



Maria Jose Moncada
Assistant General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
(561) 304-5795
(561) 691-7135 (facsimile)
maria.moncada@fpl.com

July 9, 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:

Attached for filing on behalf of Florida Power & Light Company ("FPL") in the above-referenced docket are the rebuttal testimony and exhibits of FPL witness Keith Ferguson.

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

Sincerely,

s/ Maria Jose Moncada

Maria Jose Moncada
Assistant General Counsel
Florida Power & Light Company

(Document 8 of 16)

CERTIFICATE OF SERVICE

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 9th day of July 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
Ashley N. George
Thomas Jernigan
Michael A. Rivera
James B. Ely
Ebony M. Payton
139 Barnes Drive, Suite 1
Tyndall AFB Florida 32403
leslie.newton.1@us.af.mil
ashley.george.4@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
Federal Executive Agencies

William C. Garner
3425 Bannerman Road
Tallahassee, Florida 32312
bgarner@wcglawoffice.com
Southern Alliance for Clean Energy

Jon C. Moyle, Jr.
Karen A. Putnal
c/o Moyle Law Firm
118 North Gadsden Street
Tallahassee, Florida 32301
jmoyle@moylelaw.com
mqualls@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 Luebkekmann
111 S. Martin Luther King Jr. Blvd.
Tallahassee, Florida 32301
bmarshall@earthjustice.org
jluebkekmann@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
Keyes & Fox LLP
580 California Street, 12th Floor
San Francisco, California 94104
nvijaykar@keyesfox.com
EVgo Services, LLC

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

Yonatan Moskowitz
Keyes Law Firm
1050 Connecticut Ave NW, Suite 500
Washington, District of Columbia 20036
ymoskowitz@keyesfox.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, North Carolina 27103
seaton@spilmanlaw.com
Walmart, Inc.

Steven W. Lee
Spilman Thomas & Battle, PLLC
1100 Bent Creek Boulevard, Suite 101
Mechanicsburg, Pennsylvania 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, District of Columbia 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, Florida 33131-4325
remontejo@duanemorris.com
Armstrong World Industries, Inc.

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

Brian A. Ardire
Armstrong World Industries, Inc.
2500 Columbia Avenue
Lancaster, Pennsylvania 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.**

s/ Maria Jose Moncada

Maria Jose Moncada
Assistant General Counsel
Florida Bar No. 0773301

Attorney for Florida Power & Light Company

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250011-EI
FLORIDA POWER & LIGHT COMPANY
REBUTTAL TESTIMONY OF KEITH FERGUSON

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

TABLE OF CONTENTS

I. INTRODUCTION.....3

II. DISMANTLEMENT ACCRUALS5

III. SCHERER UNIT 3 RETIREMENT DATE10

IV. DEPRECIATION ADJUSTMENTS13

1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Keith Ferguson. My business address is Florida Power & Light Company
4 (“FPL” or “the Company”), 700 Universe Boulevard, Juno Beach, Florida 33408.

5 **Q. Have you previously submitted direct testimony in this proceeding?**

6 A. Yes.

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

8 A. Yes. I am sponsoring the following exhibits:

- 9 • Exhibit KF-8 – FPL’s Response to OPC’s First Request for Production of
10 Documents No. 15
- 11 • Exhibit KF-9 – FPL’s Response to FEA’s Third Set of Interrogatories No. 7

12 I am co-sponsoring the following exhibit:

- 13 • Exhibit LF-11 – FPL’s Notice of Identified Adjustments filed May 23, 2025, and
14 Witness Sponsorship, filed with the rebuttal testimony of FPL witness Fuentes.

15 **Q. What is the purpose of your rebuttal testimony?**

16 A. The purpose of my rebuttal testimony is to address the following topics:

- 17 - Office of Public Counsel (“OPC”) witness Dunkel’s recommendation to use a
18 higher annual discount rate in the calculation of dismantlement accruals;
- 19 - Federal Executive Agencies (“FEA”) witness Andrews’ recommendation to
20 maintain the 2047 estimated retirement date for Scherer Unit 3; and
- 21 - OPC witness Schultz’s proposed impacts to depreciation expense and accumulated
22 depreciation resulting from OPC witness Dunkel’s adjustments.

