAINTENANCE OUTAGE 37 Martin 3 4/27/2026-5/17/2026 MAINTENANCE OUTAGE 38 Martin 3 4/27/2026-5/17/2026 MAINTENANCE OUTAGE 39 Martin 3 4/27/2026-5/17/2026 MAINTENANCE OUTAGE 40 Dania Beach 7 5/11/2026-5/21/2026 MAINTENANCE OUTAGE

Supporting Schedules: E-18 Recap Schedules: E-10, C-40

5/11/2026-5/17/2026

5/18/2026-5/24/2026

MAINTENANCE OUTAGE

MAINTENANCE OUTAGE

41

42

Martin 4

Martin 4

	JBLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES	used in deve minimum, st	ted test year, provide a schedule of as loping projected or estimated data. A ate assumptions used for balance she id sales forecast.	- -	Type of Data Shown: X Projected Test Year Ended 12/31/26 — Prior Year Ended/ Historical Test Year Ended//				
OCKET NO).: 20250011-EI				V	Witness: Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad			
Line No.	(1)	(2)	(4) (5)	(6)	(7)	(8)	(9)		
1 2	V. B. Fossil Units Outage Schedule (incl	luding outage period and reason)							
3		2026	2026						
4	Unit	Outage Period	Outage Descrip	tion					
5	Dania Beach 7	5/22/2026-6/1/2026	MAINTENANCE (UTAGE					
6	Ft Myers 2	5/28/2026-6/3/2026	MAINTENANCE (UTAGE					
7	West County 2	5/29/2026-6/4/2026	MAINTENANCE (UTAGE					
8	Ft Myers GT	6/1/2026-6/30/2026	HOT GAS PATH						
9	Ft Myers 2	6/4/2026-6/10/2026	MAINTENANCE (UTAGE					
10	West County 3	6/5/2026-6/13/2026	MAINTENANCE (UTAGE					
11	West County 3	6/5/2026-6/13/2026	MAINTENANCE (UTAGE					
12	West County 3	6/5/2026-6/13/2026	MAINTENANCE (UTAGE					
13	Ft Myers 2	9/15/2026-9/21/2026	MAINTENANCE (UTAGE					
14	Ft Myers 2	9/22/2026-9/28/2026							
15	Crist 4	10/1/2026-10/25/2026							
16	Riviera 5	10/1/2026-12/9/2026	STEAM TURBINE	MAJOR/GENERA	TOR MAJOR				
17	Riviera 5	10/1/2026-12/9/2026	GENERATOR MA	OR					
18	Riviera 5	10/1/2026-12/9/2026	MAINTENANCE (UTAGE					
19	Riviera 5	10/1/2026-12/9/2026	GENERATOR MA	OR					
20	Smith 3	10/15/2026-10/19/2026	MAINTENANCE (UTAGE					
21	Smith 3	10/20/2026-10/24/2026	MAINTENANCE (UTAGE					
22	Crist 8	10/25/2026-10/31/2026	MAINTENANCE (UTAGE					
23	Okeechobee 1	10/25/2026-12/13/2026	COMBUSTION TO	IRBINE MAJOR					
24	Crist 5	10/27/2026-11/20/2026	MAINTENANCE (UTAGE					
25	Crist 8	11/1/2026-11/7/2026	MAINTENANCE (UTAGE					
26	Ft Myers 3	11/1/2026-12/10/2026	HOT GAS PATH/0	ENERATOR MAJO	OR				
27	Port Everglades 5	11/1/2026-11/7/2026	MAINTENANCE (UTAGE					
28	Crist 8	11/8/2026-11/14/2026	MAINTENANCE (UTAGE					
29	Port Everglades 5	11/8/2026-11/14/2026	MAINTENANCE (UTAGE					
30	Crist 8	11/15/2026-11/21/2026	MAINTENANCE (UTAGE					
31	Sanford 4	11/15/2026-12/14/2026	STEAM TURBINE	VALVES					
32	Sanford 4	11/15/2026-12/14/2026	MAINTENANCE (UTAGE					
33	Sanford 4	11/15/2026-12/14/2026	MAINTENANCE (UTAGE					
34	Sanford 4	11/15/2026-12/14/2026	MAINTENANCE (UTAGE					
35	Sanford 4	11/15/2026-12/14/2026	MAINTENANCE (UTAGE					
36	Ft Myers 3	11/21/2026-12/10/2026	HOT GAS PATH						
37	Dania Beach 7	12/1/2026-12/11/2026	MAINTENANCE (UTAGE					
38 39	Dania Beach 7	12/3/2026-12/13/2026	MAINTENANCE (UTAGE					

Type of Data Shown:

EXPLANATION: For a projected test year, provide a schedule of assumptions

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY:			OWER & LIGHT COMPANY DIARIES	mir	used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.					X Projected Test Year Ended 12/31/26 Prior Year Ended//_ Historical Test Year Ended//				
DOCKET NO	.: 202500)11-EI						V		s, Ina Laney, Tiffany C. C er, Thomas Broad	ohen			
Line No.			(1) (2)	(3)	(4)	(5) (6	6)	(7)	(8)	(9)				
1	VI.		INTERCHANGE AND PURCHASED PO	WER ASSUMPTIONS										
2 3	A.		Contractual Commitments for Schedu	led Interchange/Purcha	sed Power									
5 6 7 8 9		1.	b. Schedule OS purchac. Energy & transmissi	are based upon projected ases are based upon FPL ion costs of OS purchase) I market prices and expected 's projected incremental genes s are recovered through the l Base is credited for the incre	eration cost relative to pro FCRC. For OS sales, the I	jected ma FCRC is c	arket prices plus credited for incre	incremental costs emental generation	and transmission costs. cost, the CCRC is credit	ted for FPL			
11 12 13		2.	Interchange related to St Lucie Unit 2 a. Based on GenTrade		reement d PSL 2 output as applied to	the contract formula.								
14 15 16		3.	Schedule of New and Expiring Interch None	ange/Purchase Power (Contracts for the period									
17		4.	Purchased Power from Qualifying Fac	ilities:										
18 19			a. Firm	2025	Capacity (MW) 4	Energy 30,6	695							
20 21			b. As Available	2026	4	30,6								
22 23				2025 2026	n/a n/a	516, 516,								
24 25		5.	Schedule of Sales and Purchased Pov	var Cantraata for the Bo	ried (contracts impact 202)	c \								
26		Э.	a. Sales:		t includes projected wholesale		and nartial	requirements o	ontracts that provid	le other utilities all or a no	ortion of their load			
27			a. Cales.		evel of service equivalent to t									
28					ak contributions are:	, , , , , , , , , , , , , , , , , , , ,								
29				Lee County Electric	Cooperative, Inc.: 950 MW									
30				JEA: 200 MW										
31					ic Cooperative Association, In	nc.: 160 MW								
32					es Northeast: 80 MW									
33					es Northwest: 70 MW									
34				City of Quincy: 20 M										
35				City of Wauchula: 1										
36 37				City of Homestead: City of New Smyrna										
37 38				City of New Smyrna City of Blountstown										
36 39				City of Alachua: 21										
39 40				City of Bartow: 65 I										

FLORIDA PL	BLIC S	SERV	ICE COMMISSION		projected test year, provi			Type of Data Shown: X Projected Test Year Ended 12/31/26					
COMPANY:			POWER & LIGHT COMPANY SIDIARIES	minin	num, state assumptions us ment and sales forecast.			-	Prior Year Ended// Historical Test Year Ended/_/				
DOCKET NO).: 2025	50011-	-EI					Witness: Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad					
Line No.			(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1	VI.		INTERCHANGE AND PURCHAS	ED POWER ASSUMPTIONS									
2 3 4		A.	Contractual Commitments for S	cheduled Interchange/Purchase	ed Power								
5 6		5	. Schedule of Sales and Purchase										
7 8 9 10 11			b. Purchases:	Solid Waste Authority MSCG – Kingfisher I:	of Palm Beach County ca of Palm Beach County ca 53 MW (1/1/2025 to 12/3 : 28 MW (1/1/2025 to 12/3	apacity and energy 7 1/2026)							
12 13	VII.		FUEL ASSUMPTIONS										
14 15 16 17 18		A. 1	The fuel price forecast for light fue This forecast was used as input in					the FPL system	for 2025 and 2026	was issued on July 1, 202	24.		
19 20 21		2	. Nuclear Fuel The Nuclear Fuel Forecast model	was used to project fuel costs. Th	e 2025 Fuel Cost Projection	ons used in the impe	ending rate cas	e filing are consi	stent with the Appr	oved Operating Schedule	dated October 21, 2024.		
22 23	VIII.		OPERATIONS AND MAINTENAN	ICE AND CAPITAL EXPENDITUR	RES FORECAST ASSUM	PTIONS							
24 25 26		A.	INFLATION RATE FORECAST See Section II. Inflation Rate Fo	recast									
27 28 29 30		B. 1	PAY PROGRAMS Merit Pay Program Increases 3%	2026									
31 32	IX.	OTHE	ER ASSUMPTIONS										
33 34 35 36 37 38		1	Amount of CWIP and NFIP in Rate Ba CWIP: All Construction Work in Pro- is included in CWIP for rate base in a NFIP: All Nuclear Fuel in Process is	gress (CWIP) which does not mee ccordance with Rule No. 25-6.014			unds Used Du	ring Construction	(AFUDC)				
39 40			FUDC Rates for Capital Expenditure PL's current AFUDC rate is 6.76% as a		rvice Commission in Orde	r No. PSC-2024-022	:3-PAA-EI, in D	ocket No. 20240	057-El issued on	July 1, 2024.			

