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March 12, 2021

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

Re: Docket No. 20210015-EI
Petition by FPL for Base Rate Increase and Rate Unification

Dear Mr. Teitzman:

Attached for filing on behalf of Florida Power & Light Company ("FPL") in the above-referenced docket are the Direct Testimony and Exhibits of FPL witness Liz Fuentes.

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

(Document 5 of 69)

Sincerely,

R. Wade Litchfield
Vice President & General Counsel
Florida Power & Light Company

RWL:ec

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF LIZ FUENTES

DOCKET NO. 20210015-EI

MARCH 12, 2021

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I. INTRODUCTION AND SUMMARY

Q. Please state your name and business address.

A. My name is Liz Fuentes. My business address is Florida Power & Light Company ("FPL" or the "Company"), 9250 West Flagler Street, Miami, Florida 33174.

Q. By whom are you employed, and what is your position?

A. I am employed by FPL as Senior Director of Regulatory Accounting.

Q. Please describe your duties and responsibilities in that position.

A. I am responsible for planning, guidance, and management of most regulatory accounting activities for FPL and Gulf Power Company ("Gulf"). In this role, I ensure that financial books and records comply with multi-jurisdictional regulatory accounting requirements and regulations.

Q. Please describe your educational background and professional experience.

A. I graduated from the University of Florida in 1999 with a Bachelor of Science Degree in Accounting. That same year, I was employed by FPL. During my tenure at the Company, I have held various accounting and regulatory positions of increasing responsibility with most of my career focused in regulatory accounting and the calculation of revenue requirements. Specifically, I have filed testimony or provided accounting support in multiple FPL retail base rate filings, clause filings and other regulatory dockets filed at the Florida Public Service Commission ("FPSC" or the "Commission") as well as the Federal Energy Regulatory Commission ("FERC"). My responsibilities have included the management of the accounting for FPL's cost recovery clauses and the preparation, review and filing of FPL's monthly Earnings Surveillance Reports ("ESR") at the FPSC. I am a Certified Public Accountant ("CPA") licensed in the Commonwealth of Virginia and member of the American Institute of CPAs.

Q. Are you sponsoring or co-sponsoring any exhibits in this case?

A. Yes. I am sponsoring the following exhibits:

- LF-1 Consolidated MFRs Sponsored or Co-sponsored by Liz Fuentes
- LF-2 Supplemental FPL and Gulf Standalone Information in MFR Format Sponsored or Co-sponsored by Liz Fuentes
- LF-3 MFR A-1 with RSAM for the 2022 Test Year and 2023 Subsequent Year
- LF-4 List of Proposed Company Adjustments for the 2022 Test Year and 2023 Subsequent Year
- LF-5 2022 and 2023 ROE Calculation Without Rate Adjustment
- LF-6 MFR A-1 without RSAM for the 2022 Test Year and 2023 Subsequent Year
- LF-7 ADIT Proration Adjustment to Capital Structure for 2022 Test Year and 2023 Subsequent Year
- LF-8 Schedule A-1 for FPL as a Separate Ratemaking Entity for the 2022 Test Year and 2023 Subsequent Year
- LF-9 Schedule A-1 for Gulf as a Separate Ratemaking Entity for the 2022 Test Year and 2023 Subsequent Year

I am co-sponsoring the following exhibits:

- TCC-9 Rates for FPL and Gulf as Separate Ratemaking Entities, filed with the direct testimony of FPL witness Cohen.
- REB-12 Solar Base Rate Adjustment Mechanism, filed with the direct testimony of FPL witness Barrett.

Q. Are you sponsoring or co-sponsoring any consolidated Minimum Filing Requirements ("MFRs") in this case?

A. Yes. Exhibit LF-1 lists the consolidated MFRs that I am sponsoring and co-sponsoring.

Q. Are you sponsoring or co-sponsoring any schedules in "Supplement 1 – FPL Standalone Information in MFR Format" and "Supplement 2 – Gulf Standalone Information in MFR Format?"

A. Yes. Exhibit LF-2 lists the supplemental FPL and Gulf standalone information in MFR format that I am sponsoring and co-sponsoring.

Q. What time periods are presented in the referenced consolidated MFRs and FPL and Gulf standalone schedules?

A. The referenced consolidated MFRs and FPL and Gulf standalone schedules reflect information for the 2020 Historical Test Year, 2021 Prior Year, 2022 Test Year, and 2023 Subsequent Year.

Q. How will you refer to FPL and Gulf when discussing them in testimony?

A. FPL and Gulf consummated a legal merger January 1, 2021, and by the end of this year, operations will be essentially consolidated. In discussing operations and time periods after January 1, 2022, most references in my testimony will be only to "FPL" because FPL is proposing unified rates for the consolidated company. Therefore, unless otherwise noted, my testimony addresses requests for the consolidated company with unified rates.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to support the calculation of the revenue requirements and appropriateness of certain ratemaking adjustments FPL proposes in this proceeding. My testimony supports accounting and ratemaking practices that affect the determination of the appropriate rate base, working capital, rate of return, capital structure, and net operating income. Specifically, this includes:

1. The calculation of the revenue requirement requested for the 2022 Test Year;
2. The calculation of the revenue requirement requested for the 2023 Subsequent Year Adjustment ("2023 SYA"); and
3. Adjustments that FPL proposes to rate base, net operating income, and capital structure in order to properly represent the 2022 Test Year and 2023 Subsequent Year results for ratemaking purposes.

In addition, I support the accounting treatment for the consummation payment associated with the retirement of Scherer Unit 4, the recovery of the Gulf COVID-19 regulatory asset, and the calculation of revenue requirements for FPL's proposed Solar Base Rate Adjustment ("SoBRA") mechanism.

Q. Please summarize your testimony.

A. I sponsor and co-sponsor many MFRs and provide the calculation of net operating income, working capital, rate base, capital structure, and revenue requirements for the 2022 Test Year, and 2023 Subsequent Year. Based on these supporting calculations, FPL's requested base rate increase for the 2022 Test Year and 2023 Subsequent Year is $1,108 million and $607 million, respectively.

I also sponsor and co-sponsor many of the schedules included in "Supplement 1 – FPL Standalone Information in MFR Format" and "Supplement 2 – Gulf Standalone Information in MFR Format" and provide the calculation of net operating income, working capital, rate base and revenue requirements for the 2022 Test Year, and the 2023 Subsequent Year for FPL and Gulf as separate ratemaking entities in the event the Commission does not approve FPL's request to unify rates in this proceeding.

In addition, I will present the regulatory asset recovery related to the Company's agreement with JEA to retire Scherer Unit 4 and discuss the appropriate recovery period of Gulf's regulatory asset for incremental bad debt expense and safety costs attributable to the COVID-19 pandemic.

Finally, I describe the methodology for the revenue requirement and true-up calculations for the proposed SoBRA mechanism consistent with the methodology previously approved in the Stipulation and Settlement Agreement reached in FPL's base rate case approved by the Commission in Order No. PSC-16-0560-AS-EI, Docket Nos. 160021-EI, 160061-EI, 160062-EI, and 160088-EI ("2016 Settlement Agreement") and the SoBRA calculations approved in Commission Order Nos. PSC-2018-0028-FOF-EI, PSC-2018-0610-FOF-EI and PSC-2019-0484-FOF-EI.

II. 2022 TEST YEAR REVENUE REQUIREMENT

Q. What is the amount of FPL's requested base rate increase for the 2022 Test Year?

A. As shown on Page 1 of Exhibit LF-3, MFR A-1 with Reserve Surplus Amortization Mechanism ("RSAM") for the 2022 Test Year, the amount of FPL's requested base revenue increase for 2022 is $1,108 million. This amount reflects the RSAM-adjusted depreciation rates discussed by FPL witness Ferguson in his testimony, which is consistent with the four-year rate plan submitted by the Company and discussed by FPL witness Barrett.

Q. Which MFRs directly support the 2022 Test Year revenue increase calculation?

A. Page 1 of Exhibit LF-3 reflects the MFRs that directly support the overall 2022 Test Year jurisdictional revenue requirement increase of $1,108 million requested by FPL. Those MFRs include schedules that support jurisdictional adjusted rate base of $55,508 million, jurisdictional adjusted net operating income of $2,971 million and the calculation of the jurisdictional revenue expansion factor of 1.34153 used to derive the requested revenue increase. Additionally, page 1 of Exhibit LF-3 references MFR D-1a which supports jurisdictional adjusted capital structure and the overall rate of return ("ROR") of 6.84% and reflects FPL's requested return on equity ("ROE") of 11.50% (including a one-half percent ROE performance incentive) that is further discussed in the testimony of FPL witnesses Coyne, Barrett and Reed.

Q. Did FPL apply any proposed Company adjustments in its calculation of jurisdictional revenue requirements for the 2022 Test Year?

A. Yes. A listing of the proposed rate base and net operating income Company adjustments for the 2022 Test Year and their amounts is reflected on pages 1 and 2 of Exhibit LF-4.

Q. Are there any other items you would like to address in regard to the calculation of revenue requirements for the 2022 Test Year?

A. Yes. Consistent with Order No. PSC-16-0506-FOF-EI, issued in Docket No. 160154-EI on November 2, 2016, a small amount of base revenue requirements associated with the Indiantown generating facility are currently being recovered on an interim basis through FPL's Capacity Cost Recovery Clause ("CCRC") because they were not contemplated in FPL's last rate case proceeding. To align all base rate costs, expenses, and revenues, the base revenues recovered through the CCRC related to the Indiantown generating facility are then reclassified on FPL's books and records from CCRC revenues to base revenues.

Although the Indiantown generating facility was retired at the end of 2020, FPL has reflected the land and ongoing base related expenses in its revenue requirement calculation for the 2022 Test Year. Therefore, FPL requests Commission authorization to recover the Indiantown site revenue requirements through base rates and discontinue recovery of Indiantown base revenue requirements through the CCRC effective January 1, 2022. This treatment is consistent with the methodology previously used to move recovery of FPL's West County Energy Center Unit 3 base revenue requirements from the CCRC to base rates pursuant to FPL's 2016 Settlement Agreement. FPL witness Cohen addresses the bill impact of this request. If the Commission does not approve recovery of the Indiantown site revenue requirements through base rates starting in 2022, FPL would continue recovery of its operating expenses through the CCRC.

Q. What would be the resulting ROE for the 2022 Test Year absent the requested rate adjustment?

A. Page 1 of Exhibit LF-5 shows that absent the requested rate adjustment, FPL's 2022 Test Year jurisdictional adjusted ROE is projected to be 8.40%, which is well below the bottom end of the ROE range supported by FPL witnesses Coyne and Barrett, and FPL's current authorized ROE range.

Q. Did you calculate an alternative 2022 revenue requirement that reflects the depreciation rates resulting from FPL's 2021 Depreciation Study instead of the RSAM-adjusted depreciation rates?

A. Yes, if the Commission does not approve FPL's four-year rate plan as described by FPL witness Barrett, the applicable depreciation rates would be those reflected in FPL's 2021 Depreciation Study. As shown on page 1 of Exhibit LF-6, which is MFR A-1 without RSAM, the amount of FPL's alternative base revenue increase for the 2022 Test Year is $1,311 million.

Q. Please describe how FPL calculated the alternative base rate increase for the 2022 Test Year.

A. FPL's alternative revenue requirements are premised on essentially the same data that was used to calculate the revenue increase for the 2022 Test Year reflected on MFR A-1 with RSAM. FPL replaced the proposed depreciation Company adjustments using RSAM-adjusted depreciation rates, and related Investment Tax Credit ("ITC") and excess accumulated deferred income tax ("EADIT") amortization adjustments discussed later in my testimony with Company adjustments reflecting the impact of the depreciation rates resulting from the 2021 Depreciation Study presented by FPL witness Ferguson in his testimony. These modifications resulted in an increase to the revenue increase reflected on MFR A-1 with RSAM for the 2022 Test Year of approximately $203 million.

III. 2023 SUBSEQUENT YEAR REVENUE REQUIREMENT

Q. What is the amount of FPL's requested base rate increase for the 2023 Subsequent Year?

A. As shown on page 2 of Exhibit LF-3, MFR A-1 with RSAM for the 2023

Subsequent Year, the amount of FPL's requested base revenue increase for 2023 is $607 million. This amount reflects RSAM-adjusted depreciation rates, which is consistent with FPL's four-year rate plan.