1 Please note that I am responding to specific issues. Consequently, any argument raised
2 in the testimony presented by intervening parties to which I do not respond, should not
3 be accepted as my support or approval of the positions offered.

4 **Q. Please summarize your rebuttal testimony.**

5 A. My rebuttal testimony will demonstrate that the Company's request on the items
6 identified above is reasonable and the intervenors' recommendations are flawed and
7 should be rejected by the Commission. Specifically, I will demonstrate that:

- 8 • OPC witness Dunkel's recommendation to change the discount rate to calculate
9 the dismantlement accrual is unsupported, unreasonable, and out of line with
10 accepted practice.
- 11 • FEA witness Andrews' recommendation to maintain the 2047 estimated
12 retirement date for Scherer Unit 3 is unsupported and fails to consider critical
13 information about the plant's projected operation as provided by the plant's
14 majority owner and operator.
- 15 • OPC witness Schultz's calculations of the impacts to depreciation expense and
16 accumulated depreciation resulting from OPC witness Dunkel's proposed
17 adjustments are incorrect.

II. DISMANTLEMENT ACCRUALS

Q. What is the purpose of the dismantlement accrual?

A. The purpose of the dismantlement accrual is to accrue the estimated cost of dismantling generation facilities at the time of retirement over the life of the facility. Per Rule 25-6.04364, Florida Administrative Code (the “Dismantlement Rule”), “[t]he dismantlement annual accrual shall be calculated using the current cost estimates escalated to the expected dates of actual dismantlement. The future costs less amounts recovered to date shall then be discounted in a manner that accrues the costs over the remaining life span of the unit.” Thus, under the Commission’s Dismantlement Rule, future dismantlement costs, less the amount recovered to date, are escalated to the estimated date of dismantlement and then discounted over the remaining life of each generation unit or plant site to determine the fixed dismantlement accrual amounts based on a four-year average of the accruals related to the years between the dismantlement study reviews. As required under the Dismantlement Rule, dismantlement studies are conducted typically every four years to reflect the latest dismantlement cost estimates and life spans and revised annual dismantlement accruals accordingly.

Q. What is the discount rate FPL used when calculating the dismantlement accruals?

A. FPL has consistently used the compound inflation rate as the discount rate when calculating dismantlement accruals. For the 2025 Dismantlement Study, FPL used a compound inflation rate for each component of dismantlement costs (labor, materials, etc.) at each unit, which results in an overall average discount rate of 3.62%.

1 **Q. On page 12 of his testimony, OPC witness Dunkel states that the discount rate**
2 **used to calculate the dismantlement accruals should be set at the 6.26% cost of**
3 **capital recommended by OPC witness Lawton because, according to him, investor**
4 **monies and ratepayer monies should have the same annual cost. Do you agree**
5 **with his proposal to use the cost of capital as the discount rate?**

6 A. No. Putting aside that the cost of capital recommended by OPC witness Lawton should
7 be rejected for the many reasons explained in the rebuttal testimonies of other FPL
8 witnesses, OPC witness Dunkel's recommendation to use the overall cost of capital as
9 the discount rate is inappropriate, inconsistent with Commission practice, and ignores
10 the fact that the dismantlement reserve is an unfunded reserve. His recommendation is
11 also inconsistent with the intent of the Dismantlement Rule cited above, which is to
12 accrue remaining costs over the remaining life span of the unit. Using the cost of capital
13 as the discount rate would not equitably and reasonably accrue costs over the remaining
14 life of the unit.

15 **Q. Please explain the Commission's policy regarding the discount rate to be utilized**
16 **when calculating dismantlement accruals in a utility's dismantlement study.**

17 A. Although the Dismantlement Rule does not explicitly state what discount rate should
18 be applied, FPL has consistently used the compound inflation rate as the discount rate
19 for over 30 years. Using an inflation rate as the discount rate is consistent with the
20 Dismantlement Rule's requirement to accrue costs over the life of the unit. The
21 compound inflation rate has also consistently been used as the discount rate by other
22 Florida investor-owned utilities ("IOUs"). For example, the dismantlement studies
23 filed by Tampa Electric Company and Duke Energy Florida in 2023 and 2024,

1 respectively, both used the compound inflation rate as the discount rate when
2 calculating dismantlement accruals. Notably, the methodology used by Tampa Electric
3 Company in its dismantlement study was approved by the Commission in a fully
4 litigated rate proceeding.¹ To my knowledge, the Commission has consistently
5 approved accrual calculations that utilize the compound inflation rate. OPC witness
6 Dunkel has failed to offer any analysis or support for why the Commission should now
7 depart from this long-standing policy.