	FLORIDA PUBLIC SERVICE COMMISSION COMPANY: FLORIDA POWER & LIGHT COMPANY			EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income					Type of Data Shown: X Projected Test Year Ended 12/31/26				
COMPANY:		A POWER & LIGHT COMPA IBSIDIARIES	NY	minimum, state assu statement and sales		alance sheet,	income		Prior Year End Historical Test	ed// Year Ended//_	_		
DOCKET NO	.: 2025001	I1-EI						V		es, Ina Laney, Tiffany C. oer, Thomas Broad	Cohen		
Line No.		(1)	(2) (3)	(4)		(5)	(6)	(7)	(8)	(9)			
1	D.	AFUDC Debt/Equity Split											
2			FPSC Ratio										
3		1. Debt %	22.6080										
4		2. Equity %	77.3920										
5													
6	_												
7	E.	Depreciation Rates						: EDI D	00040045 51 0	. N. DOO 0004 0440	0.51		
8 9		issued on December 02.	depreciation expense is based on	depreciation rates approved	d by the Florida Pub	olic Service C	ommission	IN FPL DOCKET NO.	20210015-EI, On	der No. PSC-2021-0446-	-5-EI		
10		,	current depreciation study in acc	ordonoo with Dulo No. 25 6	0426 Elorido Admi	niotrativa Ca	do						
11			PL included an accrual of \$47,68					tions. This annual a	imount was annro	ved by the Florida Public	Sarvice Commission		
12			EI, Order No. PSC-2021-0446-S-I			na colai con	orating Otal	nono. Triio arii aar	mount was appro	ved by the Florida Fubile	Corvide Commission		
13			current dismantlement study in a	,		nistrative Cod	le.						
14		,	,		,								
15	F.	Total Line Losses		2026 of Net Energy for Lo	oad								
16				5.36%									
17													
18	G.	Company Usage		2026 of Net Energy for Lo	oad								
19			().11%									
20		040/ 555		N.II. 4.B.\									
21	н.	21% FEL	ERAL INCOME TAX RATE (RE	SULAR)									
22 23	ı.	5.5% FI C	RIDA STATE INCOME TAX RA	-=									
24		3.5 % T EC	RIDA STATE INCOME TAX RA	_									
25													
26	J.	REC	ULATORY ASSESSMENT FEE	RATE (FPSC)									
27		0.000720	Jan - Mar 2024	(,									
28		0.000848	Apr - Dec 2024										
29		0.000848	2025										
30		0.000848	2026										
31		Per	Rule 25-6.0131,"Investor Owned	Electric Company Regulator	ry Assessment Fee	" in the Florid	a Administr	ative Code.					
32													
33	K.		OSS RECEIPTS TAX RATE	ore se avended die Elect C	Natura Ob 000								
34		Prov	rided as a pass through to custon	iers as provided in Florida S	siaiute Chapter 203	•							
35 36	L.	ED A	NCHISE FEE RATE										
37	L.	4.435%	2024										
38		4.387%	2025										
39		4.413%	2026										
40			centage represents composite	ate; includes actual rates	through Septemb	er 2024.							

FLORIDA PU	BLIC SERVI	CE COMMISSION	I	EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income						Type of Data Shown: X Projected Test Year Ended 12/31/26 Prior Year Ended / /				
COMPANY:	FLORIDA I	POWER & LIGHT C SIDIARIES	COMPANY						Prior Year Ende					
DOCKET NO	.: 20250011-	EI						Witness: Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad						
Line														
No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)				
1	M.	PRIOR YEAR												
2 3			Year 2025 Forecast											
4	N.	TEST YEAR												
5			Year 2026 Forecast											
6 7	Ο.	HISTORICAL Y	FAR											
8	0.	HIGTORIGAL	Year 2024											
9														
10	P.	LAST MONTH	OF HISTORICAL DATA											
11 12			September 2024											
13	Q.	MILLAGE RAT	E FOR PROPERTY TAXES											
14			The overall millage rate us	ed for historical, p	rior and test year are as follows	s:								
15			202											
16			202											
17			2020	6 1.59%										
18 19	R.	STATUTODY S	ALES TAX RATE											
20	ĸ.			ate This may be o	coupled with a sur-tax that is lev	ried by the County f	om 1/2% un to	1 1/2%						
21					ar to date actual payments thro			1 1/2/0.						
22				, ,		-9								
23	S.	FEDERAL AND	STATE UNEMPLOYMENT	TAX RATES										
24		0.609	% FUTA on the first \$7,000 o	f wage base per e	employee									
25		0.209	% SUTA on the first \$7,000 o	f wage base per o	employee									
26	-	FIGA TAY DAT	F0											
27	T.	FICA TAX RAT	ES % Social Security Tax on \$17	6 100 waaa baaa										
28 29					2.35% Medicare tax on wage	hase > \$200 000								
30		1.40	70 Micaicaic tax on wage bas	ο αρ το ψ200,000,	2.00 /0 Modicale tax off wage	υασο > ψ <u>2</u> 00,000								
31														

Docket No. 20250011-EI MFR F-8 Major Forecast Assumptions Exhibit IL-4, Page 12 of 23

FLORIDA PL	JBLIC SERVICE	COMMISSION	EX		projected test year, provide a		otions			Type of Da	ta Shown: cted Test Year Ended//
COMPANY:	FLORIDA POV AND SUBSIDIA	VER & LIGHT COMPAN ARIES	NY			Prior Histor	Year Ended/ 'ical Test Year Ended/ cted Test Year Ended/ cted Test Year Ended/				
DOCKET NO	D.: 20250011-	El								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	I. SALES, C	CUSTOMERS, NET ENERG	GY FOR LOAD								
2 3	GENERA	L ASSUMPTIONS							<u>2027</u>		
4	A.	Households (Florida)							9,990,327		
5	_										
6 7	В.	Employment (Florida)							10,260,452		
8	C.	Housing Starts (Florid	la)						170,830		
9 10	D.	Florida GSP							1,928,746,081,103		
11	ь.	riorida GSP							1,920,740,001,103	•	
12	E.	Florida Real Wage Sal	ary Distribution	Per Household					62,947		
13 14	F.	Real Electric Price Inc	rease (12-month	n moving average)					8.83		
15	••	Real Electric Fried inc	rease (12-month	i moving average,					0.00		
16 17	G.	Real Electric Price Inc	rease (4-month)	moving average)					10.15		
18	н.	Real Electric Price (12	!-month moving	average)					4.16		
19											
20 21	I.	FPL Service Territory	Cooling Degree	Hours per Bill Day (B	ase 72-80 Degree Temperat	ure)			1,292.21		
22	J.	FPL Service Territory	Cooling Degree	Hours per Bill Day (B	ase 80 Degree Temperature	e)			402.08		
23									0.007.05		
24 25	K.	FPL Service Territory	Cooling Degree	Hours per Bill Day (B	ase 66 Degree Temperature	e)			3,097.35		
26	L.	FPL Service Territory	Heating Degree	Days per Bill Day (Ba	se 56 Degree Temperature)			43.56		
27 28	М.	NW FL Service Territo	ry Cooling Dear	ee Hours per Bill Day	(Base 67-75 Degree Tempe	rature)			227.94		
29		NI I E GENNEC TENNE	ny cooming begin	ee riours per Biii Buy	(Buse of to Begree Tempe	rataro,			221.04		
30	N.	NW FL Service Territo	ry Cooling Degre	ee Hours per Bill Day	(Base 75-85 Degree Tempe	rature)			1,135.91		
31 32	0.	NW FL Service Territo	rv Coolina Dear	ee Hours per Bill Dav	(Base 85 Degree Temperate	ure)			584.08		
33											
34 35	P.	NW FL Service Territo	ry Heating Degre	ee Hours per Bill Day	s (Base 50-59 Degree Temp	perature)			132.74		
36	Q.	NW FL Service Territo	ry Heating Degre	ee Hours per Bill Day	s (Base 50 Degree Tempera	ture)			213.64		
37	_										
38 39	R.	NW FL Service Territo	ry Cooling Degr	ee Hours per Bill Day	(Base 75 Degree Temperate	ure)			1,720.00		
40	S.		ry Heating Degr	ee Hours per Bill Day	s (Base 59 Degree Tempera	ture)			635.84		
Supporting S	Schedules: E-18				·				Recap Schedule	s:	E-10, C-40

Schedule F-8 ASSUMPTIONS Page 2 of 12 2027 Projected Test Year

COMPANY:	BLIC SERVICE (FLORIDA POWI AND SUBSIDIAI	ER & LIGHT COM		use min	N: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.						a Shown: ted Test Year Ended//_ 'ear Ended//_ cal Test Year Ended// ted Test Year Ended/_/
DOCKET NO.	: 20250011-E	Ί								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad
Line											
No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1 2 3		JSTOMERS, NET EN ASSUMPTIONS	ERGY FOR LOAD								
4 5	T.	NW FL Service Te	rritory Cooling Degr	ee Hours per Bill [Day (Base 60-73 Degree Temperature)				547.04		
6 7	U.	NW FL Service Te	rritory Cooling Degr	ee Hours per Bill [Day (Base 73 Degree Temperature)				2,790.20		
8 9	V.	Energy Efficiency	Codes and Standard	ds per FPLE Resid	dential Customer (MWh)				-0.96		
10 11	W.	Energy Efficiency	Codes and Standard	ds per FPLE Comn	mercial Customer (MWh)				-4.21		
12 13	X.	Energy Efficiency	Codes and Standard	ds per NWFL Resid	dential Customer (MWh)				-0.99		
14 15	Y.	2027 Sales by Rev	renue Class - Most L	ikely (GWh)							
16 17		Residential	Commercial	<u>Industrial</u>	<u>Highway Lighting</u>	<u>Other</u>	Railroads	Total Retail	Sales for Resale	<u>Total</u>	
18 19		70,612	53,101	4,739	354	23	68	128,897	8,660	137,557	
20 21	Z.	2027 Customers b									
22 23		Residential	Commercial	Industrial	Highway Lighting	Other	Railroads	Total Retail	Sales for Resale	Total	
24 25	AA.	5,483,159	672,449	15,729	8,631	157	27	6,180,152	11	6,180,163	
26 27		2027 Net Change i	n Customers by Rev	venue Class (1)							
28		Residential	Commercial	Industrial	<u>Highway Lighting</u>	Other	Railroads	Total Retail	Sales for Resale	<u>Total</u>	
29 30		63,070	7,000	16	394	0	0	70,480	-1	70,479	
31 32											
33 34											
36											
37											
38 39		Note:									
40			culation = Average 20	126 Customers - Av	verage 2025 Customers						