Q. Which MFRs directly support the 2023 SYA calculation?

A. Page 2 of Exhibit LF-3 reflects the MFRs that directly support the 2023 SYA jurisdictional revenue requirement of $1,723 million. Those MFRs include schedules that support FPL's jurisdictional adjusted rate base of $59,605 million, jurisdictional adjusted net operating income of $2,847 million and the calculation of the jurisdictional revenue expansion factor of 1.34156 to arrive at the requested revenue increase. Additionally, page 2 of Exhibit LF-3 also references MFR D-1a which supports jurisdictional adjusted capital structure that reflects FPL's requested ROE of 11.50% and an overall ROR of 6.93%.

Q. Are all of the proposed Company adjustments for the 2022 Test Year also applicable to the 2023 Subsequent Year?

A. Yes. FPL applied the proposed Company adjustments for the 2022 Test Year to the 2023 Subsequent Year consistently and reflected the amount of those adjustments in the calculation of jurisdictional revenue requirements for the 2023 Subsequent Year. A listing of the proposed rate base and net operating income Company adjustments for the 2023 Subsequent Year and their amounts is reflected on pages 1 and 2 of Exhibit LF-4.

Q. What would be the impact on ROE for the 2023 Subsequent Year absent the requested rate adjustment?

A. Page 1 of Exhibit LF-5 shows that, absent both the 2022 Test Year and 2023

Subsequent Year requested base rate adjustment, the 2023 jurisdictional adjusted ROE is projected to be 7.03%. The exhibit also shows that, with FPL's requested base adjustment for 2022 but absent the requested rate adjustment for 2023, the 2023 jurisdictional adjusted ROE is projected to be 157 basis points, or 1.57%, below the requested ROE.

Q. Did you calculate an alternative 2023 Subsequent Year revenue requirement that reflects the depreciation rates resulting from FPL's 2021 Depreciation Study instead of the RSAM-adjusted depreciation rates?

A. Yes. As shown on page 2 of Exhibit LF-6, which is MFR A-1 without RSAM, the amount of FPL's alternative base revenue increase for the 2023 Test Year is $601 million.

Q. Did FPL calculate the alternative base rate increase for the 2023 Subsequent Year in the same manner as the alternative base rate increase for 2022?

A. Yes, with the exception that FPL used 2023 Subsequent Year data.

IV. ADJUSTMENTS TO 2022 TEST YEAR AND 2023 SUBSEQUENT YEAR

Q. Has FPL presented Commission adjustments to rate base and net operating income necessary to properly reflect the 2022 Test Year and 2023 Subsequent Year for ratemaking purposes?

A. Yes. As required under prior Commission orders, FPL has reflected

Commission rate base and net operating income adjustments in the calculation of the 2022 Test Year and 2023 Subsequent Year revenue requirement calculations. These adjustments are detailed in MFRs B-2 and C-3 for their respective periods and are the same Commission adjustments reflected in FPL's monthly ESR. Due to the timing of the ultimate disposition of FPL's petition for disposition of SolarNow in Order No. PSC-2020-0508-TRF-EI, issued on December 18, 2020, Docket No. 20200209-EI, FPL was unable to incorporate the required Commission adjustments to remove all SolarNow costs, expenses, and revenues from its calculation of revenue requirements. FPL will instead include that Commission adjustment for both 2022 and 2023, which is expected to be minimal, in a separate filing.

Q. Has FPL proposed any Company adjustments in its calculation of rate base and net operating income for the 2022 Test Year and 2023 Subsequent Year?

A. Yes. FPL is proposing various Company adjustments to its rate base and net operating income calculations for both the 2022 Test Year and 2023 Subsequent Year. A listing of FPL's proposed Company adjustments, their impact on rate base and/or net operating income, and the FPL witness supporting each one is reflected on pages 1 and 2 of Exhibit LF-4.

Q. Have all of FPL's proposed Company adjustments reflected on pages 1 and 2 of Exhibit LF-4 been incorporated into the calculation of jurisdictional rate base and net operating income for the 2022 Test Year and 2023 Subsequent Year?

A. Yes. As reflected on MFRs B-2 and C-3 for their respective periods, FPL has included all proposed Company adjustments reflected on pages 1 and 2 of Exhibit LF-4 in its calculation of jurisdictional rate base and net operating income, respectively.

Q. Are there any Company adjustments to rate base or net operating income you are sponsoring that you would like to discuss?

A. Yes. I would like to discuss the following proposed Company adjustments:

- <u>Storm Protection Plan ("SPP") Costs</u> – As addressed in FPL's and Gulf's SPP Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-2020-0293-AS-EI, FPL and Gulf each agreed to address the recovery of future SPP Operations & Maintenance ("O&M") expenses in its next base rate proceeding. As such, FPL is requesting authority to move recovery of all O&M expenses associated with its SPP from base rates to the SPP Cost Recovery Clause ("SPPCRC") starting in 2022 in order to align recovery of O&M program costs with their related capital expenditures. In addition, FPL proposes to move all remaining SPP capital expenditures, and any related depreciation, not currently recoverable through SPPCRC (i.e., Gulf's Transmission Inspection Program) from base rates to the

SPPCRC effective January 1, 2022. Cost of removal and retirements associated with FPL's SPP programs for assets existing prior to 2021 are forecasted to be recovered through base rates. The SPP O&M expenses and capital expenditures forecast for 2022 and 2023 used for this Company adjustment are reflected in FPL witness Spoor's testimony.

- Capital Recovery Schedule Income Tax Adjustments – Under the Tax Cuts and Jobs Act of 2017 (the "TCJA"), FPL is required to follow the Internal Revenue Service ("IRS") normalization requirements for EADIT attributable to the book and tax differences related to depreciation of public utility property as protected and employ the Average Rate Assumption Method ("ARAM"). The ARAM ensures that the amortization occurs no sooner than would occur as the book and tax differences turnaround. Per Order No. PSC-2019-0225-FOF-EI, Docket No. 20180046-EI, FPL is employing the ARAM for the turnaround of all protected EADIT and reflecting the amortization via base revenue requirements regardless of whether they relate to base or clause assets. However, when a major depreciable asset is retired early, it is proper to align any remaining EADIT amortization associated with the retired asset with the recovery of any unrecovered investment remaining at the time of retirement.[1] Therefore, FPL proposes to amortize the remaining EADIT associated with the total unrecovered investment reflected in the capital recovery schedules proposed and

[1] Rev. Proc. 2020-39, 2020-36 IRB 546, 08/14/2020, IRC Sec(s). 168

discussed in detail by FPL witness Ferguson over the same ten-year recovery period. In addition, FPL also proposes to adjust deferred income tax expense to account for permanent timing differences resulting from the capital recovery schedule amortization.

- Depreciation Income Tax Adjustments – As discussed in the testimony of FPL witness Ferguson, FPL is proposing the use of RSAM-adjusted depreciation rates as part of a four-year rate plan. Therefore, since this proposal changes the calculation of book depreciation and impacts the calculation of ARAM, FPL proposes to adjust EADIT amortization similar to the capital recovery schedule EADIT adjustment above in order to properly align depreciation expense and the turnaround of EADIT. As reflected on Exhibit LF-4, the change results in a decrease of EADIT amortization in the 2022 Test Year and 2023 Subsequent Year. In addition, FPL also proposes to adjust deferred income tax expense to consider permanent timing differences resulting from changes in forecasted book depreciation expense.
- Depreciation ITC Adjustment – As discussed in the testimony of FPL witness Ferguson, the useful lives of batteries are extended under FPL's 2021 Depreciation Study, and the lives of solar units are extended under FPL's proposed RSAM depreciation parameters, both of which are incorporated into FPL's proposed RSAM-adjusted depreciation rates. Therefore, in order to properly align ITC amortization with the recovery of these assets and maintain compliance with IRS normalization

requirements,[2] FPL proposes to decrease ITC amortization for the 2022 Test Year and 2023 Subsequent Year as reflected on Exhibit LF-4.

- Rate Case Expense Amortization – Consistent with FPL's 2016 Settlement Agreement and 2012 Settlement Agreement approved in Order No. PSC-13-0023-S-EI, FPL is requesting a four-year amortization period for estimated, incremental rate case expenses associated with this case totaling $5 million. In addition, FPL is requesting that the unamortized balance be included in rate base in the 2022 Test Year and 2023 Subsequent Year in order to avoid an implicit disallowance of reasonable and necessary costs. The fact that FPL is also requesting in one proceeding a 2023 SYA and a SoBRA Mechanism, which is discussed later in my testimony, reduces the amount of rate case expenses FPL would otherwise incur for multiple, back-to-back proceedings. Full recovery of necessary rate case expenses is appropriate but will not occur unless FPL is afforded the opportunity to earn a return on the unamortized balance of those expenses.

Q. Has FPL incorporated any adjustments other than Commission or Company adjustments in its calculation of revenue requirements for the 2022 Test Year or 2023 Subsequent Year?

A. Yes. As reflected on MFR D-1a for their respective periods, FPL has incorporated an adjustment to decrease the amount of Accumulated Deferred

[2] I.R.C. § 46(f) and Treas. Reg. § 1.46-6(g)

Income Tax ("ADIT") included in the calculation of FPL's weighted average cost of capital.

Q. Why has FPL made this adjustment to ADIT?

A. As required under Treasury Regulations §1.167(1)-1(h)(6), ADIT that is treated as zero cost capital or a component of rate base in determining a utility's cost of service must be calculated based on the same period as is used in determining the income tax expense utilized for ratemaking purposes. The Internal Revenue Code ("IRC") goes on to state that a utility may use either historical data or projected data in calculating these two amounts, but the periods used must be consistent. If the amounts are computed using projected data, in whole or in part, and the rates go into effect during the projected period, then the utility must use the formula provided in Treasury Regulations §1.167(1)-1(h)(6)(ii) to calculate the amount of ADIT to be included for ratemaking purposes. Because FPL is presenting a change in base rates at the beginning of both the projected 2022 Test Year and projected 2023 Subsequent Year, the Company is required to comply with Treasury Regulations §1.167(1)-1(h)(6) in this proceeding.

Q. Please describe the required formula FPL must follow to adjust ADIT in the 2022 Test Year and 2023 Subsequent Year.

A. Treasury Regulations §1.167(1)-1(h)(6)(ii) contain a precise formula ("Proration Requirement") for computing the amount of depreciation-related ADIT to be treated as zero cost capital when a future test period is used. The Proration Requirement is as follows:

> The pro rata portion of any increase to be credited or decrease to be charged during a future period…shall be determined by multiplying any such increase or decrease by a fraction, the numerator of which is the number of days remaining in the period at the time such increase or decrease is to be accrued, and the denominator of which is the total number of days in the period.

Q. Did FPL include a Proration Requirement and adjustment to ADIT in its last rate case?

A. Yes. FPL calculated a Proration Requirement in its 2016 retail base rate filing and reflected an adjustment to ADIT on MFR D-1a in that docket. This treatment is also consistent with the Proration Requirement included in the calculation of the weighted average cost of capital applied to cost recovery clauses approved by the Commission in Order No. PSC-2020-0165-PAA-EU, Docket No. 20200118-EU.

Q. Please explain the calculation of the Proration Requirement and its impact to FPL's capital structure for the 2022 Test Year and 2023 Subsequent Year.

A. As reflected on page 1 of Exhibit LF-7, the calculations of the Proration Requirement for ADIT for the 2022 Test and 2023 Subsequent Year results begin with prorated average balances of $126 million and $107 million, respectively. FPL then compared the prorated average balances to the per-book 13-month average ADIT balances for 2022 and 2023 of $135 million and $115 million, respectively. The difference results in an adjustment to ADIT of $9 million for the 2022 Test Year and $8 million for the 2023 Subsequent Year, which are reflected as decreases to ADIT on MFR D-1a for their respective periods.

V. RETIREMENT OF SCHERER UNIT 4

Q. Please provide an overview of the retirement of Scherer Unit 4.

A. FPL and JEA jointly own Scherer Unit 4, an 850 MW coal-fired generating facility located in Georgia, with FPL owning 76.36% of the unit and JEA owning the remaining 23.64%. As discussed in the testimony of FPL witness Forrest, FPL and JEA have agreed to jointly retire Scherer Unit 4 on January 1, 2022. The early retirement and dismantlement of Scherer Unit 4 will result in unrecovered retired plant, which is addressed in the testimony of FPL witness Ferguson. As part of the agreement with JEA to retire Scherer Unit 4 discussed in FPL witness Forrest's testimony, FPL will make a Consummation Payment to JEA of $100 million to complete the retirement of the unit and unlock the value of the overall transaction for FPL's customers as described in the testimony of FPL witness Bores.