8 **Q. You stated that OPC witness Dunkel fails to recognize the fact that the**
9 **dismantlement reserve is an unfunded reserve. Can you please explain?**

10 A. Yes. The amount of dismantlement costs FPL collects from its customers is not
11 segregated or invested in a restricted account as required for a funded reserve. Instead,
12 the amounts collected from customers are used to fund current operations, including
13 any current dismantlement activities. The amounts collected help FPL avoid the need
14 to raise incremental debt and equity in the period collected. The compound inflation
15 rate is used to calculate the expected cost in future dollars needed at the time of
16 dismantlement. Therefore, to appropriately allocate the dismantlement cost to
17 customers over the life of the plant, the compound inflation rate should be used in the
18 discount calculation.

¹ See Commission Order No. PSC-2025-0038-FOF-EI issued on February 3, 2025, in Docket Nos. 20240026-EI, *et al.*

1 **Q. Has the Commission previously addressed the funding of a dismantlement**
2 **reserve?**

3 A. Yes. In Order No. 24741 in Docket No. 890186-EI, the Commission rejected the
4 concept of a funded reserve for dismantlement costs and established the methodology
5 for accruing dismantlement costs for fossil-fueled production plants. In rejecting the
6 funded reserve approach, the Commission found "...it is in the best interest of the utility
7 and its ratepayer to continue to provide for this dismantlement cost for the investor
8 own[ed] utilities in this docket as an unfunded reserve."

9 **Q. Can you please elaborate on why using an overall cost of capital to calculate**
10 **dismantlement accruals is not appropriate?**

11 A. Yes. Customers are only funding the growth in dismantlement costs over time as a
12 result of inflation, which is why Florida IOUs have appropriately used a compound
13 inflation rate to calculate dismantlement accruals.

14 **Q. On page 26 of his testimony, OPC witness Dunkel recommends a reduction to**
15 **FPL's proposed dismantlement accrual based on a negative 25% contingency**
16 **adjustment. Do you have a response to his proposed contingency adjustment?**

17 A. Yes. As discussed in the rebuttal testimony of FPL witness Allis, OPC witness
18 Dunkel's contingency adjustment of negative 25% is arbitrary and unsupported. This
19 adjustment, combined with his inappropriate discount rate recommendation, would
20 reduce the dismantlement accrual by over 50%, creating a significant shortfall that
21 would unfairly burden future customers.

22

1 FPL’s proposed annual accrual of \$106.4 million is based on detailed, site-specific cost
2 analyses performed by outside consultants. As discussed in my direct testimony and
3 reflected in Section 2 of Exhibit NWA-2, the increase from FPL’s current accrual is
4 primarily driven by the addition of new solar plants and battery storage assets that have
5 been or will be constructed since the 2021 Dismantlement Study was prepared.
6 Specifically, about \$46 million of the \$58.7 million increase is attributable to these new
7 assets, with the majority of the remainder attributable to cost escalation.

8 **Q. On page 95 of his testimony and on Schedule C-15 of Exhibit HWS-2, OPC witness**
9 **Schultz proposes an adjustment to remove \$810,454 from the dismantlement**
10 **accrual related to the Environmental Cost Recovery Clause (“ECRC”). Do you**
11 **agree with this adjustment?**

12 A. No. OPC witness Schultz appears to misunderstand the relationship between the base
13 rate and clause portions of FPL’s dismantlement accrual. As shown in Exhibit KF-4
14 of my direct testimony and the table below, the total increase in FPL’s annual
15 dismantlement accrual is \$58.7 million, which consists of a \$59.6 million increase in
16 the base rate dismantlement accrual partially offset by a \$0.8 million decrease in the
17 ECRC dismantlement accrual.