Docket No. 20250011-EI MFR F-8 Major Forecast Assumptions Exhibit IL-4, Page 13 of 23

	FLO	RIDA	/ICE COMMISSION POWER & LIGHT C SIDIARIES		used ir minimu	orojected test year, provide a n developing projected or es um, state assumptions used ent and sales forecast.	Type of Data Shown: Projected Test Year Ended / / Prior Year Ended / / Historical Test Year Ended / / X_ Projected Test Year Ended / /					
DOCKET N	D.: 2	20250	011-EI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad
Line												
No.			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1 2 3	l.		ES, CUSTOMERS, NET									
4		AB.	Most Likely Fo	precast of Monthly Net E	nergy for Load (GWh)						
5				2027								
6			January	10,667								
7			February	9,807								
8			March	10,691								
9			April	11,173								
10			May	12,756								
11			June	13,583								
12			July	14,569								
13			August	14,681								
14			September	13,539								
15 16			October	12,519								
17			November	10,686								
18			December	10,890 145,561	_							
20		AC.	Most Likely Fo	precast of System Montl	nly Poaks (MW)							
21		Α0.	most Likely I'd	2027	ny r cuns (mrr)							
22			January	23,582								
23			February	21,820								
24			March	21,810								
25			April	23,341								
26			May	25,648								
27			June	27,682								
28			July	28,166								
29			August	28,831								
30			September	27,692								
31			October	25,862								
32			November	22,576								
33			December	21,330								
34												
35	II.	INF	ATION RATE FORECA	AST								
36 37			Mont Likelie A	nnual Bata of Char								
38			WOST LIKELY AL	nnual Rate of Change								
39		A.	2.12%	Consumer Price Inde	v (CPI)				_			
40		۸.	2.12/0			stant market basket of goods a	and services over time					
41						r for determining trends in wag			xcludina construct	ion work		
	S - 1 1 -			. or company purpose	o, it is a assiul sociality	dotomining trends in way	jo somiaow ana miodii	o paymento, e	uumg oonsiiuo			F 40 0 40

Page 4 of 12

	IBLIC SERVICE COMM FLORIDA POWER & I AND SUBSIDIARIES			used i minim	ON: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.						Type of Data Shown: Projected Test Year Ended// Prior Year Ended/_/ Historical Test Year Ended/_/ X Projected Test Year Ended/_/		
DOCKET NO).: 20250011-EI									Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad		
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1 2 3 4	III. FINANCING AND INT	TEREST RATE ASS	SUMPTIONS										
5 6 7		ng the projected tes			's investor sources of capitaliz	ation is projected to be	approximately	59.6% equity and	d approximately	40.4% debt.			
8 9 10 11	B. Preferred Stock Fit is a C. First Mortgage B	assumed that no pre	eferred stock wil	be issued.									
12 13	It is a	assumed that first m			olic at par with an underwriting	commission of 0.875%							
14 15 16	D. Long Term Debt	<u>ns</u>		2027 5.59%									
17 18 19 20	E. Short Term Debt	- Excluding Comme	ercial Paper	Although the Compavailable in the cos	pany maintains several lines o st rate.	f credit, the Company fo	recasts them a	at zero balance a	nd includes the o	cost of having the	ese lines of credit		
21 22	F. Short Term Debt	- 30-Day Commerc	ial Paper	3.44%									
23 24 25	G. Pollution Control H. Preferred Stock	Bonds		2.74%	outoton din a								
25 26 27 28 29 30 31 32	n. Freierreu Stock			No preferred stock	ouisianumy.								

Schedule F-8 2027 Projected Test Year ASSUMPTIONS

Page 5 of 12

FLORIDA PI	UBLIC SERVICE COM	MISSION	EX		projected test year, provide in developing projected or es	Type of Data Shown: Projected Test Year Ended//						
COMPANY:	FLORIDA POWER & AND SUBSIDIARIES		MPANY		num, state assumptions used ment and sales forecast.	for balance sheet, inc	ome			Prior Year Ended//_ Historical Test Year Ended//_ X Projected Test Year Ended 12/31/27		
DOCKET NO	D.: 20250011-EI									Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad	
Line												
No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1	IV. IN SERVICE DATE	S OF MAJOR	PROJECTS									
2	A.											
3		JDGET						IN SERVICE				
4		EM#	PROJECT DESCRIPT					DATE				
5		arious	Customer Service Plat					Jan-27				
6		arious	Jan 2027 Solar Project					Jan-27				
7		arious	Apr 2027 Solar Project					Apr-27				
8		arious	Jul 2027 Solar Projects					Jul-27				
9		arious	Oct 2027 Solar Project					Oct-27				
10		arious	Jan 2028 Solar Project					Jan-28				
11		arious	Jul 2028 Solar Projects					Jul-28				
12		arious	Jan 2029 Solar Project					Jan-29				
13 14		arious 2.000551	Jul 2029 Solar Projects 500kV Rebuild	5				Jul-29 Mar-27				
15		rious	Fiber Optic					2028-2029	(Various In-Service	Dates)		
16		2.000807	Grid Transformation - I	North Area Project				2020-2029	(Various In-Service			
17		2.000807	Grid Transformation - (-	own - Levee Project			2027-2030	(Various In-Service			
18		2.000612	Holmes Creek - Millers	-				2027-2030	(Various In-Service			
19		arious	Miami – Miami Beach I		ot .			2027-2038	(Various In-Service			
20		arious	Northwest Area Reliab					2027-2033	(Various In-Service	,		
21		2.000606	Santa Rosa Injection F					2028	(Various In-Service			
22		arious	South Florida Increase	•	es Project			2027	(Various In-Service	,		
23		arious	Sunbreak & Okeechob	•	•			2029-2030	(Various In-Service			
24		2.000669	Miami Dade Corridor F	-	,			2028-2033	(Various In-Service	,		
25		arious	Apr 2027 Battery Stora	•				Apr-27	(
26	Va	arious	Jul 2027 Battery Stora					Jul-27				
27		arious	Jan 2028 Battery Stora					Jan-28				
28		arious	Jul 2028 Battery Stora					Jul-28				
29		arious	Jan 2029 Battery Stora					Jan-29				
30	Va	arious	Jul 2029 Battery Stora					Jul-29				
31	C6	6.424002	Corporate Headquarte					Oct-29				
32												
33												
34												

Docket No. 20250011-EI MFR F-8 Major Forecast Assumptions Exhibit IL-4, Page 16 of 23

COMPANY:	BLIC SERVICE COMMISSION FLORIDA POWER & LIGHT CO			For a projected test year, provide a used in developing projected or est minimum, state assumptions used	timated data. As a	Type of Data Shown: Projected Test Year Ended// Prior Year Ended//					
	AND SUBSIDIARIES			statement and sales forecast.					Historical Test Year Ended//_ _X_ Projected Test Year Ended 12/31/27		
OCKET NO.:	20250011-EI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad	
Line											
No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1	V. MAJOR GENERATING UN	IT OUTAGE ASSUMPTIONS									
3	A. Nuclear Maintenance S	Schedules (Including outage	period an	d reason)							
5		2027		2027							
6	<u>Unit</u>	Outage Period		Outage Description							
7	Turkey Point Unit 4	2/13/2027 - 3/20/2027		Refueling, permanent Cavity seal r	ing, Integrated Leak I	Rate					
8	St. Lucie Unit 1	4/10/2027 - 5/20/2027		Reactor Integrated Head, Load 24-	month Fuel						
10	B. Fossil Units Outage So	chedule (including outage pe	riod and	reason)							
12		2027		2027							
13	<u>Unit</u>	Outage Period		Outage Description							
14	Ft Myers 3	1/16/2027-1/22/2027		MAINTENANCE OUTAGE							
15	Ft Myers 3	1/23/2027-1/29/2027		MAINTENANCE OUTAGE							
16	Ft Myers 2	2/15/2027-3/1/2027		MAINTENANCE OUTAGE							
17	Ft Myers 2	2/15/2027-2/18/2027		MAINTENANCE OUTAGE							
18	Ft Myers 2	2/15/2027-3/1/2027		MAINTENANCE OUTAGE							
19	Ft Myers 2	2/15/2027-3/1/2027		MAINTENANCE OUTAGE							
20	Ft Myers 2	2/15/2027-3/1/2027		MAINTENANCE OUTAGE							
21	Ft Myers 2	2/15/2027-3/1/2027		MAINTENANCE OUTAGE							
22	Ft Myers 2	2/15/2027-2/18/2027		MAINTENANCE OUTAGE							
23	Martin 8	2/15/2027-4/25/2027		STEAM TURBINE MAJOR/GENERATOR	MAJOR						
24	Martin 8	2/15/2027-4/25/2027		COMBUSTION TURBINE MAJOR							
25	Martin 8	2/15/2027-4/25/2027		COMBUSTION TURBINE MAJOR							
26	Martin 8	2/15/2027-4/25/2027		MAINTENANCE OUTAGE							
27	Martin 8	2/15/2027-4/25/2027		MAINTENANCE OUTAGE							
28	Manatee 3	2/15/2027-4/5/2027		COMBUSTION TURBINE MAJOR/GENE	RATOR MAJOR						
29	Okeechobee 1	2/15/2027-4/5/2027		COMBUSTION TURBINE MAJOR							
30	West County 1	3/6/2027-4/6/2027		HOT GAS PATH							
31	Port Everglades 5	3/7/2027-3/13/2027		MAINTENANCE OUTAGE							
32	Martin 3	3/8/2027-5/21/2027		COMBUSTION TURBINE MAJOR							
33	Martin 3	3/8/2027-5/21/2027		COMBUSTION TURBINE MAJOR							
34	Martin 3	3/8/2027-5/21/2027		STEAM TURBINE MAJOR							
35	Manatee 3	3/14/2027-3/22/2027		MAINTENANCE OUTAGE							
36	Manatee 3	3/14/2027-3/22/2027		MAINTENANCE OUTAGE							
37	Manatee 3	3/14/2027-3/22/2027		MAINTENANCE OUTAGE							
38	Manatee 3	3/14/2027-3/22/2027		MAINTENANCE OUTAGE							
39	Dania Beach 7	3/23/2027-4/2/2027		MAINTENANCE OUTAGE							
40	Cape Canaveral 3	4/3/2027-6/11/2027		MAINTENANCE OUTAGE							
41	Cape Canaveral 3	4/3/2027-6/11/2027		COMBUSTION TURBINE MAJOR/GENE							
42	Manatee 3	4/8/2027-5/27/2027		COMBUSTION TURBINE MAJOR/GENE	KATUR MAJUR						
43	West County 1	4/9/2027-5/10/2027		HOT GAS PATH	DATORNALIOR						
44	Ft Myers 2	4/20/2027-6/8/2027		COMBUSTION TURBINE MAJOR/GENE	KATUK MAJUK						

