



Maria Moncada
Assistant General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
(561) 691-7101

September 4, 2025

VIA ELECTRONIC FILING

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

Re: Docket No. 20250011-EI
Petition by Florida Power & Light Company for Base Rate Increase

Dear Mr. Teitzman:

FPL submits this letter in an effort to streamline the Settlement Prehearing Conference scheduled for September 8, 2025. The Commission's Notice of Prehearing Conference indicates that the purpose of the Prehearing is, among other things, to "simplify the issues and major elements" of the Proposed Settlement Agreement filed August 20, 2025 ("2025 Settlement Agreement") and "discuss an order of witnesses." These aspects of the Prehearing Conference are addressed below.

Floridians Against Increased Rates v. Clark, 371 So. 3d 905 (2024) ("*FAIR*") provides the proper framework for determining the issues the Commission must decide, as well the items the Commission should consider and explain in its order. In *FAIR*, the Florida Supreme Court held that the Commission's order regarding a settlement that resolves disputes over rates must be "reasoned and articulated enough to allow the Court to assess on what basis it has concluded that the settlement agreement is in the public interest and results in rates that are fair, just, and reasonable." *Id.* at 911. When ruling on a settlement, the Commission "is not required by statute or case law to address each issue of disputed fact in its final order, or to resolve every issue independently." *Id.* at 912. However, the order must "discuss the major elements of the settlement agreement and explain why it is in the public interest" and "consider the competing arguments made by the parties [] in light of the factors relevant to the Commission's decision." *Id.* Further, the Commission's order must include "some written assessment of the parties' main disagreements reflected in the record." *Id.* at 912-13. Ultimately, the Commission must decide whether the 2025 Settlement Agreement is in the public interest and results in rates that are fair, just and reasonable.

To that end, and as it did when it ruled on FPL's 2012, 2016 and 2021 base rate case settlement agreements, the Commission should first receive evidence on all the issues previously identified by the parties and approved by the Prehearing Officer in FPL's original petition. During this phase of the proceeding, the non-signatories to the 2025 Settlement Agreement may enter their prepared

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700 Universe Boulevard, Juno Beach, FL 33408

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testimony into the record and cross examine witnesses on all 130 issues identified in the August 7, 2025 Prehearing Order. Following this process will provide the Commission a fully developed record on all disputed issues from FPL’s original petition that it may consider as it deems appropriate during the course of this proceeding. Once this phase of the proceeding concludes, it is appropriate to then turn to the major issues that result from the Proposed Settlement Agreement that the Commission can hear evidence on and consider in the “settlement phase” of the forthcoming hearing. FPL submits that the major elements of the Proposed Settlement Agreement are identified in the list distributed by Staff at the informal meeting on August 28, 2025 as Nos. 1-25 and 29. The list of issues to be decided by the Commission also should include the ultimate issue: whether the settlement as a whole is in the public interest and results in rates that are fair, just, and reasonable.

No. on Staff’s list	Issue and 2025 Settlement Agreement Paragraph No.
1	Term: 1/1/26-12/31/29, unless extended per RSM (§1)
2	Cost of Capital: ROE 10.95; Capital Structure 59.6% equity ratio (§3)
3	2026 Base Rate Adjustment \$945M (§4a)
4	2027 Base Rate Adjustment \$705M (§4b)
5	Revenue Requirement Allocation (§4e)
6	Commercial/Industrial Load Control and Demand Reduction Credits (§4f)
7	Large Load Contract Service (§6)
8	CIAC Tariff (§7)
9	Electric Vehicle Charging Programs (§8)
10	Cost Allocation Methodology for Cost Recovery Clause Factors (§9)
11	Storm Cost Recovery Mechanism (§12)
12	SoBRA Base Rate Adjustments 2027, 2028, 2029 (§13)
13	Federal or State Tax Law Changes (§14)
14	Capital Recovery Schedules (§15)
15	Depreciation and Dismantlement (§§16-18)
16	Sale of Excess ITCs and PTCs (§19)
17	Rate Stabilization Mechanism (§20)
18	Asset Optimization Program (§21a)
19	Long Duration Battery Storage Pilot (§22)
20	Land for Solar Facilities and Sale of Property Held for Future Use (§23)
21	Vandolah (§24)
22	Natural Gas Hedging (§25)
23	Disconnection Policy (§26)
24	Payment Assistance Contribution (§27)
25	Support Proposal for Large Customer Opt-out of ECCR (§28)
29	Minimum Bill (Exhibits B and C)
Ultimate Issue:	Whether the settlement agreement is in the public interest and results in rates that are fair, just and reasonable

With the major issues from the settlement identified, the parties will be able to provide evidence and cross examine witnesses on issues they view to be implicated by the express provisions of the Proposed Settlement Agreement, which, along with the evidence presented on FPL's original petition, will allow the Commission to have a full record on which to decide whether the 2025 Settlement Agreement is in the public interest and results in rates that are fair, just, and reasonable. Naturally, the parties that oppose the Signatories' Proposed Settlement Agreement will have various positions and arguments that they will wish to develop in their testimony, during the hearing, and in their briefs addressing the 2025 Settlement Agreement thereafter; but, as is the case with any proceeding before the Commission, each of those various opposing positions and arguments do not need to be numbered issues on which the Commission must vote. Rather, the Commission considers the evidence that it has on each of the competing positions in this matter as they pertain to the 2025 Settlement Agreement and discusses how it considered and resolved those evidentiary disputes in its final order.

FPL further submits that the Commission should adhere to the precedent from its past three rate case orders in terms of sequencing its rulings and should first consider and vote on whether to approve the 2025 Settlement Agreement. This was the approach taken by the Commission in FPL's 2012, 2016 and 2021 rate cases, all of which resulted in orders appealed to – and affirmed by the – the Florida Supreme Court.¹

Sincerely,

s/ Maria Moncada

Maria Moncada
Assistant General Counsel
Florida Power & Light Company

¹ *Florida Rising, Inc. v. Fla. Pub. Serv. Comm'n*, __ So. 3d __, 50 Fla. L. Weekly S198 (Fla. July 17, 2025) (affirming Order PSC-2021-0446-S-EI as amended by Order PSC-2021-0446A-S-EI and supplemented by Order PSC-2024-0078-FOF-EI); *Sierra Club v. Brown*, 243 So. 3d 903 (Fla. 2018) (affirming Order PSC-16-0560-AS-EI); *Citizens cf State v. Florida Pub. Serv. Comm'n*, 146 So. 3d 1143, 1146 (Fla. 2014) (affirming Order PSC-13-0023-S-EI). FPL recognizes that briefing and a vote on FPL's original petition would be necessary if the Commission declines to approve the 2025 Settlement Agreement.

CERTIFICATE OF SERVICE
Docket 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail to the following parties of record this 4th day of September 2025:

Shaw Stiller
Timothy Sparks
Florida Public Service Commission
Office of the General Counsel
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
sstiller@psc.state.fl.us
tsparks@psc.state.fl.us

Leslie R. Newton
Thomas Jernigan
Michael A. Rivera
James B. Ely
Ebony M. Payton
Matthew R. Vondrasek
139 Barnes Drive, Suite 1
Tyndall AFB FL 32403
leslie.newton.1@us.af.mil
thomas.jernigan.3@us.af.mil
michael.rivera.51@us.af.mil
james.ely@us.af.mil
ebony.payton.ctr@us.af.mil
matthew.vondrasek.2@us.af.mil
Federal Executive Agencies

William C. Garner
3425 Bannerman Road
Tallahassee FL 32312
bgarner@wzglawoffice.com
Southern Alliance for Clean Energy

Jon C. Moyle, Jr.
Karen A. Putnal
c/o Moyle Law Firm
118 North Gadsden Street
Tallahassee FL 32301
jmoyle@moylelaw.com
mqalls@moylelaw.com
kputnal@moylelaw.com
Florida Industrial Power Users Group

Walt Trierweiler
Mary A. Wessling
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Rm 812
Tallahassee, Florida 32399-1400
trierweiler.walt@leg.state.fl.us
Wessling.Mary@leg.state.fl.us
**Attorneys for the Citizens
of the State of Florida**

Bradley Marshall
Jordan Luebke
111 S. Martin Luther King Jr. Blvd.
Tallahassee FL 32301
bmarshall@earthjustice.org
jluebke@earthjustice.org
flcaseupdates@earthjustice.org
**Florida Rising, Inc., Environmental
Confederation of Southwest Florida, Inc.,
League of United Latin American Citizens
of Florida**

Danielle McManamon
4500 Biscayne Blvd. Suite 201
Miami, Florida 33137
dmcmanamon@earthjustice.org
**League of United Latin American Citizens
of Florida**

D. Bruce May
Kevin W. Cox
Kathryn Isted
Holland & Knight LLP
315 South Calhoun St, Suite 600
Tallahassee, Florida 32301
bruce.may@hklaw.com
kevin.cox@hklaw.com
kathryn.isted@hklaw.com
Florida Energy for Innovation Association

Nikhil Vijaykar
Yonatan Moskowitz
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, CA 94104
nvijaykar@keyesfox.com
ymoskowitz@keyesfox.com
EVgo Services, LLC

Katelyn Lee, Senior Associate
Lindsey Stegall, Senior Manager
1661 E. Franklin Ave.
El Segundo, CA 90245
Katelyn.Lee@evgo.com
Lindsey.Stegall@evgo.com
EVgo Services, LLC

Stephen Bright
Jigar J. Shah
1950 Opportunity Way, Suite 1500
Reston, Virginia 20190
steve.bright@electrifyamerica.com
jigar.shah@electrifyamerica.com
Electrify America, LLC

Robert E. Montejo
Duane Morris LLP
201 S. Biscayne Blvd., Suite 3400
Miami, Florida 33131-4325
REMontejo@duanemorris.com
Electrify America, LLC

Robert Scheffel Wright
John T. LaVia, III
Gardner, Bist, Bowden, Dee, LaVia, Wright,
Perry & Harper, P.A.
1300 Thomaswood Drive
Tallahassee, Florida 32308
schef@gbwlegal.com
jlavia@gbwlegal.com
Floridians Against Increased Rates, Inc.

Stephanie U. Eaton
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NC 27103
seaton@spilmanlaw.com
Walmart, Inc.

Steven W. Lee
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, PA 17050
slee@spilmanlaw.com
Walmart, Inc.

Jay Brew
Laura Wynn Baker
Joseph R. Briscar
Sarah B. Newman
1025 Thomas Jefferson Street NW
Suite 800 West
Washington, DC 20007
jbrew@smxblaw.com
lwb@smxblaw.com
jrb@smxblaw.com
sbn@smxblaw.com
Florida Retail Federation

Robert E. Montejo
Duane Morris, LLP
201 S. Biscayne Blvd., Suite 3400
Miami, FL 33131-4325
remontejo@duanemorris.com
Armstrong World Industries, Inc.

Alexander W. Judd
Duane Morris, LLP
100 Pearl Street, 13th Floor
Hartford, CT 06103
ajudd@duanemorris.com
Armstrong World Industries, Inc.

Brian A. Ardire
Armstrong World Industries, Inc.
2500 Columbia Avenue
Lancaster, PA 17603
baardire@armstrongceilings.com

Floyd R. Self
Ruth Vafek
Berger Singerman, LLP
313 North Monroe Street
Suite 301
Tallahassee, Florida 32301
fself@bergersingerman.com
rvafek@bergersingerman.com
**Americans for Affordable Clean Energy,
Inc., Circle K Stores, Inc., RaceTrac, Inc.
and Wawa, Inc.**

Jason Simmons
Armstrong World Industries, Inc.
300 S. Myrick Street
Pensacola, FL 32505
ijsimmons@armstrongceilings.com

s/ Maria Jose Moncada

Maria Jose Moncada
Assistant General Counsel
Florida Bar No. 0773301

Attorney for Florida Power & Light Company