Q. How does FPL propose to record the unrecovered retired plant associated with the early retirement of Scherer 4?

A. As discussed by FPL witness Ferguson, FPL requests Commission authorization to establish a regulatory asset for the unrecovered retired plant at retirement as of January 1, 2022 of approximately $831 million and amortization on a straight-line basis over a 10-year period beginning in February 2022. This amount includes unrecovered retired plant associated with both base and clause recoverable assets. The regulatory asset will be recorded to FERC Account 182.2 – Unrecovered Plant and Regulatory Study Costs, and amortized to FERC Account 407 – Amortization of Property Losses, Unrecovered Plant and Regulatory Study Costs.

Q. How does FPL propose to record the Consummation Payment to JEA as part of the agreement to retire Scherer 4?

A. FPL requests Commission authorization to establish a regulatory asset for the Consummation Payment to JEA of $100 million, in recognition of FPL's proposal to defer and recover that specific cost in FPL's base rates. The payment will be recorded as a debit to a regulatory asset in FERC Account 182.3 – Other Regulatory Assets ("Scherer Consummation Payment"). FPL further requests to amortize the Consummation Payment on a straight-line basis to FERC Account 407.3 – Regulatory debit, over a ten-year period, beginning in February 2022. This amortization period is consistent with the recovery period for the unrecovered retired plant discussed in the testimony of FPL witness Ferguson.

Q. Has FPL reflected the recovery of the unrecovered retired plant and Scherer Consummation Payment regulatory assets in its 2022 Test Year and 2023 Subsequent Year revenue requirement calculations?

A. Yes. MFR C-3 for both the 2022 Test Year and 2023 Subsequent Year reflect the amortization of both the base portion of the unrecovered retired plant regulatory asset and Scherer Consummation Payment as Company adjustments to net operating income. In addition, FPL has reflected the unamortized balances of the base portion of the unrecovered retired plant regulatory asset and Scherer Consummation Payment in rate base for both the 2022 Test Year and 2023 Subsequent Year. Exhibit LF-4 lists the changes in rate base and amortization expense associated with these Company adjustments for the 2022 Test Year and 2023 Subsequent Year.

VI. COVID-19 REGULATORY ASSET

Q. Please discuss Gulf's request for approval to establish a regulatory asset for recording incremental costs attributable to COVID-19.

A. On May 22, 2020, Gulf requested approval to establish a regulatory asset for incremental bad debt expense and safety-related costs, less any savings, attributable to COVID-19 in Docket No. 20200151-EI. The concept of deferral accounting allows companies to defer incremental costs due to events beyond their control and seek recovery through rates at a later time. The incremental bad debt expense and safety-related costs Gulf incurred are attributable to the COVID-19 pandemic, a unique and extraordinary event beyond Gulf's control, that could not have been contemplated when Gulf's rates were last set.

Q. Did the Commission approve Gulf's request to establish a regulatory asset in Docket No. 20200151-EI?

A. Yes. The Commission approved Gulf's request in Order No. PSC-2020-0406-PAA-EI, issued October 27, 2020. However, the Office of Public Counsel ("OPC") protested the approval to establish the regulatory asset. FPL anticipates that a hearing will be scheduled in response to OPC's protest.

Q. What is the amount of the COVID-19 regulatory asset included for recovery in this proceeding?

A. The total COVID-19 regulatory asset requested for recovery in this proceeding is $21 million, which represents the sum of actual and forecasted incremental bad debt expense and safety-related costs, less savings, for the period April 1, 2020 through December 31, 2021. FPL has included the COVID-19 regulatory asset in rate base and is requesting amortization over a four-year period as a Company adjustment to the 2022 Test Year and 2023 Subsequent Year.

Q. How does FPL propose to incorporate the outcome of the COVID-19 docket in this proceeding?

A. FPL requests the Commission to incorporate its decision in the COVID-19 docket before the record is closed in this proceeding. If necessary, FPL will provide an adjustment to its revenue requirement calculations for 2022 and 2023 either in rebuttal testimony or promptly after the Commission renders a decision in the COVID-19 docket.

VII. 2024 AND 2025 SOLAR BASE RATE ADJUSTMENT MECHANISM

Q. How does FPL propose to calculate the revenue requirements under the SoBRA mechanism as described by FPL witness Valle?

A. Consistent with the methodology approved in FPL's 2016 Settlement Agreement and FPL's previous SoBRA filings approved in Commission Order Nos. PSC-2018-0028-FOF-EI, PSC-2018-0610-FOF-EI and PSC-2019-0484-FOF-EI, the SoBRA revenue requirement is intended to recover the incremental jurisdictional revenue requirement based on the first 12-months of solar facility operations beginning on the date the units are placed in-service. As provided and approved in the referenced SoBRA orders, the revenue requirement computations for the 2024 and 2025 SoBRAs will be based on the following: (1) estimated capital expenditures for each solar project, (2) estimated depreciation expense and related accumulated depreciation calculated using FPL's most recent approved depreciation rates for solar generation and transmission plant, and (3) estimated operating expenses. Additionally, each SoBRA will be calculated using FPL's approved midpoint ROE, an incremental capital structure that is adjusted to reflect the inclusion of investment tax credits on a normalized basis and the depreciation-related ADIT proration adjustment that is required by Treasury Regulation §1.167(1)-1(h)(6).

Q. Does FPL propose to submit its SoBRA revenue requirements to the Commission for approval before the units are expected to go into service?

A. Yes. Consistent with the process utilized by FPL for the SoBRAs approved by the Commission under FPL's 2016 Settlement Agreement, FPL will present its revenue requirement calculations at the time it makes its projection filings in the Fuel and Purchased Power Costs Recovery Clause Docket the year prior to the solar units' expected in-service date.

Q. Will there be a true-up to the initial SoBRA revenue requirement calculation in the event actual capital costs are lower than what was forecasted?

A. Yes. In the event that actual capital costs are lower than the forecasted capital costs reflected in the initial SoBRA, FPL will calculate a final SoBRA revenue requirement based on the same inputs and methodology used for the initial SoBRA revenue requirement, except the calculation will be updated with actual capital expenditures. This treatment is consistent with FPL's 2016 Settlement Agreement and the 2017 and 2018 SoBRA true-up filings approved in Commission Order Nos. PSC-2019-0484-FOF-EI and PSC-2020-0439-FOF-EI. In the event that actual capital costs for the 2024 and 2025 solar generation projects are higher than the projection on which the revenue requirements are based or the cost cap, FPL would include the incremental costs in its monthly earnings surveillance report and reflect these costs in its next base rate proceeding.

VIII. REVENUE REQUIREMENTS FOR FPL AND GULF AS SEPARATE RATEMAKING ENTITIES

Q. In the event the Commission does not approve FPL's request to unify FPL and Gulf base rates, has FPL calculated a base rate increase for the 2022 Test Year and the 2023 Subsequent Year for FPL as a separate ratemaking entity?

A. Yes. As reflected on Exhibit LF-8, which is Schedule A-1 for FPL as a separate ratemaking entity, the 2022 and 2023 base revenue increases for FPL are projected to be $1,155 million and $529 million, respectively. Additionally, page 2 of Exhibit LF-5 shows that, absent a rate adjustment, the 2022 Test Year and 2023 Subsequent Year jurisdictional adjusted ROE for FPL as a separate ratemaking entity is projected to be 7.98% and 9.99%, respectively. And, absent a rate adjustment in both 2022 and 2023, the adjusted ROE for FPL as a separate ratemaking entity is projected to be 6.67%.

Q. Has FPL applied all appropriate Commission adjustments, proposed Company adjustments, and the Proration Requirement to calculate the 2022 Test Year and 2023 Subsequent Year revenue requirements for FPL as a separate ratemaking entity?

A. Yes. As reflected on Schedules B-2, C-3, and D-1a for the 2022 Test Year and 2023 Subsequent Year provided in "Supplement 1 – FPL Standalone Information in MFR Format," FPL has applied all required Commission adjustments and the proration adjustment, and proposed Company adjustments applicable to standalone FPL for the 2022 Test Year and 2023 Subsequent Year. Pages 5 and 6 of Exhibit LF-4 lists all Company adjustments applicable to FPL as a separate ratemaking entity, their impact on rate base and/or net operating income for the 2022 Test Year and 2023 Subsequent Year, and the witness sponsoring each one. Page 2 of Exhibit LF-7 details the proration calculation for FPL as a separate ratemaking entity for the 2022 Test Year and 2023 Subsequent Year.

Q. Have similar base rate increase calculations been performed for Gulf as a separate ratemaking entity for the 2022 Test Year and 2023 Subsequent Year?

A. Yes. As reflected on Exhibit LF-9, which is Schedule A-1 for Gulf as a separate ratemaking entity, the 2022 and 2023 base revenue increases for Gulf are projected to be $177 million and $78 million, respectively. Additionally, page 2 of$ Exhibit LF-5 shows that, absent a rate adjustment, the 2022 Test Year and 2023 Subsequent Year jurisdictional adjusted ROE for Gulf as a separate ratemaking entity is projected to be 5.33% and 9.14%, respectively. Absent a rate adjustment in both 2022 and 2023, the adjusted ROE for Gulf as a separate ratemaking entity is projected to be 3.79%.

Q. Did you also apply all appropriate Commission adjustments, proposed Company adjustments, and the Proration Requirement for Gulf as a separate ratemaking entity for the 2022 Test Year and 2023 Subsequent Year?

A. Yes. As reflected on Schedules B-2, C-3, and D-1a for the 2022 Test Year and

2023 Subsequent Year provided in “Supplement 2 – Gulf Standalone Information in MFR Format,” Gulf has separately applied all required Commission adjustments and the proration adjustment, and proposed similar Company adjustments for the 2022 Test Year and 2023 Subsequent Year. Pages 7 and 8 of Exhibit LF-4 list Company adjustments applicable to Gulf as a separate ratemaking entity, their impact on rate base and/or net operating income for the 2022 Test Year and 2023 Subsequent Year, and the witness sponsoring each one. Page 3 of Exhibit LF-7 details the proration calculation for Gulf as a separate ratemaking entity for the 2022 Test Year and 2023 Subsequent Year.

Q. Does this conclude your direct testimony?

A. Yes.

Florida Power & Light Company

CONSOLIDATED MFRs SPONSORED OR CO-SPONSORED BY LIZ FUENTES

MFR	Period	Title
SOLE SPONSOR:		
A-01	Test Subsequent	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
B-01	Historic Prior Test Subsequent	ADJUSTED RATE BASE
B-03	Historic	13 MONTH AVERAGE BALANCE SHEET - SYSTEM BASIS
B-04	Historic Subsequent	TWO YEAR HISTORICAL BALANCE SHEET
B-18	Historic	FUEL INVENTORY BY PLANT
B-19	Test Subsequent	MISCELLANEOUS DEFERRED DEBITS
B-20	Test Subsequent	OTHER DEFERRED CREDITS
B-21	Historic	ACCUMULATED PROVISION ACCOUNTS - 228.1, 228.2 and 228.4
C-01	Historic Prior Test Subsequent	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
C-02	Historic Prior	NET OPERATING INCOME ADJUSTMENTS
C-07	Test Subsequent	OPERATION AND MAINTENANCE EXPENSES - TEST YEAR
C-09	Historic Subsequent	FIVE YEAR ANALYSIS - CHANGE IN COST
C-18	Historic Test Subsequent	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
C-22	Historic Test Subsequent	STATE AND FEDERAL INCOME TAX CALCULATION
C-24	Historic Test Subsequent	PARENT(S) DEBT INFORMATION

Florida Power & Light Company

CONSOLIDATED MFRs SPONSORED OR CO-SPONSORED BY LIZ FUENTES

MFR	Period	Title
SOLE SPONSOR:		
C-25	Test Subsequent	DEFERRED TAX ADJUSTMENT
C-26	Historic Subsequent	INCOME TAX RETURNS
C-27	Test Subsequent	CONSOLIDATED TAX INFORMATION
C-28	Historic Subsequent	MISCELLANEOUS TAX INFORMATION
C-38	Test Subsequent	O & M ADJUSTMENTS BY FUNCTION
C-39	Historic Subsequent	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
C-44	Test Subsequent	REVENUE EXPANSION FACTOR
D-01a	Historic	COST OF CAPITAL - 13-MONTH AVERAGE
D-01b	Test Subsequent	COST OF CAPITAL - ADJUSTMENTS
CO-SPONSOR:		
B-02	Historic Prior Test Subsequent	RATE BASE ADJUSTMENTS
B-06	Historic Test Subsequent	JURISDICTIONAL SEPARATION FACTORS - RATE BASE
B-17	Test Subsequent	WORKING CAPITAL - 13 MONTH AVERAGE
B-22	Test Subsequent	TOTAL ACCUMULATED DEFERRED INCOME TAXES
B-23	Test Subsequent	INVESTMENT TAX CREDITS - ANNUAL ANALYSIS
C-02	Test Subsequent	NET OPERATING INCOME ADJUSTMENTS