Schedule F-8 ASSUMPTIONS Page 7 of 12 2027 Projected Test Year

FLORIDA PU COMPANY:	BLIC SERVICE COMMISSION FLORIDA POWER & LIGHT COM AND SUBSIDIARIES		NATION	ION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.						Type of Data Shown: Projected Test Year Ended// Prior Year Ended/_/ Historical Test Year Ended/_/ X Projected Test Year Ended/27		
DOCKET NO	: 20250011-EI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad		
Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1	V. B. Fossil Units Outage Sch	edule (including outage pe	eriod an	d reason)								
2	ū	`		,								
3		2027		2027								
4	<u>Unit</u>	Outage Period		Outage Description								
5	Martin 3	5/21/2027-6/17/2027		STEAM TURBINE VALVES								
6	Martin 3	5/21/2027-6/17/2027		MAINTENANCE OUTAGE								
7	Martin 3	5/21/2027-6/17/2027		MAINTENANCE OUTAGE								
8	Scherer 3	6/7/2027-6/20/2027		MAINTENANCE OUTAGE								
9	Dania Beach 7	6/16/2027-6/26/2027		MAINTENANCE OUTAGE								
10	Manatee 3	9/1/2027-10/20/2027		COMBUSTION TURBINE MAJOR/GENI	ERATOR MAJOR							
11	Riviera 5	9/1/2027-10/20/2027		COMBUSTION TURBINE MAJOR/GENI	ERATOR MAJOR							
12	West County 2	9/1/2027-10/2/2027		HOT GAS PATH								
13	Ft Myers 2	10/1/2027-11/19/2027		COMBUSTION TURBINE MAJOR/GENI	ERATOR MAJOR							
14	West County 1	10/5/2027-10/11/2027		MAINTENANCE OUTAGE								
15	Gulf Clean Energy Center 7	10/15/2027-12/4/2027		BOILER MINOR								
16	Dania Beach 7	10/15/2027-10/25/2027		MAINTENANCE OUTAGE								
17	West County 3	10/20/2027-10/26/2027		MAINTENANCE OUTAGE								
18	Manatee 3	10/23/2027-12/11/2027		COMBUSTION TURBINE MAJOR/GENI	ERATOR MAJOR							
19	Riviera 5	10/23/2027-12/11/2027		COMBUSTION TURBINE MAJOR								
20	Martin 3	10/23/2027-10/27/2027		MAINTENANCE OUTAGE								
21	West County 3	10/27/2027-11/2/2027		MAINTENANCE OUTAGE								
22	Martin 3	10/28/2027-11/1/2027		MAINTENANCE OUTAGE								
23	Turkey Point 5	11/1/2027-11/9/2027		MAINTENANCE OUTAGE								
24	Turkey Point 5	11/1/2027-11/9/2027		MAINTENANCE OUTAGE								
25	Turkey Point 5	11/1/2027-11/9/2027		MAINTENANCE OUTAGE								
26	Turkey Point 5	11/1/2027-11/9/2027		MAINTENANCE OUTAGE								
27	Turkey Point 5	11/1/2027-11/9/2027		MAINTENANCE OUTAGE								
28	Lauderdale 6	11/10/2027-11/19/2027		DCS UPGRADE								
29	Lauderdale 6	11/10/2027-11/19/2027		MAINTENANCE OUTAGE								
30	Lauderdale 6	11/10/2027-11/19/2027		MAINTENANCE OUTAGE								
31	Lauderdale 6	11/10/2027-11/19/2027		MAINTENANCE OUTAGE								
32	Lauderdale 6	11/10/2027-11/19/2027		MAINTENANCE OUTAGE								
33	Lauderdale 6	11/10/2027-11/19/2027		MAINTENANCE OUTAGE								
34	West County 2	11/16/2027-12/13/2027		STEAM TURBINE VALVES								
35	West County 2	11/16/2027-12/13/2027		MAINTENANCE OUTAGE								
36	West County 2	11/16/2027-12/13/2027		MAINTENANCE OUTAGE								
37	West County 2	11/16/2027-12/13/2027		MAINTENANCE OUTAGE								
38	Dania Beach 7	11/26/2027-12/6/2027		MAINTENANCE OUTAGE								
39	Okeechobee 1	12/2/2027-12/10/2027		MAINTENANCE OUTAGE								

	FLC		ECOMMISSION VER & LIGHT (ARIES		EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.							Type of Data Shown: Projected Test Year Ended Prior Year Ended Historical Test Year Ended X Projected Test Year Ended 12/31/27		
DOCKET NO	D.:	20250011-	-EI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad		
Line No.			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1 2	V.	B. Fossil U	nits Outage Sche	dule (including outage perio	d and rea	son)						_		
3				2027		2027								
4		<u>Unit</u>		Outage Period		Outage Description								
5		Okeechol	bee 1	12/2/2027-12/10/2027		MAINTENANCE OUTAGE								
6		Okeechol		12/2/2027-12/10/2027		MAINTENANCE OUTAGE								
7		Okeechol		12/2/2027-12/10/2027		MAINTENANCE OUTAGE								
8		Sanford 5		12/7/2027-12/15/2027		MAINTENANCE OUTAGE								
9		Sanford 5		12/7/2027-12/15/2027		MAINTENANCE OUTAGE								
10		Sanford 5		12/7/2027-12/15/2027		MAINTENANCE OUTAGE								
11		Sanford 5		12/7/2027-12/15/2027		MAINTENANCE OUTAGE								
12		Sanford 5		12/7/2027-12/15/2027		MAINTENANCE OUTAGE								
13		Cape Car		2/15/2027-3/26/2027		HOT GAS PATH/GENERATOR MAJOR								
14		Cape Car		4/3/2027-6/11/2027		STEAM TURBINE VALVES								
15		Cape Car	naveral 3	4/3/2027-6/11/2027		COMBUSTION TURBINE MAJOR/GENER	ATOR MAJOR							
16														
17														
18	VI.	INTERC	HANGE AND PUR	CHASED POWER ASSUMPT	TIONS									
19														
20				s for Scheduled Interchange										
21		1.	Power Sold a	and Economy Energy Purcha		•	20.11							
22					-	on projected market prices and expected	-					•		
23				·		d upon FPL's projected incremental gen								
24						S purchases are recovered through the f				-				
25				transmission costs incu	rred to ma	ke the sale. Base is credited for the incre	mental costs of runn	ng gas turbine	s, ir applicable, ar	id the FCRC is t	realted for the g	ain on a sale.		
26 27		•	Interchange	related to St Lucie Unit 2 Rel	liability Ev	ahanga agraamant								
28		2.	interchange i		•	or PSL 1 and PSL 2 output as applied to	the contract formula							
29				a. based on Gentrader p	rojection ic	or PSL 1 and PSL 2 output as applied to	ine contract formula.							
30		3.	Schodule of I	New and Evniring Interchan	no/Durcha	se Power Contracts for the period								
31		3.	Scriedule Of I	None	gerr ui cilă	se i owei contracts for the period								
32				IAOHE										
52														