<i>\$ in Millions</i>	Current Approved Dismantlement Accrual	Proposed Dismantlement Accrual	Change in Dismantlement Accrual
Base	\$36.6	\$96.2	\$59.6
Clause (ECRC)	\$11.0	\$10.2	(\$0.8)
Total	\$47.7	\$106.4	\$58.7

1 OPC witness Schultz seems to misunderstand that the proposed ECRC dismantlement
2 accrual adjustment represents a decrease rather than an increase. This apparent
3 misunderstanding is reflected on Line 12 of Schedule C-15 of his Exhibit HWS-2 where
4 OPC witness Schultz incorrectly shows \$107.2 million as FPL's total annual
5 dismantlement accrual, which is overstated by a \$0.8 million decrease in the ECRC
6 dismantlement accrual and does not align with the proposed total annual dismantlement
7 accrual of \$106.4 million presented in FPL's 2025 Dismantlement Study. Therefore,
8 OPC witness Schultz's proposed adjustments to FPL's total annual dismantlement
9 accrual on Schedule C-15 are not correct and should be rejected.

10

11 **III. SCHERER UNIT 3 RETIREMENT DATE**

12 **Q. On pages 14-15 of his testimony, FEA witness Andrews disputes the 2035**
13 **retirement date used for Scherer Unit 3 in FPL's 2025 Depreciation Study and**
14 **recommends the previous retirement date of 2047 be maintained. Do you have a**
15 **response?**

16 A. Yes, I disagree with FEA witness Andrews' recommendation. His recommendation
17 fails to consider critical information about the plant's projected operation available
18 from Georgia Power, the primary owner and operator of the plant.

19 **Q. What is the basis for FPL's decision to propose the 2035 retirement date for**
20 **Scherer Unit 3?**

21 A. FPL's proposed 2035 retirement date is based on specific information provided directly
22 by Georgia Power, the primary owner and operator of Scherer Unit 3. In preparation
23 for FPL's 2025 Depreciation Study, Georgia Power informed FPL that the most current

1 expected retirement date for Scherer Unit 3 is December 31, 2035. This
2 communication was provided as part of FPL's response to OPC's First Request for
3 Production of Documents No. 15, which is provided in Exhibit KF-8 to my rebuttal
4 testimony. As the majority owner and operator responsible for operating the plant and
5 making decisions regarding retirement, Georgia Power is the entity best positioned to
6 determine the operational timeline for this facility.

7 **Q. On page 14 of his testimony, FEA witness Andrews cites to Georgia Power's 2025**
8 **Integrated Resource Plan ("IRP") in support of his proposed recommendation.**
9 **Can you please respond?**

10 A. Yes. Georgia Power's 2025 IRP presents two planning scenarios for the expected
11 retirement date of Scherer Unit 3, either 2035 or 2038. On page 59 of the 2025 IRP,
12 Georgia Power specifically states:

13 "With the 2025 IRP, the Company is seeking approval of the following
14 actions to serve customers, as detailed further in this Chapter.

- 15 • Preserve 1,007 MW of reliable existing operating capacity,
16 beginning in the winter of 2028/2029 through extending the
17 operation of six generating units:
 - 18 ○ Extend Plant Scherer Unit 3 beyond December 31, 2028,
19 assuming operation of this unit through 2035 or 2038,
20 depending on the planning scenario. A request for return
21 of 187 MW of wholesale capacity from Plant Scherer
22 Unit 3 to retail service."

23

24 Thus, the Georgia Power 2025 IRP is consistent with the information provided by
25 Georgia Power when FPL prepared its 2025 Depreciation Study, *i.e.*, that Scherer Unit
26 3 may be retired in 2035. Although the Georgia Power 2025 IRP indicates that there
27 is a possibility the retirement of Scherer Unit 3 could be extended by three years, there

1 is nothing in the 2025 IRP to suggest that the retirement date will be 2047 as proposed
2 by FEA witness Andrews.

