

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250011-EI

Petition for rate increase by
Florida Power & Light Company.

PROCEEDINGS: SPECIAL AGENDA CONFERENCE

COMMISSIONERS
PARTICIPATING:

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

DATE: Thursday, November 20, 2025

TIME: Commenced: 9:30 a.m.
Concluded: 10:45 a.m.

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

REPORTED BY: DEBRA R. KRICK
Court Reporter and Notary
Public in and for the State
of Florida at Large

PREMIER REPORTING
TALLAHASSEE, FLORIDA
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1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: All right. Well, good
3 morning, everybody. If you don't mind maybe
4 grabbing your seat if you have not already.

5 Today is November 20th, 2025, a little after
6 9:30, and this is our Special Agenda Conference. I
7 would like to go ahead and call that to order.

8 Staff, will you go ahead and kick us off and
9 read the notice?

10 MR. STILLER: By notice published on October
11 15th, 2025, this time and place has been set for a
12 Special Agenda Conference to consider the Joint
13 Motion for Approval of 2025 Stipulation and
14 Settlement Agreement in Docket No. 20250011-EI,
15 petition of Florida Power & Light Company for a
16 rate increase. The purpose of the hearing is set
17 forth more full you in the notice.

18 Staff notes that this is a post-hearing
19 decision, so participation today is limited to
20 Commissioners and Commission staff.

21 CHAIRMAN LA ROSA: Great. Thank you.

22 Before we begin our discussion and
23 consideration on the Settlement Agreement, I am
24 going to ask our legal staff to begin to summarize
25 the framework of today's conference. Shaw.

1 MR. STILLER: Thank you, Mr. Chair.

2 The Commission will be voting on several
3 matters today. The first set of votes will be on
4 legal issues. Those issues require you to decide
5 two matters: First, whether the intervenors have
6 demonstrated standing to participate in this
7 docket. Second, whether the Commission has the
8 legal authority to consider four of the accounting
9 mechanisms proposed in the Settlement Agreement. I
10 will present those issues and will be available for
11 questions, along with other members of your Office
12 of General Counsel.

13 The next matter for commission vote is whether
14 to approve the Settlement Agreement as being in the
15 public interest and establishing rates that are
16 fair, just and reasonable. Ms. Norris, from the
17 Division of Accounting & Finance, will present a
18 summary on the major elements of the agreement, and
19 your division directors and staff will be available
20 for questions.

21 In voting on this issue, the Commission must
22 determine whether the Settlement Agreement, taken
23 as whole, results in fair, just and reasonable
24 rates, and is in the public interest.

25 While each major element of the Settlement

1 Agreement must be considered in reaching this
2 determination, the Commission is not voting on the
3 reasonableness of any particular element, or
4 whether an element on its own is in the public
5 interest.

6 Your final vote will be whether to close this
7 docket.

8 If the Commission votes to approve the
9 Settlement Agreement, staff will draft an order
10 that memorializes your decision. If the Commission
11 votes to not approve the Settlement Agreement, a
12 procedural order will subsequently be issued that
13 establishes a date for the parties to submit
14 post-hearing briefs on the 130 issues identified in
15 the Prehearing Order issued August 7th, 2025.

16 A staff recommendation on those issues would
17 be scheduled for consideration by the Commission at
18 a future Special Agenda Conference.

19 CHAIRMAN LA ROSA: Excellent. Thank you, Mr.
20 Stiller.

21 Commissioners, are there any questions of the
22 procedures before we begin today? Any questions?

23 Seeing none, I am going to -- I will go back
24 to Mr. Stiller. Can you go ahead and then lay out
25 the legal issues that are before us?

1 MR. STILLER: Thank you, Chairman La Rosa.

2 At the conclusion of the October final hearing
3 in this docket, the parties were instructed to
4 brief five legal issues. The Office of Public
5 Counsel briefed an additional legal issue that was
6 not identified by the Commission for briefing.

7 Specifically, OPC argued in its post-hearing
8 brief that the 2025 Settlement is not a valid
9 agreement. While this issue was not identified as
10 one of the five legal issues to be briefed, FEL
11 also submitted written argument on this issue, and
12 FPL included in its brief an anticipatory response.

13 For the reasons set forth in the staff's
14 summary and overview filed in this docket, this
15 legal issue does not require a separate Commission
16 vote. The arguments presented by the parties
17 regarding the validity of the agreement may be
18 considered by the Commission in determining whether
19 the 2025 Settlement Agreement is in the public
20 interest.

21 Turning now to the first legal issue.

22 Legal Issue 1 is whether the intervenors have
23 standing to participate in this proceeding. With
24 the exception of the Southern Alliance for Clean
25 Energy, or SACE, every intervenor filed evidence in

1 support of its petition. There appears to be
2 sufficient record evidence to support a Commission
3 finding that each of the intervenors have standing.
4 SACE may be subject to dismissal for lack of direct
5 record evidence regarding standing.

6 FEL raises legal arguments as to why certain
7 of the associational intervenors should be denied
8 standing.

9 Staff has set forth the legal considerations
10 for the Commission on those arguments, as well as
11 the facts that may support standing for these
12 contested intervenors.

13 That is my summary on legal Issue 1. Staff is
14 available for questions.

15 CHAIRMAN LA ROSA: Okay. Perfect. Thank you.
16 Commissioners, are there any questions of
17 legal staff?

18 Commissioner Fay.

19 COMMISSIONER FAY: Thank you, Mr. Chairman.

20 Mr. Stiller, I am going to start maybe first
21 with the memo's acknowledgment of both FEA and
22 FIPUG. So just to provide some clarity, the --
23 neither of those entities provided Articles of
24 Incorporation submitted with their standing proof
25 in response -- their factual proof?

1 MR. STILLER: Correct. Neither FIPUG nor FEA
2 is incorporated.

3 COMMISSIONER FAY: Okay. And based on the
4 analysis -- or excuse me, based on the memo that
5 lays out kind of that standing process for them, is
6 it appropriate to say that essentially the
7 inference process that allows us to validate the
8 position that they are coming from? In other
9 words, they meet the other factual requirements as
10 presented, it's just that is the one component that
11 was acknowledged they did not put forward?

12 MR. STILLER: Regarding the Florida Home
13 Builders standard that the relief granted be
14 appropriately within the scope of interest of the
15 organization, that is correct.

16 The interest of both FEA and FIPUG, while it's
17 evident from both of their names, the Industrial
18 Power Users Group and the Federal Executive
19 Agencies, again, as the record reflects everything
20 from military installations to recruiting offices,
21 those are not incorporated.

22 COMMISSIONER FAY: Okay. And then just help
23 me understand, obviously, to your point, although
24 the -- I don't pretend to know all the acronyms.
25 There is a lot of acronyms in this case, but those

1 entities come before the Commission on a regular
2 basis, so what component of this essentially
3 required that additional analysis? We have had
4 them intervene in past dockets without issues.

5 MR. STILLER: As to FIPUG and FEA?

6 COMMISSIONER FAY: Yes.

7 MR. STILLER: FEL specifically contests their
8 standing.

9 COMMISSIONER FAY: Okay. And then I guess for
10 SACE, just for some background, same foundational
11 component, that, as a Commission, we have seen SACE
12 before as a party come before the Commission. The
13 question of why their standing is at issue here is
14 also because FEL raised -- in other words, FEL had
15 not raised this as a condition, would our process
16 had scrutinized basically the fact that they did
17 not put forward factual -- specific factual
18 evidence other than their claims of what was
19 recognized?