FLORIDA PL	IBLIC SERVICE	COMMISSION		projected test year, provide a in developing projected or esti		ptions			Type of Da	
COMPANY:	FLORIDA POV AND SUBSIDIA	VER & LIGHT COMPANY ARIES	minin	num, state assumptions used f ment and sales forecast.		Projected Test Year Ended// Prior Year Ended/_/ Historical Test Year Ended// X_ Projected Test Year Ended/2/27				
DOCKET NO	20250011-	EI							Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad
Line										
No.		(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1										
2	4.	Purchased Power from Qualifying	Facilities:							
3		a. Firm		Capacity (MW)		Energy (MWh)				
4		b 0 - 0 - 11-b1-	2026	4		30,695				
5 6		b. As Available	2026	n/a		E16 909				
7			2026	n/a		516,808				
8	5.	Schedule of Sales and Purchased	Power Contracts for the	Period (contracts impact 202	6)					
9	J.	a. Sales:		st includes projected wholesale s	-	ll and nartial requ	irements contra	acts that provide	other utilities all o	or a portion of their load
10		u. Guico.		level of service equivalent to the						
11			·	eak contributions are:	. ,			•		
12				ic Cooperative, Inc.: 950 MW						
13			JEA: 200 MW							
14			Florida Keys Elect	ric Cooperative Association, Inc.	: 160 MW					
15			Florida Public Utili	ties Northeast: 80 MW						
16			Florida Public Utili	ties Northwest: 70 MW						
17			City of Quincy: 20							
18			City of Wauchula:							
19			City of Homestead							
20				na Beach: 100 MW						
21			City of Blountstow							
22			City of Alachua: 2							
23			City of Bartow: 65	IVIVV						
24 25		b. Purchases:	Solid Mosto Author	ority of Palm Beach County capa	oity and anaray 40 N	M (1/1/2025 to 1	2/21/2026)			
26		D. Fulcilases.		ority of Palm Beach County capa ority of Palm Beach County capa						
27				er I: 53 MW (1/1/2025 to 12/31/20		W (1/1/2023 to 12	2/3//2020)			
28			-	er II: 28 MW (1/1/2025 to 12/31/2						
29					,					
30	VII.	FUEL ASSUMPTIONS								
31										
32	A.	Fuel Related Assumptions								
33	1.	Fossil Fuel								
34		The fuel price forecast for light fuel of	l. heavy fuel oil, natural g	as, and coal, and the projection f	or the availability of i	atural gas to the	FPL system for	2025 and 2026	was issued on Ju	ıly 1, 2024.
35		This forecast was used as input into	the GenTrader production	costing model for development	of forecasted information	ition.				
36	2.	Nuclear Fuel								
37		The Nuclear Fuel Forecast model wa	s used to project fuel cos	ts. The 2025 Fuel Cost Projectio	ns used in the impen	ding rate case filir	ng are consister	nt with the Appro	oved Operating S	chedule October 21, 2024.
38										
39										

MFR F-8 Major Forecast Assumptions Exhibit IL-4, Page 21 of 23

	UBLIC SERVICE FLORIDA POW AND SUBSIDIA	/ER & LIGHT COM		PLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.						Proje	Type of Data Shown: Projected Test Year Ended/_/ Prior Year Ended/_/ Historical Test Year Ended/_/ X Projected Test Year Ended/_/ 12/31/27		
DOCKET NO	D.: 20250011-I	ΕI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad		
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)			
1 2 3	VIII.	OPERATIONS AND	MAINTENANCE AN	D CAPITAL EXPEND	ITURES FORECAST ASSUME	PTIONS							
3 4 5 6 7	A. B.	INFLATION RATE I See Section II. Infla	FORECAST ation Rate Forecast										
8 9 10	1.	Merit Pay Progra 3%	am Increases 2027										
11 12 13		of CWIP and NFIP in R	oto Booo										
14				which door not most th	e criteria for the accrual of Allov	wansa for Funda Haar	N During Constr	uotion (AELIDC)					
15					Florida Administrative Code.	wance for Funds Oser	During Consu	uction (AFODC)					
16		All Nuclear Fuel in Prod			Florida Administrative Code.								
17 18	2. 141 11	, iii radolear raeriir roe	ooo is moraded in rac	s base.									
19	C. AFUDC R	ates for Capital Exper	nditures										
20				e Florida Public Servic	e Commission in Order No. PS	C-2024-0223-PAA-EI	, in Docket No.	20240057-EI issue	d on July 1, 20	024.			
22	D. AFUDC D	ebt/Equity Split											
23			FPSC Ratio										
24	1. Debt %	5	22.6080										
25	2. Equity	%	77.3920										
26													
27													
28	E. Depreciat												
29		· · · · · · · · · · · · · · · · · · ·		sed on depreciation ra	ites approved by the Florida Pu	blic Service Commiss	ion in FPL Doc	ket No. 20210015-F	El, Order No. I	PSC-2021-0446-	S-EI		
30		on December 02, 2021.											
31 32					ule No. 25-6.0436, Florida Adm smantlement of Fossil-Fueled a		Stations. This a	nnual amount was	approved by t	he Florida Public	Service Commission		
33		et No. 20210015-EI, Or											
34	4. The Co	mpany has filed its curr	ent dismantlement st	udy in accordance with	Rule 25-6.04364, Florida Adm	inistrative Code.							
35													
36													
Supporting S	Schedules: E-18							Re	cap Schedu	ıles:	E-10, C-40		

2027 Projec	ted Te	est Year									
	FLO	C SERVICE COMMISSION ORIDA POWER & LIGHT COMPANY D SUBSIDIARIES	EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a minimum, state assumptions used for balance sheet, income statement and sales forecast.						Type of Data Shown: Projected Test Year Ended// Prior Year Ended// Historical Test Year Ended// X Projected Test Year Ended/2/31/27		
DOCKET N	O.: :	20250011-EI							Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad	
Line No.		(1) (2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
1 2 3	F.	Total Line Losses	2027 of Net 5.36%	Energy for Load							
4 5	G.	Company Usage	2027 of Net 0.11%	Energy for Load							
6 7 8	Н.	21% FEDERAL INCOME TAX RATE (RE									
9 10 11	I.	5.5% FLORIDA STATE INCOME TAX RA	ATE								
12 13 14	J.	REGULATORY ASSESSMENT FEI 0.000848 2027 Per Rule 25-6.0131,"Investor Owned		ory Assessment Fee" in the Flo	orida Administrative C	Code.					
15 16 17 18	K.	2.50% GROSS RECEIPTS TAX RATE Provided as a pass through to custo	mers as provided in Florida S	Statute Chapter 203.							
19 20 21	L.	FRANCHISE FEE RATE 4.412% 2027 Percentage represents composite	e rate.								
22 23 24	М.	PRIOR YEAR Year 2025 Forecast									
25 26 27 28	N.	TEST YEAR Year 2027 Forecast									
29 30 31	0.	HISTORICAL YEAR Year 2024									
32 33 34	Q.	MILLAGE RATE FOR PROPERTY TAXES The overall millage rate used for sub 2027	osequent year is as follows: 1.59%								
35 36	R.	STATUTORY SALES TAX RATE									

 $6.950\% \ \ \text{Is the statutory sales tax rate. This may be coupled with a sur-tax that is levied by the County from 1/2\% up to 1 1/2\%.}$

7.633% Is the blended forecasted rate, based on year to date actual payments through September 2024.

37

38

Schedule F-8	ASSUMPTIONS	Page 12 of 12
2027 Projected Test Year		

FLORIDA PUBLIC SERVICE COMMISSION				EXPLANATION: For a projected test year, provide a schedule of assumptions used in developing projected or estimated data. As a						Type of Data Shown: Projected Test Year Ended//		
		RIDA POWER & LIGHT COMPANY O SUBSIDIARIES		minimum, state assumptions used for balance sheet, income statement and sales forecast.						Prior Year Ended/_/Historical Test Year Ended/_/X Projected Test Year Ended/2/31/27		
DOCKET NO.	: 2	20250011-EI								Witness:	Liz Fuentes, Ina Laney, Tiffany C. Cohen Dan DeBoer, Thomas Broad	
Line No.		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
3 4	S.	FEDERAL AND STATE UNEMPLOYM 0.60% FUTA on the first \$7,000 o 0.20% SUTA on the first \$7,000 o FICA TAX RATES 6.2% Social Security Tax on \$17 1.45% Medicare tax on wage bas	f wage base per emp f wage base per emp 76,100 wage base	oloyee	age base > \$200,000							



Balance Sheet Account Changes

I. New Functions

ACCOUNT	DESCRIPTION	ACCOUNT	DESCRIPTION	ACCOUNT	DESCRIPTION
Plant ii	ı Service – Solar Production	Plant in	Service – Other Renewable Production	Plant in S	Service – Energy Storage Plant
338.01	Land and Land Rights	339.01	Land and Land Rights	387.01	Land and Land Rights
338.02	Structures and Improvements	339.02	Structures and Improvements	387.02	Structures and Improvements
338.04	Solar panels	339.03	Fuel Holders	387.03	Energy storage equipment
338.05	Collector System	339.04	Boilers	387.05	Collector system
338.06	Generator step-up transformers	339.06	Generators	387.06	Generator step-up transformers
338.07	Inverters	339.08	Other accessory electric equipment	387.07	Inverters
338.08	Other accessory electric equipment	339.09	Computer hardware	387.08	Computer hardware
338.09	Computer hardware	339.10	Computer software	387.09	Computer software
338.10	Computer software	339.11	Communication equipment	387.10	Communication equipment
338.11	Communication equipment	339.12	Miscellaneous power plant equipment	387.11	Miscellaneous power plant equipment
338.12	Miscellaneous power plant equipment	339.13	Asset retirement costs for other renewable production	387.12	Asset retirement costs for battery storage
338.13	Asset retirement costs for solar production				



