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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250011-EI

Petition for rate increase by
Florida Power & Light Company.
_________________________________/

VOLUME 23
PAGES 5145 - 5292

PROCEEDINGS: HEARING

COMMISSIONERS
PARTICIPATING: CHAIRMAN MIKE LA ROSA
COMMISSIONER ART GRAHAM
COMMISSIONER GARY F. CLARK
COMMISSIONER ANDREW GILES FAY
COMMISSIONER GABRIELLA PASSIDOMO SMITH

DATE: Thursday, October 16, 2025

TIME: Commenced: 9:00 a.m.
Concluded: 10:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter

APPEARANCES: (As heretofore noted.)

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

I N D E X

EXHIBITS

NUMBER:		ID	ADMITTED
133-1338	As identified in the CEL		5198
1322	As identified in the CEL		5200

P R O C E E D I N G S

(Transcript follows in sequence from Volume 22.)

CHAIRMAN LA ROSA: All right. Good morning, everybody. It's Thursday, so we are getting towards the end, from what it sounds and feels like.

So we will go ahead and get started. Witnesses, obviously, already there in the witness box. Thank you, guys, for taking your positions. Everybody is here-ish. Where is -- okay, yeah, some reorganization, oh, you blend right in there, so awesome.

MS. MONCADA: Thank you, Mr. Chairman. I had trouble seeing from the other end and everyone has agreed --

CHAIRMAN LA ROSA: Perfect. Yeah, that works.

Before you get started, there was an objection yesterday as we were closing. I have spoken to my legal staff.

Very simply, objection is overruled. We will, you know, the opportunity to make arguments will be there in your brief, so I think that hopefully just answers it.

Ms. Moncada, you are recognized.

MS. MONCADA: Thank you. And the parties have also agreed that the testimonies for the four rebuttal witnesses, Mr. Coyne, Mr. Bores, Ms. Cohen and Mr. Oliver can be stipulated into the record without the need for each of them to introduce it, just with one exception, that Mr. Bores has a small errata that we can state for the record.

CHAIRMAN LA ROSA: Okay.

Whereupon,

SCOTT BORES
JAMES M. COYNE
TIFFANY C. COHEN
TIM OLIVER

were recalled as a witness, having been previously duly sworn to speak the truth, the whole truth, and nothing but the truth, were examined and testified as follows:

EXAMINATION

BY MS. MONCADA:

Q Mr. Bores, can you please describe the errata to your rebuttal settlement testimony?

A Yes. On page 14, line six, I reference paragraph 4(b), that should instead reference paragraph 5(b).

MS. MONCADA: And with regard to exhibits between all four witnesses, the exhibits are numbered on staff's list 1333 through 1338. And I will request to move those at the end of the testimony.

Thank you.

(Whereupon, prefiled rebuttal testimony of Scott Bores was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT REBUTTAL TESTIMONY OF SCOTT R. BORES

Filed: October 3, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Scott R. Bores. My business address is Florida Power & Light Company ("FPL" or "the Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted testimony in this proceeding?

A. Yes.

Q. Are you sponsoring any exhibits with this testimony?

A. Yes. I am sponsoring the following exhibits:

- SRB-11 - Contentions Previously Rebutted
- SRB-12 - Elements of Non-Settling Parties' Position Statement that Align with FPL's Proposed Settlement Agreement
- SRB-13 - Confidential Rate Stabilization Mechanism Calculation
- SRB-14 - ROE and Bill Position
- SRB-15 - Calculation of Non-Settling Parties' Position Statement

Q. What is the purpose of your settlement rebuttal testimony?

A. The purpose of my rebuttal testimony is to respond to the settlement testimonies submitted by the Office of Public Counsel ("OPC"), Florida Rising, League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida, Inc. (collectively "FEL"), and the Floridians Against Increased Rates, Inc. ("FAIR") (hereinafter, OPC, FEL, and FAIR are collectively referred to as the "Non-Settling Parties" or "NSPs"). The NSPs submitted settlement testimony opposing certain aspects of the proposed 2025 Stipulation and Settlement Agreement ("Proposed

Settlement Agreement" or "Settlement") submitted by FPL, Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services, LLC, Electrify America, LLC, Federal Executive Agencies, Armstrong World Industries, Inc., Southern Alliance for Clean Energy, and Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., and Wawa, Inc. (hereinafter, collectively referred to as the "Settling Parties"). My settlement rebuttal testimony responds to the challenges from the NSPs regarding FPL's representation of customer interests, the proposed revenue requirements, return on equity ("ROE"), the Rate Stabilization Mechanism ("RSM"), new elements proposed to assist residential customers, the Asset Optimization Program, the Solar and Battery Base Rate Adjustment ("SoBRA"), capital recovery schedules and the proposed depreciation life of Plant Scherer. Finally, I will respond to the settlement testimony of FEL witnesses Rábago and Marcelin regarding their support for the Position Statement jointly sponsored by the NSPs.

Q. Please summarize your rebuttal testimony.

A. My testimony demonstrates that the NSPs' positions would ultimately harm the very customers they claim to protect and are contrary to the public interest. I show that the Proposed Settlement Agreement represents a carefully negotiated balance that benefits all FPL customers while ensuring the Company can continue providing the reliable, affordable service that results in customer bills being more than 25% below the projected national average. I demonstrate that the Proposed Settlement Agreement reflects significant concessions, including on ROE. In addition, I demonstrate that the proposed RSM provides the same value to customers as its predecessor, the Reserve

Surplus Amortization Mechanism ("RSAM"), by enabling a four-year term that avoids general base rate increases in the last two years. I rebut criticisms from FEL witnesses Rábago and Marcelin regarding the $15 million customer assistance fund and weather-based disconnection policy, defending these Settlement provisions as reasonable compromises that provide meaningful assistance to tens of thousands of customers. Furthermore, I explain the risks associated with the Asset Optimization Program, in particular that there are no guaranteed gains, nor should there be an assumption that FPL will achieve far more gains than it has in the past. Along with this, I provide clarity on the proposed SoBRA and how the Commission will retain full regulatory oversight, and that FPL cannot recover costs without prior Commission approval. Further, I defend maintaining Scherer Plant's 2047 depreciable life and extending capital recovery schedules to 20 years, which will provide immediate customer benefits.

Finally, I demonstrate that the NSPs' Position Statement fails to meet even the most basic regulatory standards: it fails to provide FPL a reasonable opportunity to even earn at the below-market ROE they recommend. Such financial instability does not benefit customers. Please note that in this testimony I am responding to specific issues raised by the NSP witnesses. Consequently, any argument raised in the testimony presented by the NSPs to which I do not respond, should not be accepted as my support or approval of the positions offered.

Q. Do you and the other FPL Settlement witnesses Cohen, Oliver and Coyne address each argument raised in the NSPs' opposition to the Proposed Settlement Agreement?

A. No. We do not address all arguments asserted by the NSPs' witnesses that simply repeat the positions they took in their original June 9, 2025 testimony. My Exhibit SRB-11 outlines those repeat arguments and specifies where FPL witnesses have previously rebutted them.

Q. Do you and the other FPL Settlement witnesses Cohen, Oliver and Coyne address each provision of the NSPs' Position Statement?

A. We address the positions that appear to be new or different compared to FPL's Proposed Settlement Agreement. My Exhibit SRB-12 enumerates the provisions included in the NSPs' Position Statement that do not differ from the Signatories' positions and therefore are not separately addressed.

II. CUSTOMER INTERESTS AND IMPACTS

Q. The NSPs take issue with FPL's contention that it represented the interest of all its customers in negotiating the Settlement, including residential and small commercial customers. What is your response?

A. It is fundamental to me and to FPL that a rate plan fairly balances the interests of all customers. It is illogical to suggest that FPL would negotiate in an imprudent manner with a plan to "get one over" on the Commission. No settlement, regardless of who participates, will ever be approved by this Commission if it does not result in fair, just and reasonable rates for all customers. The Commission's statutory duties and regulatory oversight ensure that. As with past settlements, the Commission will review the complete evidentiary record and decide whether the settlement is in the public interest.

FPL likewise has an obligation to serve all of its customers. In doing so, FPL has established a track record for both superior service and low bills. These benefits are currently enjoyed by all FPL customers, and, in negotiating the Settlement, FPL aimed to ensure its ability to continue delivering those benefits to all future customers.

III. REVENUE REQUIREMENTS

Q. NSP witnesses Smith and Herndon opine that the Settlement revenue requirements are grossly excessive, even though they are materially less than those requested in FPL's original petition. How do you respond?

A. Witnesses Smith and Herndon appear to be focused on a predetermined outcome without considering any context whatsoever.

Q. What context would be useful in evaluating the overall revenue requirement?

A. A few considerations are relevant and are not mentioned in Mr. Smith's or Mr. Herndon's assessment. First, the fact that the revenue requirements are materially lower than FPL's original request is particularly relevant when one considers that FPL plans to make all the same investments and expects to incur the same level of expenses reflected in its minimum filing requirements, except for those items specifically and expressly outlined in the Proposed Settlement Agreement.

Second, the revenue requirement should be evaluated in view of the fact that FPL serves about 6 million customers spread over 43 counties located from the southern part of Florida's peninsula, up both east and west coastlines, and in the northwest panhandle. Thus, it would be inappropriate to consider FPL's revenue requirements in comparison to that of utilities that do not serve several millions of customers in a dispersed and diverse geographic area. Finally, it is disingenuous to emphasize the total revenue requirement without also pointing out the bill impact. As FPL witness Cohen notes, even with the rate increases proposed under the Settlement, FPL's 1,000 kWh typical residential bill is projected to rise well below the rate of inflation, remain well below the national average and also remain the lowest among Florida investor-owned utilities ("IOUs").

Q. OPC, FAIR and FEL witnesses Smith, Herndon, Schultz and Rábago claim that FPL made essentially no concessions in terms of revenue requirements. Is their assessment correct?

A. No. An appropriate calculation must consider what it takes to continue providing safe and reliable service over the next four years, with a view toward maintaining the value that FPL's customers have come to expect. As I will describe in more detail below, the agreed upon revenue increases agreed to under the Settlement are insufficient to achieve the midpoint ROE in 2026 and 2027, even under a midpoint ROE that is 95 basis points lower than was originally requested by FPL and is supported by FPL witness Coyne's models.

This leads to the second major flaw in their assessment: OPC, FAIR and FEL witnesses Smith, Herndon, Schultz and Rábago reach their conclusions by casting aside the concession FPL made on ROE. The witnesses recognize that FPL conceded 95 basis points and all parties, including FPL, agree this reduction in ROE is effectively the equivalent of approximately $485 million in 2026. Applied across all four years, the concession from 2026 revenue requirement alone is $1.94 billion. In 2027, the ROE concession amounts to an incremental approximate $36 million, which equates to $108 million across the remaining three years. Cumulatively, over the four-year term, FPL conceded more than $2 billion on ROE alone. As shown on confidential Exhibit SRB-13, approximately $1 billion of additional revenue unrelated to ROE was conceded over the four years, for a total of nearly $3 billion. This cannot credibly be sloughed off as "nothing."

Q. OPC witness Schultz observes that FPL's cumulative revenue increase under the Settlement would be $6.9 billion, or $2 billion more than FPL received as part of its 2021 Rate Settlement. According to Mr. Schultz, this is indicative of an excessive rate increase. How does FPL explain the $2 billion difference?

A. FPL's growth alone is enough to explain the difference. Even the NSPs' Position Statement acknowledges that FPL's rate base has grown 50% since its last rate case reflecting the significant investments it has made on behalf of customers, and that its rate plan beginning in 2026 should be updated accordingly. NSPs' Position Statement (HWS-11, page 18 ¶ u). The $2 billion difference in the revenue increase is only 40% higher, much less than FPL's 50% increase in rate base over the period, despite the significant increase in inflation and interest rates over the period.

Q. Throughout his testimony, FEL witness Rábago compares FPL's requested rate increases to the purchase of a cup of coffee. He posits that a cup of coffee can be overpriced even if it is marked down. Do you agree with this principle?

A. I agree with the general principle that Mr. Rábago attempts to invoke regarding market prices for consumer goods but his attempt to analogize the price of a cup of coffee to the rates paid by FPL customers is backwards. Whether a cup of coffee is overpriced is a function of the dollar amount the customer pays at the register. If customers pay a relatively low price in return for a great cup of coffee, they generally recognize the good value and do not question the various components that comprise the price: salaries, overhead, materials, rent costs, capitalization costs, marketing, and the like.

The same is true for the price customers pay to receive electric service from FPL. By focusing on productivity and reducing its operating costs, FPL saves its customers the equivalent of $2.9 billion annually compared to the average utility. At the same time, it produces a superior product – one that is roughly 60% more reliable than the national average while still providing residential customers a 1,000-kWh typical residential bill that remains well below the national average and all Florida IOUs. That combination presents a great value. In my experience, consumers prefer to pay a lower overall cost for a great product compared to a high overall cost for a lesser product. Subcomponents of the price are not a consideration.

IV. RETURN ON EQUITY

Q. All NSP witnesses claim the ROE is excessive by comparison to all other ROEs awarded since 2023. Do you dispute their data set?

A. I have no specific reason to believe the data upon which they rely is reported inaccurately. However, the NSPs do not justify their conclusion through any rationale. Instead, they rest their case entirely on the simplistic observation that FPL's ROE would be higher than those awarded over the past few years. Such a non-analytic comparison of national ROEs is not based on any fair or recognized ratemaking objectives. FPL witness Coyne, on the other hand, performed a proper evaluation of ROE and addresses the widely recognized models that support his original recommendation and underpin his support for the compromise ROE included in the Proposed Settlement Agreement. In addition to their disregard for the modeling, the NSP witnesses fail to consider FPL's unique risk profile and the consequences that could and likely would ensue if FPL's ROE were reduced beyond the level proposed in the Settlement.

Q. What is the relevance of FPL's unique risk profile?

A. Each utility's risk profile is important when assessing the proper cost of debt and equity capital. FPL's capitalization needs are not the same as every other utility in the country. And the converse is true: Commissions that decided the ROEs for other utilities were not evaluating FPL's characteristics. Tellingly, the NSP witnesses make no attempt to identify any commonality between FPL and the utilities referenced as comparison points.

Q. Please describe the consequences that would flow from lowering the ROE as the NSP witnesses suggest.

A. While the NSP witnesses do not actually suggest a specific return on equity for FPL's Proposed Settlement Agreement, they uniformly refer to the data point that the proposed ROE is 45 basis points above the highest ROE awarded since 2023, which was 10.50%. A 10.50% ROE would be 30 basis points lower than FPL's current 10.80% authorized midpoint ROE, which was approved four years ago when the 30-year treasury yield was roughly 1.80%. And the 10.80% midpoint ROE only came about because of a trigger that allowed FPL to increase the midpoint by 20 basis points if the 30-year treasury moved greater than 50 basis points on average over a six-month rolling period, which happened in mid-2022 when the 30-year treasury moved from 1.99% to greater than 2.49%. Since then, the 30-year treasury yield has almost doubled and remains close to 4.70% today. Taking these market conditions into consideration, investors expect to see an increase that is above FPL's current authorized ROE. A decrease would be viewed as illogical and would signal a departure from the Commission's past practice. Adopting the NSPs' recommendation would not align with the predictability and stability that investors expect.

As I explained in my rebuttal testimony filed on July 9, return on equity is regarded as an important indicator of the broader regulatory environment. This is due in part to the fact that it is not a simple mathematical outcome, rather, it reflects the Commission's reasoned judgment among alternatives. A lower ROE awarded under current market conditions would lead investors to increase their perception of regulatory risk and business risk assessment of FPL. Equity investors would logically redirect their capital into lower risk or higher return alternatives, and credit rating agencies likely would downgrade FPL either immediately or over time.

Q. How would this impact customers?

A. With FPL's financial strength undermined in such a way, the Company's ability to continue delivering superior customer value would erode over time. This includes the inability to keep costs low, or maintain superior reliability, or both.

Q. Do you have any other observations about the NSPs' reliance on the ROEs approved for other utilities in past years?

A. Yes, and it's an observation I believe should be of utmost importance to the Commission as it weighs the evidence. While the NSP witnesses incessantly compare the ROE under the Proposed Settlement Agreement to other utilities, not a single one of them compares those utilities' bills against FPL's. The reason is obvious: the comparison would undermine their testimony entirely. A comparison of ROE versus bill position among the utilities referenced by the NSPs makes clear that the relationship between a low ROE and low customer bills exists only in theory. It evaporates in practice.

Exhibit SRB-14 shows that FPL's 2025 bill *and its 2026 projected bill under the Settlement* is lower than the January 2025 bill for 43 of the 58 utilities in the NSPs' comparison (or 74%). FPL delivers this low bill proposition even though its 2025 and 2026 ROEs would rank highest in the group. FPL's 2025 and projected 2026 bills are also lower than both the average and median reported January 2025 bills among this group. This bill comparison emphasizes that the NSPs continue to ignore what really matters to customers. Customers pay a total bill, not an ROE. FPL's strong ability to attract capital is a benefit to customers, not the detriment the NSPs attempt to portray.

For clarity, FPL continues to maintain that bill comparisons against Southeast utilities are more appropriate due to more similarities in terms of storm risks, which tend to have a significant impact on bills. Table 3 of my July 9, 2025 rebuttal testimony provides a relevant comparison.

V. RATE STABILIZATION MECHANISM

Q. OPC witness Schultz, FEL witness Rábago, and witness Herndon on behalf of all NSPs oppose FPL's RSM. In large part, their opposition is based on their view that FPL will use the mechanism to get to the top of its ROE range. How do you respond?

A. This argument by the NSPs is repetitive of the arguments that they have lodged against the Tax Adjustment Mechanism ("TAM") in this proceeding and the failed arguments lodged in opposition to FPL's current and past Commission-approved non-cash mechanisms. Throughout this proceeding, the Company has explained that the TAM is sized to allow FPL to continue making investments for the benefit of customers in 2028 and 2029 and have the opportunity to achieve the midpoint ROE. Therefore, by mathematical definition, the TAM alone would not have been enough to cause FPL to reach the top-end of the range over the four-year period. FPL would have to achieve such earnings through other means, namely the creation of business efficiencies.

The same principle is true for the RSM, except that, unlike the TAM, the total value of the RSM falls short of what is necessary to reach the midpoint over the four-year settlement term.

Q. Please explain.

A. Confidential Exhibit SRB-13 shows that the 2026 and 2027 revenue increases are not sufficient to produce earnings at the 10.95% midpoint ROE. On a cumulative basis over the four-year term, this amounts to an approximate $378 million (or $283 million after-tax) deficit relative to the midpoint ROE that FPL must somehow make up. Based on the settlement midpoint, FPL's incremental after-tax revenue requirement need for 2028 and 2029 is $1.598 billion. Thus, in total, FPL needs approximately $1.9 billion just to reach the midpoint from 2026 through 2029. FPL's current expectation of the RSM amount, inclusive of all components is several hundred million dollars less than what it needs to achieve earnings at the midpoint ROE.

Q. What is the significance of this deficit?

A. It empirically demonstrates that the RSM does not provide FPL the means with which to earn at or near the top of the range over the four-year period. Even if FPL used the entire estimated RSM amount, it would earn below the midpoint. And, to earn at or near the top of the authorized range, the Company must find more than $2 billion in savings and revenues from other ***non-RSM*** sources. This deficit also further disproves the NSPs' claim that FPL did not make any concessions.