20 MR. STILLER: Yes. In the order granting SACE
21 intervention, the intervention was granted
22 provisionally, and the order specifically reads,
23 quote, "therefore, SACE's petition to intervene
24 shall be granted subject to proof of standing or
25 stipulations that there are sufficient facts to

1 support all elements of standing."

2 So those elements, the factual foundation for
3 standing is put at issue by the order granting
4 intervention, and as staff notes, SACE did not
5 provide direct record evidence regarding the
6 evidence of standing.

7 COMMISSIONER FAY: Okay. And help me
8 understand how that process works. So, to your
9 point, the provisional standing is put in in the
10 order you just specified, which I guess was the
11 order granting their -- just specifically SACE's
12 standing, those clear requirements were put in
13 there, and then they are given the opportunity
14 throughout the hearing process to submit that
15 factual evidence for the Commission to review, just
16 like everybody else did, I guess, to make that
17 determination, is that fair?

18 MR. STILLER: That is correct. The sentence I
19 just read from the order granting SACE intervention
20 is in the every order granting intervention in this
21 docket for every intervenor, and every other
22 intervenor did submit record evidence to support
23 their standing.

24 COMMISSIONER FAY: Okay. And the basis of
25 what SACE did provide is essentially that the

1 Commission has previously granted them standing,
2 and that we recognized an order where they were
3 granted standing, is that a fair, like, fair way to
4 phrase it?

5 MR. STILLER: That is correct. And I don't
6 want to be overly-broad in my use of record
7 evidence. The final orders referenced by SACE are
8 in the record. In the Order Establishing
9 Procedure, this commission takes official
10 recognition of all of its final orders. However,
11 those final orders stand for certain legal
12 propositions, not for factual propositions.
13 Factual propositions are established on each record
14 before this commission.

15 COMMISSIONER FAY: Okay. And the memo makes
16 that distinction.

17 Have you -- in your practice before, have you
18 seen where an entity did not put forward any
19 factual information to substantiate standing?

20 MR. STILLER: I have not seen -- in the
21 absence of a stipulation, I have not seen an
22 instance where no party submitted -- or a party
23 submitted no evidence. I have seen parties submit
24 no evidence where there has been a stipulation, and
25 I have been in cases where the stipulations were

1 found insufficient.

2 COMMISSIONER FAY: Because at the end of the
3 day, it's a decision -- the Commission's decision
4 to either grant that standing or not. It's not
5 something that can be -- it's a sua sponte process
6 before the Commission, it's not to be delegated to
7 the parties?

8 MR. STILLER: Correct.

9 COMMISSIONER FAY: Okay. Mr. Chairman, you
10 know, I have never -- I have been here almost eight
11 years, I have never seen an entity not put forward
12 the specific information for the factual
13 information for granting of standing. I know that
14 our staff historically has worked really hard to
15 try to validate somebody as a party to come
16 forward, and I think we have prioritized due
17 process in a way that maybe historically we have
18 allowed a lot of leeway for people to be able to
19 come in to be part of this process, and I am still
20 a huge supporter of that due process.

21 I maybe could get Mr. Stiller just to help me
22 clarify. There are -- I think it's clear in the
23 memo and what's in the record that there was no
24 specific factual support other than maybe this
25 officially recognized order that they were

1 previously recognized in, or granted standing in.

2 It does seem to me that we also have an obligation
3 as an agency to make sure we clearly put parties on
4 notice as to how that process would work.

5 And so I think -- I don't want to put words in
6 your mouth, but I think what my understanding was
7 this was filed by SACE in a similar way to it has
8 been filed in the past and they have been granted
9 standing, but the distention being here that FEL
10 challenged those parties' standing by asking more
11 information regarding that, and in that process, we
12 weren't given additional information, is that all
13 accurate?

14 MR. STILLER: SACE didn't -- I don't want to
15 infer that FEL is the only reason that the concerns
16 regarding SACE's standing were raised by staff. It
17 was raised by FEL in their post-hearing brief.
18 Staff was just trying to ensure compliance with the
19 Prehearing Officer's orders granting intervention.

20 COMMISSIONER FAY: Okay. And so to still
21 essentially provide them with this opportunity to
22 be included in the record, because it's my
23 understanding if we didn't grant them standing, we
24 would essentially be striking any involvement that
25 they had in this case, is that --

1 MR. STILLER: That is correct.

2 COMMISSIONER FAY: Okay. And so to do so,
3 when we look in 120 -- 120.52 in particular, there
4 are provision it is there in addition to this
5 process where we recognized in our records them
6 previously granting standing, there are sections in
7 there that seem to give us this extremely broad
8 authority and ability to grant standing for these
9 individuals. So it seems to me that it would
10 probably be more appropriate to still allow them to
11 participate in this docket and not throw out their
12 testimony.

13 But with that said, Mr. Stiller, I would think
14 that this hearing, Mr. Chairman, would serve as
15 clear notice for any party. I mean, I don't want
16 to send that signal to every party, because
17 everyone else provided evidence to substantiate
18 their standing in the record. But I do think that
19 we have to be very careful about -- some of these
20 courts have been very clear, if this isn't met,
21 then standing isn't provided. And we have got this
22 broad authority in 120 that I think maybe allows us
23 to do this, but I don't think it could be used as a
24 regular process to grant this.

25 So, Mr. Chairman, I honestly want to, you

1 know, hear from you and my colleagues, but I don't
2 feel comfortable throwing them out today based on
3 the realities that we have previously granted them
4 standing.

5 Do I think they could have done more to
6 satisfy the legal requirements? Absolutely. And I
7 don't know why that didn't happen. I can't see on
8 that side to fully understand that, but I do think
9 that we have to be really mindful of putting all
10 parties on notice that our process, even maybe if
11 changed slightly, still has some deviation to what
12 it looked like in the past, and give them a clear
13 understanding of what they need to submit. And
14 then if we do and that, I think the fairness and
15 due process components are addressed. But I have
16 great hesitation today, even though I have never
17 seen anything like this in my time at the
18 Commission, to remove them.

19 Thank you.

20 CHAIRMAN LA ROSA: Understand.

21 Commissioner Passidomo Smith.

22 COMMISSIONER PASSIDOMO SMITH: Thank you, Mr.
23 Chair.

24 I have a bit of a different perspective from
25 my fellow attorney on the other side of the bench

1 up here. I agree. I do -- I also hate taking a
2 party out at this point in the proceeding, but I
3 think we need to make clear that standing must be
4 demonstrated in each individual case.

5 I understand also trying to, you know, set
6 sort of clear, you know, an example, set parties on
7 notice. And I think by doing this, we would set
8 parties on notice.

9 The First District ruled we review standing
10 stare decisis, not res judicata. So in this case,
11 SACE was granted the intervention condition on its
12 proving its standing through sufficient facts to
13 support the elements of standing that were laid out
14 under Florida Home Builders, as Mr. Stiller alluded
15 to.

16 SACE offered no prefiled testimony or
17 documentary evidence in support of its claim of
18 standing. So I think we can see a clear
19 distinction here that in this case, they were
20 granted conditional standing by the Prehearing
21 Officer. In prior cases, they were granted clear
22 intervention without that condition precedent being
23 set.

24 I am of the opinion that because they didn't
25 follow the Prehearing Officer's condition for

1 meeting that standing, that they do not, you know,
2 do not qualify to be participating at this point in
3 the proceeding.

4 Again, I know -- I also want, you know, to
5 make sure that every party has that -- has that
6 ability to participate. But when we have -- when a
7 Prehearing Officer tells, you know, has a condition
8 set in, you have to follow that, or else there is a
9 consequence.

10 CHAIRMAN LA ROSA: Commissioner Clark.

11 COMMISSIONER CLARK: Thank you, Mr. Chairman.
12 I love being bookended by our two attorneys. We
13 kind of fill in the middle, don't we?

14 Mr. Stiller, I am at a just kind of get it
15 down to simple things I can understand in terms
16 whether or not they are granted standing. We are
17 going to be going through some issues, and then
18 ultimately get to a settlement agreement to which
19 this organization was a party to.

20 How does us leaving them in or removing them,
21 does that have any affect on the Settlement
22 Agreement itself, or we understand we don't know
23 what the negotiated for in this agreement, what was
24 the give and take on their behalf, but if this goes
25 to settlement agreement, is there any affect of

1 leaving SACE in or removing SACE from the hearing?

2 MR. STILLER: On the validity of the
3 Settlement Agreement itself, we do not see any
4 impact from removing -- from finding SACE didn't
5 demonstrate standing in the proceeding. In no way
6 would their sitting be stricken from the Settlement
7 Agreement. They are actually still a party to that
8 agreement. They are just not a party to this
9 docket.

10 COMMISSIONER CLARK: So it ultimately has no
11 effect on anything if the Settlement Agreement were
12 to be approved whether we give them standing or not
13 other than some sort of precedential value that the
14 attorneys are speaking of?

15 MR. STILLER: In the view of staff, it would
16 not. There are parties in their post-hearing brief
17 that argued regarding the relevance of SACE's
18 participation in the settlement. I think those
19 arguments could still be considered because they
20 are still a party to the settlement.

21 Keeping in mind that SACE submitted no
22 testimony, so to get back to a statement that
23 Commissioner Fay said, there is no testimony to,
24 quote, throw out. They would just be found to not
25 be a party. So there is no settlement testimony,

1 there is no testimony on the as-filed case, so you
2 are not losing something that you would consider on
3 the merits.

4 COMMISSIONER CLARK: So there is no
5 substantial -- any gain or loss from them being in
6 and out other than creating this precedential value
7 by allowing them in when they did not comply with
8 the Prehearing Order, correct?

9 MR. STILLER: If understanding your question,
10 yes, yes, Commissioner, that is a correct
11 statement.

12 COMMISSIONER CLARK: Thank you.

13 CHAIRMAN LA ROSA: Quick question to legal
14 staff. What was asked of SACE? What type of
15 evidence would have been acceptable? Or I guess
16 what I am trying to judge is how difficult would it
17 have been to supply what was being requested in the
18 Prehearing Order?

19 MR. STILLER: Mr. Chair, if SACE could have
20 proved what they alleged in the petition, and that
21 is that they are a not-for-profit corporation
22 organized in Tennessee, authorized to do business
23 in Florida with 8,000 members, a substantial number
24 of whom are in FPL's territory, and then put in the
25 Articles of Incorporation to demonstrate that this

1 is within their scope of interest, or otherwise
2 demonstrate this was within their scope of
3 interest. We don't have that evidence in this
4 record.

5 CHAIRMAN LA ROSA: To Commissioner Clark's
6 question, or kind of in that line of questioning,
7 in the customer base that SACE states that they
8 represent, is that customer base still technically
9 represented by this Settlement Agreement?

10 MR. STILLER: You are talking about the class
11 or the specific people?

12 CHAIRMAN LA ROSA: The class.

13 MR. STILLER: That is a contested issue
14 regarding whether the residential class is
15 represented in the Settlement Agreement, so I don't
16 think the addition or subtraction of SACE begins or
17 ends that debate between the parties.

18 CHAIRMAN LA ROSA: Okay. Thank you.

19 Commissioners, any further questions or
20 discussion?

21 Commissioner Fay.

22 COMMISSIONER FAY: Thank you, Mr. Chairman.
23 Thank you for all the time on this.

24 Just one quick question for clarification.

25 Mr. Stiller, you mentioned how SACE didn't submit

1 any specific testimony into the record, any
2 evidence into the record, for that matter. By
3 removal of them in this docket, just for clarity
4 purposes, they would also not have the ability to
5 either to defend a challenge to the decision, they
6 would not be a party for standing purposes,
7 correct? So if a decision was made by the
8 Commission essentially to grant the settlement, and
9 the settlement was challenged, what level of
10 engagement could they have in providing a response
11 to the court?

12 MR. STILLER: I'm well, they can -- to the an
13 appellate court?

14 COMMISSIONER FAY: Yes.

15 MR. STILLER: They could cross-appeal that
16 they were incorrectly denied standing, and then
17 also participate in the appeal presuming their
18 standing was granted. But they -- the decision to
19 deny SACE standing is an appealable decision by
20 SACE.

21 COMMISSIONER FAY: Okay. And then for the
22 120.52(13), those sections that talk about
23 essentially the definition of a party, I don't want
24 to put you on the spot for this because it might
25 require some interpretation, but in both those

1 subparagraph (b) and (c), there is components about
2 any other party, and then there is some qualifiers
3 built into that. I am curious, just from an
4 administrative law standpoint, it seems like -- it
5 seems like the intent of that is to give an agency
6 kind of this greater ability to include somebody
7 outside of the typical process, outside of the
8 typical standing analysis.

9 Is that something -- and my first question to
10 you: Have you seen that used before in any
11 circumstance? I mean, it's an 19 -- I think it's
12 from the '70s, right, I mean --

13 MR. STILLER: As of yesterday, I searched for
14 a citation to 120.52(13)(c), which allows any --
15 arguably allows an agency to allow any other party
16 in, but it's only been cited once, and then it was
17 in a concurring opinion in dicta, so it has never
18 been applied before.

19 There is a second sentence in subsection (c)
20 that talks about the agency adopting rules to
21 establish the forms of limited participation that
22 may explain why there is no case authority on this
23 subsection, because I am aware of no agencies that
24 have adopted rules.

25 Without rules, with a wide open statute like

1 this, an interpretation, or an application of it,
2 is difficult without any underlying standards.

3 COMMISSIONER FAY: That's fair. We don't have
4 a lot of precedent just to look at that and say
5 this is -- this gives us the ability outside of an
6 entity that doesn't provide factual -- and I
7 recognize that SACE would dispute that, but just
8 from sort of our analysis that there is no
9 recognized factual evidence to prove the standing
10 requirements, that's, to your point, only something
11 you have seen once, and it was not consented
12 essentially?

13 MR. STILLER: Correct.

14 COMMISSIONER FAY: Okay. And then just one
15 other quick follow-up question, Mr. Chairman, on
16 the officially recognized previous order. So I
17 guess I have two questions on that.

18 One is it's my understanding from, you know,
19 being on this commission a while that Mary Anne has
20 hammered into me that those are always recognized
21 in any hearing that we have, and it's not
22 necessarily, essentially, to go through that
23 process. Help me understand why that sort of
24 previous order went through that official
25 recognition process, and what that process may

1 validate or not validate.

2 MR. STILLER: Those prior orders are hearsay
3 as to the factual findings they therein. The
4 orders can be cited for the legal propositions in
5 for stare decisis. But as far as the binding
6 factual findings, that only occurs where you have
7 something like administrative res judicata, where a
8 party is prohibited from contesting a factual
9 matter because it contested that specific factual
10 matter with a specific party in another proceeding.
11 In other words, there are only limited
12 circumstances where the facts in this record are
13 relevant to the facts in this record.

14 The reasonable inference SACE asked this
15 commission to draw is that nothing has changed in
16 its organization, its membership or anything since
17 those orders were entered. And the question --
18 they -- first off, that's a -- they are asking for
19 a reasonable inference off of hearsay, which I
20 would submit is beyond 120.

21 And secondly, if the Commission finds it, it
22 would be a question for this commission to
23 determine whether that inference, from those cases,
24 that nothing has changed, is reasonable.

25 COMMISSIONER FAY: Okay. Mr. Chairman, I

1 mean, I think, despite Commissioner Clark's best
2 efforts, me and Commissioner Passidomo agree, to a
3 certain degree, that there is a question really of
4 what was not satisfied, and was there notice for
5 that process to occur based on the fact that this
6 commission has historically granted SACE standing?
7 I think that is kind of the component that leads
8 into this.

9 And this stuff in 120.52 that Mr. Stiller
10 talked about, we don't have this clear foundation
11 as to how that's been used in a broader way to
12 grant standing, and so it may or may not be
13 appropriate at this point.

14 And I can understand that some feel that they
15 have given enough opportunity and notice at this
16 point, and that there is only so much of that you
17 can give to the point where a party is kept out,
18 and we feel that it would essentially not impact
19 our decision with the settlement. I still have
20 reservations about keeping them out today. So I
21 think I have made my position clear, Mr. Chairman.
22 I am happy, whenever appropriate, either
23 Commissioner Passidomo or I can put up a motion.

24 CHAIRMAN LA ROSA: Further discussion?

25 Okay, then -- Commissioner Passidomo Smith.

1 COMMISSIONER PASSIDOMO SMITH: I mean, I can
2 put a motion up. I don't know -- I haven't really
3 -- I am still not clear where you guys are, but I
4 feel pretty confident in my perspective, so I am
5 going to put the motion up, and if you don't agree,
6 then I will be dissenting, I guess.

7 CHAIRMAN LA ROSA: Commissioner Passidomo
8 Smith, real quick.

9 So I -- so it was in the Prehearing Order,
10 correct? It was in the Prehearing Order. This was
11 a new element. I wrote the Prehearing Order. My
12 signature is on it. Simple, correct? Anything not
13 factual about that?

14 MR. STILLER: The order granting intervention,
15 correct.

16 CHAIRMAN LA ROSA: Commissioner Passidomo
17 Smith, you are recognized.

18 COMMISSIONER PASSIDOMO SMITH: Okay. So I
19 move to define that all the intervenors, except
20 SACE, have standing in this.

21 COMMISSIONER CLARK: Second, Mr. Chairman.

22 CHAIRMAN LA ROSA: Hearing a motion, and
23 hearing a second.

24 All those in favor signify by saying yay.

25 (Chorus of yays.)

1 CHAIRMAN LA ROSA: Yay.

2 Opposed no?

3 All right. Show that the motion passes.

4 Okay. So let's move, then -- Mr. Stiller, you
5 are not off the hook, my friend. Let's go -- let's
6 move to the remaining legal issues. Maybe they are
7 not as complicated as that. But thank you,
8 Commissioners, I appreciate that discussion.

9 MR. STILLER: Thank you, Mr. Chair.

10 Legal Issues 2 through 5 may be taken up as a
11 block. These legal issues require the Commission
12 to determine whether it has authority to approve
13 four mechanisms proposed in the 2025 Stipulation
14 and Settlement Agreement, specifically the rate
15 stabilization mechanism, solar base rate
16 adjustments, storm cost recovery mechanism and
17 mechanism for addressing changes in the tax law.

18 In its final order in FPL's 2021 base rate
19 case, the Commission approved mechanisms
20 substantially the same as the ones proposed in the
21 2025 Settlement. The final order in that docket
22 was appealed, remanded, considered again on appeal
23 and ultimately affirmed.

24 As set forth in the staff summary and
25 overview, the Court determined that the Commission

1 had jurisdiction to consider proposed mechanisms
2 almost identical to the ones here at issue.
3 Additionally, this commission has approved similar
4 mechanisms for other utilities.

5 As noted in the summary and overview, there
6 are factual differences between some of the prior
7 mechanisms and the current ones, such as the use of
8 unprotected excess deferred income taxes to fund
9 the rate stabilization mechanism as opposed to the
10 use of a reserve depreciation surplus to fund the
11 reserve surplus amortization mechanism.

12 These differences do not seem to displace the
13 Commission's general authority to approve utility
14 accounting mechanisms as found by the Supreme
15 Court. These specific mechanism features may be
16 taken into account by the Commission as part of its
17 consideration of the Settlement Agreement as a
18 whole.

19 That is my summary on legal Issues 2 through
20 5. Staff is available for questions.

21 CHAIRMAN LA ROSA: Great. Thank you.

22 Commissioners, are there any questions of
23 legal Issues 2 through 5? Any discussion?

24 Hearing none, is there a motion?

25 Commissioner Passidomo Smith.

1 COMMISSIONER PASSIDOMO SMITH: Thank you,
2 Mr. Chair.

3 Okay. So with respect to -- I do have a
4 motion. I am just going to put a little preview
5 for it just to make sure that it's solidly
6 clarified as to what my motion is, and why I do
7 believe we do have authority.

8 So like Mr. Stiller said, the Supreme Court
9 affirmed our supplemental final order of the 2021
10 rate case, and they did not take issue with the
11 Commission's determination that it has jurisdiction
12 to consider FPL's proposed mechanisms. So I am
13 confident that the Commission has the authority to
14 approve the proposed mechanisms that are set forth
15 in the 2025 agreement -- 2025 Settlement, and would
16 move that we have authority for the mechanisms in
17 legal Issues 2 through 5.

18 CHAIRMAN LA ROSA: Thank you.

19 Is there a second?

20 COMMISSIONER GRAHAM: Second.

21 CHAIRMAN LA ROSA: Hearing a motion, and
22 hearing a second.

23 All those in favor signify by saying yay.

24 (Chorus of yays.)

25 CHAIRMAN LA ROSA: Yay.

1 Opposed no?

2 (No response.)

3 CHAIRMAN LA ROSA: Show that the motion
4 passes.

5 Excellent. Thank you.

6 Let's shift a little bit and let's move to a
7 summary of the Settlement Agreement by the division
8 of accounting and finance. Ms. Norris, you look
9 like you are prepped and ready.

10 MS. NORRIS: Yes, sir.

11 Good morning, Commissioners. Amber Norris
12 with Commission staff.

13 As compared to FPL's originally filed request,
14 the 2025 Settlement Agreement reduces base rates
15 approximately 39 percent in 2026 and 24 percent in
16 2027. I would like to highlight a few key elements
17 of the Settlement Agreement.

18 The settlement lowers FPL's originally
19 requested return on equity of 11.9 percent to 10.95
20 percent, with an allowed range of 9.9 percent to
21 11.95 percent, while maintaining the equity ratio
22 of 59.6 percent from its original request.

23 The settlement replaces FPL's originally
24 proposed tax adjustment mechanism, also known as
25 TAM, with a new rate stabilization mechanism, also

1 known as RSM.

2 The settlement also reflects updates to FPL's
3 proposed large load contract service rate schedules
4 applicable to future customers with new or
5 incremental loads of 25 megawatts or greater, to a
6 qualify filing threshold of 50 megawatts. The
7 large load rate schedules include ratepayer
8 protection while facilitating the opportunities for
9 this potential new load.

10 In its original filing, FPL proposed a
11 reduction in the commercial/industrial load control
12 and demand reduction credits, also known as CILC
13 and CDR programs, from the current level of \$8.76
14 per kilowatt to \$6.22 per kilowatt. In the 2025
15 Settlement Agreement, FPL proposes to increase the
16 monthly credit to \$9.75 in 2026.

17 Finally, in FPL's original filing, it proposed
18 a solar and battery base rate adjustment mechanism,
19 also known as SoBRA, that would allow FPL to
20 recover costs associated with the addition of 1,490
21 megawatts and 1,788 megawatts of solar facilities
22 in 2028 and 2029 respectively, along with 596
23 megawatts of battery storage facilities in both '28
24 and '29.

25 In the 2025 Settlement Agreement, the proposed

1 SoBRA mechanism includes 1,192 megawatts of solar
2 projects in '27, and has alternative requirements
3 for cost recovery, which is reflected in the base
4 rate revenue reduction for 2026. The settlement
5 also increases battery projects in '28 and '29 from
6 596 megawatts to 600 megawatts.

7 For the solar projects, FPL must demonstrate
8 benefits within 10 years of the project in service
9 year, and a cost benefit ratio of 1.15 to 1
10 compared to the projected system costs without the
11 solar projects. To demonstrate a resource need,
12 solar and battery projects must demonstrate a
13 reliability need for the incremental capacity.

14 And with that, staff is available for any
15 questions. Thank you.

16 CHAIRMAN LA ROSA: Thank you.

17 And, Commissioners, before we begin our
18 discussion, I think it's important to reflect on
19 how we have arrived at this point today, and the
20 level of engagement that's taken place literally
21 over, I guess, almost the past year.

22 Since FPL filed its initial rate case back in
23 February, the Commission has conducted a
24 comprehensive review that includes 10 customer
25 service hearings across FPL's service territory,

1 over 428 speakers provided comments to all of us.
2 A ton of written customer comments have been
3 submitted. We introduced a realtime translation to
4 engage and reflect some of the customer bases in
5 the territories in which we were in. Over 1,146
6 official filings in the docket. More than 50
7 witnesses providing testimony in over 30
8 depositions. More than 70 hours of evidentiary
9 hearing testimony and cross-examinations, and over
10 600 exhibits that were entered into the record.
11 Not that we needed a reminder, as we have been
12 looking at this and feel like we lived through some
13 of this live in person not too long ago.

14 I also want to thank the staff for your hard
15 work as they -- as you put this briefing together
16 for us. And although I know the process is
17 difficult, as you are making changes sometimes in
18 realtime as far as how we proceed, you know, a new
19 process can be difficult, so I appreciate you
20 coming together and working with my office, and
21 certainly with all the Commissioners offices.

22 I am confident these efforts will continue to
23 strengthen our work and the quality in which the
24 orders that we put forward.

25 With the background we have before us on the

1 Settlement Agreement, I think that resolves all the
2 outstanding issues, and our responsibility is to
3 determine whether it is in the public interest, and
4 it results in fair, just and reasonable rates.

5 And I will go ahead and open the floor to
6 Commissioners if you have got questions or
7 discussions.

8 Commissioner Clark, you are ready to go, I
9 will go ahead and recognize you first.

10 COMMISSIONER CLARK: Ready to go, Mr.
11 Chairman.

12 I just want to make some initial comments
13 before getting to the final decision here today. I
14 have taken a lot of time and effort, and I think we
15 have all carefully evaluated the full range of the
16 evidence and the competing arguments that have been
17 presented in this document.

18 All the parties provided an extensive amount
19 of testimony, their discovery responses and expert
20 analysis all highlighted the differing views on the
21 positions, especially on the major elements of this
22 case.

23 Ultimately, the Settlement Agreement that is
24 before us represents what I think is a balanced
25 resolution. It incorporates components supported

1 by the evidence presented by all parties, not just
2 the utility or any single stakeholder.

3 The negotiated terms, in my opinion, reduce
4 uncertainty; they mitigate potential rate impacts
5 relative to the original filing; they provide
6 customer protections, expanded financial assistance
7 program, and a continued investment in reliability
8 and resiliency in Florida's grid.

9 My decision today is grounded in a clear
10 weight of the evidence in the record. The
11 settlement provides meaningful safeguards for
12 customers, it supports ongoing reliability and
13 storm hardening efforts, and results in rates that
14 fall within the zone of reasonableness has been
15 established by the testimony.

16 For these reasons, and based on the
17 substantial evidence supporting the elements in
18 this agreement, I think the settlement is
19 definitely in the public interest and satisfies the
20 requirements of this commission. There is about
21 eight points I want to make clearly.

22 First, let me be clear. I support the
23 Settlement Agreement because I think it overall
24 serves the public interest. It results in fair,
25 just averaged reasonable rates. The bill impacts

1 are very reasonable for all customer classes.

2 I would point out specifically for residential
3 customers, the average annual increase is about two
4 percent in the Legacy territory, and less than one
5 percent in the Northwest Florida territory compared
6 to the 2025 bills. Actually in '26 and '27, bills
7 in the Northwest area will go down for residential
8 consumers.

9 The company has agreed to reduce its original
10 request by some \$600 million in the first year
11 alone. I think that equates to about 30 percent
12 overall less impact than was originally requested.
13 Overall, a \$3 billion reduction from the initial
14 request.

15 The ROE that was presented has been reduced
16 close to 100 basis points. It's increased just 15
17 points above where the current ROE stands despite
18 increase in interest rates, despite inflation since
19 the last rate case. That ROE is going to be locked
20 in for four years, which is going to require the
21 company to have to manage any potential
22 inflationary and interest rises that occur, just as
23 they did in the 2021 agreement. Customers are
24 going to be shielded from those risks and the
25 potential increased cost.

1 The testimony shows that they are going to
2 have to continue to be a leader in reducing O&M
3 cost and finding efficiencies if they are to hit
4 their projected midpoint even with cash increases
5 in '26 and '27.

6 I think the noncash mechanism is important.
7 It's been here in the past. It has been important
8 in the past. It allows them to postpone their next
9 rate case for another four years. I think that's
10 good for customers. I think that's good for rate
11 stability and predictability.

12 The large load tariff was something I was very
13 glad to see in this agreement. It offers serious
14 protections for the general body. It prevents the
15 general body from subsidizing large loads by
16 requiring customers to pay for this new generation
17 that's going to have to be built to serve these
18 large data centers.

19 I have always got concerns when it comes to
20 solar expansion. I recognize, though, that they
21 reduced the solar request from 120 sites that's in
22 the 2024 Ten-Year Site Plan down to 72. They are
23 going to have to demonstrate that these are still
24 economic and that they are cost-effective for
25 customers.

1 I like the fact they committed not to purchase
2 any land for new solar development with the
3 exception of the one property that's already on the
4 books. At the same time, the increase of 2,700
5 megawatts of batteries compared to the 2024 site
6 plan is a positive. It adds capacity value to the
7 solar they plan to install over the next four
8 years.

9 In summary, it appeared that -- in staff's
10 summary, though, it did appear there was one
11 jurisdictional issue regarding the Perdido project.
12 My review of the testimony, Mr. Chairman, albeit an
13 elementary understanding of the details of gas
14 purchases and electric generation, I did not see
15 that project as speculative. In my opinion, that
16 project definitely qualifies as an efficient use of
17 alternative resources. In addition, I think that
18 the testimony supports an estimated \$41 million in
19 long-term benefits to the customers. I think that
20 proposal clearly benefits specific benefits for the
21 ratepayers.

22 With that, Mr. Chairman, I am prepared to
23 offer a motion any time.

24 CHAIRMAN LA ROSA: Thank you.

25 Commissioners, are there further discussion or

1 questions of staff?

2 It's hard to follow that up, Commissioner
3 Clark. I am going to ask a quick question of
4 staff.

5 I am going to talk about -- I want to talk
6 about rate impact. Can you walk me through the
7 rate changes focusing on the overall bill of where
8 we are today in comparison to what was originally
9 filed in comparing the Settlement Agreement for '26
10 and '27?

11 MS. DRAPER: Certainly, Commissioners.
12 Elisabeth Draper with the Division of Economics.

13 So the current base rate portion of the
14 thousand kilowatt hour residential electric bill is
15 \$81.25. What was originally proposed in the MFRs
16 would have increased that base rate portion to
17 \$92.77. That's an increase of \$11.52. Under the
18 settlement -- proposed settlement, the base rate
19 portion will be \$89.17. So that's a reduction from
20 what was proposed in the MFRs, and an overall
21 increase from the currently approved base rates of
22 \$7.92.

23 However, on the bill, you have adjustment
24 clauses and other factors, so the overall total
25 bill is expected to -- for the Northwest Florida

1 division, the former Gulf territory, it's expected
2 to decrease by approximately over \$2, and for the
3 Power & Light the Peninsula Florida territory, on
4 the overall total bill, an increase of
5 approximately \$2.50. And bill comparisons have
6 been provided in the settlement testimony of FPL
7 Witness Cohen.

8 CHAIRMAN LA ROSA: Okay. Thank you. That
9 lays that out, and it's easily understood.

10 Can we talk about the reduction request? Can
11 you highlight the initial revenue requirements
12 requested compared to where we are today in the
13 settlement?

14 MS. NORRIS: Absolutely.

15 So in the originally filed petition, the
16 revenue increase was 1.54 billion, and that's a
17 reduction, as Commissioner Clark was referencing,
18 of about 600 million, which comes out to about 39
19 percent, and that takes it down to 945 million, and
20 that's in '26.

21 In '27, the originally filed case was a
22 revenue increase of 927 million, with a 240 million
23 reduction in the settlement, down to 705 million,
24 and that's about 24 percent.

25 CHAIRMAN LA ROSA: Okay. So -- and I -- so I

1 am making sure that I read those -- obviously,
2 those two areas are extremely important to me.
3 Another was the large load tariff. Can you walk me
4 through the major components and the terms of the
5 large load tariff specifically noting what the
6 customer safeguards are?

7 MS. DRAPER: Certainly, Commissioner.

8 So the large load tariffs, those are newly
9 proposed tariffs in anticipation of large load
10 customers that FPL had proposed and includes
11 several ratepayer protections, which I will go
12 through.

13 So customers must enter into a binding large
14 load service agreement or contract. That contract
15 has an initial minimum term of 20 years, and after
16 that minimum term, the customer has to provide
17 two-year termination notice if they wish to
18 terminate service.

19 The contract includes exit fees for early
20 termination. So early termination, meaning prior
21 to the minimum term, or less than two years notice.
22 And the exit fees are based on the equivalent
23 payment of the total incremental generation charge
24 for the remaining term of the agreement.

25 The tariffs include an incremental generation

1 charge that allows FPL to recover its investments
2 and any new incremental generation capacity they
3 have to install to serve that customer.

4 The tariffs include a negotiated load ramp
5 period. So that's the time from the in-service
6 date until the customer reaches full contract
7 demand; and after that, a negotiated maximum
8 contract demand.

9 The tariff requires a collateral or
10 performance security amount that's based on the
11 customer's credit rating that covers the
12 incremental generation charge.

13 Contribution in aid of construction payment to
14 cover the cost, any cost of extending service to
15 the customer, the customer has to pay those total
16 costs, CILC costs, up front.

17 And finally, the tariff includes a minimum
18 take-or-pay provision that applies to the demand
19 charge and any clauses that are billed on demand.
20 In the original proposal, that minimum take-or-pay
21 demand charge was 90 zero percent, and the
22 settlement includes 70 percent. So that means that
23 customers must pay 70 percent of the contract
24 demand even if they do not have the demand level
25 anticipated or contracted.

1 If the customer hits their contract demand
2 just ones, they will pay 100 percent of the minimum
3 take-or-pay for the next 11 months. So the
4 take-or-pay provision looks back. If it's greater
5 of 70 percent of their contracted demand or the
6 highest demand over the last 11 months. And so the
7 minimum take-or-pay has to be looked at together
8 with the incremental generation charge.

9 And that concludes my summary of all the
10 ratepayer protections included in the large load
11 tariffs.

12 CHAIRMAN LA ROSA: Thank you. And I
13 appreciate the thoroughness on that.

14 And just, Commissioners, the reason I asked
15 that question, and I really appreciate Ms. Draper's
16 overview of it, is that it's difficult to both
17 balance the interest of Florida, right, to say that
18 we are open for business, and at the same time make
19 sure you that customers are protected.

20 This is new-ish, right. We are seeing this
21 across the nation, and I think the right balance
22 was certainly struck with the way this was drafted
23 and created and settled upon.

24 That concludes my questions. I am going to go
25 to Commissioner Fay and then Commissioner Passidomo

1 Smith afterwards.

2 Commissioner Fay, you are recognized.

3 COMMISSIONER FAY: Great. Thank you, Mr.
4 Chairman. And maybe just before I make some
5 comments that I want to make before the vote, I
6 would just add to your last comments.

7 Obviously, just across the country, we are
8 seeing this push for large loads customers, and
9 trying to adapt to that. The incremental
10 generation put in this, I think everybody was very
11 thoughtful in how they structured this, because I
12 am not sure the rest of the country has moved in
13 that direction as quickly as it appears that our
14 sector is doing so. And so I agree with you 100
15 percent. I think that is the right way to go.

16 I also to just want to recognize and thank
17 you. To your point, it's been a long process for
18 everybody, staff, parties involved. I spent a few
19 weeks down in Clearwater, trade school to people
20 from all across the country, and there is
21 definitely recognition that although our commission
22 is by no means perfect, I am not sure any
23 government agency is for that matter, but very
24 thoughtful about the way we approach these things.
25 And as we, you know, teach new folks the ratemaking

1 process, I think, you know, we will continue to see
2 lawyers struggle with the math, right, and we will
3 continue to see accountants struggle with the
4 legal, but I think, as a whole, having a commission
5 and staff that we have here allows us to be very
6 deliberate in that process.

7 And so I appreciate you taking two weeks to do
8 a hearing in which we took up the original filing
9 and the settlement components. Once again, I know
10 that was long, and maybe not convenient, but I do
11 think it was the right thing to do, so I appreciate
12 you doing that.

13 I also want to thank you for the recognition
14 that even groups of parties that are not the
15 petitioners can put forward evidence in this
16 process, the settlement process, this hearing
17 process for us to consider. I think it's a key
18 component, and I agree with you on that approach
19 also. So I want to thank you for that.

20 With that said, I do want to put my decision
21 here today in a little bit of context. You know,
22 the reality is that I like a lot of the settlement
23 -- provisions in the settlement, and there are
24 definitely some that give me heartburn.

25 I also recognize that my term on the

1 Commission is coming to an end, and the process for
2 which we were to take issue by issue up in the
3 future is one I would not be here for, and I think
4 that is just part of the timing of the way this was
5 brought forward and lends me to sort of put into
6 context how this decision is made.

7 So first is what our legal and our technical
8 have talked a little bit about. We got a response
9 from the Supreme Court in the 2021 rate case about
10 our order process. And I know it's something you
11 focused on a lot the past year, to make sure that
12 we are thoughtful about that. I think the way we
13 are set up now and the way this memo is put forward
14 by our staff, we absolutely have the ability to go
15 through those issues the way the Court directed us
16 to do so. And I think we had done that before, but
17 I think it was clear from the message we received
18 from the Court that they wanted more from us. They
19 wanted the Commission to put more detail into those
20 orders and be very thoughtful about that process,
21 settlement or not, they expect that from us as an
22 agency. And so for all the time that's gone into
23 that, I appreciate that, because I think it does
24 create a better product.

25 Do I think going issue by issue gives you even

1 more detail and more support for the Court to make
2 that review? Yeah, I do. But I also recognize
3 that, you know, being here, that compromises a huge
4 component of this process. And as the Court has
5 sort of moved the agency more towards the
6 legislative world and less towards the sort of
7 hyper focused judicial procedural components, I
8 think we have fallen in line with that. That's one
9 of the reasons today I supported keeping SACE in
10 this process.

11 I think the way we are structured, and the way
12 we have evolved as an agency, we want to try to be
13 thoughtful of being inclusive of anybody that would
14 want to weigh into these things as the Legislature
15 does in their process.

16 So that gives you some context of kind of
17 where we are from the perspective of talking this
18 up today.

19 Now, with that said, I have to make a
20 decision, based on my timing, that is this better
21 than what the future potentially would come up
22 with? And that's a very difficult presumption to
23 make, because we just don't know.

24 I can guarantee you, if you went through that
25 process of going issue by issue, there would be

1 winners and losers from that process that,
2 arguably, some would feel they got a better deal or
3 a better result, and others would feel they are
4 not. And I just don't know what that would look
5 like because I can't see the future.

6 But I will say even -- even if we take a
7 settlement and feel the move in that issue to issue
8 direction, I don't want to in any way have that
9 interpreted as discouraging settlements. I think
10 it's a process that we have adjusted to, that we
11 have adopted for efficiency purposes. I think it's
12 saved a ton of money from a litigation standpoint.
13 And that's coming from a lawyer, right, who loves
14 litigation at times. But I think it's the process
15 that has been set up, and we have seen that there
16 are rate cases and there are processes, which we
17 have just had with other utilities, where you do
18 have to fully litigate. You go through that whole
19 process to make the decision and you go issue by
20 issue through those.

21 And there is going to be that at times because
22 there are parties that will not be able to agree to
23 come to a product that they could put in front of.
24 And there will be times like this, where we do have
25 a product that will contain various entities.

1 And so I appreciate all the thought that's
2 gone into this, Mr. Chairman. I recognize these
3 are difficult decisions, and just really want to
4 thank you and appreciate the time that our staff
5 and that you have put in to making sure that there
6 is no shortage of briefing or information that was
7 provided to us as Commissioners. And whatever
8 decisions we make are, no doubt, informed through
9 this process that you have guided us through, so
10 thank you.

11 CHAIRMAN LA ROSA: Commissioner Passidomo
12 Smith.

13 COMMISSIONER PASSIDOMO SMITH: Thank you,
14 Mr. Chair.

15 I appreciate hearing some of the thoughts of
16 my colleagues. And with your indulgence and my
17 colleagues' indulgence, I am not going to go issue
18 by issue. I agree that's not what we are -- that's
19 not the standard that we are reviewing. I just
20 want to kind of read through my thought process.

21 I -- similarly, there were things in this I
22 like. There were things that give me pause. And I
23 want to, for the public's sake and for the record
24 sake, to clearly delineate my entire thought
25 process, because it's been, you know, keeping me up

1 at night for a very long time, as I imagine it has
2 for all of you.

3 So I want to start by recognizing that I
4 stated at the opening of the original hearing on
5 August 11th, I initially had concerns when I saw
6 that the Office of Public Counsel was not a
7 signatory to this agreement. That was, however,
8 before I had the agreement in front of me or had a
9 chance to review it.

10 I also recognize that the Supreme Courts in
11 Citizens clearly provides that authority to approve
12 a settlement agreement is not conditioned on the
13 Office of Public Counsel being a signatory to the
14 agreement, and that our authority under Chapter
15 366, settlement agreements do not need unanimous
16 support from the parties involved to be valid.

17 I am going to start with kind of the big
18 kahuna, the ROE. In and of itself, I don't love
19 this ROE, but evaluating a proposed ROE cannot be
20 reviewed in a vacuum, and neither can a single
21 component of a settlement agreement. Taken with
22 the other customer protections that my colleagues
23 have mentioned that are built into the Settlement
24 Agreement, and in a context of FPL specifically in
25 the record evidence before us supporting a range

1 from 8.31 to 11.12 percent, I am comfortable that
2 this ROE proposed does satisfy the standards of
3 Hope and Bluefield.

4 When I said FPL specifically, I just want to
5 mention it's -- you know, their territory is made
6 up overwhelmingly of two separate coastlines,
7 increasingly exposed to large and more prevalent
8 storms.

9 I -- some of the other -- the things I liked
10 in here was already mentioned, so I am not going to
11 really go into that. I want to kind of go into the
12 things that gave me pause and what I reviewed
13 through the record, and how I was able to think
14 through some of those issues.

15 I am going to start this one with the CILC
16 credit. This is an individual aspect of the
17 agreement that I don't like, and I think I have
18 kind of been vocal on this before. While FPL
19 proposed to decrease the credit in the as-filed
20 case to ensure the program remains cost-effective
21 until its next review, under the terms of the
22 agreement, the credit is being increased to \$9.24
23 per kilowatt hour, which FPL Witness Whitley
24 testified would result in some form of subsidy by
25 the general body of ratepayers.

1 So with that sort of -- this is where I have
2 to go back to the Supreme Court's directive to us
3 when reviewing a settlement agreement. We must
4 consider all the evidence presented, resolve
5 conflicts, judge credibility of witnesses and reach
6 ultimate findings of fact based on competent,
7 substantial evidence. And we review -- as I said
8 before, we review settlement agreements as a whole
9 to determine whether approving them is in the
10 public interest.

11 So we need to judge the credibility of the
12 witnesses and the competing evidence in front of
13 us. FEL Witness Marcelin argued that the credit is
14 no longer cost-effective. However, during cross,
15 Witness Marcelin was asked if he knew how the
16 program worked, but it didn't appear that he
17 understood who decides when the program is
18 activated or how long load control can stay
19 activated.

20 Personally, when I was sitting in the hearing,
21 I found that Witness Marcelin was not a very
22 credible witness because he didn't seem to
23 understand how the program worked.

24 With respect to cost of service, the proposed
25 monthly credit results in a RIM score .096 and a

1 TRC score of 105.79, showing it is cost-effective
2 using one of the three tests the Commission
3 considers when evaluating DSM programs.

4 And again, while I have been pretty vocal on
5 these credits before, and might not love this
6 individual component of this agreement, there is
7 ample evidence in the record to support the credit.

8 I also want to talk about RSM, because that's
9 another really big component of this settlement
10 agreement, and it's a component that, in and of
11 itself, I may not love, but I recognize it has
12 tangible benefits to customers that Commissioner
13 Clark had mentioned, like providing long-term bill
14 and economic stability, offsetting unexpected
15 expenses including interest rate volatility,
16 inflation, trade policy impacts and associated
17 market disruptions.

18 Mathematically, as Witness Bores testified,
19 the RSM is set to the midpoint of the range, which
20 is how the Commission sets the ROE. The company
21 can only achieve above the midpoint by creating
22 business efficiencies in their operation.

23 While -- and I remember during the hearing, I
24 posed that hypothetical to Witness Bores at the
25 hearing of disallowing the RSM to be used to reach

1 the top of the range. It was explained that,
2 currently, FPL does not have sufficient RSM to get
3 to the midpoint in 2028 and 2029 based on the
4 amounts expected as current funding sources for the
5 RSM.

6 The way I looked at this is we don't want to
7 disincentivize utilities from striving for the
8 efficiencies that Witness Bores testified to during
9 the hearing by adding parameters to the RSM.
10 Specifically, he discussed the reimagined power
11 generation program which used AI to help the
12 company standardize operating dispatch procedures
13 for each plant using the same technology. They are
14 also putting sensors on all the equipment across
15 those plants so that they can do predictive
16 maintenance and not -- rather than preventative.

17 Another efficiency example given that cut
18 costs for the company to earn higher than midpoint
19 is the fleet control center program that now
20 dispatches all power plants out of one room in
21 their headquarters saving fuel and operating
22 expenses.

23 And finally, they found ways to save
24 significant property tax associated with having
25 intangible property embedded in physical assets.

1 So these are just some of the things that I
2 heard at the hearing that made me evaluate where I
3 am coming from.

4 I also -- I am not going to talk about some of
5 the -- you know, the large load tariff. I agree
6 with my colleagues on -- we hear about this all the
7 time. Now it's the biggest topic at NARUC, and
8 that we are -- we have a tariff that's proactive in
9 addressing this with embedded customer protections
10 really made me feel better about it.

11 I think the one last point, Mr. Chair, if you
12 will let me continue my rambling, but I think it's
13 important for the record. My last area is the cost
14 allocated methodology for clauses. I think it's
15 important for the record to kind of clarify going
16 through this a little bit, because I had confusion
17 initially during the hearing. I was initially
18 concerned that the 12 C -- about the 12 CP method
19 remaining for base rates, but changing to go the 4
20 CP and 12 percent for all clause factors, because I
21 thought that that might be an efficient -- or pass
22 too much cost on to the residential class.

23 However, asking this question to Witness
24 Cohen, she testified that when comparing the 4 CP
25 and 12 percent with the current 12 CP and 1/13th

1 methodology is actually a very minimal incremental
2 bill impact, in fact, there is a zero dollar impact
3 to residential customers in 2026. So that also
4 made me feel more comfortable with that provision
5 in the Settlement Agreement.

6 My very last point, Mr. Chair, I just want to
7 -- I am really glad that Commissioner Clark brought
8 up the Perdido project. I just -- I wanted to also
9 kind of expand upon a little bit. If we are
10 looking like it's -- that this commission is
11 looking to approve the settlement that's before us,
12 it -- I believe it's important to distinguish this
13 project from the case cited by staff in their memo.

14 The Perdido project, my understanding,
15 converts landfill gas into pipeline quality gas
16 that will sequentially be burned in existing
17 combustion turbines in FPL's Florida based Gulf
18 Clean Energy Center. And when I reviewed the case,
19 I believe the Commission does have the authority to
20 approve the Perdido project.

21 So those are my thoughts. I will pass it back
22 to you, Mr. Chair.

23 CHAIRMAN LA ROSA: Thank you, Commissioner
24 Passidomo Smith.

25 All right. I am looking at Commissioner

1 Graham. I know you -- all because I called your
2 name, but feel free.

3 COMMISSIONER GRAHAM: Well, I had a handful of
4 things to say, but it's all been covered for the
5 most part by Mr. Clark, and there was one that was
6 left that Passidomo Smithed just handled. For the
7 most part, it's about settlements. You guys have
8 all heard me say for years the way I feel about
9 settlements. I like it when you guys come together
10 and say Kumbaya, and have a deal before us.

11 And it's unfortunate when you can't get
12 everybody to the table to a settlement. It is
13 never the best scenario, especially when Public
14 Counsel is not part of the settlement. But as
15 Passidomo Smith said earlier, the Florida Supreme
16 Court decided back after the 2012 case that it's
17 not a necessity. They do not have a power of veto
18 over settlement cases. So we moved forward with
19 the settlement, and I think the settlement is the
20 best thing for the ratepayers and for the
21 utilities. And so I am in support of the
22 settlement. But the only thing I want to put in
23 there was that it is not the dream settlement, but
24 it is the one that's before us, and I think it does
25 the job it's supposed to do.

1 CHAIRMAN LA ROSA: Great. Thank you,
2 Commissioner.

3 And I will just -- I will state for the
4 record, I do also agree with the comments on
5 Perdido by both Commissioner Clark and Commissioner
6 Passidomo Smith, as I am kind of looking and
7 reviewing some of my notes from that, so certainly
8 agree to those.

9 Commissioner Clark, I think you started us
10 off, laid it out very well. Hopefully my line of
11 questioning -- I agree with the analysis that was
12 reviewed and how the questions were answered. And
13 that is partly to the direction in how I feel and
14 how I am going to vote in support of this
15 Settlement Agreement.

16 I will just state this. Settlements
17 sometimes, for me personally, maybe I am by myself
18 on an island on this, is sometimes difficult,
19 right. I get caught up in wanting to tear things
20 apart and negotiate, but I do recognize why they
21 are before us, and I do recognize how to evaluate
22 and why we should evaluate what's in them as a
23 whole.

24 I don't love everything that's in the current
25 settlement agreement in front of us. There are

1 certain elements that don't -- that don't motivate
2 me, but there are some that do. And at the end of
3 the day, my overall opinion sways in favor to
4 certainly support what's there. I believe that is
5 what is fair to ratepayers.

6 There is an element where there is sales of
7 existing property. My hope is that is maybe the
8 floor and not necessarily the ceiling. But, again,
9 as stated, I believe the overall elements that are
10 within the settlement are positive, and I believe
11 that they are a positive outcome for customers, and
12 I think give them the ability to plan in the future
13 over these next few years.

14 Commissioners, if there is no further
15 comments, if there is no further questions of
16 staff, I think it's fair to open the floor for a
17 motion.

18 COMMISSIONER CLARK: Mr. Chairman, I move that
19 the Commissioner approve the 2025 Stipulation and
20 Settlement Agreement.

21 COMMISSIONER GRAHAM: Second.

22 CHAIRMAN LA ROSA: All right. Well, hearing a
23 motion and hearing a second.

24 All those in favor signify by saying yay.

25 (Chorus of yays.)

1 CHAIRMAN LA ROSA: Yay.

2 Opposed no?

3 (No response.)

4 CHAIRMAN LA ROSA: All right. Well, then show
5 that the motion is approved.

6 We are not finished. Let's move to Issue 7,
7 and let me go to staff on that.

8 MR. STILLER: Since the Commission has voted
9 to approve the Settlement Agreement, staff will
10 draft an order that memorializes your decision.
11 Staff would suggest that the Commission vote that
12 this docket be closed after the final order is
13 issued.

14 CHAIRMAN LA ROSA: Commissioners, any
15 questions on closing the docket accordingly?

16 Okay. Seeing none, open for a motion.

17 COMMISSIONER CLARK: Move to close the docket
18 upon completion of final order, Mr. Chairman.

19 COMMISSIONER GRAHAM: Second.

20 CHAIRMAN LA ROSA: Hearing a motion, and
21 hearing a second.

22 All those in favor signify by saying yay.

23 (Chorus of yays.)

24 CHAIRMAN LA ROSA: Yay.

25 Opposed no?

1 (No response.)

2 CHAIRMAN LA ROSA: Show that the motion
3 passes.

4 Commissioners, any further matters that need
5 to be addressed before us?

6 All right. Seeing none, then we are
7 adjourned.

8 Thank you very much, staff. Excellent job in
9 these last couple of months. Much appreciate all
10 your efforts and your work and your hard diligence
11 to this. Thank you.

12 (Proceedings concluded.)

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1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)

4

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

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

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

18 DATED this 5th day of December, 2025.

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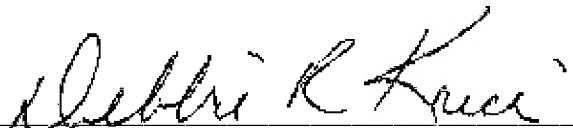
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DEBRA R. KRICK
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