Balance Sheet Account Changes

II. Computer Hardware, Software, and Communication Equipment for Functional Categories

ACCOUNT	DESCRIPTION	ACCOUNT	DESCRIPTION	ACCOUNT	DESCRIPTION
	Steam Production		Other Production		Distribution
315.1	Computer hardware	345.1	Computer hardware	363.1	Computer hardware
315.2	Computer software	345.2	Computer software	363.2	Computer software
315.3	Communication equipment	345.3	Communication equipment	363.3	Communication equipment
	Nuclear Production	Transmission			General
324.1	Computer hardware	351.1	Computer hardware	397.1	Computer hardware
324.2	Computer software	351.2	Computer software	397.2	Computer software
324.3	Communication equipment	351.3	Communication equipment	397.3	Communication equipment



Income Statement Account Changes

I. Computer Hardware, Software, and Communication Equipment for Functional Categories

ACCOUNT - NEW	DESCRIPTION	ACCOUNT - NEW	DESCRIPTION
	Steam Production		Other Renewable
513.010	Maintenance of computer hardware - Steam	559.120	Maintenance of computer hardware - Other Renewable
513.020	Maintenance of computer software - Steam	559.130	Maintenance of computer software - Other Renewable
513.030	Maintenance of communication equipment - Steam	559.140	Maintenance of communication equipment - Other Renewable
	Nuclear Production		Energy Storage
531.010	Maintenance of computer hardware - Nuclear	578.030	Maintenance of computer hardware - Energy Storage
531.020	Maintenance of computer software - Nuclear	578.040	Maintenance of computer software - Energy Storage
531.030	Maintenance of communication equipment - Nuclear	578.050	Maintenance of communication equipment - Energy Storage
	Other Production		Distribution
553.010	Maintenance of computer hardware - Other Power	592.020	Maintenance of computer hardware - Distribution
553.020	Maintenance of computer software - Other Power	592.030	Maintenance of computer software - Distribution
553.030	Maintenance of communication equipment - Other Power	592.040	Maintenance of communication equipment - Distribution
	Solar Production		General Plant
558.080	Maintenance of computer hardware - Solar	935.010	Maintenance of computer hardware - General
558.090	Maintenance of computer software - Solar	935.020	Maintenance of computer software - General
558.100	Maintenance of communication equipment - Solar	935.030	Maintenance of communication equipment - General



Income Statement Account Changes

II. New accounts related to Renewable Energy Credits (RECs)

ACCOUNT- NEW	DESCRIPTION
411.120	Losses from Disposition of Environmental Credits
555.030	Unbundled Environmental Credits

III. New accounts related to Energy Storage and Other Renewable Functions

ACCOUNT- NEW	DESCRIPTION
577.030	Storage Fuel - Energy Storage
559.010	Operation Supervision Engineering - Other Renewable
559.020	Generation Operating Expenses - Other Renewable
559.030	Fuel - Other Renewable
559.040	Rents - Other Renewable
559.060	Maint Supervision Engineering - Other Renewable
559.070	Maint of Structure - Other Renewable
559.090	Maintenance of Boilers - Other Renewable
559.100	Maintenance of Generating and Electric Equipment - Other Renewable
559.150	Maintenance of Misc Renewable Prod Plant - Other Renewable Generation



Income Statement Account Changes

IV. Changes to Existing Accounts

ACCOUNT- NEW	ACCOUNT - OLD	DESCRIPTION
411.110	411.804	Gains from Disposition of Environmental Credits - Fuel
411.118	411.800	Gains from Disposition of Environmental Credits
555.020	509.120	Bundled Environmental Credits - Fuel
555.022	509.121	Bundled Environmental Credits - Revenue Enhancements
558.010	546.000	Operation Supervision Engineering - Solar
558.018	546.379	Operation Supervision Engineering - Solar - ECRC
558.020	548.000 / 549.000	Generation Operating Expenses - Solar
558.025	549.075	Generation Operating Expenses - Solar - Capacity
558.028	548.379 / 549.019	Generation Operating Expenses - Solar - ECRC
558.040	550.000	Rents - Solar
558.060	551.000	MaintSupervision Engineering - Solar
558.068	551.379	MaintSupervision Engineering - Solar - ECRC
558.070	552.000 / 553.000	Maint of Structure - Solar
558.078	552.059 / 553.039	Maint of Structure - Solar - ECRC
558.110	554.000	Maint Misc - Solar
558.118	554.139	Maint Misc - Solar - ECRC
577.010	546.000	Operation Supervision Engineering - Energy Storage
577.020	549.000	Generation Operating Expenses - Energy Storage
577.040	550.000	Rents - Energy Storage
578.010	551.000	MaintSupervision Engineering - Energy Storage
578.020	552.000 / 553.000	Maint of Structure - Energy Storage
578.060	554.000	Maint Misc - Energy Storage

Docket No. 20250011-EI Tax Credit Transfer Cumulative Revenue Requirements Impact Exhibit IL-6, Page 1 of 1

FLORIDA POWER & LIGHT COMPANY Tax Credit Transfer Cumulative Revenue Requirements Impact (\$, Millions)

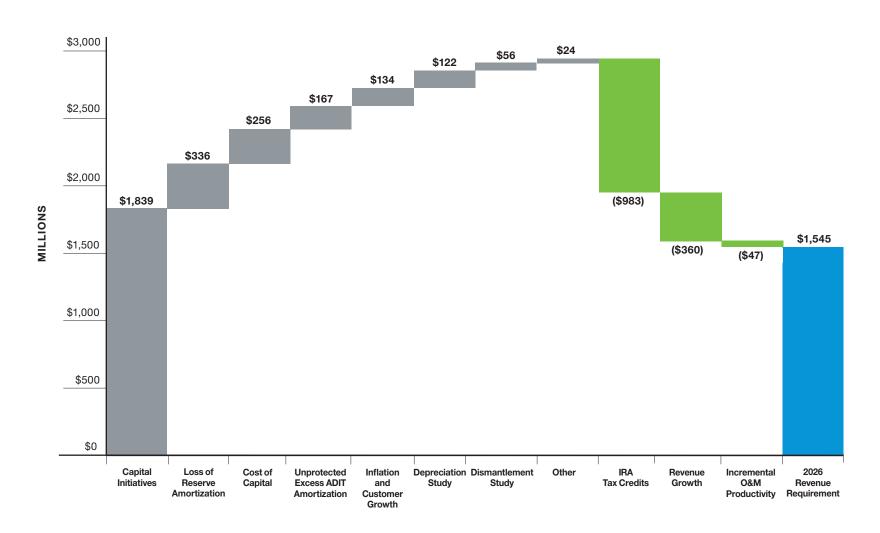
Line	Tax Credit Transfer Cumulative Revenue Requirements Impact	Reference	2026	2027
1	Case 1 (Base Case): Assumes Tax Credit Transfers			
2	Tax Credit Carry Forward - Assumes Tax Credit Transfer	<a>	\$144	\$171
3	Weighted Average Cost of Capital (pre-tax)		9.68%	9.69%
4	Valuation Allowance (grossed-up for tax)	<c></c>	\$65	\$55
5	Jurisdictional Separation Factor	<d></d>	0.96094	0.96168
6	Revenue Requirements - Tax Credit Transfer	(L2 * L3 + L4) * L5	\$76	\$69
7	Case 2: No Tax Credit Transfer			
8	Tax Credit Carry Forward - Does Not Assume Tax Credit Transfer	<a><e></e>	\$324	\$1,161
9	Weighted Average Cost of Capital (pre-tax)		9.68%	9.69%
10	Jurisdictional Separation Factor	<d></d>	0.96094	0.96168
11	Revenue Requirements - No Tax Credit Transfer	L8 * L9 * L10	\$30	\$108
12	Cumulative Revenue Requirements Impact (Benefit) / Detriment	L6 - L11	\$46	(\$39)

Notes:

- <a> 13-month average tax credit carry forward balance.
-
b> Pre-tax weighted average cost of capital at 11.90% proposed ROE.
- <c> Valuation allowance recorded on tax credit balance available for sale. Assumes 5% discount for PTC credits and 8% discount for ITC tax credits. Amounts are grossed-up for tax.
- <d> Operating income tax jurisdictional separation factor.
- <e> Assumes the deferred income tax balance on Line 2 increases by the amount of unsold tax credits and the valuation expense.



2026 Test Year Base Revenue Request of \$1,545 million*

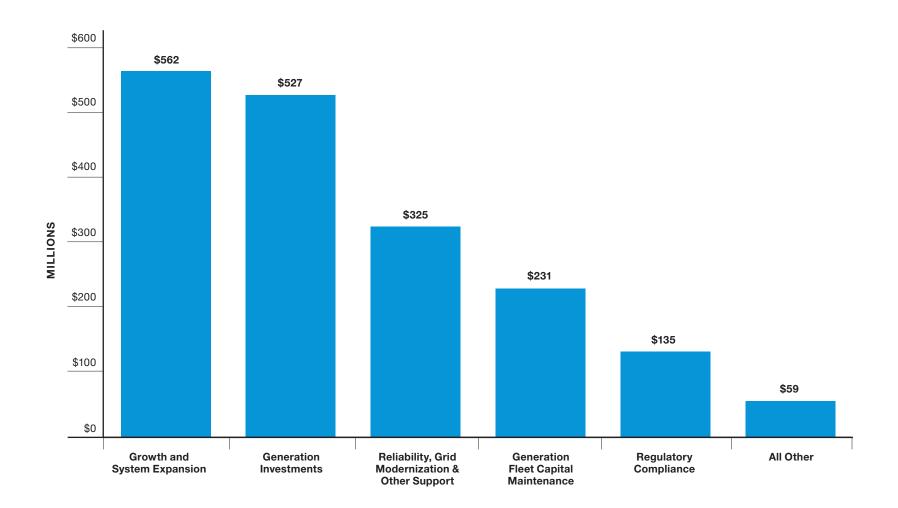


Docket No. 20250011-EI
Drivers of the Increase in Revenue
Requirements 2023-2026
Exhibit IL-7, Page 1 of 2

^{*}Total may not add up due to rounding.