Q. The NSPs claim the RSM would allow FPL to achieve excessive earnings. Do they have a reason to be concerned?

A. Not at all. In addition to the mathematical impossibility I described above, the Proposed Settlement Agreement expressly prohibits FPL from over-earning. It is well established that earnings within the Commission authorized range are reasonable, not excessive, and the Settlement requires FPL to stay within the range. Paragraph ~~4(b)~~ 5(b) allows any party to initiate a rate review if FPL's earnings exceed the authorized range, and Paragraph 21(b) mandates that FPL amortize enough RSM to debit and credit the pertinent income statement and balance sheet accounts necessary to prevent it from exceeding the top of its authorized range.

Q. Please respond to OPC witness Schultz's claim that use of the RSM "comes at a cost" to customers.

A. Mr. Schultz has it backwards. The absence of an RSM will cost customers. Fundamentally, without the RSM, FPL would be back before the Commission no later than the first quarter of 2027 for new cash-based rates effective in 2028. Worse, if the NSPs' fondness for the one-year-at-a-time approach prevails, over the next four years FPL would initiate three more rate proceedings from 2026 through 2028 for new cash-based rates effective 2027 through 2029.

Focusing on 2028 and 2029 for illustrative purposes, customers would experience a cash increase of approximately $923 million in 2028 and an incremental $809 million in 2029. These cash increases in each respective year amount to approximately $7.39 per month on the 1,000 kWh typical residential customer bill and an incremental $6.48

per month for a total of $13.86 per month in the second year. This increase is 140% greater than what customers would experience by the end of 2029 with the RSM, inclusive of anticipated SoBRA additions.

Customers would also be deprived of the benefits that management is incentivized to deliver with an RSM that enables a four-year stay out. The Company will be able to focus on improving operations and value instead of planning for and preparing for serial rate cases. Compared to FPL's peers, that incentive – coupled with the Company's ability to execute – has produced billions of dollars of annual O&M savings for customers over many years, savings that persist today and are continuing to drive down FPL's customer bills.

Additionally, as I have previously explained, customers would bear all of the unknown risk associated with market and business conditions that might arise in 2028 and 2029. In the absence of the rate freeze proposed in the Settlement, the impacts of those risks would be incorporated in each of FPL's rate requests over the period. This is what would have occurred over the last four years had it not been for the RSAM awarded under the 2021 Settlement Agreement – customers would have borne the higher costs from increased interest rates and inflation. Under the Proposed Settlement Agreement, FPL bears those risks, which include rising interest rates, tariffs, global conflict and any resulting market impact. This underscores both the risk customers are avoiding and the concessions represented in the Settlement's 2026 and 2027 revenue increases. FPL's four-year rate proposal, enabled by the RSM, would lower the customer bill impact over the period and allow for the opportunity to create savings for customers over the longer-term.

Q. OPC witness Schultz argues that "[i]f the (RSM) credit was not utilized to adjust earnings, at some point in time that credit would impact (offset) expenses that would otherwise be borne by customers. . . . these credits would result in a cost savings to customers and reduce the cash requirement for paying their utility bill." Does this indicate that the RSM will harm customers?

A. No. In fact, Mr. Schultz's statement suggests that he should support the RSM because it features the same advantages he attributes to the referenced "credits." The RSM is used to "offset expenses that would otherwise be borne by customers." In this context, the "expenses" are the additional revenue requirements incurred for investments that will benefit customers. Implementing the RSM "reduce[s] the cash requirement for paying their utility bill," specifically by avoiding cash increases in 2028 and 2029.

Q. OPC, FAIR and FEL witness Herndon claims you admitted in deposition that the purposes of the RSM can be achieved if FPL's use of the RSM was limited to the midpoint ROE. Please explain your statement.

A. Limiting FPL's use of the RSM to the midpoint ROE may achieve benefits when viewed in a vacuum, that is, viewing one snapshot in time, such a limitation might allow FPL to address unexpected expenses and provide rate stability. However, FPL does not view the RSM, and does not plan its business, based on an isolated point in time. It needs to be able to respond to fluctuations in the economy or markets, as well as take a long-term view of the business. Longer-term planning may involve such things as accelerating certain investments when the economics make sense for customers or shifting the timing of certain expenditures in the face of unexpected population growth. Flexibility, not constraints, allows management to effectively respond to outside conditions and develop these value-added plans within the range of a reasonable ROE as approved by the Commission. As noted earlier in my testimony, FPL does not have sufficient RSM to achieve the midpoint ROE over the minimum term of the settlement, therefore it will be incumbent on FPL to manage the RSM and generate efficiencies if it wishes to earn at or above the midpoint for all four years. In addition, achieving base rate earnings above the midpoint provides an incentive for FPL to effectively manage the business while allowing for additional book returns for investors in the near-term but creating long-term value for customers in the form of lower operating expenses.

The RSM is designed to work within the authorized range established by the Commission and provides FPL the flexibility needed to commit to a four-year rate plan while managing various risks and uncertainties. Restricting its use would undermine its effectiveness, dampen the built-in incentives and potentially compromise FPL's ability to attract capital and maintain financial stability throughout the four-year period.

Q. How can the Commission and FPL customers be assured that enabling this flexibility will be beneficial for all stakeholders?

A. The Commission and customers need only look to FPL's proven track record. FPL has had authority to use its non-cash mechanism flexibly over numerous multi-year rate periods. This has allowed FPL to manage risks and fluctuations in the business while also planning over a longer-term horizon and staying within its authorized range over the full term with no incremental general base rate increases in the latter half of each multi-year rate period. The resulting customer value is obvious, undisputed and sustained, even if the NSPs ignore them. Customer bills remained stable, predictable and well below the national average, and FPL generated billions of dollars in annual sustainable savings that have benefitted customers in the past and the present and will continue to benefit them in the future.

Q. The NSPs also challenge use of the TAM as a funding mechanism under the RSM, alleging that it results in "double recovery" of taxes from customers. How do you respond to this characterization?

A. This characterization misrepresents how the TAM operates. There is no "double recovery" occurring with respect to federal income taxes because FPL will not collect double the amount of deferred tax liabilities. FPL is going to continue to invest for the benefit of customers in 2028 and 2029, and rather than increase cash rates to cover the revenue requirement of those investments, FPL is going to utilize TAM dollars that it has collected from customers and credit that back to customers to pay for the investments. Therefore, in essence, customers and FPL are back to "zero." FPL will thereafter recover the amounts necessary to pay the outstanding tax obligations when they are due to the government, but it will never recover *double the amount of taxes* due to taxing authorities.

The mechanism simply allows FPL to temporarily utilize a discrete amount of unprotected deferred tax liabilities to offset revenue requirements associated with continued capital investments and operational needs that would otherwise require additional cash-based rate increases in 2028 and 2029. This means customers avoid the burden of paying additional near-term increases for new investments, while FPL maintains the ability to continue essential infrastructure improvements. This creates a win-win situation where customers get rate stability and continued system improvements without additional financial burden. This is no different than how the RSAM has worked in the past.

Q. OPC, FEL and FAIR witness Herndon claims this mechanism allows FPL to "seize customer prepaid federal income taxes." How do you respond to this characterization?

A. This characterization is both inflammatory and factually incorrect. FPL is not "seizing" anything from customers - we are proposing to utilize deferred tax liabilities in a regulated mechanism that includes full customer protections. Just as the RSAM was used in the past, the deferred tax liabilities will be used to cover the revenue requirements of continued investments that benefit customers, rather than increasing rates through general base rate increases and customer bills in the last two years of the agreement. Every dollar utilized through the RSM is tracked through regulatory assets and liabilities, with Commission oversight and pursuant to Paragraph 21(e), will be reported with FPL's monthly earnings surveillance report. This is the opposite of "seizing" – it is a transparent, regulated mechanism that provides customers with immediate benefits while preserving their future rights.

VI. ASSET OPTIMIZATION PROGRAM

Q. NSP witnesses assume that FPL will be recognizing an additional $90.5 million each year pursuant to modifications to its Asset Optimization proposed under the Settlement. Is this assumption appropriate?

A. No. While FPL consistently works to generate gains for customers, it is overly presumptuous to assume it will achieve far more gains than it has in prior years. Counterparties are not required to enter optimization transactions. Gains are not guaranteed. As it was designed, the Asset Optimization Program incentivizes FPL to continue working hard to find opportunities, but it bears the risk that optimization opportunities will not materialize.

Q. FEL witness Rábago expects that future Asset Optimization gains will exceed levels attained in previous years because FPL will be able to engage in more renewable energy credits as it places more solar units in service. Is this connection between additional solar units and never-before-seen levels of gains logical?

A. No, Mr. Rábago provides no support for his conclusion. While his theory has some superficial appeal, it is based on invalid assumptions about either the renewable energy credits ("REC") market or FPL's REC inventory. Specifically, for additional solar units to result in higher gains from REC sales, one or more of the following must be true: (1) there must be unfulfilled market demand for RECs; (2) future market prices for RECs must be equal to or greater than past levels; and (3) FPL has no excess RECs in its "inventory." None of these assumptions stand up to market realities. The demand for RECs is currently on the decline and is not expected to improve. In addition, even under the assumptions a more robust market existed in prior years, FPL's existing solar fleet already generated more RECs than the Company could sell. Adding more solar units would increase FPL's inventory but would not enhance gains due to weak demand.

Aside from the weakened REC market, FPL is not long on capacity and energy due to the growth in its own capacity needs. Accordingly, FPL does not anticipate material incremental gains from the wholesale power market. This means that FPL is taking risk on the amount of gains it can generate and ultimately recognize in base rates.

Q. FEL witness Rábago also suggests that all optimization gains should count toward base revenues, and that any claim FPL has on shareholder gains is "illusory," pointing to the fact that FEL did not support the 2021 Rate Settlement that established the Asset Optimization Program's sharing mechanism. Please respond.

A. Mr. Rábago is in denial. The Commission approved FPL's 2021 Rate Settlement, which established the existing Asset Optimization Program as ongoing and confirmed its sharing thresholds. FEL twice appealed the Commission's order. The Florida Supreme Court first affirmed the Program's legal validity and subsequently affirmed that the 2021 Rate Settlement, inclusive of the ongoing Program, is in the public interest. The Proposed Settlement Agreement would modify the Program in two ways: (i) first, it changes where the customer portion is recognized during the Term and, (ii) second, it creates a fourth sharing threshold. No other modification is before the Commission, let alone what would amount to a flat-out dissolution of the Program if Mr. Rábago's recommendation were adopted.

VII. RESIDENTIAL CUSTOMER PAYMENT ASSISTANCE

Q. FEL witness Rábago derides the provisions of the Proposed Settlement Agreement that would establish a $15 million customer assistance fund and would mandate the suspension of payment-related disconnections under certain weather conditions. Is his commentary sound?

A. No, I have trouble making sense of his position. Mr. Rábago's testimony is submitted on behalf of FEL, but the position FEL took in its August 26 Position Statement jointly sponsored by the NSPs adopts both the customer assistance fund and disconnection policy. In fact, FEL states specifically that these provisions "provide[s] a reasonable starting point for protecting residential customers and agrees to the inclusion of those provisions."

Q. Please briefly describe FEL witness Marcelin's complaints about the customer assistance fund that FPL would establish, and your response to his position.

A. In essence, Mr. Marcelin complains that the fund is not large enough. He appears to take the position that any such fund must be sized at $1.6 billion. He goes on to say that the fund should be paid for by FPL's shareholders.

Mr. Marcelin's positions are, at best, unreasonable. The $15 million allocated for customer assistance is estimated to support tens of thousands of customers. The funding would be incremental to governmental support as well as the voluntary contributions from customers, employees and shareholders that helped more than two hundred thousand customers during the current four-year settlement term (2022-2025) alone. Mr. Marcelin's suggestion that shareholders should fund the assistance program has no place in this proceeding. The Commission lacks jurisdiction to dictate a utility's charitable donations.

Finally, any suggestion that the fund should be sized at $1.6 billion is illogical, if not counterproductive. The $1.6 billion would serve to increase revenue requirements by $400 million per year, which is equivalent to the entire 2027 incremental revenue requirement set forth in the NSPs' Position Statement.

VIII. DISCONNECTION POLICY

Q. The Proposed Settlement Agreement includes a provision that calls for the suspension of disconnections for non-payment under specified hot or cold weather conditions. FEL witness Marcelin criticizes this provision as insufficient because it does not sufficiently account for humidity. Is Mr. Marcelin's criticism valid?

A. No. FEL witness Marcelin overlooks the fact that FPL is not under any requirement to suspend disconnections for non-payment. It is therefore puzzling that Mr. Marcelin would frown upon the scope of a voluntary program that guarantees customers' electricity will stay on even when they would be subject to disconnection for non-payment. Mr. Marcelin's specific complaint regarding the need to account for humidity is also unfounded. Under the Proposed Settlement Agreement, disconnections are prohibited when a heat advisory has been issued by the National Weather Service. According to the National Weather Service webpage, heat advisories take into account heat index values, which, in turn, take into account the effects of humidity. Thus, contrary to Mr. Marcelin's protest, the proposed disconnection policy does account for humidity.

Q. FEL witness Marcelin argues that the Commission should require a "more protective approach," pointing to Arizona's requirement for a moratorium on disconnecting customers from June 1 to October 15 as well as 40 northern states with disconnection policies based on freezing temperatures. How do you respond?

A. The disconnection suspension policy proposed in the Settlement is similar to those praised by Mr. Marcelin. Arizona's disconnection regulations, cited in footnote 9 of his testimony, provide utilities the option to adopt either a June 1 to October 15 moratorium ***or*** a policy based on 32-degree or 95-degree temperatures. Likewise, according to the source cited by Mr. Marcelin, the 40 referenced northern states have either a suspension policy based on 32 degrees or a winter month suspension policy. The Settlement policy adopts the temperature-based approach sanctioned by both Arizona and the 40 northern states.

IX. SOLAR AND BATTERY BASE RATE ADJUSTMENTS

Q. OPC witness Schultz claims that the SoBRA provision included in the Settlement lacks regulatory oversight because the need is demonstrated when the project costs are trued-up only after construction. Is he correct?

A. No, Mr. Schultz completely misunderstands the SoBRA mechanism. Under the express terms described in Paragraph 13 of the Settlement, FPL cannot recover costs associated with any resource addition without prior Commission approval. Mr. Schultz's apparent miscomprehension is particularly puzzling because he purports to represent the position of OPC which has been a party to multiple rate settlement agreements that have included similar SoBRA provisions with similar approval processes, as well as multiple SoBRA proceedings that followed the framework established in those agreements. OPC must undoubtedly be aware that Mr. Schultz mischaracterizes the nature of the SoBRA process.

Q. Is the need for the assets subject to a SoBRA demonstrated only after construction, as Mr. Schultz describes?

A. No. Under the Proposed Settlement Agreement, as in prior settlements, the SoBRA proceeding is filed the calendar year *before* the projects enter service. For example, a petition for approval to recover the costs of the 2027 solar projects must be filed in 2026. That petition must provide the estimated project costs and must describe the economic analysis supporting the projects. The Commission likewise determines whether to approve the SoBRA cost recovery request during that prior calendar year. Thus, the "need" is demonstrated – and ruled upon – before construction is complete.

Q. Does FPL start construction before demonstrating the need?

A. Yes, FPL commences construction activities before the need is determined. This is a practical necessity stemming from the construction timeline for solar or battery facilities, which can span 18 months or more. The Commission retains full oversight, however, because as I have explained, FPL cannot recover any costs from customers – even if they have already been incurred – unless the Commission affirmatively determines that FPL satisfied its burden to demonstrate a need.

Q. OPC witness Schultz observes that the proposed SoBRA framework lacks cost caps and that any costs in excess of the initial projection would be recovered when rates are next reset. He claims that, as a result, customers would not be protected. Are his observations correct, and if so, are customers protected?

A. Mr. Schultz misses the broader context. He correctly notes that there are no cost caps, but he conspicuously omits the fact that there are other safeguards in place – safeguards that OPC has accepted as being in the public interest. Specifically, the Settlement requires FPL to demonstrate a cost-effectiveness ratio of 1.15 to 1 and that savings are expected to be realized within 10 years. These mandatory factors are designed to deliver greater benefits to customers sooner.

Mr. Schultz correctly notes that actual costs that exceed FPL's original estimate will be reflected in its earnings surveillance reports. However, those costs will not be included in the determination of base rates in the FPL's next base rate proceeding if the Commission determines they were imprudent. Customers thereby remain protected against recovery of imprudent costs.

Q. OPC witness Schultz expresses concern that the SoBRA mechanism creates uncertainty regarding future rate increases because the cumulative 4,470 MW of solar and 1,200 MWs of battery storage set forth in the Settlement "appear to merely be targets." Does FPL have unbound discretion to install solar and battery projects under the SoBRA provision?

A. No. The 4,470 MW of solar and 1,200 MW of battery storage referenced in Paragraph 13(a) of the Proposed Settlement Agreement set the maximum amount of resources that can be the subject of SoBRAs. In other words, FPL cannot use the SoBRA mechanism to recover any incremental costs associated with solar or battery resources in excess of the megawatts identified in the Settlement's SoBRA provision.

Q. FEL witness Rábago asserts that the economic analyses used to support FPL's resource additions rely on the future imposition of carbon costs. Is this true?

A. I refer Mr. Rábago to FPL's response to Staff's Seventh Set of Interrogatories, No. 151, sponsored by FPL witness Whitley, which shows that FPL's 2026 and 2027 anticipated resource additions are economic regardless of whether carbon costs are ultimately assessed.

X. 2025 BATTERIES

Q. FEL witness Rábago objects to including the investment tax credits ("ITC") associated with the 2025 batteries as a funding source for the RSM. In addition to his objection to flow-through accounting, he states that the 2025 batteries "were never approved" and being installed during what should be a base rate freeze from FPL's last rate settlement. How do you respond?

A. I will not address Mr. Rábago's objection to flow-through accounting, as that has been previously rebutted. See Exhibit SRB-11. He correctly points out the unremarkable fact that 2025 batteries were not pre-approved. They were not required to be. They are, however, the subject of this proceeding. In fact, the approval of the 2025 batteries was specifically identified as Issue No. 23 in the Commission's Prehearing Order. The merit of these resources was addressed by FPL witness Whitley in connection with FPL's original petition.

I am puzzled by Mr. Rábago's objection to installing batteries during the current rate freeze. He does not – and cannot – allege that the rate freeze was violated in any way. Customer bills were not increased as a result of the installation. Base rates were frozen as required by the 2021 Rate Settlement.

XI. CAPITAL RECOVERY AND SCHERER PLANT

Q. What is the current approved depreciable life for Scherer Plant, and does the Proposed Settlement Agreement change this date?

A. The current approved depreciable life for Scherer Plant is 2047 as established in FPL's 2021 Rate Settlement. The Proposed Settlement Agreement does not change this retirement date for depreciation purposes. The 2047 depreciable life will continue to be used for purposes of calculating depreciation rates under the settlement, providing regulatory certainty and continuity with the Commission's prior approval.

Q. Is there any scenario under which Scherer Plant would retire during the next four years?

A. No. Under no scenario contemplated in this proceeding or by the plant's principal owner and operator – Georgia Power - would Scherer Plant retire during the next four years. The plant will continue to operate and provide service to customers well beyond this timeframe. The NSPs' concerns about immediate retirement impacts are therefore not applicable to the current situation. Furthermore, FPL will file a comprehensive depreciation study as part of its next base rate case, which is anticipated to occur in approximately four years. At that time, all depreciation parameters, including estimated service lives and net salvage rates, will be reviewed and updated based on the most current information available.