Florida Power & Light Company

CONSOLIDATED MFRs SPONSORED OR CO-SPONSORED BY LIZ FUENTES

MFR	Period	Title
CO-SPONSOR:		
C-03	Historic Prior Test Subsequent	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
C-04	Historic Test Subsequent	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
C-06	Test Subsequent	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
C-08	Test Subsequent	DETAIL OF CHANGES IN EXPENSES
C-10	Test	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
C-12	Test Subsequent	ADMINISTRATIVE EXPENSES
C-13	Historic	MISCELLANEOUS GENERAL EXPENSES
C-14	Historic	ADVERTISING EXPENSES
C-15	Historic	INDUSTRY ASSOCIATION DUES
C-16	Historic	OUTSIDE PROFESSIONAL SERVICES
C-17	Test Subsequent	PENSION COST
C-20	Historic Prior Test Subsequent	TAXES OTHER THAN INCOME TAXES
C-21	Test Subsequent	REVENUE TAXES
C-23	Test Subsequent	INTEREST IN TAX EXPENSE CALCULATION
C-36	Test Subsequent	NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI
C-37	Test Subsequent	O & M BENCHMARK COMPARISON BY FUNCTION

Florida Power & Light Company

CONSOLIDATED MFRs SPONSORED OR CO-SPONSORED BY LIZ FUENTES

MFR	Period	Title
CO-SPONSOR:		
C-41	Test Subsequent	O & M BENCHMARK VARIANCE BY FUNCTION
C-42	Test	HEDGING COSTS
C-43	Test Subsequent	SECURITY COSTS
D-01a	Prior Test Subsequent	COST OF CAPITAL - 13-MONTH AVERAGE
D-06	Historic	CUSTOMER DEPOSITS
F-05	Test Subsequent	FORECASTING MODELS
F-08	Test Subsequent	ASSUMPTIONS

Florida Power and Light Company

SUPPLEMENT 1 - FPL STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
SOLE SPONSOR:		
A-01	Test Subsequent	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
B-01	Test Subsequent	ADJUSTED RATE BASE
B-04	Subsequent	TWO YEAR HISTORICAL BALANCE SHEET
B-19	Test Subsequent	MISCELLANEOUS DEFERRED DEBITS
B-20	Test Subsequent	OTHER DEFERRED CREDITS
C-01	Test Subsequent	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
C-07	Test Subsequent	OPERATION AND MAINTENANCE EXPENSES - TEST YEAR
C-09	Subsequent	FIVE YEAR ANALYSIS - CHANGE IN COST
C-18	Test Subsequent	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
C-22	Test Subsequent	STATE AND FEDERAL INCOME TAX CALCULATION
C-24	Test Subsequent	PARENT(S) DEBT INFORMATION
C-25	Test Subsequent	DEFERRED TAX ADJUSTMENT
C-26	Subsequent	INCOME TAX RETURNS
C-27	Test Subsequent	CONSOLIDATED TAX INFORMATION
C-28	Subsequent	MISCELLANEOUS TAX INFORMATION

SUPPLEMENT 1 - FPL STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
SOLE SPONSOR:		
C-38	Test Subsequent	O & M ADJUSTMENTS BY FUNCTION
C-39	Subsequent	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
C-44	Test Subsequent	REVENUE EXPANSION FACTOR
D-01b	Test Subsequent	COST OF CAPITAL - ADJUSTMENTS
CO-SPONSOR:		
B-02	Test Subsequent	RATE BASE ADJUSTMENTS
B-06	Test Subsequent	JURISDICTIONAL SEPARATION FACTORS - RATE BASE
B-17	Test Subsequent	WORKING CAPITAL - 13 MONTH AVERAGE
B-22	Test Subsequent	TOTAL ACCUMULATED DEFERRED INCOME TAXES
B-23	Test Subsequent	INVESTMENT TAX CREDITS - ANNUAL ANALYSIS
C-02	Test Subsequent	NET OPERATING INCOME ADJUSTMENTS
C-03	Test Subsequent	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
C-04	Test Subsequent	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
C-06	Test Subsequent	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
C-08	Test Subsequent	DETAIL OF CHANGES IN EXPENSES
C-10	Test	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
C-12	Test Subsequent	ADMINISTRATIVE EXPENSES

SUPPLEMENT 1 - FPL STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
CO-SPONSOR:		
C-17	Test Subsequent	PENSION COST
C-20	Test Subsequent	TAXES OTHER THAN INCOME TAXES
C-21	Test Subsequent	REVENUE TAXES
C-23	Test Subsequent	INTEREST IN TAX EXPENSE CALCULATION
C-36	Test Subsequent	NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI
C-37	Test Subsequent	O & M BENCHMARK COMPARISON BY FUNCTION
C-41	Test Subsequent	O & M BENCHMARK VARIANCE BY FUNCTION
C-42	Test	HEDGING COSTS
C-43	Test Subsequent	SECURITY COSTS
D-01a	Test Subsequent	COST OF CAPITAL - 13-MONTH AVERAGE
F-05	Test Subsequent	FORECASTING MODELS
F-08	Test Subsequent	ASSUMPTIONS

Florida Power & Light Company

SUPPLEMENT 2 - GULF STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
SOLE SPONSOR:		
A-01	Test Subsequent	FULL REVENUE REQUIREMENTS INCREASE REQUESTED
B-01	Test Subsequent	ADJUSTED RATE BASE
B-04	Subsequent	TWO YEAR HISTORICAL BALANCE SHEET
B-19	Test Subsequent	MISCELLANEOUS DEFERRED DEBITS
B-20	Test Subsequent	OTHER DEFERRED CREDITS
C-01	Test Subsequent	ADJUSTED JURISDICTIONAL NET OPERATING INCOME
C-07	Test Subsequent	OPERATION AND MAINTENANCE EXPENSES - TEST YEAR
C-09	Subsequent	FIVE YEAR ANALYSIS - CHANGE IN COST
C-18	Test Subsequent	LOBBYING EXPENSES, OTHER POLITICAL EXPENSES AND CIVIC/CHARITABLE CONTRIBUTIONS
C-22	Test Subsequent	STATE AND FEDERAL INCOME TAX CALCULATION
C-24	Test Subsequent	PARENT(S) DEBT INFORMATION
C-25	Test Subsequent	DEFERRED TAX ADJUSTMENT
C-26	Subsequent	INCOME TAX RETURNS
C-27	Test Subsequent	CONSOLIDATED TAX INFORMATION
C-28	Subsequent	MISCELLANEOUS TAX INFORMATION

SUPPLEMENT 2 - GULF STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
SOLE SPONSOR:		
C-38	Test Subsequent	O & M ADJUSTMENTS BY FUNCTION
C-39	Subsequent	BENCHMARK YEAR RECOVERABLE O & M EXPENSES BY FUNCTION
C-44	Test Subsequent	REVENUE EXPANSION FACTOR
D-01b	Test Subsequent	COST OF CAPITAL - ADJUSTMENTS
CO-SPONSOR:		
B-02	Test Subsequent	RATE BASE ADJUSTMENTS
B-06	Test Subsequent	JURISDICTIONAL SEPARATION FACTORS - RATE BASE
B-17	Test Subsequent	WORKING CAPITAL - 13 MONTH AVERAGE
B-22	Test Subsequent	TOTAL ACCUMULATED DEFERRED INCOME TAXES
B-23	Test Subsequent	INVESTMENT TAX CREDITS - ANNUAL ANALYSIS
C-02	Test Subsequent	NET OPERATING INCOME ADJUSTMENTS
C-03	Test Subsequent	JURISDICTIONAL NET OPERATING INCOME ADJUSTMENTS
C-04	Test Subsequent	JURISDICTIONAL SEPARATION FACTORS-NET OPERATING INCOME
C-06	Test Subsequent	BUDGETED VERSUS ACTUAL OPERATING REVENUES AND EXPENSES
C-08	Test Subsequent	DETAIL OF CHANGES IN EXPENSES
C-10	Test	DETAIL OF RATE CASE EXPENSES FOR OUTSIDE CONSULTANTS
C-12	Test Subsequent	ADMINISTRATIVE EXPENSES

SUPPLEMENT 2 - GULF STANDALONE INFORMATION IN MFR FORMAT SPONSORED OR CO-SPONSORED BY LIZ FUENTES

Schedule	Period	Title
CO-SPONSOR:		
C-17	Test Subsequent	PENSION COST
C-20	Test Subsequent	TAXES OTHER THAN INCOME TAXES
C-21	Test Subsequent	REVENUE TAXES
C-23	Test Subsequent	INTEREST IN TAX EXPENSE CALCULATION
C-36	Test Subsequent	NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI
C-37	Test Subsequent	O & M BENCHMARK COMPARISON BY FUNCTION
C-41	Test Subsequent	O & M BENCHMARK VARIANCE BY FUNCTION
C-42	Test	HEDGING COSTS
C-43	Test Subsequent	SECURITY COSTS
D-01a	Test Subsequent	COST OF CAPITAL - 13-MONTH AVERAGE
F-05	Test Subsequent	FORECASTING MODELS
F-08	Test Subsequent	ASSUMPTIONS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
X Projected Test Year Ended: 12/31/22
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES (CONSOLIDATED)

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

Line No.	(1) DESCRIPTION	(2) SOURCE		(3) AMOUNT ($000)
1				
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$	55,507,996
3				
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A		6.84%
5				
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$	3,797,719
7				
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$	2,971,470
9				
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$	826,250
11				
12	EARNED RATE OF RETURN	LINE 8 / LINE 2		5.35%
13				
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44		1.34153
15				
16	REVENUE REQUIREMENT (1)	LINE 10 X LINE 14	$	1,108,442
17				
18				
19	Note:			
20	(1) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on			
21	MFR B-2 (with RSAM) and C-2 (with RSAM), is $1,194,966.			
22				
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34				
35				

Supporting Schedules: B-1 (with RSAM), B-2 (with RSAM), C-1 (with RSAM), C-2 (with RSAM), D-1a (with RSAM), C-44

Recap Schedules:

FULL REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
_ Projected Test Year Ended: _/_/_
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_
X Proj. Subsequent Yr Ended: 12/31/23

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES (CONSOLIDATED)

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

	(1)	(2)	(3)
Line No.	DESCRIPTION	SOURCE	AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 59,605,291
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.93%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 4,131,069
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 2,847,065
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 1,284,003
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	4.78%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34156
15			
16	REVENUE REQUIREMENT	LINE 10 X LINE 14	$ 1,722,569
17			
18	2022 REVENUE INCREASE REQUESTED (1)	SEE NOTE 1	$ 1,116,068
19			
20	RATE INCREASE REQUESTED (AFTER FULL 2022 RATE INCREASE) (2)	LINE 16 - LINE 18	$ 606,500
21			
22	Notes:		
23	(1) 2022 Revenue increase requested on Test Year MFR A-1 (with RSAM), $1,108,442 adjusted for 2023 sales.		
24	(2) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on		
25	MFR B-2 (with RSAM) and C-2 (with RSAM) for both 2022 and 2023, is $604,790.		
26			
27			
28			
29			
30			
31			
32			
33			
34			

Supporting Schedules: B-1 (with RSAM), B-2 (with RSAM), C-1 (with RSAM), C-2 (with RSAM), D-1a (with RSAM), C-44

Recap Schedules:

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED WITH RSAM)
LIST OF PROPOSED COMPANY ADJUSTMENTS[(1)]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	Company Adjustment	2022 Rate Base (MFR B-2)[(2)]	2022 Expense	2022 NOI Adjustment (MFR C-3)	2023 Rate Base (MFR B-2)[(2)]	2023 Expense	2023 NOI Adjustment (MFR C-3)	Adjustment Description	Sponsoring Witness
1	Depreciation - RSAM Adjusted Depreciation Rates	$ 118,544	$ (238,670)	$ (178,179)	$ 362,942	$ (249,392)	$ (186,184)	FPL proposes to decrease base depreciation expense to reflect the application of the proposed RSAM-adjusted depreciation rates beginning January 1, 2022.	Keith Ferguson (KF - 3(B))
2		$ -	$ 7,774	$ 7,774	$ -	$ 8,079	$ 8,079	FPL proposes an adjustment to EADIT amortization due to a decrease in depreciation expense resulting from the application of the RSAM-adjusted depreciation rates.	Liz Fuentes
3		$ -	$ (1,101)	$ (1,101)	$ -	$ (1,239)	$ (1,239)	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from changes in book depreciation.	Liz Fuentes
4		$ -	$ 5,457	$ 5,457	$ -	$ 9,259	$ 9,259	FPL proposes an adjustment to ITC amortization in order to be in alignment with the proposed increase in solar and battery lives reflected in the RSAM-adjusted depreciation rates.	Liz Fuentes
5		$ 118,544	$ (226,540)	$ (166,049)	$ 362,942	$ (233,294)	$ (170,085)	Total	Keith Ferguson/ Liz Fuentes
6	Dismantlement	$ (12,126)	$ 24,251	$ 18,105	$ (36,377)	$ 24,251	$ 18,105	FPL proposes to increase base dismantlement expense to reflect the application of the proposed dismantlement accruals contained in the 2021 Dismantlement Study beginning January 1, 2022.	Keith Ferguson (KF - 5)
7		$ 13,671	$ -	$ -	$ 14,810	$ -	$ -	FPL proposes to transfer dismantlement reserves between units in order to minimize the increase in the proposed dismantlement accruals.	Keith Ferguson (KF - 5)
8		$ 1,545	$ 24,251	$ 18,105	$ (21,567)	$ 24,251	$ 18,105	Total	Keith Ferguson
9	Scherer Ash Pond Closure Costs	$ 59,233	$ (8,834)	$ (6,595)	$ 72,636	$ (8,834)	$ (6,595)	FPL is requesting to move the Scherer coal ash dismantlement reserve and the related accrual from base to the ECRC beginning January 1, 2022 in order to align rate recovery of the related assets.	Keith Ferguson (KF - 5)
10	Capital Recovery Schedule (Base Portions Only)	$ (11,519)	$ 23,039	$ 17,200	$ (34,558)	$ 23,039	$ 17,200	Martin Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
11		$ (16,368)	$ 32,736	$ 24,439	$ (49,104)	$ 32,736	$ 24,439	Lauderdale Units 4 and 5 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
12		$ (4,520)	$ 9,793	$ 7,311	$ (15,135)	$ 10,684	$ 7,976	Manatee Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
13		$ (5,614)	$ 11,227	$ 8,382	$ (21,431)	$ 20,407	$ 15,235	500 kV System - FPL is requesting to amortize unrecovered early retired investment and related cost of removal over a ten-year period beginning on January 1, 2022. Amounts of unrecovered plant each year would be accumulated in tranches and begin the ten-year amortization on January 1st of the following year (i.e. amortization of tranches).	Keith Ferguson (KF - 4)
14		$ (15,535)	$ 33,660	$ 25,129	$ (52,020)	$ 36,720	$ 27,413	Scherer Unit 4 - FPL is requesting to amortize the base portion of unrecovered early retired investment and the acquisition adjustment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
15		$ (3,381)	$ 6,762	$ 5,048	$ (10,143)	$ 6,762	$ 5,048	Plant Crist Coal Assets - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
16		$ -	$ (8,115)	$ (8,115)	$ -	$ (10,119)	$ (10,119)	FPL proposes an adjustment to EADIT amortization due to an increase in amortization expense resulting from the proposed Capital Recovery Schedules requested in this docket.	Liz Fuentes

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED WITH RSAM)
LIST OF PROPOSED COMPANY ADJUSTMENTS[1]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	Company Adjustment	2022 Rate Base (MFR B-2)[2]	2022 Expense	2022 NOI Adjustment (MFR C-3)	2023 Rate Base (MFR B-2)[2]	2023 Expense	2023 NOI Adjustment (MFR C-3)	Adjustment Description	Sponsoring Witness
17	Capital Recovery Schedule (Base Portions Only)	$ -	$ 756	$ 756	$ -	$ 736	$ 736	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from Capital Recovery Schedule amortization.	Liz Fuentes
18		$ (56,937)	$ 109,858	$ 80,149	$ (182,391)	$ 120,965	$ 87,928	Total	Keith Ferguson/ Liz Fuentes
19	Nuclear End of Life Accruals - M&S and Last Core	$ 163	$ (326)	$ (243.360)	$ 489	$ (326)	$ (243)	FPL proposes to decrease its end-of-life materials and supplies accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
20		$ 3,754	$ (7,509)	$ (5,605.830)	$ 11,263	$ (7,509)	$ (5,606)	FPL proposes to decrease its end-of-life nuclear fuel last core accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
21		$ 3,917	$ (7,835)	$ (5,849)	$ 11,752	$ (7,835)	$ (5,849)	Total	Keith Ferguson
22	Scherer Consummation Payment	$ 88,077	$ 9,167	$ 6,843	$ 85,833	$ 10,000	$ 7,466	FPL is requesting to establish a regulatory asset for the Scherer Consummation Payment and amortization over a ten-year period beginning February 1, 2022 consistent with the proposed recovery of the Scherer Unit 4 Capital Recovery Schedule.	Liz Fuentes
23	Rate Case Expense Amortization	$ (646)	$ 1,292	$ 965	$ (1,939)	$ 1,292	$ 965	Consistent with Commission orders in prior base rate cases, FPL has reflected the deferral of rate case expenses related to this docket in rate base and proposes to amortize them over a four-year period beginning January 1, 2022.	Liz Fuentes
24	COVID-19 Regulatory Asset Amortization	$ (2,653)	$ 5,307	$ 3,962	$ (7,960)	$ 5,307	$ 3,962	FPL proposes to amortize the COVID-19 regulatory asset over a four-year period beginning January 1, 2022.	Liz Fuentes
25	Care to Share Program Liability	$ 94	$ -	$ -	$ 101	$ -	$ -	FPL's Care to Share program provides relief for customers who are in financial need and unable to pay their electric bill. Voluntary contribution dollars are collected from both FPL employees and customers and then disbursed to various third party agencies to assist customers. As amounts are collected, they are reflected as a liability in FPL's rate base. FPL proposes to remove this liability from rate base beginning with the 2022 Test Year as there is no direct relationship with this liability and the provision of electric service.	Liz Fuentes
26	SPPCRC - Capital & O&M Expenses	$ -	$ (83,407)	$ (62,267)	$ -	$ (83,150)	$ (62,075)	FPL proposes to move all Storm Protection Plan O&M expenses from base rates to the Storm Protection Plan Cost Recovery Clause to align recovery of O&M program costs with their related capital expenditures beginning January 1, 2022.	Liz Fuentes/ Mike Spoor
27		$ (1,304)	$ (20)	$ (15)	$ (3,878)	$ (91)	$ (68)	FPL proposes to move plant-in-service, CWIP, accumulated depreciation, and depreciation expense related to transmission inspection program costs incurred beginning January 1, 2022 from base rates to the Storm Protection Plan Cost Recovery Clause beginning January 1, 2022. All capital costs would then be recovered through SPPCRC, except for cost of removal and retirements which would remain in base rates.	Liz Fuentes/ Mike Spoor
28		$ (1,304)	$ (83,427)	$ (62,282)	$ (3,878)	$ (83,241)	$ (62,143)	Total	Liz Fuentes
29	ECRC - Groundwater Contamination Investigation and Solid & Hazard Waste Programs	$ -	$ (497)	$ (371)	$ -	$ (497)	$ (371)	FPL proposes to move certain ECRC program O&M expenses previously recovered in base rates to the ECRC to align recovery of the program expenses beginning January 1, 2022.	Liz Fuentes
Total Per Books Adjustments		**$ 209,870**	**$ (177,259)**	**$ (131,123)**	**$ 315,531**	**$ (171,885)**	**$ (126,619)**		

Notes
(1) Amounts on this exhibit are Per Book amounts and have not been jurisdictionalized.
(2) Amounts reflected are 13-month averages.

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED WITHOUT RSAM)
LIST OF PROPOSED COMPANY ADJUSTMENTS[1]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	**Company Adjustment**	**2022 Rate Base (MFR B-2)[2]**	**2022 Expense**	**2022 NOI Adjustment (MFR C-3)**	**2023 Rate Base (MFR B-2)[2]**	**2023 Expense**	**2023 NOI Adjustment (MFR C-3)**	**Adjustment Description**	**Sponsoring Witness**
1		$ 2,281	$ (3,967)	$ (2,961)	$ 2,265	$ 4,709	$ 3,516	FPL proposes to decrease base depreciation expense in 2022 and increase base depreciation expense in 2023 to reflect the application of the depreciation rates contained in the 2021 Depreciation Study beginning January 1, 2022.	Keith Ferguson (KF - 3(A))
2	Depreciation - 2021 Depreciation Study	$ -	$ (454)	$ (454)	$ -	$ (485)	$ (485)	FPL proposes an adjustment to EADIT amortization due to a decrease in depreciation expense in 2022 and an increase in depreciation expense in 2023 resulting from the application of the depreciation rates contained in the 2021 Depreciation Study.	Liz Fuentes
3		$ -	$ 522	$ 522	$ -	$ 552	$ 552	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from changes in book depreciation.	Liz Fuentes
4		$ -	$ 591	$ 591	$ -	$ 3,532	$ 3,532	FPL proposes an adjustment to ITC amortization in order to be in alignment with the proposed increase in battery life reflected in the 2021 Depreciation Study.	Liz Fuentes
5		$ 2,281	$ (3,307)	$ (2,302)	$ 2,265	$ 8,309	$ 7,115	Total	Keith Ferguson/ Liz Fuentes
6		$ (12,126)	$ 24,251	$ 18,105	$ (36,377)	$ 24,251	$ 18,105	FPL proposes to increase base dismantlement expense to reflect the application of the dismantlement accruals contained in the 2021 Dismantlement Study beginning January 1, 2022.	Keith Ferguson (KF - 5)
7	Dismantlement	$ 13,671	$ -	$ -	$ 14,810	$ -	$ -	FPL proposes to transfer dismantlement reserves between units in order to minimize the increase in the proposed dismantlement accruals.	Keith Ferguson (KF - 5)
8		$ 1,545	$ 24,251	$ 18,105	$ (21,567)	$ 24,251	$ 18,105	Total	Keith Ferguson
9	Scherer Ash Pond Closure Costs	$ 59,233	$ (8,834)	$ (6,595)	$ 72,636	$ (8,834)	$ (6,595)	FPL is requesting to move the Scherer coal ash dismantlement reserve and the related accrual from base to the ECRC beginning January 1, 2022 in order to align rate recovery of the related assets.	Keith Ferguson (KF - 5)
10		$ (11,519)	$ 23,039	$ 17,200	$ (34,558)	$ 23,039	$ 17,200	Martin Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
11		$ (16,368)	$ 32,736	$ 24,439	$ (49,104)	$ 32,736	$ 24,439	Lauderdale Units 4 and 5 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
12		$ (4,520)	$ 9,793	$ 7,311	$ (15,135)	$ 10,684	$ 7,976	Manatee Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
13	Capital Recovery Schedule (Base Portions Only)	$ (5,614)	$ 11,227	$ 8,382	$ (21,431)	$ 20,407	$ 15,235	500 kV System - FPL is requesting to amortize unrecovered early retired investment and related cost of removal over a ten-year period beginning on January 1, 2022. Amounts of unrecovered plant each year would be accumulated in tranches and begin the ten-year amortization on January 1st of the following year (i.e. amortization of tranches).	Keith Ferguson (KF - 4)
14		$ (15,535)	$ 33,660	$ 25,129	$ (52,020)	$ 36,720	$ 27,413	Scherer Unit 4 - FPL is requesting to amortize the base portion of unrecovered early retired investment and the acquisition adjustment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
15		$ (3,381)	$ 6,762	$ 5,048	$ (10,143)	$ 6,762	$ 5,048	Plant Crist Coal Assets - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
16		$ -	$ (8,115)	$ (8,115)	$ -	$ (10,119)	$ (10,119)	FPL proposes an adjustment to EADIT amortization due to an increase in amortization expense resulting from the proposed Capital Recovery Schedules requested in this docket.	Liz Fuentes
17		$ -	$ 756	$ 756	$ -	$ 736	$ 736	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from Capital Recovery Schedule amortization.	Liz Fuentes
18		$ (56,937)	$ 109,858	$ 80,149	$ (182,391)	$ 120,965	$ 87,928	Total	Keith Ferguson/ Liz Fuentes