Capital Initiatives 2026 Revenue Requirement of \$1,839 million*



Docket No. 20250011-EI
Drivers of the Increase in Revenue
Requirements 2023-2026
Exhibit IL-7, Page 2 of 2

^{*}Total may not add up due to rounding.

FLORIDA POWER & LIGHT COMPANY FPL's Adjusted Operations & Maintenance Expense Benchmark (\$ thousands)

Line	Functional O&M	FPL Adjusted 2023 Actual O&M [1]	Compound Multiplier [7]	2026 FPL Test Year Adjusted Benchmark O&M	2026 Test Year Adjusted O&M [1]	2026 Test Year Variance [8]
		(a)	(b)	(c)	(d)	(e)
1	PRODUCTION - STEAM	\$73,361	1.079811	\$79,216	\$64,341	(\$14,875)
2	PRODUCTION - NUCLEAR	\$285,352	1.079811	\$308,126	\$280,344	(\$27,782)
3	PRODUCTION - SOLAR [2]	\$0	1.079811	\$0	\$22,896	\$22,896
4	PRODUCTION - OTHER RENEWABLE [2]	\$0	1.079811	\$0	\$1,923	\$1,923
5	PRODUCTION - OTHER	\$166,119	1.079811	\$179,377	\$153,249	(\$26,128)
6	POWER SUPPLY	\$6,616	1.079811	\$7,144	\$7,101	(\$43)
7	TRANSMISSION	\$40,022	1.128678	\$45,172	\$38,536	(\$6,636)
8	ENERGY STORAGE [2]	\$0	1.128678	\$0	\$7,352	\$7,352
9	DISTRIBUTION	\$194,493	1.128678	\$219,520	\$180,769	(\$38,751)
10	CUSTOMER ACCOUNTS	\$116,337	1.128678	\$131,307	\$112,065	(\$19,242)
11	CUSTOMER SERVICE & INFORMATION	\$8,917	1.128678	\$10,065	\$6,759	(\$3,306)
12	SALES EXPENSES	\$240	1.128678	\$271	\$1,955	\$1,684
13	ADMINISTRATIVE & GENERAL	\$354,900	1.128678	\$400,568	\$397,673	(\$2,895)
14	TOTAL	\$1,246,358		\$1,380,766	\$1,274,963	(\$105,803)
15	Inflation and Customer Growth [3]				-	\$134,409
16	Total Productivity [4]					(\$105,803)
17	Less: Velocity Initiatives IT Projects [5]					\$59,281
18	Total Productivity less Costs to Achieve [6]				-	(\$46,522)

Notes:

- [1] Amounts for 2023 actual and 2026 test year are adjusted to exclude expenses associated with FPL's SolarTogether Extension and SoBRA, prior period recovery of injuries and damages expense, as well as FPL's revenue enhancement program for which revenues received under the program fully offset the costs.
- [2] These expenses were reflected in the "Production Other" function prior to January 1, 2025. Pursuant to FERC Order No. 898, issued of other 29, 2023 in Docket No. RM21-11-000, FPL is required to separate Solar, Energy Storage, and Other Renewable from "Production Other" function effective January 1, 2025.
- [3] Col. (c), Line 14 less Col (a), Line 14
- [4] Line 14
- [5] Velocity Initiatives IT Projects (costs to achieve)
- [6] Line 16 + Line 17
- [7] MFR Schedule C-40 for the 2026 Projected Test Year
- [8] Col. (d) less Col (c)

FLORIDA POWER & LIGHT COMPANY Tax Credit Rates

I. Solar Production	Tax Credit Rates			
Base PTC Rate ⁽¹⁾	Inflation Adjustment Factor	Inflation Adjusted PTC Rate (3)	Prevailing Wage Requirement ⁽⁴⁾	PTC Rate, \$/MWh
(a)	(b)	(c) = (a) * (b)	(d)	(e) = (c) * (d) * 10
0.3	1.9499	0.60	5	30.0
10% Kicker Eligible	e Rates: (5)			
100% Kicker E	ligible Rate ⁽⁶⁾			33.0
65% Kicker Elig	gible Rate ⁽⁷⁾			32.0

⁽¹⁾ I.R.C. § 45Y(a)(2)(A)

⁽⁷⁾ One solar site is partially located in applicable energy community and is eligible for a partial 6.5% PTC kicker rate: Wild Azalea.

II. Investment Tax Credit Rates	
ITC Rate ⁽⁸⁾	30.0%
10% Kicker Eligible Rates: ⁽⁹⁾ 100% Kicker Eligible Rate ⁽¹⁰⁾	40.0%

⁽⁸⁾ I.R.C. § 48E(a)(2)(A)(ii)

⁽¹⁰⁾ Three battery storage projects are located in applicable energy communities and are eligible for the 10% ITC kicker rate: Lansing Smith, Monarch, and Terill Creek.

III. Hydrogen Production Tax Credit Rates							
Base PTC Rate (11)	Inflation Adjustment Factor	Inflation Adjusted PTC Rate (13)	Prevailing Wage Requirement ⁽¹⁴⁾	PTC Rate, \$/kg			
(a)	(b)	(c) = (a) * (b)	(d)	(e) = (c) * (d)			
0.60	1.0364	0.622	5	3.110			

⁽¹¹⁾ I.R.C. § 45V(b)(1)

 $^{^{(2)}}$ I.R.C § 45Y(c)(1) and Notice 2024-15226, 7/11/2024, I.R.C § 45

⁽³⁾ Rounded to nearest 0.05 per I.R.C. § 45Y(c)(1)

⁽⁴⁾ I.R.C. § 45Y(g)(9) and I.R.C. § 45(b)(7)(A). Prevailing wage requirement met when laborers/mechanics employed by contractors/subcontracts are paid Davis-Bacon prevailing wages.

⁽⁵⁾ I.R.C. § 45Y(g)(7)

⁽⁶⁾ Six solar sites are located in applicable energy communities and are eligible for the 10% PTC kicker rate: Monarch, Flowers Creek, Apalachee, Terill Creek, Anhinga, Etonia Creek.

⁽⁹⁾ I.R.C. § 48E(a)(3)(A)(ii)(II)

⁽¹²⁾ I.R.S. Notice 2024-45; 2024-26 Internal Revenue Bulletin page 1747, 06/21/2024, I.R.C. § 45V

⁽¹³⁾ Rounded to nearest 0.01 per I.R.C. § 45V(b)(1)

⁽¹⁴⁾ IRC Code Sec. 45V(e)(1). Prevailing wage requirement met when laborers/mechanics employed by contractors/subcontracts are paid Davis-Bacon prevailing wages.

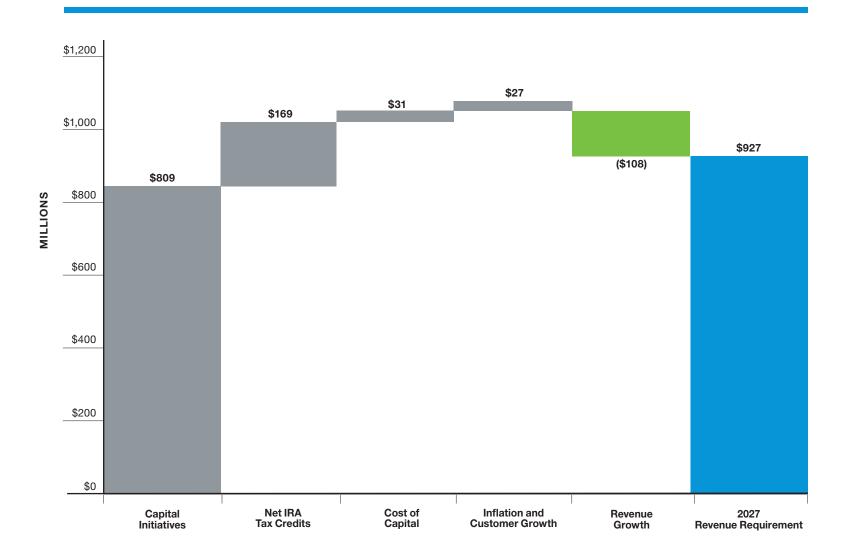
FLORIDA POWER & LIGHT COMPANY Capital Investments Inflation Impact (\$, Millions, where applicable)

Line	Year	2021 Rate Case CPI	2025 Rate Case CPI	2021 Rate Case Capex	2021 Rate Case Capex - Inflation Adjusted	Inflation Impact on Capex	Inflation Impact on Rate Base
		(a)	(b)	(c)	(d)=(b)/(a)*(c)	(e)=(d)-(c)	(f)
1	2022	2.6684	2.9262	\$7,247	\$7,947	· ·	\$350
2	2023	2.6887	3.0470	\$7,056	\$7,997	\$940	\$1,171
3	2024	2.7244	3.1388	\$7,355	\$8,473	\$1,119	\$2,200
4	2025	2.7777	3.2075	\$7,325	\$8,459	\$1,133	\$3,326
5	Total			\$28,983	\$32,876	\$3,893	
6	2026 Pre-Tax	« Weighted Aver	age Cost of Car	oital	9.68%	(g)	
7	Property Tax	· ·			1.59%		
8	. ,	reciation Rate			2.99%	. ,	
9	<u> </u>					(j)=(g)+(h)+(i)	
10	Rate Base - I	nflation Impact			\$3,326	(k) Line 4, col. (f)	
11	2026 Capital	Revenue Requi	rements		\$474	(I) Line 9*Line 10	