Q. NSPs have claimed that extending capital recovery schedules for early asset retirements to 20 years violates the matching principle. How do you respond to these allegations?

A. This claim fundamentally misunderstands the regulatory environment in which utilities operate. The matching principle in a regulated environment is not rigid; it allows for Commission discretion in balancing multiple factors including rate stability, intergenerational equity concerns, and the overall public interest. There is no Commission rule that dictates a specific capital recovery schedule period. Both 10 years and 20 years can be reasonable depending on the circumstances and the overall settlement context. This is exactly what occurred in FPL's 2021 Rate Settlement whereby the parties agreed to move capital recovery to 20 years, and the same principle applies here.

Q. NSP witness Schultz argues that extending recovery periods creates "intergenerational inequity." How do you respond to this characterization?

A. This argument ignores the fundamental reality of utility operations and customer benefits. Extending recovery periods enables a comprehensive four-year settlement agreement that provides rate certainty and avoids multiple costly rate proceedings. The Commission routinely exercises its discretion to approve recovery periods that balance multiple factors including rate impacts, customer benefits, and overall settlement objectives. This regulatory flexibility is not only permitted but essential for crafting comprehensive agreements that serve the public interest while ensuring utilities can recover prudently incurred costs.

Q. How do you respond to FEL witness Rábago's claims that future customers should not pay for assets that "never served them"?

A. Future customers receive tangible benefits from the replacement assets that are necessitated by the early retirement of previous assets. These customers also benefit from avoiding the costs and service disruptions that would have occurred if we had continued operating aging, less efficient, or less reliable equipment until its natural retirement date. The overall system improvements, enhanced reliability, and operational efficiencies that result from strategic asset replacements provide value that extends well beyond the original asset's planned life, justifying the extended recovery period.

XII. NON-SETTLING PARTIES' POSITION STATEMENT

Q. Please describe the NSPs' Position Statement regarding revenue requirements, ROE, and treatment of ITCs.

A. The NSPs have proposed significantly lower revenue requirements, a 10.60% midpoint ROE compared to FPL's Settlement which provides for a 10.95% midpoint ROE, and to change the ITC treatment from flow-through to normalization over a four-year arbitrary period. Their Position Statement would set FPL's base revenue increase at $867 million in 2026 and $403 million in 2027. The NSPs characterize their proposal as reasonable, but simple calculations show their positions would severely compromise FPL's financial integrity and ultimately harm customers.

Q. Do you agree the 10.60% ROE is reasonable?

A. No. For the reasons I already have described, and as further explained by FPL witness Coyne, an ROE of 10.60% is not reasonable. An ROE lower than what was approved for FPL in 2021 cannot be justified in view of the changes in market conditions since that time.

Q. Please explain why the NSPs' positions would compromise financial integrity.

A. The combination of the 2026 and 2027 revenue increases and the ITC normalization treatment would drive FPL into a position of earning just barely enough to stay above the bottom of the authorized range in both 2026 and 2027. For all of the reasons FPL has previously explained, it plans to undertake all of the investments and expects to incur the same level of expenses in 2026 and 2027 as filed in the original petition. Simple math shows that, even if one assumes that a 10.60% midpoint ROE were reasonable, which FPL disputes, FPL is projected to fall more than $480 million short of that midpoint in 2026 in light of the NSPs' position that the ITC associated with battery storage systems should be normalized over four years. FPL's ROE in that scenario would be 9.66%. That shortfall would carry into 2027 and then be compounded in that year, for a shortall of $529 million and a 9.64% ROE. This calculation is shown in Exhibit SRB-15. Thus, under the NSPs' Position Statement, over the next four years, FPL would earn nearly 20 basis points below the bottom of its current ROE range. As I have explained, this result is unreasonable based on changes in the market since the Commission ruled on FPL's last rate case.

This demonstrates that the NSPs' position is fundamentally flawed and would violate basic ratemaking principles that require utilities to have a reasonable opportunity to earn their authorized return. The NSPs' position essentially creates a regulatory promise that cannot be fulfilled, eschewing the regulatory compact and ultimately harms customers through impaired utility financial integrity.

Q. What does it mean for FPL's rates to be set at the bottom of its authorized ROE range?

A. Having rates set such that FPL would be earning at the very bottom of the authorized range is contrary to fundamental fairness and basic ratemaking principles. The Commission sets rates at the midpoint and provides a range to account for conditions that impact the business as well as efficiencies generated by the utility. The NSPs' position, by contrast, forces FPL to begin the rate period at the threshold of underearning.

Q. The NSPs' Position Statement anticipates a two-year rate term. Does this benefit customers?

A. A two-year rate proposal does not harm customers on its own accord. However, it is inferior to the four-year term contemplated under FPL's Settlement for the reasons I described earlier. Under the NSPs' two-year proposal, customers would face the uncertainty of another potentially contentious rate case beginning in 2028, if not earlier, creating regulatory uncertainty and potentially higher costs. The four-year term eliminates this near-term regulatory uncertainty and provides customers with clearer visibility into rates through 2029.

Q. The NSPs' Position Statement seemingly assumes that an optional one-time generation base rate adjustment ("GBRA") in 2028 or 2029 would be sufficient for FPL to remain out for the full four years. Do you agree?

A. No. Based on the analysis I described above, FPL would not be able to earn at the midpoint ROE in 2026 or 2027 and would be forced to return to the Commission for a general base rate increase much sooner than planned, making a GBRA in 2028 or 2029 unnecessary. GBRAs historically have been designed to keep intact a rate plan that was designed from inception to provide the utility a reasonable opportunity to earn at the midpoint. GBRAs were not intended to extend, let alone salvage, confiscatory rates.

Even if FPL was able to earn at the midpoint ROE, the GBRA contained in the NSPs' Position Statement would not be sufficient for FPL to avoid a general base rate increase before 2030. As seen in FPL witness Laney's Exhibit IL-13 (errata), even with a SoBRA in both 2028 and 2029, FPL was projected to fall below its midpoint ROE in both years without a non-cash mechanism.

Q. The NSPs' Position Statement includes a provision regarding changes in corporate income tax. Do you agree with their framework?

A. The NSPs appear to suggest that FPL's original petition did not include a provision for a corporate income tax change. This is not correct. My Exhibit SRB-8 and pages 60 to 63 of my direct testimony describe a tax law change provision that largely mimics the language included in FPL's 2021 Rate Settlement. The NSPs' Position Statement essentially adopts the same framework with one material exception: the Proposed

Settlement Agreement includes a provision that addresses impacts to the TAM based on changes in corporate income tax rates. This provision is an important component of the Proposed Settlement Agreement. Its absence from the NSPs' Position Statement presumably stems from their disagreement with the TAM and RSM, which, as I have explained, is crucial to keeping FPL's Settlement intact. For the reasons I have described, this omission renders the NSPs' tax change provision flawed and not in the best interest of customers.

Q. Does this conclude your settlement rebuttal testimony?

A. Yes.

(Whereupon, prefiled rebuttal testimony of James M. Coyne was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT REBUTTAL TESTIMONY OF JAMES M. COYNE

Filed: October 3, 2025

I. INTRODUCTION AND PURPOSE

Q. Please state your name and business address.

A. My name is James M. Coyne, and I am employed by Concentric Energy Advisors, Inc. ("Concentric") as a Senior Vice President. My business address is 293 Boston Post Road West, Suite 500, Marlborough, MA 01752.

Q. Did you previously file testimony in this proceeding?

A. Yes. I submitted direct, rebuttal, and settlement testimony to the Florida Public Service Commission (the "Commission") on behalf of Florida Power & Light Company ("FPL" or the "Company"), which is a wholly-owned subsidiary of NextEra Energy, Inc., on February 28, 2025, July 9, 2025, and September 3, 2025, respectively.

Q. What is the purpose of your settlement rebuttal testimony?

A. The purpose of my testimony is to respond to the testimony of the following intervenor witnesses as it relates to the proposed 2025 Stipulation and Settlement Agreement ("Settlement Agreement") between Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services LLC, Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., Wawa, Inc., Electrify America LLC, Federal Executive Agencies, Armstrong World Industries, Inc., Southern Alliance for Clean Energy, and FPL (collectively the "Settling Parties"):

- Helmuth W. Schultz, on behalf of the Florida Office of Public Counsel ("OPC");
- Zayne Smith, on behalf of OPC, Floridians Against Increased Rates, Inc. ("FAIR"), and Florida Rising, Inc., League of United Latin American Citizens

of Florida, and Environmental Confederation of Southwest Florida, Inc. (collectively "FEL");

- John Thomas Herndon, on behalf of OPC, FAIR, and FEL;
- Karl R. Rábago, on behalf of FEL; and
- MacKenzie Marcelin, on behalf of FEL.

I collectively refer to these witnesses as "Non-Signatory Witnesses." In particular, I respond to the Non-Signatory Witnesses regarding (1) the relevance of national average authorized ROEs on the merit of the proposed ROE contained in the settlement, and, (2) the proposed Rate Stabilization Mechanism ("RSM").

II. RELEVANCE OF NATIONAL AVERAGE AUTHORIZED ROEs

Q. What is your response to the Non-Signatory Witnesses' comparison of the proposed 10.95 percent ROE under the Settlement Agreement to national average authorized ROEs and other recently awarded ROEs over various timeframes?[1]

A. First, the Non-Signatory Witnesses' references to recent national average authorized ROEs do not explain whether they reflect only vertically integrated electric utilities or whether those averages include electric transmission and distribution rate cases and natural gas distribution rate cases. Nevertheless, comparisons to average authorized ROEs from various timeframes ignore the significant differences between FPL's risk profile and "national average" companies, and the significant shifts in capital markets between recent years, today, and those projected over the 2026-2029 rate period. In

[1] Schultz Settlement Direct, at 15; Rabago Settlement Direct, at 13; Smith Settlement Direct, at 7; Marcelin Settlement Direct, at 11.

my view, a 35 basis point increase in the allowed ROE from the ROE approved by the Commission in 2021 is very reasonable given the approximately 290 basis point increase in prevailing bond yields over the same period.[2] For another perspective, the proposed ROE is 15 basis points above the current authorized ROE adjusted in October 2022 pursuant to the 2021 settlement, which reflects approximately 13 percent of the 115 basis point increase in the 30-year Treasury yield since October 22, 2022.[3] The Non-Signatory Parties' proposal to reduce FPL's current authorized ROE by 20 basis points runs counter to the higher capital cost environment in which FPL raises capital. This Commission has recognized the relationship between bond yields and authorized ROEs, noting "While regulated electric company authorized ROEs do not directly track the 30-year U.S. Treasury Bond yields, the bonds can serve as an indicator of capital costs over time."[4] Additionally, this Commission has explicitly rejected setting ROEs based on historic decisions, stating "We agree that historical authorized ROEs do not reflect the investor-required return at the time the rate case is decided, nor are they are based on market data presented in an evidentiary record."[5] These arguments to the contrary by the Non-Signatory Witnesses are without merit.

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[2] Coyne Settlement Direct, at 4.

[3] Source: Federal Reserve Bank of St. Louis FRED Economic Database, https://fred.stlouisfed.org/series/DGS30. The 30-day average 30-year Treasury yield on October 22, 2022 was 3.77 percent, compared to the 4.92 percent 30-day average 30-year Treasury yield as of June 30, 2025 reported in Figure 3 of my Rebuttal Testimony.

[4] Order No. PSC-2025-0038-FOF-EI (February 3, 2025) at 81.

[5] Order No. PSC-2025-0038-FOF-EI (February 3, 2025) at 82.

Q. Is the difference in your recommended ROE (11.90 percent), or OPC's recommended ROE (9.20 percent), from a national average[6] determinative with respect to the reasonableness of the 10.95 percent ROE proposed in the Settlement Agreement?

A. No. In my opinion, the Commission should weigh the settlement, including the proposed ROE and capital structure, according to the three standards set forth in the *Hope* and *Bluefield* decisions, namely (1) the comparable return standard, (2) the financial integrity standard, and (3) the capital attraction standard.

III. THE PROPOSED RATE STABILIZATION MECHANISM

Q. FEL witness Rábago asserts that FPL's authorized midpoint ROE should not be higher than the industry "especially when considering how the ROE interacts with the Rate Stabilization Mechanism."[7] What is your response?

A. As shown in Exhibit JMC-9, other companies within the proxy group have similar mechanisms that stabilize revenues and cash earnings, such as revenue decoupling. Further, the RSM reflects non-cash earnings that do not support cash flow-based credit metrics relied on by the credit rating agencies in their rating assessments. Nevertheless, as explained earlier, comparisons to national average authorized ROEs ignore the significant differences between FPL's risk profile and "national average" companies, and the significant shifts in capital markets between recent years, today, and those

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6 Schultz Settlement Direct, at 15-16.
7 Rabago Settlement Direct, at 13.

projected over the 2026-2029 rate period, and ignore the Commission's previously expressed view on the validity of these comparisons.

IV. CONCLUSION

Q. In summary, do the Non-Signatory Witnesses' testimonies alter your opinion and support for the proposed settlement?

A. No, they do not. I maintain my support for the proposed 10.95 percent ROE and 59.60 percent equity ratio. In my opinion, it is commensurate with returns available for investments of similar risk, would support FPL's credit profile, and enable it to attract capital as required under the *Hope* and *Bluefield* decisions. Importantly, if approved, the settlement would also maintain predictability and stability in Florida's constructive regulatory environment. In my opinion, the proposed ROE and equity ratio is supported by the evidence on the record, and would provide FPL a fair and reasonable allowed return on equity in the context of the broader settlement.

Q. Does this conclude your settlement rebuttal testimony?

A. Yes.

(Whereupon, prefiled rebuttal testimony of Tiffany C. Cohen was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT REBUTTAL TESTIMONY OF TIFFANY C. COHEN

Filed: October 3, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tiffany Cohen. My business address is Florida Power & Light Company ("FPL" or "the Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted testimony in this proceeding?

A. Yes.

Q. Are you sponsoring any exhibits with this testimony?

A. Yes. I am sponsoring Exhibit TCC-13 – FPL's response to Staff Interrogatory No. 578.

Q. What is the purpose of your settlement rebuttal testimony?

A. The purpose of my settlement rebuttal testimony is to respond to the settlement testimonies submitted by the Office of Public Counsel ("OPC"), Florida Rising, League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida, Inc. (collectively "FEL"), and the Floridians Against Increased Rates, Inc. ("FAIR) (hereinafter, OPC, FEL, and FAIR are collectively referred to as the "Non-Settling Parties" or "NSPs"). The NSPs submitted settlement testimony opposing certain aspects of the proposed 2025 Stipulation and Settlement Agreement ("Proposed Settlement Agreement" or "Settlement") submitted by FPL, Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services, LLC, Electrify America, LLC, Federal Executive Agencies, Armstrong World Industries, Inc., Southern Alliance for Clean Energy, and Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., and Wawa, Inc. (hereinafter, collectively referred to as the "Settling Parties"). Specifically, my settlement testimony responds to the testimony of FEL

M2-46

witnesses Rábago and Marcelin regarding the revenue allocation, bill impacts, and the Commercial/Industrial Load Control and Commercial/Industrial Reduction ("CILC/CDR") load control credits under the Proposed Settlement Agreement. I also respond to the testimony of FEL witness Rábago and OPC witness Wilson regarding the modifications to the LLCS-1, LLCS-2 and LLCS Service Agreement (hereinafter, the "LLCS Tariffs") under the Proposed Settlement Agreement. Additionally, I address the testimony of FEL witness Rábago regarding the modification to the Contribution-in-Aid of Construction tariff ("CIAC Tariff") and the testimony of FEL witness Marcelin regarding the minimum bill. Finally, I respond to the settlement testimony of FEL witnesses Rábago and Marcelin regarding their support for the Position Statement jointly sponsored by the NSPs and attached as exhibits to their respective testimonies.[1] Please note that I am responding to specific issues. Consequently, any argument raised in the testimony presented by the NSPs to which I do not respond, should not be accepted as my support or approval of the positions offered.

II. REVENUE ALLOCATION AND BILL IMPACTS

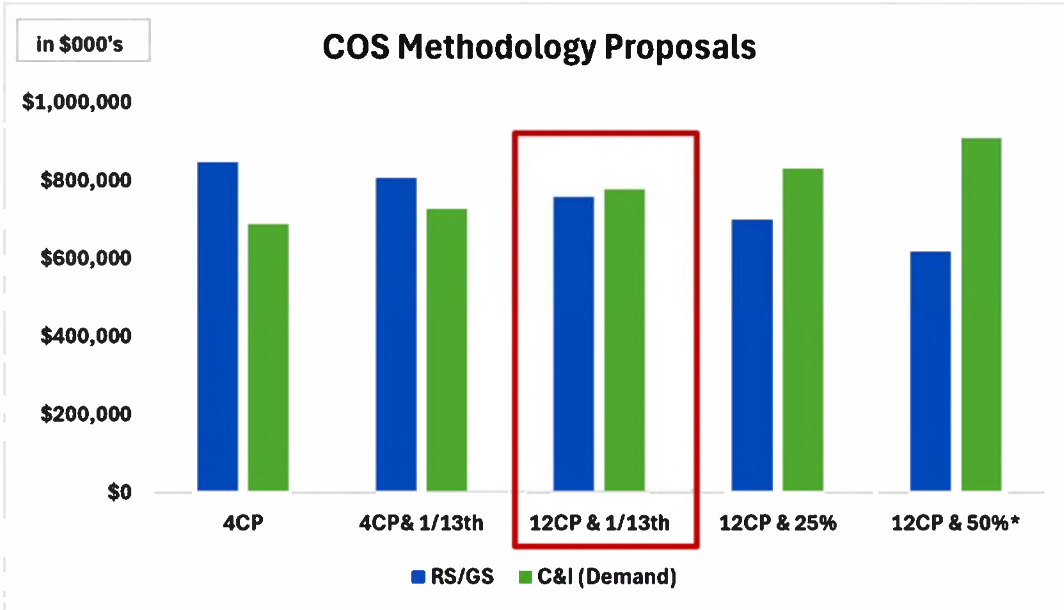
Q. FEL witnesses Rábago and Marcelin are critical of the fact that the Proposed Settlement Agreement does not expressly provide for a specific cost of service methodology. Do you have a response?

A. Yes. First, it is important to understand that a cost of service study is a tool and a guide used to assist with rate class revenue allocation used for the purpose of setting rates –

[1] See Ex. KRR-6 attached to the settlement testimony of FEL witness Rábago; Ex. HWS-11 attached to the settlement testimony of OPC witness Schultz; Ex. JTH-3 attached to the settlement testimony of FAIR witness Herndon. For ease of reference and clarity, I will cite only to Ex. KRR-6 but any reference to the NSPs' Position Statement shall apply equally to each of these duplicative exhibits.

it does not provide the final revenue allocation, which is done through rate design. A cost of service study provides two outputs that are used as guides for allocating revenue: (i) parity of each rate class at present rates (the results are a function of revenues and costs for each rate class at present rates); and (ii) the revenue allocation required for each rate class to be taken to full or 100% parity, meaning their full cost to serve (referred to as revenue allocation at equalized rates). This information produced from the cost of service study is considered in the rate design stage where the target revenue requirement is allocated to each rate class and rates are set based on traditional rate-making principles, including, but not limited to, the Commission's longstanding practice of gradualism, rate and revenue stability, transparency, simplicity, fairness, and no undue discrimination. Thus, although revenue allocation uses the results of the cost of service study as a guide, the final revenue allocation to each rate class is typically different than the revenue allocation at equalized rates (*i.e.*, 100% parity).

As explained in my direct settlement testimony and in the rebuttal testimony of FPL witness DuBose, there were multiple and divergent cost of service methodologies proposed by the parties in this case, and each would have resulted in different rate class parities at present rates and different allocations at equalized rates. Meaning, there were multiple different opinions on the starting point that could be used to allocate revenues at the rate design stage. The table below illustrates the relative impact of the different starting points recommended by the cost of service witnesses in this case.



*The FEL proposal assumed that nuclear and solar plant (approximately 51% of total net plant cost) is allocated on energy, which most closely relates to a 12CP and 50% allocation method.

Given the divergent and competing positions on the cost of service methodology, the Settling Parties agreed upon a revenue allocation rather than using a specific cost of service to determine final rates.

Specifically, the Proposed Settlement Agreement capped the revenue allocation to the Residential ("RS") rate class at 95% of the system average increase, with the revenue differential from this allocation being allocated on an equal percent basis to all other rate classes. Meaning, that the percentage of the revenue increase allocated to each non-residential rate class is essentially the same as the percentage of the total present revenues that each rate class pays today under currently approved rates. It also means that the existing cost of service methodology approved in FPL's last base rate case in Docket No. 20210015-EI is preserved.

As shown in Exhibit TCC-11 to my settlement direct testimony, the parity results of the revenue allocation under the Proposed Settlement Agreement are within the range of parity indices at present rates under each of the cost of service methodologies proposed in this case. This further demonstrates that the revenue allocation under the Proposed Settlement Agreement was a reasonable compromise of the differing and competing cost of service positions submitted by the parties.

Q. On page 8 of his settlement testimony, FEL witness Rábago states there is no way the Commission can reach a conclusion that rates under a settlement are just, reasonable, and in the public interest in the absence of a cost of service study. Do you agree?

A. No. First, it is my understanding that this Commission determines whether a settlement, as a whole, is in the public interest. Second, it's not uncommon for rate case settlements to be based on a negotiated revenue allocation rather than allocations determined by a specific cost of service study. In fact, the approach taken by the Settling Parties in this case is similar to the approach agreed to in the Commission-approved settlement of the most recent Duke Energy Florida, LLC base rate case in Docket No. 20240025-EI, which agreement was notably signed by OPC and supported by one of the intervening FEL members.[2] So clearly, contrary to FEL witness Rábago's claim, the Commission can and has approved a negotiated revenue requirement without a using a specific cost of service study to determine final rates. Third, as I previously explained, there were multiple different cost of service proposals recommended in this case to be used as the starting point or guide for the final revenue allocation.

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[2] *See* Order No. PSC-2024-0472-AS-EI, p. 15 (noting that Counsel for League of United Latin American Citizens of Florida stated their support for the settlement).

Q. On page 7 of his settlement testimony, FEL witness Rábago claims that no Settling Parties agreed to a cost of service methodology and FPL alone seems to believe that the Proposed Settlement Agreement adopts the cost of service methodology from the settlement agreement in FPL's 2021 rate case ("2021 Settlement Agreement"). Do you have a response?

A Yes. I recognize that not all of the non-FPL Settling Parties that were deposed are not cost of service or rate design experts when it comes to cost allocation. However, that does not change the outcome when the terms of the revenue allocation are applied. While the Proposed Settlement Agreement does not expressly adopt a specific cost of service methodology, the Settling Parties agreed to a revenue allocation as a compromise of the multiple competing cost of service proposals in the case. The net effect of applying the modified equal percent allocation methodology under the Proposed Settlement Agreement is that the existing cost allocations in effect today remain in place and are unchanged. The comparison provided in my Exhibit TCC-11 attached to my settlement direct testimony, shows that the parity under present rates (*i.e.*, the currently approved cost allocation methodology) are essentially the same with the proposed revenue allocation under the Proposed Settlement Agreement.

FPL's current rates are the result of the 2021 Settlement Agreement that was found to be in the public interest and approved by the Commission and affirmed by the Florida Supreme Court. FPL's current cost allocation methodology approved in the 2021 rate case is 12 CP and 1/13th for Production Plant, 12 CP for Transmission Plant, and a negotiated allocation for Distribution Plant. Thus, if the Proposed Settlement

Agreement is approved, this same previously approved cost allocation methodology would remain in place during the term of the Proposed Settlement Agreement. Although this was not expressly stated in the Settlement Agreement, it does not change the fact that the application of the Proposed Settlement Agreement mathematically keeps the current underlying cost allocations in place. Finally, I note that, as shown in the table above comparing the cost of service proposals in this case, the 12 CP and 1/13th cost allocation for Production Plan is essentially in the middle of all the cost of service proposals, which further illustrates it is a reasonable compromise.

Q. On page 7 of his settlement testimony, FEL witness Rábago claims that FPL's analysis shows that the Proposed Settlement Agreement is moving many classes "quite far away from parity under the 2021 Settlement Agreement methodology." Do you agree?

A. No. As shown on Exhibit TCC-11 to my settlement direct testimony, the parity of all rate classes under the Proposed Settlement Agreement are essentially flat with the parity at present rates under the 2021 Settlement Agreement methodology. Although there are some very small changes in parity from the 2021 Settlement Agreement methodology, most of the rate classes either stay flat or slightly improve under the Proposed Settlement Agreement. In fact, only a very small number of rate classes have any incremental movement away from their current parity under present rates: CILC-1G (+0.01), GSD(T)-1 (+0.01), RS(T)-1 (-0.01) and GS(T)-1 (+0.0003). These represent immaterial changes that fall well within the range of reasonableness to be considered essentially flat for regulatory ratemaking purposes. These minimal changes neither constitute meaningful progress toward nor away from parity but rather demonstrate that the proposed revenue allocation methodology maintains the relative cost, parity, and rate relationships approved under the 2021 Settlement Agreement. Moreover, the rates under the Proposed Settlement Agreement result in bills for *all* customers that are projected to remain among the lowest in the nation.

Q. On page 8 of his settlement testimony, FEL witness Rábago states that by capping the increase to the RS rate class to 95% of the system average increase, the Proposed Settlement Agreement is shifting millions of dollars onto residential customers. Do you agree?

A. No. First, I note that the RS rate class is receiving a revenue allocation that is approximately $241 million *less* in 2026 and approximately $318 million *less* in 2027, or a collective $559 million less over the two-year period, under the Proposed Settlement Agreement than they would have received under FPL's as-filed case. FEL witness Rábago is improperly trying to apply the revenue allocation under the Proposed Settlement Agreement to the revenue allocation under FPL's as-filed case. Essentially, he is arguing that if we used the revenue allocation under FPL's as-filed case to allocate the revenues under the Proposed Settlement Agreement, then the revenues allocated to each class, including the RS rate class, would be different. This is not ground-breaking; it is obvious because the as-filed case and Proposed Settlement Agreement are based on two entirely different revenue allocations so one would logically expect the revenues allocated to each rate class to likewise be different. Comparing the revenues that a rate class would have received under the as-filed case to the revenues that same rate class would receive under the Proposed Settlement Agreement is an apples-to-oranges comparison. The appropriate point of comparison is the revenues the rate class is receiving at present rates and the impact the revenue allocation has on that rate class's parity position. This is also demonstrated in FPL's direct case through Exhibit TCC-5 where parity at present rates is compared to proposed rates.

As shown on my Exhibit TCC-11 attached to my settlement direct testimony, parity for the RS rate class is improving under the Proposed Settlement Agreement compared to the parity indices at present rates under *all* of the cost of service methodologies proposed in this case. Further, as compared to the present rates under the existing cost of service methodology from the 2021 Settlement Agreement, the parity for the RS rate class is slightly decreasing by 0.01, which is due to the revenue allocation for the RS rate class being capped at 95% of the system average increase under the Proposed Settlement Agreement.

Under the Proposed Settlement Agreement, FPL's projected 2026 typical residential bill would remain nearly 22% below the current national average. I also note that, under the Proposed Settlement Agreement, the compound annual growth rate ("CAGR") of the typical residential bill for customers in the former FPL service area is projected to increase from January 1, 2025 through December 31, 2029 by approximately 2%, as compared to 2.5% under the rates originally requested. Additionally, under the Proposed Settlement Agreement, the CAGR of the typical residential bill for customers in NWFL is projected to increase by approximately 0.6% through 2029. These increases are significantly below the rate of inflation projected for this same time period.

Q. On page 3 of his settlement testimony, FEL witness Marcelin claims that residential customers are already paying more than their fair share and a flat increase pushes them farther away from a fair allocation. Do you agree?

A. No. As shown on Exhibit TCC-11 attached to my settlement direct testimony, the RS rate class is below parity (0.98) under the Proposed Settlement Agreement.

Q. FEL witnesses Rábago and Marcelin state that under the Proposed Settlement Agreement the General Service ("GS") rate class will receive a revenue increase in 2026 that is three times what that rate class would have received under FPL's as-filed case. Do you have a response?

A. Yes. This is an incorrect characterization of the Proposed Settlement Agreement. Under the Proposed Settlement Agreement, all commercial and industrial ("CI") rate classes were treated equally and fairly by applying the same exact increase to all classes. Indeed, the GS rate class received the same 10.4% increase (not a 300% increase as insinuated by FEL witness Marcelin) as every other non-residential rate class. The FEL witnesses are again comparing the increase under the Proposed Settlement Agreement to the as-filed increase, which is an inappropriate comparison as stated above.

The revenues allocated to the GS rate class under the Proposed Settlement Agreement is a mathematical product of two factors: first, the current level of rates for the GS rate class due to the revenue and cost allocations under FPL's 2021 Settlement Agreement that was found to be in the public interest and approved by the Commission in Docket No. 20210015-EI; and second, the modified equal percent revenue allocation method for all rate classes except the RS rate class under the Proposed Settlement Agreement. Considering that the CAGR of the typical GS customer bill of approximately 2.4% is the lowest increase of the major CI rate classes and 2.4% is well below the rate of inflation over that same period, FPL submits that the revenue allocation to the GS rate class is a reasonable outcome in terms of revenue apportionment and bill impact for the class.

Q. On page 10 of his settlement testimony, FEL witness Rábago takes issue with your CAGR calculations because the current bill includes a storm surcharge that will terminate at the end of 2025. Do you have a response?

A. Yes. The storm charge is clearly shown separately on all bill impact exhibits I have provided in this docket. The CAGR calculation is strictly a function of the math between the starting and ending points. The fact that the storm charge terminates at the end of 2025 equates to otherwise lower bills for all customers in 2026.

Q. On pages 10-11 of his settlement testimony, FEL witness Rábago takes issue with FPL's statements that the Settling Parties represent the GS and RS rate classes. Do you have a response?

A. Yes. FPL must always balance and consider the interests of all customers by making prudent and cost-effective decisions that ultimately impact bills to all customers. Indeed, as demonstrated in the direct testimony of FPL witness Reed, FPL has consistently outperformed comparable companies in service quality, operational performance, and reliability, all while providing customers the benefit of exceptional cost control. Further, as I explain in my direct testimony, FPL's bills have consistently been well below the national average and, as I explain in my settlement direct testimony, will continue to be below the national average under the Proposed Settlement Agreement. This is a testament to the cost-effective decisions made by FPL on behalf of all customers, including the RS and GS rate classes.

Q. On page 8 of his settlement testimony, FEL witness Rábago claims that the Settling Parties received "massive rate breaks while shifting costs onto the RS and GS" customers. Do you agree?

A. Absolutely not. Again, he is improperly trying to apply the revenue allocation under the Proposed Settlement Agreement to the revenue allocation under FPL's as-filed case, which is not the appropriate comparison point as I previously explained.

Q. On page 3 of his settlement testimony, FEL witness Marcelin claims that residential customers are paying too much for electricity in the United States, and that the Commission should reject the Proposed Settlement Agreement. Do you have a response?

A. Yes. His comment has no relevance to the Proposed Settlement Agreement. FPL's residential customers would see an annual increase of just 2% over the term of the Proposed Settlement Agreement and their bills would remain among the lowest in the nation and the lowest among the Florida investor-owned utilities.

Q. On page 8 of his settlement testimony, FEL witness Marcelin claims that FPL will recover over $1.6 billion in additional revenues from low-income customers under the Proposed Settlement Agreement. Do you have a response?

A. Yes. FEL witness Marcelin assumes that nearly 50% of FPL's customers are at or below the ALICE level,[3] and then uses that assumption and some convoluted math to

[3] "ALICE" is an acronym for Asset Limited, Income Constrained, Employed, a term that describes a segment of the population that works but is unable to afford basic necessities.

estimate what he believes will be the additional revenues to be paid by ALICE households. Putting aside that his analysis is premised on multiple assumptions that cannot be proven, FEL witness Marcelin overlooks that FPL does not have a separate low-income residential rate class. FPL has one single residential rate class, the RS rate class, and is required to treat all customers within that class fairly and in a non-discriminatory or preferential manner. Notably, all residential customers, including low-income customers, benefit from the Proposed Settlement Agreement by capping the revenue increase at 95% of the system average as opposed to the 100% system average equally allocated to the other rate classes and a revenue allocation that is approximately $559 million less than FPL's as-filed case over the two years. As explained in my settlement direct testimony and above, the typical RS bill will continue to be well below the national average under the Proposed Settlement Agreement.

Q. On pages 24 and 25 of his settlement testimony, FEL witness Rábago claims that no party advocated for the 4 CP and 12% allocation methodology in the clauses and that this methodology shifts clause costs away from CI rate classes and to the RS and GS rate classes. Do you have a response?

A. Yes. The clause allocation methodology in the Proposed Settlement Agreement is one part of a multi-faceted agreement that reflects a carefully balanced compromise of many differing and competing positions by parties representing a broad range of interests and customers and results in rates that are fair, just, and reasonable for all customers. The clause allocation was a necessary component to reach an overall agreement and resolution of all issues under the Proposed Settlement Agreement.

I note that 4 CP was proposed by several Settling Parties, and that adding in a 12% energy weighting recognizes the part energy plays in resource selection, which is another concession of competing energy-weighted allocation proposals by the Settling Parties. I further note that using the 4 CP and 12% allocation method produces results that are not substantially different than the current 12 CP and 1/13th method with very little incremental bill impact as shown in FPL's response to Staff Interrogatory No. 578, which is provided as Exhibit TCC-13. Notably, the projected 2026 bill impact of using the 4 CP and 12% allocation method for all clauses is $0.00 for a typical 1,000 kWh residential customer.

III. CILC/CDR CREDITS

Q. On page 6 of his settlement testimony, FEL witness Rábago claims that the CILC/CDR credits under the Proposed Settlement Agreement are not cost-effective under the Rate Impact Measure ("RIM") test and, on page 8 of his settlement testimony, FEL witness Marcelin claims those credits will cost the general body of customers $122 million over the four-year term. Do you have a response?

A. Yes. FEL witness Marcelin is comparing the credits from FPL's as-filed case to the those under the Proposed Settlement Agreement. Under the Proposed Settlement Agreement, the level of utility-controlled demand credits for customers receiving service pursuant to FPL's CILC tariff and the CDR rider will be $9.75/kW, which is a modest increase from the current credit level. As stated in my settlement direct testimony, multiple parties provided CILC/CDR proposals based on their own cost-effectiveness analyses, each with different results. As FEL witness Rabago states, the assumptions used in FPL's RIM test analysis result in lower CILC/CDR credits. However, the assumptions used by other parties' analyses resulted in higher CILC/CDR credits. The CILC/CDR credit of $9.75/kW under the Proposed Settlement Agreement was a compromise of these competing and different analyses and proposals for the appropriate level of credits. Using FPL's RIM test analysis, the CDR/CILC credit of $9.75/kW results in a RIM cost-effectiveness score of 0.96. However, this credit level passes the Total Resource Cost cost-effectiveness test with a score of 105.79, which is one of the three cost-effectiveness tests recognized by the Commission and is a cost-effectiveness test FEL has routinely supported in multiple Demand Side Management Goals dockets before the Commission.

Q. On page 7 of his settlement testimony, FEL witness Marcelin takes issue with the increase in the CILC/CDR credits with each approved Solar and Battery Base Rae Adjustment ("SoBRA") under the Proposed Settlement Agreement. Can you please explain why these credits increase with each approved SoBRA?

A. Yes. FPL's proposal to adjust the CDR credits contemporaneously with each SoBRA is a negotiated term in the Proposed Settlement Agreement. However, this approach is consistent with prior Commission-approved settlement agreements (Order Nos. PSC-2016-0560-AS-EI and PSC-2021-0446-S-EI) and aligns with the intent of the SoBRA mechanism in that base rate changes should be applied uniformly to all base rate components.

Q. On pages 7-8 of his settlement testimony, FEL witness Marcelin states that the value for the CILC/CDR credits should not increase with the SoBRAs because as firm load is added to the system in the form of batteries plus additional solar, the likelihood of FPL having a lack of sufficient generating sources decreases as does the value of the credit. Do you agree?

A. No. This is an incorrect view of the increase in CILC/CDR credit resulting from the SoBRA additions. The overall intent of increasing the load control credits is due to the SoBRA and is not related to resource additions. The escalation of the credit with each SoBRA is an element of the Proposed Settlement Agreement. Load control credits are considered a base rate item and under the SoBRA mechanism, and all base rate items are increased by a contemporaneous percentage. Since 2013, load control credits have increased with every Generation Base Rate Adjustment and SoBRA. Stating that their value to the system diminishes with battery and solar misunderstands the intent of the credit escalation and is singling out one element of the Proposed Settlement Agreement for criticism.

IV. LLCS TARIFFS

Q. Please summarize OPC's and FEL's concerns with the modifications to the LLCS Tariffs under the Proposed Settlement Agreement.

A. OPC witness Wilson is generally complimentary of FPL's proposed LLCS Tariffs stating that FPL "had wisely moved to get out in front of" new large load customers, agreed that a large load tariff is needed before customers are willing to contract for power, and agreed that moving the size threshold to 50 MW is reasonable. Overall, OPC witness Wilson supports the LLCS Tariffs as modified by the Proposed Settlement Agreement and his primary criticism is the reduction in the minimum take-or-pay demand charge from 90% to 70%. OPC witness Wilson also recommends that an additional tariff be developed to allow large load customers to be fully interruptible, as well as to include provisions allowing large load customers to bring their own generation to the FPL system.

Although he recognizes that these changes were made in FPL's rebuttal, FEL witness Rábago nonetheless takes issue with the following modifications to the LLCS Tariffs: the decrease in the minimum take-or-pay demand charge from 90% to 70%, the increase in the size threshold from 25 MW to 50 MW, and the change in the Incremental Generation Charge ("IGC"). FEL witness Rábago claims these modifications weaken the protections for the general body of customers.

Q. Please respond to the concerns regarding the change in the LLCS Tariffs' minimum take-or-pay from 90% to 70%.

A. First, I note that this change was proposed and explained in my rebuttal testimony. Notably, the OPC and FEL witnesses overlook a key point with the minimum take-or-pay provision of the LLCS Tariffs. The minimum take-or-pay provision only applies to the demand charges, which recovers a portion of the fixed transmission, distribution, and customer costs incurred to provide service to the LLCS customers. Consistent with FPL's original filing, a LLCS customer is still required to pay 100% of the IGC, which recovers the incremental cost of the generation resources built to serve the LLCS load, over the 20-year term of the LLCS Service Agreement. If the LLCS customer reduces their load, they are still obligated to pay 100% of the IGC, which rate does not change with fluctuations in demand. Further, if they terminate the LLCS Service Agreement prior to the end of the 20-year term, they are required to pay an exit fee that is equivalent to an accelerated payment of 100% of the IGC for the remaining term of the LLCS Service Agreement. Additionally, the LLCS customers will be subject to either FPL's proposed CIAC tariff modification (pay 100% total project costs up-front and receive a bill refund up to the CIAC amount due) or the existing Performance Guarantee Agreement ("PGA"), both of which help backstop the non-CIAC amount to be recovered from the customer.

The collective combination of these protective measures will provide adequate safeguards for the general body of customers in the event the LLCS customer's contract demand does not materialize and/or their demand subsequently drops or the customer leaves the system. Based on my review of similar tariffs, FPL's customer safeguards are among the most robust and protective of the general body of customers.

Q. Please explain how the 70% minimum take-or pay for the LLCS Tariffs works.

A. The LLCS Tariffs requires the following minimum bill:

> Customer will have no more than the Load Ramp Period to reach full contract demand, during which time the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge and applicable Additional Charges based on Demand of no less than 70% of the Customer's Load Ramp Demand; an (v) Incremental Generation Charge based on the Customer's Load Ramp Demand.
>
> After the Load Ramp Period, the minimum monthly bill will be the sum of: (i) the Base Charge; (ii) the Non-Fuel Energy Charge based on kWh; (iii) applicable Additional Charges based on kWh; (iv) the Base Demand Charge

> and applicable Additional Charges based on Demand greater than (a) 70% of the Customer's Contract Demand or (b) the Customer's highest previously established monthly billing Demand during the past 11 months; and (v) an Incremental Generation Charge based on the Customer's Contract Demand.

This means the LLCS customer is obligated to pay the higher of 70% of their contracted demand or their highest demand over the prior 11 months. As a result, the actual demand charge will be 100% if the LLCS customer hits their full contract demand just once in the prior 11-month period.

Q. OPC witness Wilson states that the 70% take-or-pay makes it easier for the LLCS customers to "walk away." Do you agree?

A. No. OPC witness Wilson states that a 1 GW data center can cost $30 - $35 billion. Any large customer taking service under this tariff will have a significant capital outlay. No rational operator invests at that scale without a long-term commitment. Moreover, even in the unlikely event that a LLCS customer did exit, the LLCS tariff requires exit fees for early termination that are equivalent to payment of 100% of the IGC for the remaining term of the LLCS Service Agreement.

Q. Can you provide an example of what would happen if a LLCS customer contracts for 500 MW but their load subsequently declines to 250 MW?

A. Yes. The table below illustrates the monthly bill impact if a LLCS customer that has contracted for 500 MW subsequently reduces their load to 250 MW. This customer is still obligated to pay 100% of the IGC and 70% of the demand-based charges under the LLCS Tariffs.

M2-64

Component	500 MW Demand	250 MW Demand without Minimum Provision	250 MW Demand with Minimum Provision at 70%
Base Charge	$669	$669	$669
Energy Charge	$2,351,695	$1,175,848	$1,175,848
Demand Charge	$7,305,000	$3,652,500	$5,113,500
Incremental Generation Charge	$5,833,132	$5,833,132	$5,833,132
Total Monthly Base Bill	$15,490,496	$10,662,149	$12,123,149
Base Revenue Recovery	100%	69%	78%

As shown above, a 500 MW LLCS customer would pay approximately $15.5 million monthly under LLCS Tariffs as modified by the Proposed Settlement Agreement. If that same LLCS customer reduced their usage to 250 MW without the minimum take-or-pay demand charge, the LLCS customer would pay for approximately 70% of their base bill at the full contracted load. Under the 70% minimum take-or-pay demand charge, this same LLCS customer with reduced usage at 250 MW, would pay nearly 80% of their base bill at the full contracted load. Thus, the 70% minimum take-or-pay demand charge provision in the LLCS Tariffs provides a substantial protection for the general body of customers. Notably, FPL has no similar minimum take-or-pay requirements for any other customer on its system today who could leave FPL's service area with little to no warning.

Q. Do you have a response to the concerns raised by FEL witness Rábago to the change in the threshold size for the LLCS Tariffs?

A. Yes. I note that this change was proposed in my rebuttal testimony. As explained in my rebuttal testimony, it is reasonable to utilize a higher threshold based on more recent inquiries from customers requesting large loads, and more recent information as we complete engineering studies and evaluate requested load ramps. Most large load customers are seeking service for loads in excess of 100 MW. Increasing the threshold ensures that the tariff applies where it really matters – to large load customers – while avoiding an unnecessary administrative burden on smaller CI customers. I also note that OPC witness Wilson agrees on page 27 of his settlement testimony that "perhaps this change is reasonable."

Q. Can you address FEL witness Rábago's concerns regarding the modification to the IGC based on a lower load amount?

A. Yes, this proposed change was noted in my rebuttal testimony. The IGC initially proposed in the LLCS-1 tariff was priced based on the revenue requirement for the capacity additions needed to serve the full 3 GW of load to be served under the LLCS-1 tariff, with the IGC and other rate components to be reset in subsequent rate cases as discussed in my rebuttal testimony.

Subsequent to FPL filing the original proposed LLCS Tariffs on February 28, 2025, FPL completed two engineering and system impact studies for potential LLCS customers that would take service under the LLCS-1 tariff, if approved, and currently has seven other studies currently in progress. Based on the contract demands and likely load ramps requested in these studies, FPL reasonably expects to only serve a combined total load of approximately 1 GW under the LLCS-1 tariff by the end of 2029. As such, FPL proposed to re-price the IGC for the LLCS-1 tariff based on the capacity additions needed to serve the 1 GW of load by the end of 2029, rather than the entire 3 GW of load available to be served under the LLCS-1 rate schedule. However, the IGC and other rate components of the LLCS-1 will be re-priced in the next base rate case reflecting actual build and actual loads, which if FPL's Proposed Settlement Agreement is approved, is expected to be filed in 2029 for rates effective in 2030, based on actual and forecasted costs and revenues at that time. FPL only intends to build incremental resources once load has been contracted. Had FPL left the 3 GW pricing in place, and not served 3 GW of load by 2030, the customers taking service under LLCS could be overcharged for incremental generation that had not been built to serve them.

Q. OPC witness Wilson recommends FPL consider adding large load tariffs that would allow interruptible service. Are the LLCS customers eligible for interruptible service under the LLCS Tariffs as modified by the Proposed Settlement Agreement?

A. No. Customers who meet the requirements of the proposed Rate Schedules LLCS-1 or LLCS-2 are not eligible for service under Standby and Supplemental Service (SST-1) or Interruptible Standby and Supplemental Service (ISST-1). This limitation has remained unchanged since FPL's original filing.

Q. Are there any concerns or issues with allowing a customer that would qualify for service under the LLCS Tariffs to receive interruptible service?

A. Yes. First, FPL would still need to build the incremental generation required to serve the customer's peak load. Meaning, even if a large load customer elected to receive interruptible service, FPL would still incur and need to recover the incremental costs associated with the generation capacity necessary to be ready to serve the customer at 100% of their contract demand. Second, and relatedly, customers that are willing to receive interruptible service typically only do so for a discounted rate in exchange for the potential of being called upon to disrupt their service if needed. Providing a discounted rate for LLCS customers may result in a shortfall of revenues associated with the incremental generation being recovered from these customers. Third, I note that customers with an 85% load factor are essentially running operations twenty hours a day and have little interest in being interrupted. Thus, these customers would likely need to arrange for significant and costly back-up generation in order to continue to have a reliable electric supply in the event they need to be interrupted. Another reason for concern is that it would be costly for an LLCS customer to shift their significant load elsewhere, start up their facilities, and then return to the FPL grid.

Q. Would FPL consider a large load interruptible tariff in the future?

A. If there was sufficient and realistic customer interest in interruptible service, FPL would evaluate the option to provide such customers with safe, reliable, and cost-effective interruptible service without impacting the service or costs to its general body of customers. However, at this time, FPL has not received interest in interruptible service from customers that would qualify for service under the LLCS Tariffs.

Q. OPC witness Wilson recommends FPL consider allowing large load customers to bring their own generation to the FPL system. Are LLCS customers allowed to bring their own generation under the LLCS Tariffs as modified by the Proposed Settlement Agreement?

A. Yes, and that is unchanged from FPL's original filing. LLCS customers are permitted to own generation capacity consistent with and as permitted by the requirements of law, the Commission's regulations, and FPL's Commission-approved tariff, as may be amended from time-to-time.

Q. Are there other concerns or issues with allowing LLCS customers to bring their own generation to the FPL system?

A. Yes. Allowing customers of this magnitude to bring their own generation to meet their contract demand will require significant operational and design considerations for both FPL and the customer. For example, a customer's on-site generator must be able to adjust its power output to match their changing electricity needs throughout the day. In return, the utility grid must provide additional balancing services to maintain reliable power. Further, the customer will need to install and maintain suitable protective relaying equipment and devices necessary to protect FPL's system and other electric users from disturbances, backfeed, or faults that may occur on the customer's side of the meter. Finally, FPL would still incur and need to recover the incremental costs associated with the generation capacity necessary to be ready to serve the customer at 100% of their contract demand.

Q. OPC witness Wilson asserts on page 8 of his settlement testimony that data centers employ very few people and may delay in attracting other types of new customers to the extent the data centers use up available generating capacity. Do you have a response?

A. Yes. With respect to his claim regarding employees, I note that FEIA witness Mangum stated on page 4 of his direct testimony that a 1 GW hyperscale campus in St. Lucie County would deliver $13.5 billion in total private capital investment over the course of development, $1.2 billion per year in sustained economic output, 370 direct long-term jobs in St. Lucie County and 2,370 supported jobs across the state of Florida, $20 million per year in new state gross receipts tax, $114 million annually in St. Lucie

County tax revenue and $63 million per year in dedicated property tax revenue for St. Lucie public schools.

With respect to his concern about data centers using up existing generating capacity that could otherwise be used for other customers, OPC witness Wilson appears to misunderstand that FPL currently does not have capacity on its system to serve these LLCS customers and that FPL will need to build incremental new capacity that is not otherwise needed to serve the general body of customers as explained in my rebuttal testimony. This is precisely why FPL has designed the proposed LLCS Tariffs to recover the incremental generation costs from the LLCS customers and included important safeguards to protect the general body of customers from these costs. Any capacity needed for other non-LLCS customers will be added to FPL's system in the ordinary course as needed to meet the forecasted customer load growth consistent with FPL's standard planning process and annual Ten-Year Site Plans.

Q. Please comment on OPC witness Wilson's statement that in other states, and the PJM wholesale market, costs of serving incremental data center loads are spread to other customers.

A. I agree with OPC witness Wilson that the growth in the electric industry due to data centers is unprecedented and traditional ratemaking principles did not anticipate this situation. That is exactly why FPL has structured its LLCS Tariffs with multiple safeguards to protect the general body of customers from the incremental generation costs needed to serve customers of this magnitude. FPL wants to be ready, willing, and able to partner with large load customers that seek to locate in Florida but, at the same time, protect its general body of customers from higher costs. FPL has had the benefit of not being a first mover in this space and is learning from other states and other utilities. However, FPL is ahead, not behind, other jurisdictions who are now adding new terms into their tariffs such as requiring long-term contracts and stricter collateral requirements after problems have emerged. FPL's proposed LLCS Tariffs are one of the strictest, if not the strictest, in the entire country as far as protecting the general body of customers. To my knowledge, no other tariff in the country requires 100% of the incremental generation costs to be paid by the customer.

Q. Do you have any other observations about the NSPs' position on the LLCS Tariffs as modified by the Proposed Settlement Agreement?

A. Yes. Although it is not directly addressed in the NSPs' settlement testimonies, I note that paragraph 6 of the NSPs' Position Statement supports the LLCS Tariffs as modified by the Proposed Settlement Agreement with two limited exceptions.[4] First, the NSPs' Position Statement recommends the minimum take-or-pay demand charge be set at 80% rather than 70% in the Proposed Settlement Agreement. As explained in my rebuttal testimony and above, a minimum 70% minimum take-or-pay demand charge is reasonable and appropriate given the many other customer safeguards under the LLCS Tariffs. Second, the NSPs' Position Statement does not adopt the performance security amount in paragraph 6(e) of the Proposed Settlement Agreement. Thus, it appears that the NSPs support the up-front performance security amount of 100% of the IGC over the 20-year term of the LLCS Service Agreement as originally proposed in FPL's February 28, 2025, filing. For the reasons explained in my

[4] *See* Exhibit KRR-6, pp. 41-42.

settlement testimony, the level of performance security amount in paragraph 6(e) of the Proposed Settlement Agreement is more commercially reasonable.

V. CIAC

Q. On pages 21-22, FEL witness Rábago claims that the CIAC tariff proposal under the Proposed Settlement Agreement will reduce protections for the general body of customers. Do you have a response?

A. Yes. As explained in my direct testimony, under the proposed new CIAC tariff provision, the applicant pays the CIAC amount upfront, pays the non-CIAC amount upfront, receives a bill credit up to the non-CIAC amount over a five-year period similar to paying base revenues over that same period, and FPL is permitted to retain the differential, if any, at the end of the five-year period to keep the general body of customers whole. As originally proposed, the new CIAC tariff provision would apply to all new non-governmental applicants with new or incremental projected load of 15 MW or more or that require new or upgraded facilities with a total estimated cost of $25 million or more at the point of delivery. Under the Proposed Settlement Agreement, the new CIAC tariff provision will apply to all new non-governmental applicants that require new or upgraded facilities with a total estimated cost of $50 million or more at the point of delivery. This was a compromise of competing and divergent interests and is one part of a multi-faceted agreement.

FEL witness Rábago overlooks that applicants below the $50 million threshold for the new CIAC tariff, as modified by the Proposed Settlement Agreement, are still subject to FPL's existing PGA tariff if there is uncertainty that the applicant's projected load or estimated annual revenues used to calculate the applicant's CIAC amount will, in fact, materialize. As explained in my rebuttal testimony, under the PGA, the applicant pays the CIAC upfront, posts collateral in an amount equal to the non-CIAC amount, repays the non-CIAC amount through base revenues, and FPL can draw on the collateral at the end of a four-year period to cover the differential (if any).

Notably, under both the PGA and the proposed CIAC tariff, the applicants end up paying the exact same CIAC and non-CIAC amounts, all things being equal. The primary difference is whether the applicant posts collateral for the non-CIAC amount under the PGA or is required to pay the non-CIAC amount upfront and receive a monthly bill credit up to the non-CIAC amount. The end result is the same – the general body of customers is made whole. The difference is the timing. Obviously the larger the dollar amount, the greater the risk, which is why FPL submits that the $50 million threshold is a reasonable concession for the CIAC tariff provision under the Proposed Settlement Agreement.

VI. MINIMUM BILL

Q. On page 15 of his settlement testimony, FEL witness Marcelin claims that FPL did not provide support to increase the minimum bill from $25 per month to $30 per month in the Proposed Settlement Agreement. Do you have a response?

A. Yes, I disagree. The proposed $30 per month minimum bill set forth in the Proposed Settlement Agreement was unchanged from FPL's original filing submitted on

February 28, 2025, and the calculation was provided in MFR E-14, Attachment 15. Further, FPL provided its workpapers and support for the minimum $30 per month in response to discovery.

Q. On page 16 of his settlement testimony, FEL witness Marcelin states that the minimum bill will impact low-income customers, not just impact snowbird or customers with multiple homes. Do you have a response?

A. Yes. I fully addressed and rebutted FEL's opposition to the minimum bill in my rebuttal testimony. In his settlement testimony, FEL witness Marcelin has taken a limited illustrative example in my rebuttal testimony to improperly suggest that the intent of the minimum bill is to only apply to customers with multiple homes. This is not correct. The minimum bill ensures that *all* residential and general service non-demand customers contribute to their fair share of fixed system costs that FPL incurs to maintain readiness to serve customer loads, regardless of actual usage. This readiness includes infrastructure required for reliable service (*e.g.*, wires, poles, and transformers), which is essential to connect and serve electricity to all customers, including those with low or zero usage. By having a minimum bill, unavoidable fixed costs are appropriately distributed, ensuring that every customer contributes fairly, irrespective of their usage level.

VII. NSPs' POSITION STATEMENT

Q. Does the NSPs' Position Statement filed by the non-settling parties provide sufficient information for the Commission and intervenors to fairly analyze the proposed revenue increase?

A. No. The NSPs' Position Statement does not include rate schedules, tariff sheets, or even a complete class revenue allocation and, instead, provides that FPL should be required to produce the associated tariffs. Another example is that the total revenues for 2026 provided on Exhibit B do not match the proposed 2026 revenues in Paragraph 4(a) of the NSP Position Statement.[5] There is no explanation for this difference. Additionally, the revenue allocation in Exhibit B does not address all rate classes or gradualism.[6] In short, the revenues and allocations under the NSPs' Position Statement are incomplete and the NSPs have simply left it up to the Commission to figure out.

Q. Please explain how the revenue allocation recommended in the NSPs' Position Statement violates the Commission's gradualism principle.

A. Despite stating in paragraph 4(f) that the revenue allocation is limited by the Commission's traditional gradualism test, Exhibit B of the NSPs' Position Statement demonstrates that the revenue allocation violates gradualism.[7] The Commission's gradualism principle limits class increases to no more than 1.5 times the system average increase and prohibits any class from receiving a decrease. As shown on Exhibit B of the NSP Position Statement, the NSPs recommend increases to the GSD(T)-1, GSLD(T)-1, and GSLD(T)-2 rate classes that exceed 1.5 times the system average

[5] *See* Exhibit KRR-6, pp. 29, 34.
[6] *See* Exhibit KRR-6, p. 29.
[7] *See* Exhibit KRR-6, pp. 29, 36.

increase, in direct violation of the Commission's gradualism principle.[8] Further, the NSPs recommend a decrease in revenues to the GS(T)-1 class, which also violates the Commission's gradualism principle.

Q. Does the absence of full rate schedules and allocations compound these violations?

A. Yes. The NSPs' Position Statement only shows allocations to five of eighteen rate classes on Exhibit B. Additionally, more than $42 million and $63 million of the revenue requirement for 2026 and 2027, respectively, as set forth in paragraph 4 of the NSPs' Position Statement, is unaccounted for in the revenue allocation shown on Exhibit B of the Position Statement.[9]

Q. The NSPs' Position Statement includes an estimate of the residential base bill impact. Do you believe this estimate is reliable?

A. No. The estimate cannot be considered reliable because the Position Statement does not provide the full class revenue allocations to believe that any of their resulting rates are valid. Bill impacts are the end product of a chain of calculations that begin with revenue requirements and then flow through class allocations, rate design, and tariff charges. If the intermediate steps are incomplete or missing, the result cannot be verified.

[8] *See* Exhibit KRR-6, pp. 29.

[9] *See* Exhibit KRR-6, pp. 29, 34.

Q. Despite FEL claiming in their direct testimony that the 1,000 kWh residential bill is not the appropriate representation for a residential customer, the NSPs' Position Statement shows bill impacts using a 1,000 kWh representation.[10] Do you have any comments or concerns with this calculation of the bill impacts?

A. Yes, I find it incredibly interesting that FEL criticizes FPL's use of the typical 1,000 kWh residential bill for benchmarking purposes yet the NSPs do the same exact comparison in their testimony. They confirm the point that the 1,000 kWh residential bill is the appropriate benchmark.

Q. The NSPs' Position Statement appears to propose to terminate the existing transition credit and rider approved in the 2021 Settlement Agreement.[11] Do you have a response?

A. Yes. Rates for customers are fair, just and reasonable with the previously approved transition credit and transition rider. The transition rider and transition credit were approved as part of the 2021 Settlement Agreement, recognizing the cost to serve differential between FPL legacy and NWFL (former Gulf) customers and step down ratably over a five-year period. As shown in Exhibit TCC-12 pages 6-10, attached to my direct settlement testimony, bills in NWFL increase between 0.6% and 1.2% over four-year term of the Proposed Settlement Agreement. Additionally, the transition rider and credit terminate at the end of 2026 so NWFL customers will see a decrease to their bills from this charge on January 1, 2027.

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[10] *See* Exhibit KRR-6, pp. 8, 29.
[11] *See* Exhibit KRR-6, pp. 13, 39.

Q. What is your overall conclusion regarding the NSPs' Position Statement?

A. The NSPs' Position Statement is grossly inadequate, violates all basic ratemaking principles, and cannot be reasonably replied upon with any credibility. The NSPs do not appear to have followed this Commission's established ratemaking standards and practices. Coupled with the omission of full rate schedules and allocations, the NSPs' Position Statement is simply an incomplete proposal.

Q. Does this conclude your settlement rebuttal testimony?

A. Yes.

(Whereupon, prefiled rebuttal testimony of Tim Oliver was inserted.)

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT REBUTTAL TESTIMONY OF TIM OLIVER

Filed: October 3, 2025

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tim Oliver. My business address is Florida Power & Light Company ("FPL" or "the Company"), 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. Have you previously submitted testimony in this proceeding?

A. Yes.

Q. Are you sponsoring any exhibits with this testimony?

A. No.

Q. What is the purpose of your settlement rebuttal testimony?

A. The purpose of my settlement rebuttal testimony is to respond to the settlement testimonies submitted by the Office of Public Counsel ("OPC"), Florida Rising, League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida, Inc. (collectively "FEL"), and the Floridians Against Increased Rates, Inc. ("FAIR") (hereinafter, OPC, FEL, and FAIR are collectively referred to as the "Non-Settling Parties" or "NSPs"). The NSPs submitted settlement testimony opposing certain aspects of the proposed 2025 Stipulation and Settlement Agreement ("Proposed Settlement Agreement") submitted by FPL, Florida Industrial Power Users Group, Florida Retail Federation, Florida Energy for Innovation Association, Inc., Walmart Inc., EVgo Services, LLC, Electrify America, LLC, Federal Executive Agencies, Armstrong World Industries, Inc., Southern Alliance for Clean Energy, Americans for Affordable Clean Energy, Inc., Circle K Stores, Inc., RaceTrac, Inc., and Wawa, Inc. (hereinafter, collectively referred to as the "Settling Parties"). My settlement rebuttal testimony addresses contentions made by OPC witness Schultz in his settlement testimony regarding property held for future use ("PHFU"), including his claims of an improper "loophole" allowing FPL to purchase non-solar land during the Minimum Term of the Proposed Settlement Agreement and later reclassify it to solar land, and excessive land stockpiling in general. I also address issues related to the Company's electric vehicle ("EV") tariffs and programs raised by FEL witness Rábago in his settlement testimony, particularly his characterization of the Make-Ready program as an improper subsidy and his objections to FPL's demand limiter tariffs. Additionally, I respond to the NSPs' proposal regarding cost recovery for remediation at the Kayak Solar Energy Center ("Kayak Solar") that is included in the position statement jointly sponsored by the NSPs attached as Exhibit HWS-11 to the settlement testimony of OPC witness Schultz ("Position Statement").

Q. Please summarize your settlement rebuttal testimony.

A. My settlement rebuttal testimony demonstrates that the NSPs' concerns are based on misunderstandings of FPL's disciplined approach to utility operations. Regarding PHFU, I clarify the rationale for land purchases during the Minimum Term of the Proposed Settlement Agreement, explain how FPL's strategic land holdings avoid price inflation for customers, and detail our commitment to use best commercial efforts to divest $200 million in properties as part of the negotiated Proposed Settlement Agreement. For EV programs, my settlement rebuttal testimony explains how FPL's Make-Ready program will operate as a revenue-positive investment that is expected to have a favorable benefit to the general body of FPL customers over the life of the asset, as shown on Exhibit TO-10, filed with my settlement direct testimony on September 3, 2025. The program costs will be fully recovered through increased electricity sales while supporting Florida's position as the nation's second-largest EV market. In addition, I explain that the demand limiter tariffs provide incentives that automatically phase out as charging station utilization increases, which is expected to have a favorable benefit to the general body of FPL customers over the life of the asset. Concerning Kayak Solar, the costs for remediation and improvements are not included in FPL's current rate proposal.

II. PROPERTY HELD FOR FUTURE USE

Q. How do you respond to allegations of a potential "loophole" allowing FPL to continue purchasing land during the Minimum Term of the Proposed Settlement Agreement?

A. The Proposed Settlement Agreement specifically prohibits FPL from exercising existing purchase options or entering new land acquisition contracts for property to be used exclusively for solar projects or hybrid solar and battery storage projects, with the one exception of the Duda Property option. However, this does not prevent FPL from acquiring land for other utility purposes such as transmission, distribution, or other non-solar generation uses if operationally necessary during the Minimum Term of the Proposed Settlement Agreement. This is not a "loophole" as characterized by witness Schultz, but instead it is evidence of prudent utility practices to acquire land for other utility purposes as needed. FPL did not agree to cease all land purchases for the Minimum Term of the Proposed Settlement Agreement, and one cannot reasonably call something a "loophole" because it does not include things that were not agreed to. Further, under the Proposed Settlement Agreement, any hypothetical future land acquisition that is not allowed, specifically land used exclusively for solar or hybrid solar-battery projects (with the exception of the Duda property), would go through FPL's normal process and be subject to future Commission review, providing the same customer protections that exist today.

Q. How do you respond to the land acquisition and disposition provision suggested in the NSPs' Position Statement requiring that any land acquired prior to FPL's next general base rate proceeding be recorded below the line and excluded from rate base until a prudence determination is made?

A. The NSPs' Position Statement provision that any land acquired prior to FPL's next general base rate proceeding be recorded below the line and excluded from rate base pending a prudence determination is neither reasonable nor in the best interest of FPL's customers. This approach would fundamentally alter established regulatory principles and create an unworkable constraint on FPL's ability to serve customers reliably.

Additionally, this misplaced notion would appear to require the Commission to review and approve every land purchase that the Company makes for the benefit of customers, no matter how big or small, in one-off prudence determination dockets. Taken to an illogical conclusion, this NSPs' Position Statement provision suggests that the Commission should review and determine prudence for everything that FPL buys before FPL is allowed to recover costs for those purchases. Such a concept would place the Commission in the inappropriate role of micromanaging a utility and impose impractical regulatory constraints on efficient utility operations. All to the detriment of customers. Said simply, this NSPs' Position Statement provision is not necessary, defies established regulatory principles, and leads to illogical conclusions about the way that FPL should run its business.

Q. How do you respond to OPC witness Schultz's assertion that FPL has 40 properties averaging 22 years in PHFU without being used and useful, with 21 properties not forecasted to be in-service in the next five years, and his broader claim that FPL has engaged in improper property stockpiling?

A. OPC witness Schultz's characterization of FPL's land management as "stockpiling" misrepresents our disciplined acquisition strategy and ignores the realities of utility infrastructure planning. Witness Schultz refers to properties held by FPL (Exhibit HWS-11, Attachment B) for an average of 22 years and recommends divestiture of these properties. The properties that he identifies are primarily transmission and distribution properties with the exception of three generation sites (all held by FPL for under 15 years). FPL does not agree with divesting these properties.

As the Commission has long recognized, "Prudence requires acquisition of suitable land sites long before definite plans can be developed for specific use."[1] This principle has been consistently upheld by the Commission, including its explicit rejection of arbitrary time limits on PHFU holdings.[2] An inflexible definite plan of development would be shortsighted, would limit the ability of a utility to adapt to changing circumstances, and could ultimately lead to higher costs.

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[1] See *In Re: Investigation of the Earnings and Rates and Charges of Florida Power & Light Company for the Purpose of Requiring Such Adjustments, if Any, as May be Appropriate and Proper as a Result of the Facts Developed through Said Investigation*, Docket No, 9777-EU, Order No. 5280 (F.P.S.C. Dec. 7, 1971).

[2] See *In Re: Application for a rate increase by Tampa Electric Company*, Docket No. 920234, Order No. PSC-93-0165-FOF-EI (F.P.S.C. Mar. 29, 1993).

The Commission has established that a utility's Ten-Year Site Plan was never intended to be, nor has it ever been, used by the Commission to determine the appropriateness of including an asset in a regulated utility's rate base. That being said, all properties challenged by OPC witness Schultz that have been held for more than 22 years have specific planned uses within the next ten years, as demonstrated in FPL witness Jarro's rebuttal testimony. Specifically, each of these challenged transmission and distribution properties will be used within ten years as shown in Exhibit EDV-6 filed with his rebuttal testimony. Similarly, the three generation properties recommended for exclusion by OPC witness Schultz have specific planned uses within the ten-year period of FPL's current Ten-Year Site Plan (2025-2034) as detailed in Exhibit TO-7, which is consistent with witness Schultz's recommendation in his June 9, 2025, testimony in this proceeding.

FPL's land portfolio represents strategic investments guided by specific system needs and a thorough screening and due diligence process, not speculative stockpiling. Early acquisition provides substantial customer benefits by securing optimal sites before property values escalate further and ensuring we can develop the most cost-effective projects. Properties acquired years ago at lower prices now provide significant cost savings compared to current market rates, protecting customers from real estate inflation in Florida's appreciating market.

Utility infrastructure development operates on extended timelines due to permitting challenges, rezoning requirements, and dynamic load growth forecasts. This disciplined approach ensures reliable service delivery while minimizing costs – the opposite of improper stockpiling.

Q. How do you respond to OPC witness Schultz's assertion regarding FPL's alleged $200 million in surplus land and his recommendation to exclude these properties from rate base?

A. The properties identified by Mr. Schultz are not "surplus" as alleged but rather targeted assets that FPL is willing to divest as part of a settlement negotiated by the Settling Parties.

Mr. Schultz claims that the "best commercial efforts" commitment provides no guarantee of sale and that the Company has not even identified the specific property that we are targeting to sell. While we cannot guarantee market conditions, FPL will begin in earnest in early 2026 to actively market and sell land to meet this commitment in good faith, as stated in my direct settlement testimony. This commitment amounts to a total value of $200 million, which will be removed from the PHFU balance in Exhibit TO-7.

Our commitment represents genuine divestiture efforts designed to achieve the best possible value for our customers, not merely a token gesture. All proceeds from property sales will directly benefit customers through the associated reduction in PHFU. The specific property that FPL will seek to sell is not identified publicly in the Proposed Settlement Agreement to preserve FPL's negotiating leverage in order to secure the best sale value for FPL customers from the sale of the targeted land parcel(s).

By adjusting the Company's land portfolio through strategic divestiture while maintaining essential holdings for reliable service delivery, this balanced approach demonstrates responsible stewardship of customer investments and reasonable compromise through the settlement process.

III. EV PROGRAMS

Q. How do you respond to FEL witness Rábago's criticisms of FPL's Make-Ready program?

A. Mr. Rábago fundamentally mischaracterizes the program's structure and its public interest benefits. The Make-Ready program is revenue positive – meaning FPL's $20 million investment in Make-Ready credits is expected to be fully recovered through increased electricity sales from the charging infrastructure it enables, with a net benefit to customers over the life of the assets. Revenue projections in Exhibit TO-10, filed with my direct settlement testimony on September 3, 2025, demonstrate that electricity sales will exceed program costs over the asset lifespan. This is not a subsidy or "handout," but is an investment in Florida's electric infrastructure that benefits all customers.

Rather than "wrongfully influencing" private markets, the program strengthens them by encouraging diverse participants to enter Florida's EV charging market, enhancing competition rather than distorting it. Credits will be awarded first-come, first-served, based on objective criteria with caps per port and site, ensuring fair access for all qualified participants.

Q. How do you respond to Mr. Rábago's assertion that FPL's Demand Limiter GSD-1EV and GSLD-1EV Tariffs risk subsidization from the general body of ratepayers?

A. Despite the NSPs' Position Statement supporting Commission approval of FPL's proposed demand limiter tariffs, Mr. Rábago mischaracterizes these demand limiter tariffs in his testimony responding to the Proposed Settlement Agreement. These tariffs provide temporary rate incentives (discounts for standard demand charges) that are eliminated as charging stations increase utilization and consistently reach a load factor above 10%, at which point the charging stations no longer qualify for the demand limiter. As stations grow and become profitable, these temporarily discounted demand charges naturally transition to standard commercial rates. The resulting increased revenues are expected to have a favorable benefit to the general body of FPL customers over the life of the asset. As noted in my rebuttal testimony filed on July 9, 2025, FPL's demand limiter program has proven successful at appropriately incentivizing new customers to install new EV charging stations while allowing them to transition to full demand charges as their utilization grows.

IV. KAYAK SOLAR ENERGY CENTER

Q. How do you respond to the NSPs' Position Statement provision that all costs to fully remediate the stormwater system and damage at the Kayak Solar and the neighboring Wilkinson Creek communities be recorded below the line and not charged to customers?

A. For context only, FPL designed, permitted, constructed, and operated the stormwater system at Kayak Solar in full compliance with Florida Department of Environmental Protection ("FDEP") permits. Despite building to FDEP's design standards, an extreme weather event on June 8, 2025, dropped nearly seven inches of rain in three hours, overwhelming the system and causing sediment to enter Wilkinson Creek and neighboring properties.

Notably all costs related to remediation and improvements at Kayak Solar and the neighboring communities are not included in FPL's current rate proposal and have nothing to do with this proceeding. It appears that the NSPs opportunistically included this issue in their Position Statement without any context, testimony, or regard for the fact that FPL is requesting to set rates for 2026 and beyond and had made no requests for remediation and improvement costs related to the Kayak Solar site in this proceeding.

Q. Does this conclude your settlement rebuttal testimony?

A. Yes.

CHAIRMAN LA ROSA: Okay. Great.

Are they tendered -- are they ready for cross-examination?

MS. MONCADA: The panel is ready for cross-examination. Thank you.

CHAIRMAN LA ROSA: Great.

OPC, you are recognized.

MS. WESSLING: Thank you.

EXAMINATION

BY MS. WESSLING:

Q And good morning again, everyone. And, again, these -- I have three questions for Mr. Oliver, and then I will pass it along to my colleagues.

If we could pull up Case Center page M4-98?

All right. Mr. Oliver, in your testimony, you state that the extreme weather event that led to the damage associated with the Kayak Solar facility occurred on June 8th, 2025, correct?

A That is correct.

Q And you also state towards the bottom of this page, I believe -- scroll lines -- specifically on line 17, you mention that OPC, FEL and FAIR made no request for remediation and improvement costs related to the Kayak Solar site in this proceeding, correct?

A Yes, those repair costs are not part of this proceeding.

Q Do you agree that, subject to check, intervenor testimony was due on June 9th, 2025?

A Subject to check, I think that date sounds right.

Q Nothing further from me.

CHAIRMAN LA ROSA: Okay.

EXAMINATION

BY MS. CHRISTENSEN:

Q Good morning, and good morning, Mr. Coyne. You will be happy to know I only have one question for you this morning --

A Good morning.

Q -- and that question is: Other -- other -- you had talked about in your rebuttal testimony that other companies have some sort of decoupling mechanism, and I just wanted to clarify. You are not suggesting that other companies that have that mechanism, that takes monies collected from customers for another purpose such as paying taxes and allowing the company to use that money for rate stabilizations and recollecting that money from customers again for the purpose -- again, for the original, purpose paying taxes, are you? In other words, you had talked about Florida -- the decoupling mechanism, and were you aware that Florida

does not have lost revenue?
A Decoupling, yes.
Q Okay. And you are not suggesting that other companies should have a mechanism such as the TAM, where they collect monies for one purpose, use it for another and then recollect that money again, are you?
A Does your question pertain to utilities outside this jurisdiction?
Q Correct.
A No, my testimony does not address regulatory mechanisms for companies outside this jurisdiction.
Q Okay. Thank you. I have no other questions.
A You are welcome.

EXAMINATION

BY MR. PONCE:
Q Good morning, panel. Good morning, Ms. Cohen.
A Good morning.
Q I have more than one, unfortunately, but less than 10.
So the proposed settlement does not expressly provide -- or come with a cost of service study, right?
A No, it does not. But as I explained yesterday, it's a mathematical product of where present rates are today and we ratioed them all up by using a modified equal percentage revenue allocation to all of

the rate classes. So that essentially holds in place what we have today, which was approved in the 2021 Settlement Agreement.

Q In the as-filed case, the cost of service study served as a guide for how the revenues were ultimately allocated, right?

A Yes.

Q Since there isn't one for the proposed settlement, that means that there is no guide that somebody like, for example, the Commission could review to verify what you just told us?

A No, I disagree.

Q Moving on to the CDR/CILC credits. Again, these are being increased in the settlement, right?

A Yes.

Q Would you agree that as a result of the non-signatories to the settlement -- let me rephrase that.

Would you agree that increasing the credits places a greater burden on the body of rate payers who did not sign onto the settlement?

A No.

Q That's all my questions.

EXAMINATION

BY MS. CHRISTENSEN:

Q And good morning, Mr. Bores. Just a few questions for you as well.

Under the asset optimization, with the change in addition to the TAM that's now rolled up into the RSM, you would agree that FPL now has the potential to earn an additional 90.5 million each year which wasn't available without the settlement, correct?

A I am sorry, an additional how much each year?

Q 90.5 million.

A How was that determined?

Q That was determined by taking the amount of money that's available under the TAM that used to be used to reduce revenue in the fuel clause but now is being credited in base rates.

A The amount of money under -- I am sorry. I am not following. The amount of money under the TAM?

Q Correct -- no, what I am saying is the fact that now the asset optimization has been moved from the fuel clause to base rates in conjunction with the TAM now allows FPL to utilize another $90.5 million each year that would have otherwise not been available without the settlement, correct?

A Yes, but a couple of points on that. I think, number one, as you will see in my rebuttal testimony, FPL agreed to the concessions on base revenues that we talked about yesterday, the 30 percent. A little less than two billion of that is tied specifically to ROE. There is another billion dollars of cash concessions that is not tied to anything.

Part of the asset optimization is the hope that it helps close some of that gap to give us an opportunity to get to the midpoint on that billion dollars of revenue requirement.

I think I also talked about yesterday that --

MS. CHRISTENSEN: Well, I think this is going well beyond what my question was, and he did agree with me, and this is beyond an explanation of what was required for the question.

CHAIRMAN LA ROSA: Are you satisfied with the response?

MS. CHRISTENSEN: I was satisfied --

CHAIRMAN LA ROSA: If you don't want him to elaborate, then you just go ahead and ask him another question.

MS. CHRISTENSEN: Yes.