3 **Q. Please elaborate on why FPL believes the 2035 retirement date is more**
4 **appropriate than the previously estimated 2047 retirement date for Scherer Unit**
5 **3.**

6 A. The 2035 retirement date for Scherer Unit 3 represents the most prudent approach based
7 on the information provided by Georgia Power. Using this date aligns with FPL's
8 responsibility to properly match cost recovery with the expected useful life of this asset.
9 FPL's responsibility is to use the best available information when setting depreciation
10 parameters. Therefore, it would not be proper for FPL to maintain a 2047 retirement
11 date that is no longer supported by Georgia Power's own planning.

12 **Q. On page 16 of his testimony, FEA witness Andrews cites to recent executive orders**
13 **to further support his proposed retirement timeline for Scherer Unit 3. Do you**
14 **have a response?**

15 A. Yes. FEA witness Andrews' claim that recent executive orders may require
16 maintaining the 2047 retirement date for Scherer Unit 3 is incorrect. As FPL stated in
17 its response to FEA's Third Set of Interrogatories No. 7, which is attached to my
18 rebuttal testimony as Exhibit KF-9, these executive orders "will have no immediate or
19 prospective impact on FPL's power plants" and specifically would not affect plans
20 related to Scherer Unit 3 for the reasons I previously explained. Further, to the extent
21 that Georgia Power makes a future change to the estimated retirement date of Scherer
22 Unit 3, FPL would incorporate the change into a subsequent depreciation study.

1 **IV. DEPRECIATION ADJUSTMENTS**

2 **Q. Do you agree with OPC witness Schultz's proposed impacts to depreciation**
3 **expense and accumulated depreciation resulting from OPC witness Dunkel's**
4 **proposed adjustments to depreciation rates in FPL's 2025 Depreciation Study?**

5 A. No. FPL disagrees with the adjustments proposed by OPC witness Dunkel to its 2025
6 Depreciation Study for reasons outlined in the rebuttal testimony of FPL witness Allis.
7 Furthermore, FPL disagrees with the impacts calculated by OPC witness Schultz on
8 depreciation expense and accumulated depreciation.

9
10 OPC witness Schultz's calculations, which utilize plant in service and depreciation
11 reserve balances from MFR B-7 and MFR B-9, include amounts to be recovered
12 through FPL's cost recovery clauses. This results in an overstatement of his proposed
13 depreciation expense adjustment to base rates by approximately \$45 million in 2026
14 and \$49 million in 2027, as shown on Exhibit KF-2 to my direct testimony. OPC
15 witness Schultz's suggestion for reducing depreciation expense by \$164.5 million in
16 2026 and \$174.3 million in 2027 is excessively high and inaccurate due to these
17 miscalculations.

18
19 A more accurate approach would be to calculate the adjustment using monthly
20 forecasted balances at a plant account level rather than applying a top-down composite
21 rate to a 13-month average plant balance at a functional level. This approach also
22 ensures appropriate allocation of depreciation expense between base and clause. In
23 addition, this more accurate and detailed methodology is employed by FPL and aligns

1 with the calculation presented on Exhibit KF-2 attached to my direct testimony, which
2 details the impacts on depreciation expense utilizing the rates in the 2025 Depreciation
3 Study by year for base vs. clause in 2026 and 2027.

4 **Q. Does this conclude your rebuttal testimony?**

5 A. Yes.

Florida Power & Light Company
Docket No. 20250011-EI
OPC's First Request for Production
Request No. 15
Page 1 of 1

QUESTION:

Testimony and Exhibits. Within two weeks after filing all testimony and exhibits attached to testimony, please provide any and all workpapers used to develop all testimony and exhibits attached to testimony. For any workpapers created electronically in Excel, please provide those spreadsheets with all formulas and calculations intact. For any workpapers created electronically in a PDF file, please provide that in searchable format.

RESPONSE:

Please see responsive documents provided. In general, where a witness cross-references or relies upon a different witness, workpapers are provided only for the primary (referenced) witness.

For FPL witness Buttress, details supporting the annual benchmarking analysis are designated as Highly Sensitive Information, as that term is used in the Confidentiality Agreements in use in this proceeding. Supporting files will be made available for inspection at the offices of Shutts & Bowen LLP, located at 215 South Monroe Street, Suite 804, Tallahassee, Florida 32301, provided the reviewing party has executed the Confidentiality Agreement and remains in compliance with the requirements of the Confidentiality Agreement associated with the review of Highly Sensitive Information.