- (a) CPI-U reflected in Docket No. 20210015-EI per the May 2020 IHS Markit report.
- (b) CPI-U per the September 2024 S&P Global report as reflected on MFR Schedule C-40 for Projected Test Year ended 12/31/2026.
- (c) FPL's response to FIPUGs First Request for Production of Documents, Interrogatory No. 43, Attachment No. 2, provided in Docket No. 20210015-EI
- (d)=(b)/(a)*(c)
- (e)=(d)-(c)
- (f) Rate base based on capital spend in col. (e) with the assumption that 50 percent of incremental capital closes to plant-in-service during the year.
- (g) Pre-tax WACC at 11.90% proposed ROE for the Projected Test Year ended 12/31/2026.
- (h) MFR Schedule F-8 for Projected Test Year ended 12/31/2026.
- (i) Exhibit NWA-1 to FPL witness Allis 's Direct Testimony.
- (j)=(g)+(h)+(i)
- (k) Line 4, col. (f)
- (I) Line 9*Line 10



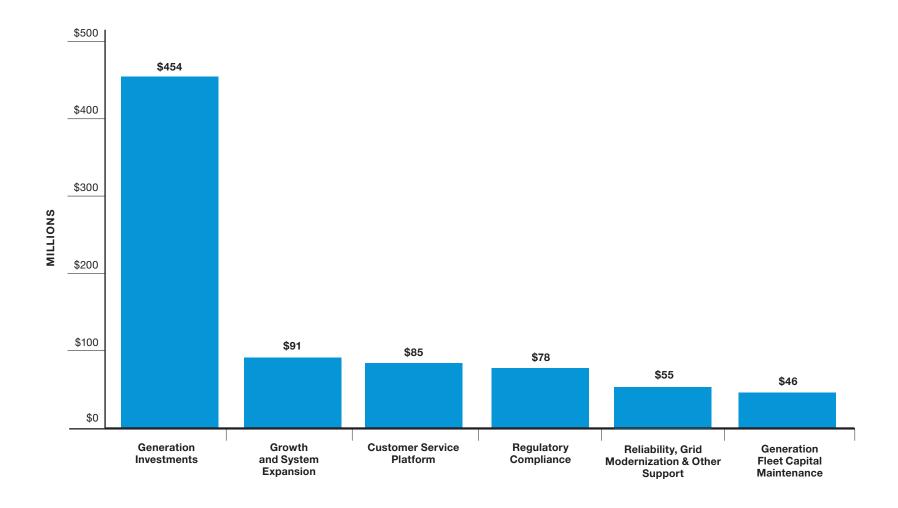
2027 Test Year Base Revenue Request of \$927 million*



Docket No. 20250011-EI
Drivers of the Increase in Revenue
Requirements 2026-2027
Exhibit IL-11, Page 1 of 2



Capital Initiatives 2027 Revenue Requirement of \$809 million*



Docket No. 20250011-EI
Drivers of the Increase in Revenue
Requirements 2026-2027
Exhibit IL-11, Page 2 of 2

^{*}Total may not add up due to rounding.

Docket No. 20250011-EI Tax Adjustment Mechanism Accounting Exhibit IL-12, Page 1 of 1

FLORIDA POWER & LIGHT COMPANY Tax Adjustment Mechanism ("TAM") Accounting (\$, Millions)

L	FERC Account	FERC Account Description	Reference	2026	2027	2028	2029			
1	TAM Amount: 282	Accumulated Deferred Income Taxes - Other Property (1)	I	(\$2,000)						
2	Recognize the Regulatory Asset and the Regulatory Liability:									
3	182.3	Other Regulatory Asset (2)	- L 1	\$2,000						
4	254	Other Regulatory Liability (3)	Line 1	(\$2,000)						
5	TAM Amount A	mortization over the proposed Four-Year Rate Plan:								
6	254	Other Regulatory Liability (3)	- L 4 / 2 Yrs			\$1,000	\$1,000			
7	411.1	Provision for Deferred Income Taxes - Credits, Utility Operating Income	L 4 / 2 Yrs			(\$1,000)	(\$1,000)			
8	Regulatory Ass	et amortization over 30 years:								
9	410.1	Provision for Deferred Income Taxes, Utility Operating Income	L 3 / 30 Yrs			\$67	\$67			
10	182.3	Other Regulatory Asset (2)	- L 3 / 30 Yrs			(\$67)	(\$67)			
11	Net Operating I	ncome Tax (Benefit) / Expense ⁽⁴⁾	L7+L9			(\$933)	(\$933)			

⁽¹⁾ TAM Amount: Tax Repairs and Mixed Service Cost Deferred Tax Liability.

⁽²⁾ The regulatory asset represents the recovery of deferred income taxes in future periods over the average life of the underlying assets. The amortization of the regulatory asset will begin at the time the regulatory asset is recognized on company's books and records. For illustrative purposes only, the amortization is reflected on this schedule in 2028 and in 2029 and assumes an average asset life of approximately 30 years. To be grossed-up for income taxes in accordance with the requirements of FPSC Rule 25-14.013.

⁽³⁾ The regulatory liability represents the reduction in income tax expense to be provided to customers over the Four-Year Rate Plan. For illustrative purposes, assumes ratable amortization in 2028 and 2029. To be grossed-up for income taxes in accordance with the requirements of FPSC Rule 25-14.013.

⁽⁴⁾ Lines 2 through 10 represent the incremental impacts of TAM mechanism.

FLORIDA POWER & LIGHT COMPANY Tax Adjustment Mechanism Amount (\$, Millions)

Line	<u>Description</u>	Reference	<u>2027</u>	2028	<u>2029</u>				
1	1 Capital Revenue Requirements								
2	Capital Expenditures		\$9,905	\$10,172	\$10,587				
3	Less: Storm Protection Plan Clause (SPPC) Capital Expenditures	<a>	\$1,069	\$1,000	\$1,242				
4	Capital Expenditures, excluding SPPC	L2 - L3	\$8,836	\$9,172	\$9,345				
5	Average Depreciation Rate			2.99%	2.99%				
6	Annual Depreciation & Amortization Expense	<c></c>	\$3,344	\$3,613	\$3,890				
7	FPSC Adjusted Rate Base	<d>></d>	\$85,336	\$90,727	\$96,096				
8	FPSC Adjusted Rate Base - Incremental Growth	<e></e>		\$5,391	\$5,369				
9	Pre-Tax Weighted Average Cost of Capital	<f></f>	9.69%	9.69%	9.69%				
10 11	Property Tax Rate Revenue Requirement Multiple	<g>_ L9 + L10</g>	1.59% 11.28%	1.59% 11.28%	1.59%				
12	Revenue Requirement - Capital Initiatives	<h>></h>	11.2070	\$877	\$882				
13	Operating Expenses			·					
14	CPI Index	<i>></i>		2.12%	2.12%				
15	FPSC Adjusted Operations & Maintenance (O&M) Expense	<j></j>	\$1,350	\$1,378	\$1,408				
16	FPSC Adjusted O&M Expense - Incremental	<k></k>		\$29	\$29				
17	Solar Production Tax Credits (PTC)	< >		(\$90)	(\$66)				
18	Battery Storage Investment Tax Credits (ITC)	<m></m>		\$142	-\$2				
19	Total Revenue Requirements - Incremental	L12 + L16 + L17 + L18		\$957	\$843				
20	Less: 2028 and 2029 SoBRA Revenue Requirements	<n></n>		(\$296)	(\$266)				
21	Total Revenue Requirements - Incremental Need	L19 + L20		\$661	\$577				
22	Cumulative TAM	<0>		\$661	\$1,900				
23	TAM Regulatory Asset Amortization			\$67	\$67				
24	Cumulative Regulatory Asset Amortization	<			\$133				
25	TAM Need	L22 + L24			\$2,033				
26	Requested TAM				\$2,000				

- <a> 2026 2035 Storm Protection Plan.
-
b> Exhibit NWA-1 to witness Allis Direct Testimony.
- <c> 2027 amount per MFR C-01 for the 2027 Projected Test Year. 2028 and 2029 calculated to reflect incremental depreciation expense associated with the 2028 and 2029 investments.
- <d> 2027 amount per MFR B-01 for the 2027 Projected Test Year. 2028 and 2029 calculated assuming 50 percent of incremental spend closes to plant in service in a given year.
- <e> Year over year change in Line 7.
- Pre-Tax Weighted Average Cost of Capital per MFR D-01a for the 2027 Projected Test Year.
- <q> MFR F-08 for the 2027 Projected Test Year.
- <h> L8 * L11 + L6 (Year over Year change).
- <j> MFR C-40 for the 2027 Projected Test Year.
- <j> Amount in 2027 per MFR C-01 for the 2027 Projected Test Year. O&M for 2028 and 2029 represent prior year O&M expenses escalated at CPI rate on Line 14.
- <k> Year over year change in Line 15.
- <>> PTC credits associated with the 2028 and 2029 solar projects. Amounts are grossed-up for tax.
- <m> ITC credits associated with the 2028 and 2029 battery storage projects and conclusion of ITC credits related to the 2027 battery storage projects. Amounts are grossed-up for tax.
- <n> Revenue requirement associated with the 2028 and 2029 solar and battery storage projects. Includes the conclusion of the ITCs flow-through related to the 2027 battery storage projects.
- <o> 2029 amount represents the sum of the 2028 amount on Line 21 over a two-year period and the 2029 amount over a one-year period.
- The amortization of the regulatory asset will begin at the time the regulatory asset is recognized on company's books and records. For illustrative purposes only, the amortization assumes an average asset life of approximately 30 years and is reflected on this schedule in 2028 and in 2029.
- <q> Line 23, sum of 2028 and 2029 amounts.