BY MS. CHRISTENSEN:

Q And, Mr. Bores, you complain that Mr. Schultz was concerned that costs are effective only trued up after construction misunderstands the SoBRA process, correct?

A Just point me to where we are in my testimony, please.

Q I don't have the exact cite, but you are looking at rebuttal testimony. It's your discussion regarding Mr. Schultz. And if you give me one moment, I will give you the page cite. 25 of your rebuttal testimony.

A I am sorry, can you repeat the question?

Q Certainly.

In this portion of your testimony, you complain that Mr. Schultz's concerned that costs are effectively now only trued up after construction misunderstands the SoBRA process, is that correct?

A Yes, that's consistent with how it's worked in the past.

Q Okay. But you would agree that -- on page 25, lines 14 through 20, you acknowledge that FPL does, in fact, start construction before they come to seek approval under the SoBRA, correct?

A Yes, I think we have talked about that numerous times this week, how we have started construction on all of the projects such that we can ensure we qualify for all of the tax credits.

Q Wouldn't you agree that this presumes that the solar that's under construction is preapproved?

A I don't necessarily agree with that. I think we have talked the limited proceeding through the SoBRA is ultimately which is going to approve the base rate increase. We are simply taking the necessary steps to ensure we can qualify for the tax credits, start our permitting and development of the sites, and will then assess and ensure they are cost-effective or needed before coming before this commission for the ultimate SoBRA approval.

Q And you would agree that that -- you would have already begun construction, correct?

A Yes. We are doing what we believe are the prudent activities now based on the cost-effectiveness or the modeling runs we have already done. We will refresh those and ensure they are still cost-effective or needed before we come about of this commission for the actual SoBRA.

MS. CHRISTENSEN: No further questions.

CHAIRMAN LA ROSA: Thank you. No further questions for the entire panel?

MS. CHRISTENSEN: No, I believe that concludes OPC's questioning.

CHAIRMAN LA ROSA: Great. Thank you.

I will just allow FEL to get situated. And, FEL, you guys are recognized once you are settled and ready.

MS. McMANAMON: Thank you.

EXAMINATION

BY MS. McMANAMON:

Q Good morning, Mr. Oliver.

A Good morning.

Q I have just a few questions for you.

On page nine of your rebuttal testimony, you state that the proposed make-ready program is not a subsidy or handout because it is an investment that will benefit all customers. You would agree, then, not all customers will utilize the electric charging stations that these make-ready programs enable, correct?

A That's correct. Only electric vehicle customers will use the chargers. What I meant by that statement was the incremental revenues derived from those sales will exceed the costs of the make-ready credits and provide benefits to the general body.

Q And you would agree that without the credits provided by the proposed make-ready program, there are entities that may not be able to enter the market on their own?

A That is the feedback we received from intervenors in this case.

Q Okay. Moving on. Thank you so much.

A Uh-huh.

Q And coming to you, Mr. Coyne, also very few questions for you.

On page five of your rebuttal testimony, you respond that other companies within the proxy group have similar mechanisms to the rate stabilization mechanism that stabilizes revenues and cash earnings, such as revenue decoupling, correct?

A Yes.

Q Do you know if revenue decoupling allows the utility to get to the max of its authorized range?

A It would depend on the other provisions of the rate framework that the utility is operating under. Many utilities have no limits whatsoever on their earned return, so their allowed ROE is -- stands in place, and the revenue decoupling mechanism keeps the utility whole for any changes in the economic environment, or changes in whether, and things of that nature, so it would correct for those changes versus a forecast revenue requirement.

But if the utility is able to execute operating efficiencies and things of that nature, they would have the ability to earn above their midpoint allowed return unless it were capped, or they are operating under an earnings share mechanism. So it would depend whether they had an earnings sharing mechanism or not, or some sort of a cap.

As I mentioned, for example, Georgia Power has a 10.5 percent midpoint in their program, but they can earn up to 11.9 percent, and then after that, they go into an earnings sharing mode. So that's one example of how revenues get shared. It depends upon the program.

Q Are you aware of an instance where revenue decoupling has allowed a utility to reach an 11.95 ROE?

A No, I haven't studied with the specific -- what the specific results have been of those programs.

Q Okay. Thank you. That's all my questions.

A You are welcome.

EXAMINATION

BY MR. MARSHALL:

Q Good morning, Ms. Cohen.

A Hi, Mr. Marshall.

Q I have got more than just a couple, but hopefully it won't take too long questions for you.

Turning to your rebuttal testimony on page four, lines 19 through 21. You testify that there were multiple different opinions on the starting point that could be used to allocate revenues at the rate design stage, is that right?

A Yes.

Q And that's referring to the various cost of service proposals?

A Yes.

Q And you have a graph presented on page five of your rebuttal testimony with the various cost of service methodology proposals, is that right?

A Yes.

Q And none the methodologies on that graph are a proposal of the -- continuing the 2021 methodology, correct?

A No, but that is essentially 12 CP and 1/13th. So, yes -- I would amend and say yes, sorry.

Q The 12 CP and 1/13th methodology that is presented on that graph allocates a majority of the increase onto large commercial and industrial customers, correct?

A It is more than residential and general service, as shown notice graph.

Q And the revenue allocation under the settlement, as we discussed yesterday, puts, I believe, over 68 percent onto RS and GS of the revenue allocation?

A It's sheer math in applying the modified percentage increase to all classes.

Q And so that was the outcome of that --

A Mathematically, yes.

Q You would agree that the settling parties agreed upon a revenue allocation rather than using a specific cost of service to determine final rates?

A Yes, and that was also done in the settlement that was put forth this earlier this year and approved by the Commission for Duke Energy, I believe it was also supported by Office of Public Counsel and at least one member of FEL.

Q And no parties -- I think touching that, but no parties opposed that settlement, correct?

A I am not aware.

Q If we could go to page eight, line eight of your testimony?

A I am there.

Q I am sorry, I was missing a one in my notes. Page eight, line 18.

A 18?

Q Yes.

A Page eight, line 18? I am sorry. Okay.

Q And you testify that only a small number of rate classes have any incremental movement away from their current parity under present rates, is that right?

A Yes.

Q And that would be under the 2021 Settlement

Agreement methodology?

A Yes.

Q And you have classes listed there that do have incremental movement away from parity under present rates, is that right?

A Yes.

Q Would you agree with me that if you look at the number of customer accounts on those classes listed, that it would comprise over 99 percent of FPL's customers?

A Yes.

Q And you also, in your rebuttal testimony, take issue with Mr. Rabago's comparison of revenues that a rate class would have received under the as-filed case as to the revenues that same class would receive under the proposed settlement agreement as an apples to orange comparison?

A Yes, that's because he is taking what we filed in the original case and comparing that -- and that includes rate design, as we covered yesterday, and he is comparing that to final rates in the settlement agreement, which, as we have talked about, is a modified percentage increase to all customer classes.

Q You don't testify as to any issues in regards to Mr. Rabago's math in that regard, correct?

A I agree.

Q And for customers looking at the bill increase they would have received in the as-filed case versus what they are about to receive under the settlement, why wouldn't that be an apples to apples comparison?

A Because the as-filed case is strictly that. It includes -- it includes gradualism. It includes rate design. It includes a number of factors. That is not where we landed in the settlement agreement. So it's not a fair comparison.

The underlying math in how those bill impacts were prepared is different than the math that is used for the ultimate bill impacts in the settlement.

Q Does that mean that gradualism and rate design are not applicable to the settlement?

A They absolutely are, and it's in my rebuttal testimony that gradualism was applied in the settlement by increasing all rate classes by the same amount, except for residential, which got less than all other CI rate classes, that, in fact, keeps intact gradualism.

Q If we could go to page 11, lines four to five of your testimony?

And here, you point out that, as -- that the RS rate classes below parity under the proposed settlement agreement, is that right?

A Yes, they are at 98 percent parity.
Q And that's based on the 2021 Settlement Agreement cost of service methodology?
A Yes.
Q Would you agree with me that all cost of service studies filed in this -- in the as-filed case, in this case, showed RS above parity?
A I would need to double check that.
Q Would you accept that subject to check?
A Subject to check.
Q On page -- sticking with page 11, if we could go to line 10. You testify that the revenue increase for GS customers in 2026, that is three times what that rate class would have received under FPL's as-filed case is an incorrect characterization of the settlement, do I have that right?
A Yes. The GS rate class was treated equally and fairly, just as all the other commercial and industrial classes were treated by applying the modified percentage increase, and their resulting rates are -- result in a bill impact that's 2.4 percent over the term of the settlement agreement, which remains 20 percent below the national average.
Q My question is: Do you disagree that the increase that GS will receive under the settlement is

more than three times that in FPL's as-filed case?
A I don't disagree with the math.
Q If we could turn to page 16 of your testimony, lines 16 through 21?
A I am there.
Q And here, you testify in defense of the CILC and CDR credits increasing with each approved SoBRA?
A That's correct. That's how we have done it historically for at least the last 10 years in every generation base rate adjustment and solar base rate adjustment.
Q You don't testify, though, that increasing solar and batteries on the system increase the cost-effectiveness of the CILC/CDR credits?
A No, that's not how the settlement was determined.
Q And you also don't testify that having additional solar and batteries on the system makes it more likely that FPL will need to interrupt their CILC/CDR customers?
A I do not testify to that.
Q And the settlement does not provide for increasing credits to the Residential On-Call Program or Business On-Call customers?
A It does not.

Q On page 16, line nine, you discuss the TRC test results for the CILC/CDR program, is that right?

A Yes.

Q And those test results don't account for incentive costs, correct?

A I don't know. That would be performed by Witness Whitley.

Q Well, let's go to master page 04-647, which is Exhibit 86.

And do you see on the right-hand side the TRC benefit to cost ratio of 105.79?

A I do.

Q And that would be the 105.79 included in your testimony?

A Yes.

Q And do you see on the left, in the scenario column, various incentive levels per kilowatt associated with the CDR and CILC program?

A Yes.

Q And the TRC benefit to cost ratio doesn't change based on any of this is incentive levels, correct?

A I agree.

Q And so theoretically, do you know if the incentive cost was $1,000 per kilowatt, whether the TRC

score would be the same?

A Again, I do-don't -- I do not perform this calculation. This was Mr. Whitley's exhibit.

Q And the RIM score of 0.96, do you know if that indicates that as a result that there will be upward pressure on rates?

A It indicates that there is a cost to nonparticipants.

Q And that's as compared to building the replacement generation necessary to replace the CDR/CILC program?

A I would defer that question for Mr. Whitley.

Q Would you agree that as the incentive increases, the RIM score goes down?

A I think that depends. Obviously, that may be the math here, but I believe that the calculation takes into account updated costs as it's prepared.

Q We can agree to that, but holding everything else equal but just changing the incentive costs, if you increase the incentive, the RIM score goes down?

A As shown here, yes.

Q And the incentive will -- the CDR/CILC incentive will increase with the SoBRAs, is that right?

A Yes, that is a term of the settlement agreement, and that is also -- it's considered a base rate item. It's increased or decreased with every base rate adjustment that we have had for at least the last 10 years.

Q And if it's a base rate component, why are not -- why are the Residential On-Call Program and Business On-Call Programs not treated that same way?

A I don't believe those are base rate item.

Q And what makes the CDR/CILC program a base rate item and not the Residential and Business On-Call Programs?

A It's part of their base bill. CILC is an actual rate that is designed in a base rate case. Those rates are not set in a DMS docket. They are set in a rate case.

Q Is that the principle difference between the two, is that the CDR and CILC program incentives are set in a base rate case, and the Residential On-Call Program and Business On-Call incentives are set in the DMS docket?

A That's my understanding.

Q And on line 10 through 11, you see that -- you testify that the TRC cost-effectiveness test is one that FEL has supported in multiple demand-side management goal dockets?

A Yes.

Q Do you know if energy efficiency can lower bills even due to energy savings even while failing the RIM test?

A I do not know.

Q Would you agree that there is no energy savings associated with the CDR and CILC programs?

A I don't know if I agree with that.

Q And why is that?

A To the extent we can use their -- to the extent we can call upon the program when needed, I believe that that is the definition of energy savings.

Q And to the extent that the program is not called upon, would you agree that there -- if the program is not called upon, that, therefore, there aren't energy savings?

A But it's there for insurance purpose. It can be called upon.

Q I agree, but to the extent if it's not called upon, would you agree that there are no resulting energy savings?

A Perhaps, yes.

Q On page 17, lines 14 through 15, you also testify that this is signaling out one element of the proposed settlement agreement for criticism?

A Yes.

Q Would you agree that the settlement, as a whole, is made up of its provisions?

A Yes.

Q And so my question is: How can the settlement be evaluated as a whole without considering the provisions that constitute the settlement?

A We can talk about the provisions, but as -- at the end of the day, it's whether the settlement, as a whole, it's my understanding of how the Commission rules upon it, as to whether the settlement is in the best interest of all of our customers, and produces fair, just and reasonable rates.

Q Okay. If we could now go to page 21 of your testimony? And there is a table at the top of that page, correct?

A Yes.

Q And this shows the result of the 70-percent take-or-pay provision in the right-hand column, is that right?

A Yes.

Q Would you agree with me that the total monthly base bill would be higher if the minimum provision was 90 percent?

A Yes, it would be higher. But as I spoke about yesterday, the incremental generation charge you can see is the same under all three scenarios. So you need to look at all of the provisions holistically in the tariff.

Q All right. If we could next go to page 23, lines 16 through 17 of your testimony?

You testify that FPL would still need to build the incremental generation required to serve customers' peak load even if LLCS tariffs were interruptible?

A Yes.

Q My question is: Why would that be?

A My understanding is that customers that are at least 85 percent load factor, such as the ones that would take service under our tariff, they are running operations 20 hours a day to be at that load factor. I don't think that size of a customer wants to be interrupted. We have not had any customers come to us and ask for an interruptible tariff. But a customer at that size, we would have to build generation to serve them at 100 percent of their load.

Q Isn't the premise of the CDR and CILC credits are that those customers are being paid to be non-firm load and, thus, don't need generation built for them?

A My understanding is those customers also have their own backup generation. You only need 200 kW to be on CILC and CDR. The customers that we are talking about under the LLCS tariff will likely be much larger than that.

Q If we could go to page 31 of your testimony, lines 8 through 11?

And this is your testimony regarding what you call the non-settling parties position statement?

A Yes.

Q And you testify that it's incomplete because Exhibit B to that did not address all rate classes or gradualism, is that right?

A That's correct. There is -- general service gets a decrease under the methodology that was provided in that stipulation, and three rate classes are provided increases that are above one-and-a-half times the system average. So both of those -- both of those violate the Commission's gradualism principle.

Q Did you review the workpapers provided by Witness Rábago?

A My team did.

Q And do you know if it did show the allocation to all rate classes and the application of gradualism within those workpapers?

A When we recalculated what was provided here, we are getting to that math. I can see very clearly right here, that was an Exhibit B to his testimony, that general service gets a decrease.

Q We certainly agree to that.

A And I believe that violates gradualism.

Q If you go to page 34 of your testimony, you criticize the non-signatory parties' position statement as violating basic ratemaking principles, is that right?

A Yes.

Q Would you agree that cost causation is a basic ratemaking principle?

A It is.

Q Would you agree that the matching principle is a basic ratemaking principle?

A It is.

Q Would you agree that movement towards parity is a basic ratemaking principle?

A It's a consideration, yes.

Q And so my question is: Does F -- in the FPL -- as a result of the settlement moving, you said over 99 percent of customers away from parity, even if it's not a major movement away from parity, doesn't that violate that basic ratemaking principle?

A No, I disagree. As we established yesterday, residential customers are at 98 percent parity, and for general service, they move to .0003 percent. That is essentially flat. I totally disagree, and we have seen the bills that are produced in my testimony that all customers are staying within three -- two to three percent, and it's below the rate of inflation, and stays well below the national average. I believe those rates are absolutely fair, just and reasonable.

Q As we asked yesterday, there is currently storm charges on residential and small business customers' bills?

A Yes.

Q Thank you, Ms. Cohen. Those are my questions for you this morning.

EXAMINATION

BY MR. LUEBKEMANN:

Q Good morning, Mr. Bores.

A Good morning, Mr. Luebkemann.

Q At page 17 of your rebuttal testimony, lines 13 through 15, you discuss -- well, this is the continuation of a discussion that you had with the CMPs about capping the use of the RSM at the midpoint, is that a fair characterization of your discussion here?

A Yes.

Q And you state that the RSM is designed to work within the authorized range?

A Yes.

Q And we have previously discussed that the

entire authorized range, all 200 basis points, any one of those -- an ROE at any one of those percentages would be a reasonable ROE?

A Off of the midpoint, yes.

Q And you are -- if you look back over the use of the RSAM and its predecessors, you are not aware of a single month when FPL earned below the midpoint?

A No, I am not.

Q Thank you very much. That's all my questions.

MR. MARSHALL: That's all of our questions, Mr. Chairman, for the panel. Thank you.

CHAIRMAN LA ROSA: Great. Thank you.

I will allow FAIR to take -- I am assuming you have got questions.

MR. SCHEF WRIGHT: Thank you.

Sure. Good morning again. Good morning, everyone.

And I have good news for everyone here, and I will start with Mr. Oliver and Ms. Cohen, and, that is, I have no questions for either of you this morning. I do have a few questions for Mr. Bores and Mr. Coyne. I will -- the rest of the good news is I don't have a lot, and we will be, to the extent it's dependent on my cross, we won't be here that long.

CHAIRMAN LA ROSA: Thank you.

EXAMINATION

BY MR. SCHEF WRIGHT:

Q I will start with a few questions for Mr. Bores.

Good morning, Scott.

A Good morning, Schef.

Q Okay. At page three of your testimony, you assert that the CMPs, or you call them the NSPs, the alternate proposal for ROE of 10.6 percent is below market, correct?

A Yes. I think we talked about this a little bit yesterday, when the national average ROEs were shown and those had moved up roughly 33 basis points from the time of 2021 through 2025. I think from our midpoint ROE of 10.8 today, we are only moving 15 basis points higher.

Q I really -- that was a predicate question to ask whether that was your testimony, that 10.6 is below market?

A Yes.

Q Thank you.

Okay. Is that opinion based solely on the testimony of Mr. Coyne?

A Yes. I am relying on his modeling to support what is a reasonable ROE for FPL.

Q Thank you.

And further, toward the end of your testimony, you assert that that 10.6 percent is not a reasonable return, correct? I can point you to it. It's on page 31.

A Correct.

Q Thanks.

My question for you simply is: Are you aware of any utility that obtains debt and equity capital in U.S. capital markets that has a higher approved ROE over the last two years?

A I think we discussed Alaska does.

Q I think the Alaska decision was in 2023.

A Okay. So you are saying awarded in the last two years?

Q That's what I said.

A I am going to have to defer that to Mr. Coyne. I don't know.

Q Okay. Thanks.

You are not going to assert that -- do you know any of the details about Alaska Electric Light & Power?

A I do not, I am simply.

Q You are not going to assert that the utility

serves Juno, Alaska, is in any way comparable to Florida Power & Light, are you?

A I am simply answering your question. I do not know anything about Juno, Alaska.

Q At page nine of your testimony, you assert that the CMP folks have not based our ROE recommendation on any rationale. I can point you to that at pages five -- I am sorry, lines five and six, you say: The NSPs do not justify their conclusion through any rationale. Are you with me?

A I am.