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED WITHOUT RSAM)
LIST OF PROPOSED COMPANY ADJUSTMENTS[1]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	Company Adjustment	2022 Rate Base (MFR B-2)[2]	2022 Expense	2022 NOI Adjustment (MFR C-3)	2023 Rate Base (MFR B-2)[2]	2023 Expense	2023 NOI Adjustment (MFR C-3)	Adjustment Description	Sponsoring Witness
19	Nuclear End of Life Accruals - M&S and Last Core	$ 163	$ (326)	$ (243)	$ 489	$ (326)	$ (243)	FPL proposes to decrease its end-of-life materials and supplies accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
20		$ 3,754	$ (7,509)	$ (5,606)	$ 11,263	$ (7,509)	$ (5,606)	FPL proposes to decrease its end-of-life nuclear fuel last core accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
21		$ 3,917	$ (7,835)	$ (5,849)	$ 11,752	$ (7,835)	$ (5,849)	Total	Keith Ferguson
22	Scherer Consummation Payment	$ 88,077	$ 9,167	$ 6,843	$ 85,833	$ 10,000	$ 7,466	FPL is requesting to establish a regulatory asset for the Scherer Consummation Payment and amortization over a ten-year period beginning February 1, 2022 consistent with the proposed recovery of the Scherer Unit 4 capital recovery schedule.	Liz Fuentes
23	Rate Case Expense Amortization	$ (646)	$ 1,292	$ 965	$ (1,939)	$ 1,292	$ 965	Consistent with Commission orders in prior base rate cases, FPL has reflected the deferral of rate case expenses related to this docket in rate base and proposes to amortize them over a four-year period beginning January 1, 2022.	Liz Fuentes
24	COVID-19 Regulatory Asset Amortization	$ (2,653)	$ 5,307	$ 3,962	$ (7,960)	$ 5,307	$ 3,962	FPL proposes to amortize the COVID-19 regulatory asset over a four-year period beginning January 1, 2022.	Liz Fuentes
25	Care to Share Program Liability	$ 94	$ -	$ -	$ 101	$ -	$ -	FPL's Care to Share program provides relief for customers who are in financial need and unable to pay their electric bill. Voluntary dollars are collected from both FPL employees and customers and then disbursed to various third party agencies to assist customers. As amounts are collected, they are reflected as a liability in FPL's rate base. FPL proposes to remove this liability from rate base beginning with the 2022 Test Year as there is no direct relationship with this liability and the provision of electric service.	Liz Fuentes
26	SPPCRC - Capital & O&M Expenses	$ -	$ (83,407)	$ (62,267)	$ -	$ (83,150)	$ (62,075)	FPL proposes to move all Storm Protection Plan O&M expenses from base rates to the Storm Protection Plan Cost Recovery Clause to align recovery of O&M program costs with their related capital expenditures beginning January 1, 2022.	Liz Fuentes/ Mike Spoor
27		$ (1,304)	$ (20)	$ (15)	$ (3,878)	$ (91)	$ (68)	FPL proposes to move plant-in-service, CWIP, accumulated depreciation, and depreciation expense related to transmission inspection program costs incurred beginning January 1, 2022 from base rates to the Storm Protection Plan Cost Recovery Clause beginning January 1, 2022. All capital costs would then be recovered through SPPCRC, except for cost of removal and retirements which would remain in base rates.	Liz Fuentes/ Mike Spoor
28		$ (1,304)	$ (83,427)	$ (62,282)	$ (3,878)	$ (83,241)	$ (62,143)	Total	Liz Fuentes
29	ECRC - Groundwater Contamination Investigation and Solid & Hazard Waste Programs	$ -	$ (497)	$ (371)	$ -	$ (497)	$ (371)	FPL proposes to move certain ECRC program O&M expenses previously recovered in base rates to the ECRC to align recovery of the program expenses beginning January 1, 2022.	Liz Fuentes
Total Per Books Adjustments		**$ 93,607**	**$ 45,974**	**$ 32,624**	**$ (45,146)**	**$ 69,717**	**$ 50,582**		

Notes
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FLORIDA POWER & LIGHT COMPANY (AS A SEPARATE RATEMAKING ENTITY)
LIST OF PROPOSED COMPANY ADJUSTMENTS[1]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	Company Adjustment	2022 Rate Base (MFR B-2)[2]	2022 Expense	2022 NOI Adjustment (MFR C-3)	2023 Rate Base (MFR B-2)[2]	2023 Expense	2023 NOI Adjustment (MFR C-3)	Adjustment Description	Sponsoring Witness
1	2021 Depreciation Study	$ (4,179)	$ 10,128	$ 7,561	$ (21,023)	$ 23,522	$ 17,560	FPL proposes to increase base depreciation expense to reflect the application of the depreciation rates contained in the 2021 Depreciation Study beginning January 1, 2022.	Keith Ferguson (KF - 3(A))
2		$ -	$ (88)	$ (88)	$ -	$ (199)	$ (199)	FPL proposes an adjustment to EADIT amortization due to an increase in depreciation expense resulting from the application of the depreciation rates contained in the 2021 Depreciation Study.	Liz Fuentes
3		$ -	$ 430	$ 430	$ -	$ 501	$ 501	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from changes in book depreciation.	Liz Fuentes
4		$ -	$ 679	$ 679	$ -	$ 4,236	$ 4,236	FPL proposes an adjustment to ITC amortization in order to be in alignment with the proposed increase in battery life reflected in the 2021 Depreciation Study.	Liz Fuentes
5		$ (4,179)	$ 11,149	$ 8,582	$ (21,023)	$ 28,060	$ 22,098	Total	Keith Ferguson/ Liz Fuentes
6	2021 Dismantlement Study	$ (8,135)	$ 16,271	$ 12,147	$ (24,406)	$ 16,271	$ 12,147	FPL proposes to increase base dismantlement expense to reflect the application of the dismantlement accruals contained in the 2021 Dismantlement Study beginning January 1, 2022.	Keith Ferguson (KF - 5)
7		$ (4,874)	$ -	$ -	$ (5,280)	$ -	$ -	FPL proposes to transfer dismantlement reserves between units in order to minimize the increase in the proposed dismantlement accruals.	Keith Ferguson (KF - 5)
8		$ (13,010)	$ 16,271	$ 12,147	$ (29,687)	$ 16,271	$ 12,147	Total	Keith Ferguson
9	Scherer Ash Pond Closure Costs	$ 81,344	$ (4,923)	$ (3,676)	$ 92,841	$ (4,923)	$ (3,676)	FPL is requesting to move the Scherer coal ash dismantlement reserve and the related accrual from base to the ECRC beginning January 1, 2022 in order to align rate recovery of the related assets.	Keith Ferguson (KF - 5)
10	Capital Recovery Schedule (Base Portions Only)	$ (11,519)	$ 23,039	$ 17,200	$ (34,558)	$ 23,039	$ 17,200	Martin Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
11		$ (16,368)	$ 32,736	$ 24,439	$ (49,104)	$ 32,736	$ 24,439	Lauderdale Units 4 and 5 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
12		$ (4,520)	$ 9,793	$ 7,311	$ (15,135)	$ 10,684	$ 7,976	Manatee Units 1 and 2 - FPL is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
13		$ (5,614)	$ 11,227	$ 8,382	$ (21,431)	$ 20,407	$ 15,235	500 kV System - FPL is requesting to amortize unrecovered early retired investment and related cost of removal over a ten-year period beginning on January 1, 2022. Amounts of unrecovered plant each year would be accumulated in tranches and begin the ten-year amortization on January 1st of the following year (i.e. amortization of tranches).	Keith Ferguson (KF - 4)
14		$ (15,535)	$ 33,660	$ 25,129	$ (52,020)	$ 36,720	$ 27,413	Scherer Unit 4 - FPL is requesting to amortize the base portion of unrecovered early retired investment and the acquisition adjustment over a ten-year period beginning on February 1, 2022.	Keith Ferguson (KF - 4)
15		$ -	$ (4,783)	$ (4,783)	$ -	$ (6,315)	$ (6,315)	FPL proposes an adjustment to EADIT amortization due to an increase in amortization expense resulting from the proposed Capital Recovery Schedules requested in this docket.	Liz Fuentes
16		$ -	$ 301	$ 301	$ -	$ 297	$ 297	FPL proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from Capital Recovery Schedule amortization.	Liz Fuentes
17		$ (53,556)	$ 105,974	$ 77,979	$ (172,248)	$ 117,567	$ 86,244	Total	Keith Ferguson/ Liz Fuentes

FLORIDA POWER & LIGHT COMPANY (AS A SEPARATE RATEMAKING ENTITY)
LIST OF PROPOSED COMPANY ADJUSTMENTS(1)
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	**Company Adjustment**	**2022 Rate Base (MFR B-2)(2)**	**2022 Expense**	**2022 NOI Adjustment (MFR C-3)**	**2023 Rate Base (MFR B-2)(2)**	**2023 Expense**	**2023 NOI Adjustment (MFR C-3)**	**Adjustment Description**	**Sponsoring Witness**
18	Nuclear End of Life Accruals - M&S and Last Core	$ 163	$ (326)	$ (243)	$ 489	$ (326)	$ (243)	FPL proposes to decrease its end-of-life materials and supplies accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
19		$ 3,754	$ (7,509)	$ (5,606)	$ 11,263	$ (7,509)	$ (5,606)	FPL proposes to decrease its end-of-life nuclear fuel last core accruals as reflected in its 2020 Nuclear Decommissioning Study.	Keith Ferguson (KF - 6)
20		$ 3,917	$ (7,835)	$ (5,849)	$ 11,752	$ (7,835)	$ (5,849)	Total	Keith Ferguson
21	Scherer Consummation Payment	$ 88,077	$ 9,167	$ 6,843	$ 85,833	$ 10,000	$ 7,466	FPL is requesting to establish a regulatory asset for the Scherer Consummation Payment and amortization over a ten-year period beginning February 1, 2022 consistent with the proposed recovery of the Scherer Unit 4 capital recovery schedule.	Liz Fuentes
22	Rate Case Expense Amortization	$ (513)	$ 1,026	$ 766	$ (1,538)	$ 1,026	$ 766	Consistent with Commission orders in prior base rate cases, FPL has reflected the deferral of rate case expenses related to this docket in rate base and proposes to amortize them over a four-year period beginning January 1, 2022.	Liz Fuentes
23	Care to Share Liability	$ 71	$ -	$ -	$ 77	$ -	$ -	FPL's Care to Share program provides relief for customers who are in financial need and unable to pay their electric bill. Voluntary dollars are collected from both FPL employees and customers and then disbursed to various third party agencies to assist customers. As amounts are collected, they are reflected as a liability in FPL's rate base. FPL proposes to remove this liability from rate base beginning with the 2022 Test Year as there is no direct relationship with this liability and the provision of electric service.	Liz Fuentes
24	SPPCRC - O&M Expenses	$ -	$ (74,462)	$ (55,590)	$ -	$ (74,194)	$ (55,390)	FPL proposes to move all Storm Protection Plan O&M expenses from base rates to the Storm Protection Plan Cost Recovery Clause to align recovery of O&M program costs with their related capital expenditures beginning January 1, 2022.	Liz Fuentes/ Mike Spoor
Total Per Books Adjustments		**$ 102,152**	**$ 56,366**	**$ 41,203**	**$ (33,993)**	**$ 85,971**	**$ 63,806**		