For FPL witness Whitley, please note confidential attachments pertaining to the AURORA model's input and output files are configuration files that can only be opened through the use of a software application that is proprietary to Energy Exemplar. These configuration files contain data that is provided in Mr. Whitley's other support files provided with this response, along with output information derived through the AURORA model. Upon request, FPL can detail and demonstrate, under appropriate confidentiality protections, how the confidential AURORA files were used in deriving FPL's proposed resource additions.

From: [Houston, Adam Duncan](#)
To: [Ferguson, Keith](#)
Subject: Re: Scherer Unit 3 Estimated Retirement Date
Date: Wednesday, November 13, 2024 2:58:16 PM
Attachments: [image001.jpg](#)

Caution - External Email (adhousto@southernco.com)

Report this Email

Quick response

Emergency response

Tips

Hey Keith. We plan to extend Scherer 3 to 12/31/35. This will not be public until 1/31/25 when we file the IRP request. Let me know if you have any other questions. I think this will also be separately communicated to your CFO. Thanks.

Get [Outlook for iOS](#)

From: Ferguson, Keith <Keith.Ferguson@fpl.com>
Sent: Friday, November 1, 2024 8:47:20 AM
To: Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>
Subject: RE: Scherer Unit 3 Estimated Retirement Date

Adam,

Happy Friday. Just checking in on this question.

Thanks again,
Keith

From: Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>
Sent: Sunday, October 27, 2024 4:48 PM
To: Ferguson, Keith <Keith.Ferguson@fpl.com>
Subject: Re: Scherer Unit 3 Estimated Retirement Date

Hey Keith. Thanks for reaching out. Let me check on the IRP process and I'll get back to you.

Get [Outlook for iOS](#)

From: Ferguson, Keith <Keith.Ferguson@fpl.com>
Sent: Wednesday, October 23, 2024 4:59:03 PM
To: Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>
Subject: Re: Scherer Unit 3 Estimated Retirement Date

Adam,

I hope all is well. We are finalizing our depreciation study and wanted to see if there was any

update on the retirement date assumption. I realize your IRP is not being filed until January 2025, but that is before our rate case filing in March. As such, I would like to align with your assumption if possible. Let me know.

Regards,
Keith

Get [Outlook for iOS \[aka.ms\]](#)

From: Ferguson, Keith
Sent: Wednesday, June 5, 2024 8:28:52 AM
To: Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>
Subject: RE: Scherer Unit 3 Estimated Retirement Date

Adam,

Thank you so much for the response.

Regards,
Keith

From: Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>
Sent: Wednesday, May 29, 2024 12:58 PM
To: Ferguson, Keith <Keith.Ferguson@fpl.com>
Subject: RE: Scherer Unit 3 Estimated Retirement Date

Hey Keith.

I hope everything is going well in FL.

Based on our approved 2022 IRP (and used in our 2022 rate case) we are depreciating Scherer Units 1-3 through 12/31/2028. As Sarah mentioned the recovery period is a little extended beyond the 2028 life, but the depreciation study itself shows 2028.

In the 2023 IRP Update we did not request any changes to the 2028 retirement timeline, but indicated that we would continue to evaluate in the 2025 IRP due to our updated capacity needs etc.

The 2025 IRP will be filed January 2025, with final order closer to mid-2025.

Hopefully that helps. Thanks.

Adam D. Houston
VP & Comptroller
Phone: 630-445-3876
adhousto@southernco.com



From: Adams, Sarah P. <SPADAMS@SOUTHERNCO.COM>

Sent: Tuesday, May 28, 2024 10:40 AM

To: keith.ferguson@fpl.com; Houston, Adam Duncan <ADHOUSTO@SOUTHERNCO.COM>

Subject: FW: Scherer Unit 3 Estimated Retirement Date

Hi Keith!

I'm sending your request to Adam and added him to this email. He has Georgia Power now, following my move to Southern Company Gas last year.

In Georgia Power's 2022 case, we shortened the life of Scherer 3 for depreciation purposes based on the requested retirement date and then simultaneously were approved to defer some of that incremental depreciation to a regulatory asset such that the recovery of the remaining plant cost would be recovered over a longer period of time (as compared to the new life). I think Adam can provide both the expected retirement date (I'm not sure if the 2023 IRP update changed that date) and the cost recovery date, which I believe is also public from the 2022 rate case.

I missed seeing you at SEPUAW too and enjoying the time with everyone. Hopefully, I can get it back in the budget for next year!

Sarah

From: Ferguson, Keith <Keith.Ferguson@fpl.com>

Sent: Tuesday, May 28, 2024 8:35 AM

To: Adams, Sarah P. <SPADAMS@SOUTHERNCO.COM>

Subject: Scherer Unit 3 Estimated Retirement Date

Sarah,

I hope all is well. I missed you at SEPUAW this year although it was great to see some of your colleagues. We are in the process of preparing a depreciation study for our 2025 rate case and I wanted to find out Georgia Power's current estimated retirement date for Scherer 3. The current date we are using is 2047 based on information you all provided in 2020. I know a lot has changed since then and you all have not filed your official IRP, but saw that you all had a scenario of 2035 in your Fall 2023 IRP update. I wanted to see what we should use for our upcoming study. Thanks so much in advance.

Regards,

Keith

Keith Ferguson
Vice President, Accounting and Controller
561-694-3428

Florida Power & Light Company
Docket No. 20250011-EI
FEA's Third Set of Interrogatories
Interrogatory No. 7
Page 1 of 1

QUESTION:

On April 8, 2025, the President issued Executive Orders (EO) pertaining to the United States Electric Grid and the Coal Industry. See EOs titled, "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" and "Strengthening reliability and security of the United States Electric Grid," signed by President Trump on April 8, 2025. Please provide a detailed narrative explaining how the EOs will, could, or may affect FP&L's power plants, specifically, its proposal to shorten the life of the Scherer 3 coal plant.

RESPONSE:

The referenced Executive Orders (EO), "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" and "Strengthening reliability and security of the United States Electric Grid," signed by President Trump on April 8, 2025, will have no immediate or prospective impact on FPL's power plants (natural gas, nuclear, and solar) and specifically its plans to retire its 25% ownership share (215 MW) in the coal-fueled Scherer Unit 3 in Georgia.

FPL stated in its 2025 Ten Year Site Plan that it would delay its planned retirement of its 25% interest in this Scherer 3 unit, which retirement had been scheduled for the end of 2028 consistent with the primary owner Georgia Power's plans to retire the unit at that time. Georgia Power, the primary owner of Scherer Unit 3, now plans to continue to operate this plant for the foreseeable future. As a result, FPL must follow suit and push out its retirement date for the unit at a minimum to beyond 2034.

These EOs would not require that the planned retirement of FPL's interest in Scherer Unit 3 be delayed or halted. The EO "Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241" directs the Secretary of Energy and the heads of a number of other federal executive agencies to develop policies and regulations to support the coal industry in a number of different ways. This EO does not prohibit the retirement of an interest in a coal-fueled generation unit as FPL has planned now outside of the 2034 timeframe. Similarly, the EO "Strengthening reliability and security of the United States Electric Grid" provides for nothing that would immediately or prospectively halt FPL's planned retirement of the Scherer 3 unit after 2034. This EO simply directs the Secretary of Energy to develop policies, regulations, and processes to strengthen the reliability and security of the U.S. electric grid, including strengthening the Secretary of Energy's emergency authority under the Federal Power Act, a uniform system to establish reserve margins for all regions of the bulk power system, and criteria to identify critical generation resources for system reliability.

DECLARATION

I, Thomas Broad, sponsor the answers to **Interrogatory Nos. 7 and 8** from FEA's Third Set of Interrogatories to Florida Power & Light Company in Docket No. 20250011, and the responses are true and correct based on my personal knowledge.

Under penalties of perjury, I declare that I have read the foregoing declaration, and the interrogatory answers identified above, and that the facts stated therein are true.



Thomas Broad

Date: 6/2/25