Q My question is really simple. Do you not recognize that at least one of our witnesses, Mr. Herndon, has specifically discussed the Bluefield standard as being the appropriate rationale for evaluating ROEs?

A I do recognize that, and I think Mr. Coyne also recognizes that as part of his modeling and analysis that he did to support the recommended ROE for FPL.

Q We do too, but my point is, our witness specifically recognized that as an appropriate rationale for setting an ROE in this case, correct?

A I believe so.

Q Thank you. And that's all the questions I

have for you.

A Thank you, Mr. Wright.

Q Thank you.

And star billing, Jim. At page four of your testimony, you cite a statement from the -- from a Commission order, I think it was -- it doesn't matter but I think it was the Tampa Electric order from earlier this year. At lines 13 through 15, you make -- you quote the Commission -- I will read the full cite from your testimony, beginning at line 12:

Additionally, this commission has explicitly rejected setting ROEs based on historic decisions, stating, quote, we agree that historical authorized ROEs do not reflect the investor required return at the time the rate case is decided nor are they -- are -- typo -- based on market data presented in an evidentiary record. Are you with me?

A I am.

Q Thanks.

My question -- I am going to read you a quote from another commission order. This is order 2010-0153, in which the Commission -- I can -- the context is the 2010 FPL rate case, in which the Commission rejected FPL's 12.5 percent request and set the -- ultimately set the ROE at 10.0 percent.

The Commission stated there: The ROEs set during 2009 ranged from a low of 8.75 percent to a high of 11.5 percent, and averaged 10.51 percent for the group. While we do not believe the authorized ROE for FPL should be based upon the average return set by other commissions during 2009, we do not believe returns significantly above or below this level are indicative of the investor required return for FPL either.

Do you disagree with that? Do you agree with that line of rationale articulated by the Commission?

A I think I more fully agree with the rationale that the Commission expressed in its most recent decision, where it recognized -- it recognized that these historical ROEs are put on the record, but they didn't represent the evidentiary record in that case, nor in my interpretation of the Commission's view, it was indicating that it was not going to be bound by those decisions in determining the appropriate ROE for the utility in this case, TECO.

It sounds like that view may have evolved from the Commission between 2010 and 2025. And that doesn't surprise me. Commission views do evolve over time as they consider these matters.

Q Do you believe the data presented in Exhibit LVP-2, for example, that the S&P Global Insight ROE and

equity ratio reported data is irrelevant to Commission decisions?

A No, I wouldn't say irrelevant. I think every commission, in my experience, considers the national perspective on these matters to stay fully informed, but I think there is a difference between understanding what these historic decisions are and being bound by them, or constrained by them in terms of the forward-looking cost of capital. And that's especially true at a time like this, when we are coming out of a period of capital and economic market environments that look very different from what's expected on a going-forward basis.

So I think the Commission appropriately considers them, but understands, in my view, that the cost of capital is forward-looking, and, therefore, puts them in the appropriate perspective.

Q Thank you.

This is a very similar question that I have previously asked you but you have brought it up again in your settlement rebuttal testimony. I have asked you whether you testified that FPL needs an ROE of 10.95 percent in order to attract equity capital. You responded, no, you are not testifying that it needs it, but the 10.95 is fair and reasonable, correct?

A Yes.

Q Would that be your testimony if I asked you the same question here?

A It would be.

Q Great. I have just a few more questions.

At page five of your testimony, you talk about the revenue decoupling mechanism. You mentioned revenue decoupling type mechanisms that other utilities -- other companies within your proxy group have.

My question for you is: Let's say your proxy group is currently 14. How many of your proxy group have similar mechanisms -- or let me ask it this way: How many utilities in your proxy group have mechanisms, whether they are similar to the TAM, RSAM or not, have mechanisms that stabilize revenues and cash earnings?

A Well, a decoupling -- well, you are asking how many have mechanisms that stabilize earnings?

Q Yes. You make the statement -- yes, you make the statement: Other companies within the proxy group have similar mechanisms that stabilize revenues and cash earnings, such as, revenue decoupling. I am trying to break this down. My first question is: How many utility company members of your proxy group have revenue stabilization mechanisms?

A Right. I think I have that in my direct testimony in a section where I describe the proxy group and how many have these mechanisms. If you like, I can turn to that.

Q It that would be great. And if you could first answer the question as to just the number, that would be great, and then we can -- I do what to ask you a little bit more detail about those.

A On page 58 of my direct testimony, I look at this issue. On lines 10 and 11, I say that FPL does not have revenue protection against fluctuations in customer demand while approximately 68 percent of the operating companies held by the proxy group have either full or partial revenue decoupling mechanisms that protect against volumetric risk. And then I go on to say, I recognize -- however, I recognize that FPL's requested tax adjustment mechanism has the potential to stabilize its noncash earnings and customer bills, similar to the reserve surplus amortization mechanisms previously approved for FPL.

So there, I am drawing a comparison between mechanisms that stabilize earnings for utilities, although, they are not the same as the proposed reserve surplus amortization mechanism previously approved, or the TAM, as proposed.

Q I understand. And you said approximately 68 percent, I got 10 out of 14 is right there, so it's

probably 10 out of 14 have mechanisms, as you just described?

A I believe there were 15 companies in my direct, and 16 in my rebuttal, but we are in the same ballpark.

Q Okay. Well, 10 out of 15 would be 67 percent. Close enough, close enough for that. Thank you.

My next question is: Have any of the revenues -- or let me ask it this way: Do any of the revenue stabilization mechanisms that your proxy group utility -- that the utilities in your proxy group enjoy enable them to achieve earnings 100 basis points above the midpoint?

A Oh, and beyond. I would say that -- I haven't looked at that issue specifically, but I would say most utilities in the United States do not have a cap on earnings. So the band that is proposed in the settlement agreement here, consistent with what this commission has done in the past, is a plus or minus 100 basis points around the midpoint.

Most U.S. utilities do not have an upper or lower bound on their earnings, so they are able to earn whatever they earn until they next come back in for a rate case.

There are many cases, however, where

companies, such as FPL, have multiyear rate plans. And in those cases, it is common to have earnings bands and/or earnings sharing mechanisms associated with them, but I would say that most do not.

Q Is a utility that's earning -- do those utilities typically have a set midpoint ROE?

A They typically have a set ROE that's not a midpoint in that case, and then the earnings are whatever the earnings are until they next come back in for a rate case. So if they are able to implement operating efficiencies, or if they have weather decoupling and they are able to navigate through changes in weather and economic environments that favor them, their earnings to be significantly above or below, depending upon the fortunes of that utility between rate cases.

Q If they are -- so if they are earning within the band, are they -- and are they allowed to increase rates depending on the mechanisms specified in the revenue decoupling?

A Well, to separate those two, I would say most utilities do not have a band such as -- so they are not constrained in the way that a band constrains FPL's earnings in this proposed settlement. That's the first part of your question.

The second part of your question, maybe you could repeat it?

Q Well, if the utility doesn't have a band, then wouldn't it be true that its rates are based on an R -- a midpoint ROE?

A Well, it's not a midpoint in that case. It's just a specified ROE that's in rates.

Q Okay. Well, is it a specific number, like 10.95 or 10.6?

A Yes.

Q Okay.

A In some cases, there as range --

Q Thank you.

A -- such as Alabama Power, has a range, for example.

Q Okay. And my question is: If the utility is earning above the rate that was used to set its rates, can it still use the revenue decoupling to get increased revenues based on whatever triggers were in the decoupling mechanism?

A Yes. They are not limit -- I would say it differently. I would say they can use the revenue decoupling mechanism to get back to the revenues that they had forecast, or were used in the rate setting mechanism as a result of changes in the economic environment that affected the sales. Ultimately, you have a forecast of sales and customers.

So in that case, this revenue decoupling will keep you whole, but if you are able to implement operating efficiencies, you could increase your earnings substantially over what your allowed ROE was in base rates.

Q You just said that typically the decoupling mechanism works to get the utility back to its forecast revenues for the time period covered by -- time period covered, correct?

A That's right.

Q Okay.

A Decoupling always has a baseline, and the baseline is whatever it is included this rates.

Q Is that generally true for most or all of the nine or 10 utilities that we are talking about here?

A How the decoupling mechanism works?

Q That's my question. Yes, sir.

A Yes. Well, there is both full and partial decoupling --

Q Right.

A -- and however the decoupling program is designed, it's a keep whole mechanism designed around either weather or everything in full decoupling.

Q Thank you. That's all the questions I have.
A You are welcome.
MR. SCHEF WRIGHT: Thank you, Mr. Chairman.
CHAIRMAN LA ROSA: Great. Thank you.
All right. FEIA?
MR. MAY: No questions.
CHAIRMAN LA ROSA: Walmart?
MS. EATON: No questions. Thank you.
CHAIRMAN LA ROSA: FEA?
CAPTAIN RIVERA: No questions. Thank you.
CHAIRMAN LA ROSA: FRF?
MR. BREW: No questions.
CHAIRMAN LA ROSA: FIPUG?
MR. MOYLE: No questions.
CHAIRMAN LA ROSA: SACE?
MR. GARNER: No questions.
CHAIRMAN LA ROSA: Staff?
MR. STILLER: Just a few.
CHAIRMAN LA ROSA: Sure.

EXAMINATION

BY MR. STILLER:
Q Good morning, Mr. Bores.
A Good morning, Mr. Stiller.
Q Under paragraph 21A of the settlement regarding the rate stabilization mechanism, there are

three separate regulatory liabilities proposed to be established, correct?

A Yes.

Q Does the settlement agreement specify the order in which FPL is going to deplete these regulatory liabilities over the next four years?

A I believe it does, but let me check. Maybe it does not say it in the settlement agreement, but I think we provided that in a discovery response.

Q Is there anything in the settlement agreement that specifies what will be done with any money that remains in one or more of these regulatory liabilities at the end of this settlement agreement term?

A No, it does not.

Q Turning away now from the RSM.

I believe there was testimony earlier that the reduction in the base rate adjustment for 2026 from 1.545 billion to 945 million was based -- that reduction is attributable to the reduction of 95 points of ROE, is that correct?

A A portion of the reduction is attributable. So I think from the 1.545 to the 900 million, that was roughly a $600 million reduction. I think about 475 million of that was tied to the ROE.

Q So when the Commission considers this

settlement agreement for year 2026, is it being asked to approve all the projects for which approval was sought in year 2026 in the February petition?

A Yes. We are seeking a prudence review, or prudence approval of all the projects in the 2026 test year as part of that.

Q Okay. And the same question for 2027. With the exception of those projects that have been moved to the SoBRAs, is the Commission being asked to approve the 2027 projects that were listed in the February petition?

A Yes. Same answer. We are seeking prudence approval for all of those projects that are part of the 2027 test year.

Q If I could have one minute?

No further questions. Thank you, Mr. Bores and the rest of the panel.

A Thank you.

CHAIRMAN LA ROSA: Thank you.

Commissioners, any questions?

All right. I have got a quick question. I am just going to go to Witness Cohen, and maybe others want to chime in and feel free, please. This might sound a little similar to the question that Commissioner Clark asked yesterday.

How would you address the criticism that not all customers are being represented in the settlement? Can you walk me through the benefits of the residential customers, business customers and the large industrial customers?

THE WITNESS: Absolutely.

So by maintaining the cost of service that we previously established, and all customers received a fair increase. They were all treated fairly. Residential customers received 95 percent of the overall increase. All commercial and industrial customers then received the same percentage increase. That's a fair allocation to all customers.

As I mentioned earlier to Mr. Marshall's questioning, residential customers are at 98 percent parity. General service customers, they are within .0003 parity of where they are today, at their current rates. The rates that are ultimately produced, and as shown in our bill impacts, residential customers have a two-percent compound annual growth rate over the term of the settlement. All commercial and industrial customers are within two to two-and-a-half percent. All of that is within the rate of inflation, which is 10 percent over the four-year term.

So there are a number of benefits for all customers, but especially residential, who also receive more than half a billion dollars less in '26 and '27 when we took -- when we reduced revenue.

There is other items that Mr. Bores spoke to regarding LIHEAP, and there is some other things that he may be able to add to that that benefits residential customers and all customers.

CHAIRMAN LA ROSA: Mr. Bores, anything to add to that or --

THE WITNESS: Yeah, I think Ms. Cohen touched on it. We were able to introduce some new elements in the settlement agreement that were not part of our original filing. The $15 million of funds that we are going to set aside to help with ALICE eligible customers.

We also memorialized our disconnect policy, which primarily helps kind of residential customers and small business customers in extreme weather scenarios. And so new elements that we added to ensure all customers are protected and represented as part of this agreement.

CHAIRMAN LA ROSA: Great. Thank you.

All right. Let's go back to FPL for redirect.

FURTHER EXAMINATION

BY MS. MONCADA:

Q Just one question. This is for Mr. Bores as a follow-up to the question Mr. Stiller asked regarding the rate increases mechanism that appears as paragraph 21 of the settlement agreement, and that's on pages 22 and 23.

And, Mr. Stiller asked whether the settlement agreement specifies the order in which the funding mechanisms, or the regulatory liabilities will be used. Can you look at subpart B of paragraph 21, which appears on page 23? And go to romanette i of that paragraph, and see if that refreshes your recollection.

A Yes, there it is. Thank you.

So ultimately, we have to use the RSAM carryover in the ITCs before we move into the deferred tax liabilities.

MS. MONCADA: That's all I have.

And, Mr. Chair, FPL would move would ask to move in Exhibits 1333 through 1338. Those are sponsored by Mr. Bores and Ms. Cohen on rebuttal.

CHAIRMAN LA ROSA: Are there objections?

All right, seeing none, so moved.

(Whereupon, Exhibit Nos. 1333-1338 were received into evidence.)

CHAIRMAN LA ROSA: Is there anything else that needs to be moved into the record?

All right. Excellent. Well, let's go ahead and excuse the witnesses.

Thank y'all for your time and being up there to offer testimony.

(Witnesses excused.)

CHAIRMAN LA ROSA: All right. So I am going to -- so we are concluding the witness portion of this hearing. Let me go over to staff, and are any other matters that need to be addressed?

MR. STILLER: There is one on an exhibit, and I am looking at OPC. Did you move in 1322, which was, I believe, the last batch of customer comments subject to a motion for official recognition?

MS. WESSLING: Yes, I think that's exhibit -- it's OPC 374, and I believe right at the beginning of Phase II, we asked -- I believe there is a stipulation with FPL to move in OPC 373 and 374, in addition to the fact that it was already officially recognized, but I don't believe there was any objection. And if I didn't use the magic words, then I ask that they be moved in now.

MR. STILLER: Perfect. And that's the only evidentiary matter that I had in my notes as remaining.

CHAIRMAN LA ROSA: All right. Objections to that?

Seeing none, then so moved.

(Whereupon, Exhibit No. 1322 was received into evidence.)

MR. STILLER: And I guess now we are at the ending part.

CHAIRMAN LA ROSA: We are. Yes.

MR. STILLER: Mr. Chair, post-hearing briefs, if any, and I presume there will be many, are due to be filed November 7th, 2025. The page limit for briefs established in the original prehearing order in this docket is 150.

The ultimate issue to be briefed is whether the August 2025 Stipulation and Settlement Agreement, taken as a whole, is in the public interest and establishes rates that are fair, just and reasonable. The parties' briefs must address the 26 major elements listed on pages three and four of Order No. PSC-2025-0345-PCO-EI.

The parties shall also brief the five legal issues identified in the prehearing order, that's Order No. PSC-2025-0298-PHO-EI, in their post-hearing briefs.

The parties may rely on any part of the record established in Phases I and II of this proceeding in their post-hearing briefs.

And that's all from staff at this time, Mr. Chair.

CHAIRMAN LA ROSA: Great. Thank you.

Parties, are there any other matters?

Yes, OPC.

MS. WESSLING: Yes, if I may. I wanted to find out if there was any leeway regarding the deadline for the post-hearing briefs. Before asking, I tried to find out the deadline for when the staff rec was going to be filed, because I want to be mindful of how long it's going to take staff to do that rec, but not knowing when that's going to be, we were wondering if we could potentially have until November 10th, the Monday following the 7th, so just one more business day, but that's an additional weekend, just so that we can have as much time as possible, but also bearing in mind the need for the staff rec and all the work that staff has to do in that regard.

CHAIRMAN LA ROSA: I appreciate that question, and I am looking at a calendar also.

Staff, is that an issue if we move that to

November 10th, and maybe a time certain on November 10th?

MS. HELTON: Mr. Chairman, one thing I will point out, so if it's filed on November 10th, the end of the day, November 11th is a holiday, so then it's really November 12th when the staff has the briefs to start working on them.

CHAIRMAN LA ROSA: November 11th is a holiday.

MR. STILLER: Can we have a minute to talk to our OPR here about timing.

CHAIRMAN LA ROSA: Yes, please do.

(Discussion off the record.)

MR. STILLER: We are ready, Mr. Chair.

We have conferred with staff, and there is currently no date established for a staff rec, but staff said they can prepare if the post-hearing briefs are filed at 10:00 a.m. on Monday, which would be the 10th.

MS. WESSLING: Thank you very much, if that's --

CHAIRMAN LA ROSA: So, yeah, so let's do that. So due that morning, the 10th -- on the 10th. That will give staff, obviously, the remaining business day to start to review and organize, and then we will be ready to, obviously, get back to work on it on the 12th.

MR. STILLER: And with that, there is nothing further from staff.

CHAIRMAN LA ROSA: Okay. Great. Thank you.

Was there anything else from the parties, any of the parties?

Excellent, well, before I adjourn, I just want to say thank you to all the parties. Obviously, there are a lot of parties in this case, and I appreciate everybody working together, especially when trying to organize schedules, especially for witnesses, to make sure that we had a very effective and efficient two weeks. I believe that we did.

I appreciate everybody, you know, working with me as, you know, we come through the hurdles, and we got through whatever we were getting thrown at us, whatever needed to be discussed. I appreciate the promptness of being here on time, coming back on breaks, even though I was probably the one that maybe slowed us down on many of those, but I appreciate everyone being attentive and ready, and, obviously, this is very important for the state of Florida, and I think we showed great cooperation amongst each other so --

MR. SCHEF WRIGHT: I just want to thank you and the staff, and especially Brian and Debbie. Major props.

(Applause.)

MR. SCHEF WRIGHT: Thank you.

CHAIRMAN LA ROSA: I try not to forget about Debbie, and I dry to make sure we are appropriate in the times between breaks. And it's funny, I was just kind of chatting with some of the Commissioners, and I said, you remember when we didn't have Case Line -- or Case Center, right, when we had to pass out paper, and I feel like it was forever ago, but it really wasn't that long ago.

And, Brian, thank you for jumping there and many don't even know you are sitting there, especially, you know, the newcomers, and all of a sudden, boom, it magically appears in front of us, so thank you for helping us move things along.

Awesome. Well, if there is no further business before us, I will go --

MR. STILLER: Mr. Chair, I would be remiss if we also didn't recognize our three musketeers of Case Center over here, Danielle, Chastity and Nancy, who have done an amazing amount of work and put in an amazing amount of hours for this to happen.

CHAIRMAN LA ROSA: Absolutely.

(Applause.)

CHAIRMAN LA ROSA: Being ready on game day means that you have practiced and you have prepared beforehand, so that certainly has to happen to make sure that we are effective, so thank you all.

If there is no further business before us, we can go ahead and call this hearing adjourned.

Thank y'all.

(Proceedings concluded.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 4th day of November, 2025.

Debbie R Krick

DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028