Notes
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GULF POWER COMPANY (AS A SEPARATE RATEMAKING ENTITY)
LIST OF PROPOSED COMPANY ADJUSTMENTS[1]
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	Company Adjustment	2022 Rate Base (MFR B-2)[2]	2022 Expense	2022 NOI Adjustment (MFR C-3)	2023 Rate Base (MFR B-2)[2]	2023 Expense	2023 NOI Adjustment (MFR C-3)	Adjustment Description	Sponsoring Witness
1	2021 Depreciation Study	$ 6,095	$ (13,442)	$ (10,035)	$ 22,467	$ (18,500)	$ (13,811)	Gulf proposes to decrease base depreciation expense to reflect the application of the depreciation rates contained in the 2021 Depreciation Study beginning January 1, 2022.	Keith Ferguson (KF - 3(A))
2		$ -	$ 292	$ 292	$ -	$ 522	$ 522	Gulf proposes an adjustment to EADIT amortization due to a decrease in depreciation expense resulting from the application of the depreciation rates contained in the 2021 Depreciation Study.	Liz Fuentes
3		$ -	$ 50	$ 50	$ -	$ (27)	$ (27)	Gulf proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from changes in book depreciation.	Liz Fuentes
4		$ 6,095	$ (13,101)	$ (9,694)	$ 22,467	$ (18,006)	$ (13,317)	Total	Keith Ferguson/ Liz Fuentes
5	2021 Dismantlement Study	$ (2,188)	$ 4,377	$ 3,267	$ (6,565)	$ 4,377	$ 3,267	Gulf proposes to increase base dismantlement expense to reflect the application of the dismantlement accruals contained in the 2021 Dismantlement Study beginning January 1, 2022.	Keith Ferguson (KF - 5)
6		$ 599	$ -	$ -	$ 649	$ -	$ -	Gulf proposes to transfer dismantlement reserves between units in order to minimize the increase in the proposed dismantlement accruals.	Keith Ferguson (KF - 5)
7		$ (1,590)	$ 4,377	$ 3,267	$ (5,916)	$ 4,377	$ 3,267	Total	Keith Ferguson
8	Capital Recovery Schedule - Plant Crist (Base Portion Only)	$ (3,381)	$ 6,762	$ 5,048	$ (10,143)	$ 6,762	$ 5,048	Plant Crist Coal Assets - Gulf is requesting to amortize the base portion of unrecovered early retired investment over a ten-year period beginning on January 1, 2022.	Keith Ferguson (KF - 4)
9		$ -	$ (3,332)	$ (3,332)	$ -	$ (3,804)	$ (3,804)	Gulf proposes an adjustment to EADIT amortization due to an increase in amortization expense resulting from the proposed Capital Recovery Schedules requested in this docket.	Liz Fuentes
10		$ -	$ 454	$ 454	$ -	$ 440	$ 440	Gulf proposes an adjustment to deferred income taxes to take into account permanent timing differences resulting from Capital Recovery Schedule amortization.	Liz Fuentes
11		$ (3,381)	$ 3,884	$ 2,170	$ (10,143)	$ 3,397	$ 1,684	Total	Keith Ferguson/ Liz Fuentes
12	Rate Case Expense Amortization	$ (133)	$ 267	$ 199	$ (400)	$ 267	$ 199	Consistent with Commission orders in prior FPL base rate cases, Gulf has reflected the deferral of rate case expenses related to this docket in rate base and proposes to amortize them over a four-year period beginning January 1, 2022.	Liz Fuentes
13	COVID-19 Regulatory Asset Amortization	$ (2,653)	$ 5,307	$ 3,962	$ (7,960)	$ 5,307	$ 3,962	Gulf proposes to amortize the COVID-19 regulatory asset over a four-year period beginning January 1, 2022.	Liz Fuentes
14	SPPCRC - Capital & O&M Expenses	$ -	$ (8,945)	$ (6,678)	$ -	$ (8,955)	$ (6,686)	Gulf proposes to move all Storm Protection Plan O&M expenses from base rates to the Storm Protection Plan Cost Recovery Clause to align recovery of O&M program costs with their related capital expenditures beginning January 1, 2022.	Liz Fuentes/ Mike Spoor
15		$ (1,304)	$ (20)	$ (15)	$ (3,878)	$ (91)	$ (68)	Gulf proposes to move plant-in-service, CWIP, accumulated depreciation, and depreciation expense related to transmission inspection program costs incurred beginning January 1, 2022 from base rates to the Storm Protection Plan Cost Recovery Clause beginning January 1, 2022. All capital costs would then be recovered through SPPCRC, except for cost of removal and retirements which would remain in base rates.	Liz Fuentes/ Mike Spoor
16		$ (1,304)	$ (8,965)	$ (6,693)	$ (3,878)	$ (9,046)	$ (6,753)	Total	Liz Fuentes

GULF POWER COMPANY (AS A SEPARATE RATEMAKING ENTITY)
LIST OF PROPOSED COMPANY ADJUSTMENTS(1)
($000s)

	(1)	(2)	(3)	(4) = (3) X (1-Tax Rate)	(5)	(6)	(7) = (6) X (1-Tax Rate)	(8)	(9)
Line No.	**Company Adjustment**	**2022 Rate Base (MFR B-2)(2)**	**2022 Expense**	**2022 NOI Adjustment (MFR C-3)**	**2023 Rate Base (MFR B-2)(2)**	**2023 Expense**	**2023 NOI Adjustment (MFR C-3)**	**Adjustment Description**	**Sponsoring Witness**
17	Care to Share Liability	$ 22	$ -	$ -	$ 24	$ -	$ -	Gulf's Care to Share program provides relief for customers who are in financial need and unable to pay their electric bill. Voluntary dollars are collected from both Gulf employees and customers and then disbursed to various third party agencies to assist customers. As amounts are collected, they are reflected as a liability in Gulf's rate base. Gulf proposes to remove this liability from rate base beginning with the 2022 Test Year as there is no direct relationship with this liability and the provision of electric service.	Liz Fuentes
18	ECRC - Property Taxes	$ -	$ 6,801	$ 5,077	$ -	$ 6,801	$ 5,077	Gulf proposes to move property taxes currently recovered through ECRC to base rates effective January 1, 2022.	Liz Fuentes
19	ECRC - Groundwater Contamination Investigation and Solid & Hazard Waste Programs	$ -	$ (497)	$ (371)	$ -	$ (497)	$ (371)	Gulf proposes to move certain ECRC program O&M expenses previously recovered in base rates to the ECRC beginning January 1, 2022.	Liz Fuentes
Total Per Books Adjustments		**$ (2,944)**	**$ (1,928)**	**$ (2,082)**	**$ (5,807)**	**$ (7,400)**	**$ (6,252)**		

Notes
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FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED)
2022 AND 2023 RETURN ON EQUITY CALCULATION WITHOUT RATE ADJUSTMENT
($000)

Line No.	Consolidated With RSAM [A]	MFR Reference	2022	2023 [B]	2023 [C]
1	Adjusted Jurisdictional Net Operating Income	C-1	$ 2,971,470	$ 2,847,065	$ 3,678,983
2	Adjusted Jurisdictional Rate Base	B-1	55,507,996	59,605,291	59,605,291
3	**Estimated Earned Rate of Return (Line 1 / Line 2)**		**5.35%**	**4.78%**	**6.17%**
4					
5	Adjusted Jurisdictional Non-Equity Component of Weighted Average Cost of Capital	D-1a	1.32%	1.38%	1.38%
6	**Earnings Available for Common (Lines 3 - 5)**		**4.04%**	**3.39%**	**4.79%**
7					
8	Adjusted Jurisdictional Common Equity Ratio	D-1a	48.04%	48.23%	48.23%
9					
10	**Jurisdictional Return on Common Equity (Line 6 / Line 8)**		**8.40%**	**7.03%**	**9.93%**

Line No.	Consolidated Without RSAM [D]	MFR Reference	2022	2023 [B]	2023 [C]
11	Adjusted Jurisdictional Net Operating Income	C-1	$ 2,812,521	$ 2,674,419	$ 3,658,361
12	Adjusted Jurisdictional Rate Base	B-1	55,395,402	59,256,152	59,256,152
13	**Estimated Earned Rate of Return (Line 11 / Line 12)**		**5.08%**	**4.51%**	**6.17%**
14					
15	Adjusted Jurisdictional Non-Equity Component of Weighted Average Cost of Capital	D-1a	1.32%	1.38%	1.38%
16	**Earnings Available for Common (Lines 13 - 15)**		**3.76%**	**3.13%**	**4.79%**
17					
18	Adjusted Jurisdictional Common Equity Ratio	D-1a	48.03%	48.21%	48.21%
19					
20	**Jurisdictional Return on Common Equity (Line 16 / Line 18)**		**7.83%**	**6.49%**	**9.93%**

Notes:
[A] Amounts reflected in this section include a depreciation Company adjustment using RSAM-adjusted depreciation rates.
[B] Calculation assumes the base rate increase for 2022 is not granted.
[C] Calculation assumes the base rate increase for 2022 is granted.
[D] Amounts reflected in this section include a depreciation Company adjustment using depreciation rates resulting from the 2021 Depreciation Study.

FLORIDA POWER & LIGHT COMPANY, AND GULF POWER COMPANY
2022 AND 2023 RETURN ON EQUITY CALCULATION WITHOUT RATE ADJUSTMENT
($000)

Line No.	FPL as a Separate Ratemaking Entity [A]	MFR Reference	2022	2023 [B]	2023 [C]
1	Adjusted Jurisdictional Net Operating Income	C-1	$ 2,654,803	$ 2,531,761	$ 3,399,549
2	Adjusted Jurisdictional Rate Base	B-1	51,027,148	54,244,636	54,244,636
3	**Estimated Earned Rate of Return (Line 1 / Line 2)**		**5.20%**	**4.67%**	**6.27%**
4					
5	Adjusted Jurisdictional Non-Equity Component of Weighted Average Cost of Capital	D-1a	1.37%	1.45%	1.45%
6	**Earnings Available for Common (Lines 3 - 5)**		**3.83%**	**3.22%**	**4.82%**
7					
8	Adjusted Jurisdictional Common Equity Ratio	D-1a	47.97%	48.19%	48.19%
9					
10	**Jurisdictional Return on Common Equity (Line 6 / Line 8)**		**7.98%**	**6.67%**	**9.99%**

Line No.	Gulf Power as a Separate Ratemaking Entity [A]	MFR Reference	2022	2023 [B]	2023 [C]
11	Adjusted Jurisdictional Net Operating Income	C-1	$ 151,360	$ 134,884	$ 266,876
12	Adjusted Jurisdictional Rate Base	B-1	4,409,478	5,100,206	5,100,206
13	**Estimated Earned Rate of Return (Line 11 / Line 12)**		**3.43%**	**2.64%**	**5.23%**
14					
15	Adjusted Jurisdictional Non-Equity Component of Weighted Average Cost of Capital	D-1a	0.84%	0.81%	0.81%
16	**Earnings Available for Common (Lines 13 - 15)**		**2.59%**	**1.84%**	**4.43%**
17					
18	Adjusted Jurisdictional Common Equity Ratio	D-1a	48.60%	48.46%	48.46%
19					
20	**Jurisdictional Return on Common Equity (Line 16 / Line 18)**		**5.33%**	**3.79%**	**9.14%**

Notes:
[A] Amounts reflected in this section include a depreciation Company adjustment using depreciation rates resulting from the 2021 Depreciation Study.
[B] Calculation assumes the base rate increase for 2022 is not granted.
[C] Calculation assumes the base rate increase for 2022 is granted.

Docket No. 20210015-EI
MFR A-1 without RSAM for the 2022 Test Year and 2023 Subsequent Year
Exhibit LF-6, Page 1 of 2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
X Projected Test Year Ended: 12/31/22
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES (CONSOLIDATED)

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

	(1)	(2)	(3)
Line No.	DESCRIPTION	SOURCE	AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 55,395,402
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.84%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 3,789,759
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 2,812,521
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 977,239
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	5.08%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34153
15			
16	REVENUE REQUIREMENT (1)	LINE 10 X LINE 14	$ 1,310,999
17			
18			
19	Note:		
20	(1) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on		
21	MFR B-2 (without RSAM) and C-2 (without RSAM), is $1,397,523.		
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Supporting Schedules: B-1 (without RSAM), B-2 (without RSAM), C-1 (without RSAM), C-2 (without RSAM), D-1a (without RSAM), C-44

Recap Schedules:

Docket No. 20210015-EI
MFR A-1 without RSAM for the 2022 Test Year and 2023 Subsequent Year
Exhibit LF-6, Page 2 of 2

Schedule A-1 (without RSAM)
2023 SUBSEQUENT YEAR ADJUSTMENT

FULL REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
_ Projected Test Year Ended: _/_/_
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_
X Proj. Subsequent Yr Ended: 12/31/23

COMPANY: FLORIDA POWER & LIGHT COMPANY
AND SUBSIDIARIES (CONSOLIDATED)

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

Line No.	(1) DESCRIPTION	(2) SOURCE	(3) AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 59,256,152
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.93%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 4,106,086
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 2,674,419
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 1,431,667
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	4.51%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34156
15			
16	REVENUE REQUIREMENT	LINE 10 X LINE 14	$ 1,920,669
17			
18	2022 REVENUE INCREASE REQUESTED (1)	SEE NOTE 1	$ 1,320,019
19			
20	RATE INCREASE REQUESTED (AFTER FULL 2022 RATE INCREASE) (2)	LINE 16 - LINE 18	$ 600,650
21			
22	Notes:		
23	(1) 2022 Revenue increase requested on Test Year MFR A-1 (without RSAM), $1,310,999 adjusted for 2023 sales.		
24	(2) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on		
25	MFR B-2 (without RSAM) and C-2 (without RSAM) for both 2022 and 2023, is $598,941.		
26			
27			
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32			
33			
34			

Supporting Schedules: B-1 (without RSAM), B-2 (without RSAM), C-1 (without RSAM), C-2 (without RSAM), D-1a (without RSAM), C-44

Recap Schedules:

