

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

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

)
) **Docket No. 20250011-EI**
)
)

Settlement Testimony of

Michael P. Gorman

On behalf of

Federal Executive Agencies

September 3, 2025



Project 11813

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In re: Petition for rate increase by Florida Power & Light Company.))))	Docket No. 20250011-EI
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STATE OF MISSOURI)	
)	SS
COUNTY OF ST. LOUIS)	

Affidavit of Michael P. Gorman

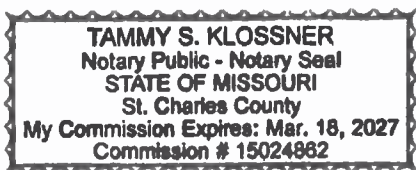
Michael P. Gorman, being first duly sworn, on his oath states:


1. My name is Michael P. Gorman. I am a consultant with Brubaker & Associates, Inc., having its principal place of business at 16690 Swingley Ridge Road, Suite 140, Chesterfield, Missouri 63017. We have been retained by the Federal Executive Agencies in this proceeding on their behalf.
2. Attached hereto and made a part hereof for all purposes is my settlement testimony which was prepared in written form for introduction into evidence in the Florida Public Service Commission Docket No. 20250011-EI.
3. I hereby swear and affirm that the testimony is true and correct and that they show the matters and things that they purport to show.



Michael P. Gorman

Subscribed and sworn to before me this 3rd day of September, 2025.




Notary Public

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

_____)	
In re: Petition for rate increase by)	Docket No. 20250011-EI
Florida Power & Light Company.)	
_____)	

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by)	
Florida Power & Light Company.)	DOCKET NO. 20250011-EI
)	

Settlement Testimony of Michael P. Gorman

I. INTRODUCTION

1

2 **Q PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A Michael P. Gorman. My business address is 16690 Swingley Ridge Road,
4 Suite 140, Chesterfield, MO 63017.

5 **Q ARE YOU THE SAME MICHAEL P. GORMAN WHO FILED DIRECT**
6 **TESTIMONY IN THIS PROCEEDING ON JUNE 9, 2025 ON BEHALF OF THE**
7 **FEDERAL EXECUTIVE AGENCIES (“FEA”)?**

8 A Yes, I am.

9 **Q WHAT IS THE PURPOSE OF YOUR SETTLEMENT TESTIMONY?**

10 A The purpose of my settlement testimony is to explain the FEA support for the
11 Florida Public Service Commission (“Commission”) to approve the Joint Motion
12 for Approval of the Settlement Agreement (“Settlement Agreement” or
13 “Settlement”) filed on August 20, 2025. The Settlement Agreement is a full and
14 complete resolution of all matters pending in Docket No. 20250011-EI in
15 accordance with Section 120.57(4), Florida Statutes. The Settling parties include:
16 Florida Power & Light Company (“FPL” or the “Company”), Florida Industrial Power
17 Users Group, Florida Retail Federation, Florida Energy for Innovation Association,
18 Inc., Walmart Inc., EVgo Services, LLC, Americans for Affordable Clean Energy,

1 Inc., Circle K Stores, Inc., RaceTrac Inc., Wawa, Inc., Electrify America, LLC,
2 Federal Executive Agencies, Armstrong World Industries, Inc., and Southern
3 Alliance for Clean Energy (collectively referred to as the "Signatories").

4 The Motion jointly requests that the Commission review and approve the
5 2025 Stipulation and Settlement attached to the motion.

6
7 **II. SETTLEMENT AGREEMENT DISCUSSION**

8 **Q IS THE SETTLEMENT AGREEMENT IN THE BEST INTERESTS OF THE**
9 **PUBLIC, TO INCLUDE THE FEA AND ENTITIES IT REPRESENTS?**

10 A Yes. The proposed Settlement Agreement is the result of diverse parties reaching
11 agreement on the issues contained in FPL's base rate case, which was filed on
12 February 28, 2025. The Settlement Agreement provides a balanced and fair
13 outcome supported by the evidence, resulting in just, reasonable and predictable
14 rates for FPL's customers, including the FEA.

15 **Q PLEASE SUMMARIZE THE MAJOR ELEMENTS OF THE SETTLEMENT**
16 **AGREEMENT.**

17 A The major elements of the Settlement Agreement are outlined in the motion
18 provided by the settling parties, which states in part as follows:

- 19 • The Settlement includes the period from January 1st, 2026 and continues
20 until the later of December 31st, 2029 or the effective date of new base
21 rates. FPL's base rates are next reset in a general rate base filing (referred
22 to as the "term"). The Settlement has a minimum term of four years, which
23 results in that precluding FPL from seeking another base rate increase in
24 the term of the settlement agreement period.
- 25 • The Settlement provides for a revenue increase of \$949,000,000 on
26 January 1, 2026 and \$705,000,000 on January 1, 2027.
- 27 • The Settlement permits FPL to build solar generation projects in 2027,
28 2028, and 2029 and battery storage projects in 2028 and 2029. FPL may
29 seek recovery of its cost of these resources in a Solar and Battery base
30 Rate Adjustment ("SoBRA"). FPL must demonstrate that the solar and/or

battery facilities are either economically needed or are needed for resource reliability purposes. The Settlement prescribes that FPL must demonstrate that solar projects would have a Cumulative Present Value Revenue Requirement ("CPVRR") beneficial within ten years and have a cost benefit ratio of 1.15 to 1 compared to the projected system CPVRR without the solar projects.

- The revenue requirement to be recovered through an SoBRA would include the net plant value of the recourses, the annual depreciation expense, the accumulated depreciation offsets for similar assets in FPL's 2025 depreciation study, estimated annual operation and maintenance and property taxes, and estimated income tax expense including tax credits.

- The Settlement prescribes the return on equity for this rate cycle as 10.95%, with an estimated authorized return on equity range of 9.95% to 11.95%. FPL's authorized regulatory capital structure will include a 59.6% common equity ratio of investor capital sources.

- The Settlement provides FPL a Rate Stabilization Mechanism ("RSM") responding to changes in the underlying revenues and expenses to avoid additional base rate increases and maintain its ROE within the authorized range during the four-year period.

- The Settlement permits FPL to sell ITC and PTC to third-parties at a discount to mitigate the tax credit carry forward for 2026 and 2027.

- The Settlement will continue the FPL Storm Cost Recovery Mechanism.

- The Settlement provides that, if any change is made to FPL's federal or state income tax obligation, FPL will submit within sixty days the effective date of the change in the law and petition to open a separate docket for purposes of limited scope of addressing base rate revenue requirement impacts of any tax law change.

Q IS ADJUSTING RATES IN LINE WITH THE SETTLEMENT AGREEMENT REASONABLE?

A Yes. The Settlement Agreement is a reasonable solution for all of the issues in this rate case, and we request the Commission approve the Settlement.

Q DOES THIS CONCLUDE YOUR SETTLEMENT TESTIMONY?

A Yes, it does.

CERTIFICATE OF SERVICE
Docket Nos. 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 3rd day of September, 2025, to the following:

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/s/ Ebony M. Payton

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Paralegal for FEA