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED)
ADIT PRORATION ADJUSTMENT CALCULATION
2022 TEST YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
1	Beg Balance - Dec 31, 2021						$ -
2							
3	Jan-22	$ 22,978	$ 22,978	31	335	$ 21,089	$ 21,089
4	Feb-22	23,825	46,803	28	307	20,039	41,129
5	Mar-22	23,813	70,616	31	276	18,007	59,135
6	Apr-22	23,395	94,012	30	246	15,768	74,903
7	May-22	22,816	116,828	31	215	13,440	88,343
8	Jun-22	21,760	138,588	30	185	11,029	99,372
9	Jul-22	21,150	159,739	31	154	8,924	108,296
10	Aug-22	20,884	180,623	31	123	7,038	115,334
11	Sep-22	21,541	202,164	30	93	5,489	120,822
12	Oct-22	20,540	222,704	31	62	3,489	124,311
13	Nov-22	20,246	242,950	30	32	1,775	126,086
14	Dec-22	19,357	262,307	31	1	53	126,139
15	Total	$ 262,307		365		$ 126,139	
16							
17							
18	13-Month Average		$ 135,409				
19							
20	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (9,270)

FLORIDA POWER & LIGHT COMPANY (CONSOLIDATED)
ADIT PRORATION ADJUSTMENT CALCULATION
2023 SUBSEQUENT YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
21	Beg Balance - Dec 31, 2022						$ -
22							
23	Jan-23	$ 19,821	$ 19,821	31	335	$ 18,192	$ 18,192
24	Feb-23	20,214	40,035	28	307	17,002	35,194
25	Mar-23	19,997	60,032	31	276	15,121	50,315
26	Apr-23	19,816	79,848	30	246	13,355	63,670
27	May-23	19,038	98,885	31	215	11,214	74,884
28	Jun-23	18,555	117,440	30	185	9,405	84,289
29	Jul-23	18,242	135,683	31	154	7,697	91,985
30	Aug-23	18,010	153,693	31	123	6,069	98,055
31	Sep-23	17,821	171,514	30	93	4,541	102,595
32	Oct-23	18,112	189,626	31	62	3,077	105,672
33	Nov-23	17,384	207,010	30	32	1,524	107,196
34	Dec-23	16,650	223,660	31	1	46	107,242
35	Total	$ 223,660		365		$ 107,242	
36							
37							
38	13-Month Average		$ 115,173				
39							
40	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (7,931)

FLORIDA POWER & LIGHT COMPANY (AS A SEPARATE RATEMAKING ENTITY)
ADIT PRORATION ADJUSTMENT CALCULATION
2022 TEST YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
1	Beg Balance - Dec 31, 2021						$ -
2							
3	Jan-22	$ 20,690	$ 20,690	31	335	$ 18,990	$ 18,990
4	Feb-22	21,545	42,235	28	307	18,121	37,111
5	Mar-22	21,556	63,791	31	276	16,300	53,411
6	Apr-22	21,161	84,952	30	246	14,262	67,673
7	May-22	20,605	105,557	31	215	12,137	79,810
8	Jun-22	19,791	125,348	30	185	10,031	89,841
9	Jul-22	19,420	144,767	31	154	8,193	98,034
10	Aug-22	19,193	163,960	31	123	6,468	104,502
11	Sep-22	19,891	183,851	30	93	5,068	109,570
12	Oct-22	18,911	202,762	31	62	3,212	112,782
13	Nov-22	18,636	221,398	30	32	1,634	114,416
14	Dec-22	17,833	239,230	31	1	49	114,465
15	Total	$ 239,230		365		$ 114,465	
16							
17							
18	13-Month Average		$ 122,965				
19							
20	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (8,500)

FLORIDA POWER & LIGHT COMPANY (AS A SEPARATE RATEMAKING ENTITY)
ADIT PRORATION ADJUSTMENT CALCULATION
2023 SUBSEQUENT YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
21	Beg Balance - Dec 31, 2022						$ -
22							
23	Jan-23	$ 18,762	$ 18,762	31	335	$ 17,220	$ 17,220
24	Feb-23	19,181	37,943	28	307	16,133	33,353
25	Mar-23	18,995	56,937	31	276	14,363	47,716
26	Apr-23	18,848	75,786	30	246	12,703	60,419
27	May-23	18,107	93,893	31	215	10,666	71,085
28	Jun-23	17,693	111,585	30	185	8,967	80,052
29	Jul-23	17,448	129,033	31	154	7,362	87,414
30	Aug-23	17,250	146,283	31	123	5,813	93,227
31	Sep-23	17,093	163,376	30	93	4,355	97,582
32	Oct-23	17,415	180,792	31	62	2,958	100,540
33	Nov-23	16,718	197,509	30	32	1,466	102,006
34	Dec-23	16,012	213,521	31	1	44	102,050
35	Total	$ 213,521		365		$ 102,050	
36							
37							
38	13-Month Average		$ 109,648				
39							
40	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (7,598)

GULF POWER COMPANY (AS A SEPARATE RATEMAKING ENTITY)
ADIT PRORATION ADJUSTMENT CALCULATION
2022 TEST YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
1	Beg Balance - Dec 31, 2021						$ -
2							
3	Jan-22	$ 2,288	$ 2,288	31	335	$ 2,100	$ 2,100
4	Feb-22	2,280	4,568	28	307	1,918	4,018
5	Mar-22	2,258	6,826	31	276	1,707	5,725
6	Apr-22	2,234	9,060	30	246	1,506	7,231
7	May-22	2,211	11,271	31	215	1,302	8,533
8	Jun-22	1,970	13,241	30	185	998	9,531
9	Jul-22	1,731	14,971	31	154	730	10,262
10	Aug-22	1,692	16,663	31	123	570	10,832
11	Sep-22	1,650	18,313	30	93	420	11,252
12	Oct-22	1,629	19,942	31	62	277	11,529
13	Nov-22	1,610	21,552	30	32	141	11,670
14	Dec-22	1,525	23,076	31	1	4	11,674
15	Total	$ 23,076		365		$ 11,674	
16							
17							
18	13-Month Average		$ 12,444				
19							
20	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (770)

GULF POWER COMPANY (AS A SEPARATE RATEMAKING ENTITY)
ADIT PRORATION ADJUSTMENT CALCULATION
2023 SUBSEQUENT YEAR

Line No.	Month	(1) Per Book ADIT Activity Associated with Depreciation ($000s)	(2) Accumulated Activity ($000s)	(3) Days to Prorate	(4) Future Days in Test Period	(5) Prorated Monthly Activity (1)*(4)/Total (3) ($000s)	(6) Prorated Accumulated Activity ($000s)
21	Beg Balance - Dec 31, 2022						$ -
22							
23	Jan-23	$ 1,059	$ 1,059	31	335	$ 972	$ 972
24	Feb-23	1,033	2,092	28	307	869	1,841
25	Mar-23	1,003	3,095	31	276	758	2,599
26	Apr-23	967	4,062	30	246	652	3,251
27	May-23	931	4,993	31	215	548	3,799
28	Jun-23	862	5,855	30	185	437	4,236
29	Jul-23	794	6,650	31	154	335	4,572
30	Aug-23	760	7,410	31	123	256	4,828
31	Sep-23	728	8,138	30	93	185	5,013
32	Oct-23	697	8,834	31	62	118	5,132
33	Nov-23	667	9,501	30	32	58	5,190
34	Dec-23	637	10,138	31	1	2	5,192
35	Total	$ 10,138		365		$ 5,192	
36							
37							
38	13-Month Average		$ 5,525				
39							
40	**Adjustment to Decrease Per Book 13-Month Average ADIT to Prorated Balance**						$ (333)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
X Projected Test Year Ended: 12/31/22
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

	(1)	(2)	(3)
Line No.	DESCRIPTION	SOURCE	AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 51,027,148
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.89%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 3,516,010
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 2,654,803
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 861,207
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	5.20%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34141
15			
16	REVENUE REQUIREMENT (1)	LINE 10 X LINE 14	$ 1,155,235
17			
18			
19	Note:		
20	(1) Total requested increase, excluding the effect of proposed Company Adjustments related to cost recovery clauses shown on MFR B-2 and C-2, is $1,226,972.		
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Supporting Schedules: B-1, B-2, C-1, C-2, D-1a, C-44

Recap Schedules:

Schedule A-1
2023 SUBSEQUENT YEAR ADJUSTMENT

FULL REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
_ Projected Test Year Ended: _/_/_
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_
X Proj. Subsequent Yr Ended: 12/31/23

COMPANY: FLORIDA POWER & LIGHT COMPANY AND SUBSIDIARIES

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

Line No.	(1) DESCRIPTION	(2) SOURCE	(3) AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 54,244,636
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.99%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 3,793,781
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 2,531,761
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 1,262,021
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	4.67%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34143
15			
16	REVENUE REQUIREMENT	LINE 10 X LINE 14	$ 1,692,908
17			
18	2022 REVENUE INCREASE REQUESTED (1)	SEE NOTE 1	$ 1,164,074
19			
20	RATE INCREASE REQUESTED (AFTER FULL 2022 RATE INCREASE) (2)	LINE 16 - LINE 18	$ 528,834
21			
22	Notes:		
23	(1) 2022 Revenue increase requested on Test Year MFR A-1, $1,155,235 adjusted for 2023 sales.		
24	(2) Total requested increase, excluding the effect of proposed Company Adjustments related to cost recovery clauses shown on MFR B-2 and C-2 for both 2022 and 2023, is $527,026.		
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Supporting Schedules: B-1, B-2, C-1, C-2, D-1a, C-44

Recap Schedules:

Schedule A-1 — FULL REVENUE REQUIREMENTS INCREASE REQUESTED —

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
X Projected Test Year Ended: 12/31/22
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_

COMPANY: GULF POWER COMPANY

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

	(1)	(2)	(3)	
Line No.	DESCRIPTION	SOURCE		AMOUNT ($000)
1				
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$	4,409,478
3				
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A		6.43%
5				
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$	283,528
7				
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$	151,360
9				
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$	132,168
11				
12	EARNED RATE OF RETURN	LINE 8 / LINE 2		3.43%
13				
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44		1.34248
15				
16	REVENUE REQUIREMENT (1)	LINE 10 X LINE 14	$	177,433
17				
18				
19	Note:			
20	(1) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on MFR B-2 and C-2, is $180,114.			
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37				
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Supporting Schedules: B-1, B-2, C-1, C-2, D-1a, C-44

Recap Schedules:

Schedule A-1
2023 SUBSEQUENT YEAR ADJUSTMENT

FULL REVENUE REQUIREMENTS INCREASE REQUESTED

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the requested full revenue requirements increase.

Type of Data Shown:
_ Projected Test Year Ended: _/_/_
_ Prior Year Ended: _/_/_
_ Historical Test Year Ended: _/_/_
X Proj. Subsequent Year Ended: 12/31/23

COMPANY: GULF POWER COMPANY

DOCKET NO.: 20210015-EI

Witness: Liz Fuentes

Line No.	(1) DESCRIPTION	(2) SOURCE	(3) AMOUNT ($000)
1			
2	JURISDICTIONAL ADJUSTED RATE BASE	SCHEDULE B-1	$ 5,100,206
3			
4	RATE OF RETURN ON RATE BASE REQUESTED	SCHEDULE D-1A	6.38%
5			
6	JURISDICTIONAL NET OPERATING INCOME REQUESTED	LINE 2 X LINE 4	$ 325,326
7			
8	JURISDICTIONAL ADJUSTED NET OPERATING INCOME	SCHEDULE C-1	$ 134,884
9			
10	NET OPERATING INCOME DEFICIENCY (EXCESS)	LINE 6 - LINE 8	$ 190,442
11			
12	EARNED RATE OF RETURN	LINE 8 / LINE 2	2.64%
13			
14	NET OPERATING INCOME MULTIPLIER	SCHEDULE C-44	1.34288
15			
16	REVENUE REQUIREMENT	LINE 10 X LINE 14	$ 255,741
17			
18	2022 REVENUE INCREASE REQUESTED (1)	SEE NOTE 1	$ 177,249
19			
20	RATE INCREASE REQUESTED (AFTER FULL 2022 RATE INCREASE) (2)	LINE 16 - LINE 18	$ 78,491
21			
22	Notes:		
23	(1) 2022 Revenue increase requested on Test Year MFR A-1, $177,433 adjusted for 2023 sales.		
24	(2) Total requested increase, excluding the effect of proposed company adjustments related to cost recovery clauses shown on MFR B-2 and C-2 for both 2022 and 2023, is $78,777.		
25			
26			
27			
28			
29			
30			
31			

Supporting Schedules: B-1, B-2, C-1, C-2, D-1a, C-44

Recap Schedules: