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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 is the rebuttal testimony of FPL witness Danielle S. Powers.

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 15 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:

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s/ Maria Jose Moncada

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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

REBUTTAL TESTIMONY OF DANIELLE S. POWERS

Filed: July 9, 2025

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1 **I. INTRODUCTION**

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

3 A. My name is Danielle S. Powers. My business address is 293 Boston Post Road West,
4 Suite 500, Marlborough, Massachusetts 01752.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am the Chief Executive Officer of Concentric Energy Advisors, Inc. (“Concentric”).
7 Concentric is a management consulting firm specializing in financial and economic
8 services to the energy industry.

9 **Q. On whose behalf are you testifying?**

10 A. I am submitting this testimony on behalf of Florida Power & Light Company (“FPL”
11 or the “Company”).

12 **Q. Please describe your background and professional experience.**

13 A. I have over thirty-five years of direct experience in the public utility industry, including
14 roles at an investor-owned utility, an independent system operator, and, most recently,
15 as a consultant. Throughout my career, I have managed and participated in a wide range
16 of consulting engagements, with a focus on wholesale market design, power system
17 operations, and resource planning. In each of these areas, affordability has been a
18 central and recurring consideration—whether in evaluating market structures that
19 promote cost-effective outcomes, assessing resource portfolios that balance reliability
20 with customer impacts, or advising on policy frameworks that support just and
21 reasonable rates.

1 I have provided expert testimony or submitted reports before numerous regulatory and
2 judicial bodies, including the Indiana Utility Regulatory Commission, the Federal
3 Energy Regulatory Commission (“FERC”), the Illinois Commerce Commission, the
4 Connecticut Siting Council, the Massachusetts District Court, the Regulatory
5 Commission of Alaska, the New York State Public Service Commission, the United
6 States Bankruptcy Court, the Missouri House Utilities Committee, and the Indiana
7 Senate Utilities Committee. My prior testimony has typically addressed wholesale
8 energy market design, transmission policy, and resource planning—all of which
9 inherently involve questions of customer affordability and the prudent management of
10 costs.

11 **Q. What is the purpose of your Rebuttal Testimony?**

12 A. The purpose of my Rebuttal Testimony is to address specific recommendations put
13 forth by certain intervenors, including Office of Public Counsel (“OPC”) witness Roger
14 D. Colton and Walmart Inc. (“Walmart”) witness Lisa V. Perry, concerning
15 affordability and customer rate impacts, from both a regulatory and policy perspective.
16 In addition, my testimony aims to contextualize FPL’s proposed rate increase by
17 examining historical rate trends and evaluating the proposed increase in relation to
18 other consumer cost pressures.

19 **Q. To which claims from intervenor witnesses Colton and Perry are you responding?**

20 A. My testimony addresses witness Colton’s discussion of customer affordability resulting
21 from rate impacts. Witness Colton examines the history of FPL rate increases relative

1 to changes in incomes and examines the affordability impacts of existing and proposed
2 FPL rates on certain segments of FPL customers.¹

3
4 My testimony also addresses witness Perry’s statement that the Commission should
5 closely examine the Company’s proposed revenue requirement increase “especially
6 when viewed in light of: (a) The customer impact of the resulting revenue requirement
7 increases...”²

8 **Q. Did you file Direct Testimony in this matter?**

9 A. No, I did not.

10

11 **II. AFFORDABILITY IS A POLICY OBJECTIVE AND**

12 **NOT A RATE-SETTING STANDARD**

13 **Q. Please explain the foundational principles of cost of service utility regulation.**

14 A. Cost of service regulation enables utilities to recover the total cost of providing service.
15 These costs must be prudently incurred, meaning they are reasonable and necessary for
16 the safe and reliable delivery of electric service. To be included in rate base, assets must
17 be “used and useful” for the service in question.³ The revenue requirement, which
18 represents the total cost of providing service, is then allocated among different
19 customer classes based on the contribution of each class to the incurrence of those costs.

¹ Direct Testimony of OPC witness Roger D. Colton, at 4.

² Direct Testimony of Walmart witness Lisa V. Perry, at 5.

³ Federal Power Commission v Hope Natural Gas, 320 U.S. 591, 643 (1944).

1 Once allocated, rates are designed to recover the appropriate share of the revenue
2 requirement from each rate class.

3 **Q. Please explain the foundational principles of rate design in cost of service utility**
4 **regulation.**

5 A. At its core, rate design is an algebraic equation that translates allocated costs into rates
6 on the basis of fixed and variable units of measurement. Rates must be fair and
7 reasonable, non-excessive, and non-discriminatory, and must also allow the utility a
8 reasonable opportunity to earn a fair and compensatory return. The objective is to align
9 rates with cost causation, ensuring that each customer pays rates reflective of the cost
10 to serve them. Rate design is not intended to serve as a tool for income redistribution
11 or social policy. It is a structured, technical process based on economic principles and
12 cost causation, rather than the individual financial situations of customers.

13 **Q. Do other intervenors support rate setting based on the utility's cost of service?**

14 A. Yes. For example, Walmart witness Perry advocates that rates be set “based on the
15 utility’s cost of service for each rate class. This produces equitable rates that reflect
16 cost causation, sends proper price signals, and minimizes price distortions.”⁴

17 **Q. Are income-based metrics like the Bill-to-Income (“BTI”) Ratio or energy burden**
18 **thresholds part of Florida’s ratemaking framework?**

19 A. No, they are not. Florida’s ratemaking framework is based on principles of cost
20 causation and revenue sufficiency, not customer income. There is no statutory or
21 regulatory basis in Florida law for incorporating income-based metrics such as a BTI

⁴ Direct Testimony of Walmart witness Lisa V. Perry, at 16.

1 ratio, or energy burden thresholds into the determination of utility rates. These
2 affordability metrics are social constructs, often used in policy advocacy or research
3 settings to describe general household financial stress, but they are not economic tools
4 grounded in cost of service or rate design principles. They do not reflect the actual cost
5 to serve different customer classes, and incorporating such metrics into rate design
6 would represent a fundamental shift away from well-established regulatory principles.
7 It would undermine price signals, lead to subsidies within customer classes and cost
8 shifting, and diminish the transparency and equity of the rate structure.

9 **Q. Are there examples where rate design incorporates elements that result in some**
10 **cost shifting to support broader public policy initiatives?**

11 A. Yes, there are limited cases where rate design intentionally incorporates some cost
12 shifting to support specific public policy goals approved by regulators. However, these
13 policies are typically authorized through legislative mandate or as a means to
14 accomplish a regulatory objective rooted in a Commission's statutory duties.
15 Importantly, even in these cases, rate design still adheres to fundamental cost causation
16 principles and is subject to scrutiny to ensure any deviation from pure cost of service
17 ratemaking is justified.

18 **Q. If income-based affordability metrics are not part of Florida's rate design**
19 **framework, how are affordability concerns appropriately addressed?**

20 A. Affordability concerns are best addressed through regulatory oversight to ensure that
21 utility investments and expenses are fair, just and reasonable. Outside of that, targeted
22 customer assistance programs and policy tools outside the rate design process are the
23 best tools. These programs are specifically designed to help customers who are

1 struggling to pay their bills without compromising the integrity of cost-based
2 ratemaking.

3 **Q. What bill assistance programs does FPL offer to customers?**

4 A. FPL partners with various agencies around the state to help customers find the financial
5 assistance they need, including state and community action agencies, nonprofit groups,
6 and social service and faith-based organizations. The Low Income Home Energy
7 Assistance Program (“LIHEAP”) is a federally-funded program that helps low-income
8 households with their home energy bills and has household income guidelines and other
9 criteria that need to be met to qualify for assistance. The Emergency Home Energy
10 Assistance for the Elderly Program (“EHEAP”) is another federally-funded program
11 that helps low income households with at least one person age 60 and older to deliver
12 direct bill assistance to qualifying customers. In addition, some households may be
13 eligible for FPL’s Care To Share Program. FPL employees, shareholders and customers
14 all contribute to a fund to help customers with their electric bills. A household may be
15 eligible to receive up to \$750 during a 12-month period, and funds are administered by
16 local nonprofit and government agency partners.⁵ Over the past ten years, the FPL
17 Care To Share Program has provided an average of \$2.4 million annually to help
18 customers in need.⁶
19 The agencies that partner with FPL have a dedicated FPL team that collaborates with
20 them to develop plans to support more vulnerable customers. In 2024, low-income

⁵ <https://www.fpl.com/northwest/help/payment-assistance.html>

⁶ Direct Testimony of FPL witness Dawn Nichols, at 15.

1 customers received over 93,000 assistance payments from numerous agencies and
2 FPL's Care To Share Program, representing nearly \$49 million credited toward their
3 electric bills.⁷

4 **Q. Does FPL offer other targeted assistance?**

5 A. Yes. FPL also offers assistance for budget billing in which customers pay about the
6 same amount each month by averaging energy costs throughout the year. In addition,
7 FPL offers qualifying customers the chance to temporarily extend the due date of their
8 bills or special arrangements to pay in installments.

9 **Q. What are the implications of embedding income-based metrics or considerations**
10 **into rates and rate design?**

11 A. Incorporating income-based metrics into rate design could have several adverse effects.
12 First, and without regard to whether income-based metrics would be permitted under
13 Florida law, cost causation would be distorted, leading to rates that no longer reflect
14 the actual cost to serve each customer. Second, it introduces volatility and
15 inconsistency, as income-based metrics are inherently variable and subjective. Without
16 clear statutory guidance, relying on such metrics could result in arbitrary and
17 unpredictable ratemaking, eroding regulatory certainty and fairness.

18 **Q. How can one assess the value that FPL delivers to its customers under its existing**
19 **rate structure?**

20 A. One such way is through benchmarking. FPL has consistently out-performed similarly
21 sized companies. It leads in key operational benchmarks such as reliability, outage

⁷ Direct Testimony of FPL witness Dawn Nichols, at 15.

1 duration, and customer satisfaction.⁸ This performance underscores the effectiveness
2 of FPL's current rate structure, which is based on cost of service principles and does
3 not incorporate income-based adjustments.
4

5 **III. FPL'S RATES REMAIN AFFORDABLE BY OBJECTIVE STANDARDS**

6 **Q. Why is it important to evaluate the affordability of FPL's proposed rates in an**
7 **objective context?**

8 A. Evaluating affordability in an objective context allows for a more complete
9 understanding of how FPL's proposed rates compare to historical customer costs, to
10 rates in other jurisdictions, and to other essential household expenditures. This context
11 is essential to assessing how customers are likely to experience the proposed changes
12 within their overall cost of living.

13 **Q. How does your testimony address the issue of FPL's affordability?**

14 A. My testimony provides a comparative analysis of FPL's rates over time and relative to
15 other utilities, placing the proposed rate increase in the context of long-term trends and
16 regional benchmarks.

17 **Q. How do FPL residential bills compare to Consumer Price Index ("CPI")**
18 **indicators?**

19 A. Although FPL's rates have generally increased over the past ten years, it is important
20 to place these rate increases in context. Prices for all goods as measured by relevant

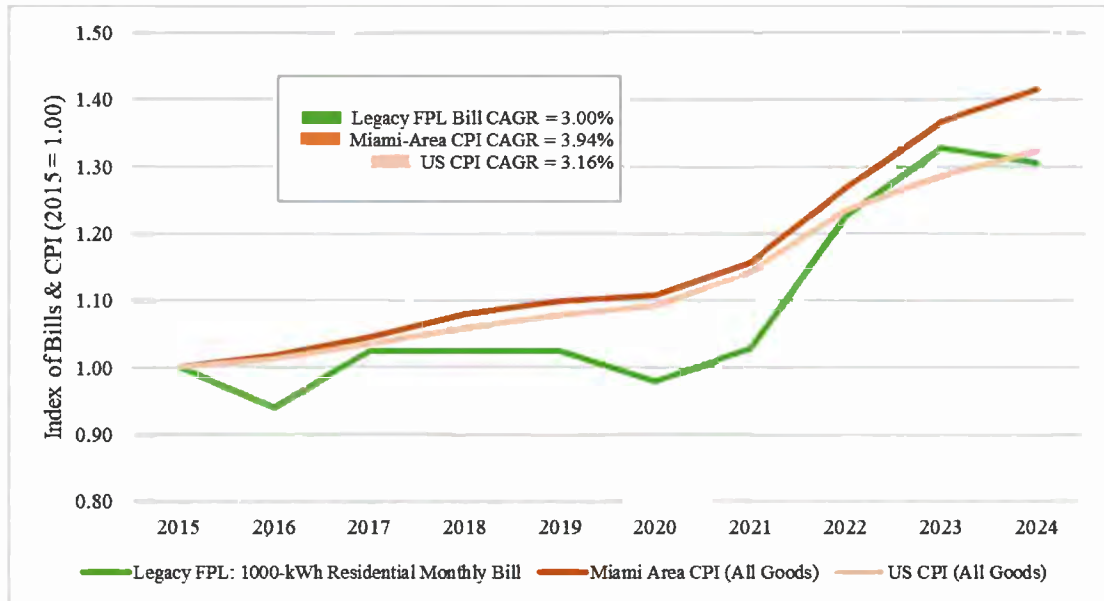
⁸ Direct Testimony of FPL witness John J. Reed.

1 CPI indicators, both across the nation and in Florida, have increased at rates equal to
2 or greater than FPL’s rate increases. Specifically, using Edison Electric Institute
3 (“EEI”) data for monthly residential bills for utilities across the nation with a monthly
4 usage of 1000kWh, I examined monthly billing data for: (i) the legacy FPL company,
5 which I will refer to as “Legacy FPL” for the purposes of this analysis, and (ii) the
6 legacy Gulf Power company, which I will refer to as “FPL Northwest Florida” or “FPL
7 NWFL” for the purposes of this analysis.⁹ In addition, I calculated (iii) combined
8 weighted-average Legacy FPL and FPL NWFL bills based on number of residential
9 customers. (I will refer to the retroactive combination of Legacy FPL and FPL NWFL
10 as the “Combined Company” or simply “FPL” for the purposes of this historical
11 analysis.) I then charted Legacy FPL’s monthly residential bills from 2015 through
12 2024 against Miami – Ft. Lauderdale area CPI and US CPI as reported historically by
13 the U.S. Bureau of Labor Statistics, indexing all data series such that 2015 = 1.00. In
14 addition, I repeated the exercise for the Combined Company’s monthly residential bills,
15 except charting against Florida-wide area CPI.¹⁰ The results of my analysis are shown
16 in Figure 1 and Figure 2 below.

⁹ Legacy FPL and Legacy Gulf Power rates were separate until December 2021. Rates were integrated in January 2022 as part of Docket No. 20210015-EI.

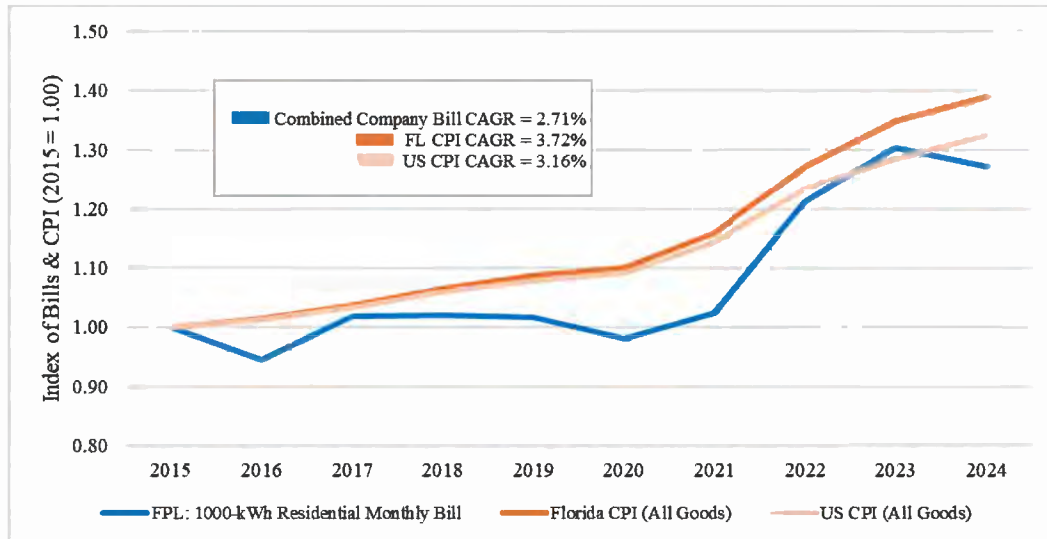
¹⁰ I did not chart Legacy Gulf Power (i.e., FPL NWFL) bills individually because CPI in the relevant service area (i.e., the Pensacola, FL-area) was not reported by the U.S. Bureau of Labor Statistics at the time of this analysis. The 2015-2024 CAGR of Legacy Gulf bills was 0.26%.

**FIGURE 1: LEGACY FPL 1000-kWh RESIDENTIAL BILL VERSUS CPI GROWTH,
2015-2024**



As seen in Figure 1, the 2015-2024 compound annual growth rate (“CAGR”) of Legacy FPL 1000-kWh residential monthly bills was 3.00%, lower than both Miami-area (3.94%) and U.S.-wide overall inflation (3.16%) for the same time period.

FIGURE 2: 2015-2024 COMBINED COMPANY 1000-kWh BILLS VERSUS CPI GROWTH



As seen in Figure 2, the 2015-2024 CAGR of Combined Company 1000-kWh residential monthly bills was 2.71%, substantially less than both Florida-area and U.S.-wide overall inflation. In fact, Combined Company bill growth was more than 100 basis points below Florida-area CPI growth and 45 basis points below US-wide CPI growth. Finally, as shown in the Direct Testimony of FPL witness Tiffany C. Cohen, in Exhibit TCC-2, pages 1 and 6, Legacy FPL bills are projected to grow at a CAGR of 2.5% through 2029 and FPL NWFL bills are projected to grow at a CAGR of 1.1% through 2029.¹¹ I compared these to Florida-area and U.S.-wide inflation estimates provided by S&P Global, which project Florida CPI advancing at a 2.3% CAGR and U.S.-wide CPI advancing at a 2.8% CAGR from 2025-2029.¹² In sum, Legacy FPL and FPL

¹¹ Direct Testimony of FPL witness Tiffany C. Cohen, in Exhibit TCC-2, pages 1 and 6.

¹² S&P Global Ratings' U.S. Economic Outlook, May 2025, accessed June 18, 2025.

1 NWFL bills are projected to increase at a pace comparable to, or more modest than, the
2 inflation rates of Florida and the broader United States.

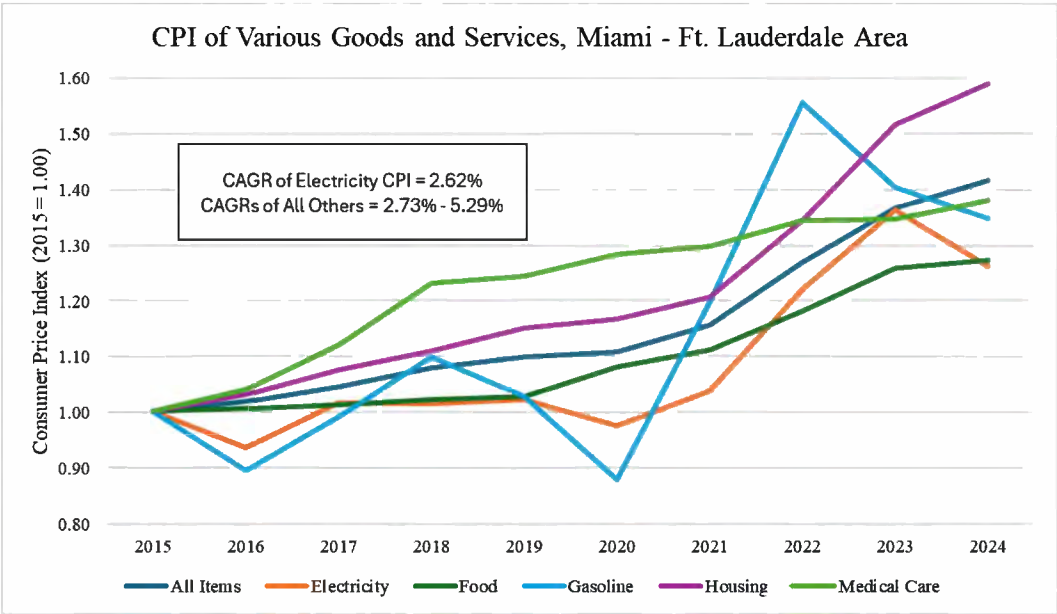
3 **Q. In addition to overall CPI, have you examined CPI subcomponents?**

4 A. Yes. The Bureau of Labor Statistics publishes certain CPI subcomponents for various
5 goods and services by major metropolitan statistical area. I examined these
6 subcomponents historically to inform an alternate view on the reasonableness of
7 electricity price growth in FPL's service territory. As seen in Figure 3 and Table 2
8 below, the growth of electricity prices in the Miami – Fort Lauderdale area from 2015-
9 2024 was the lowest compared to six buckets of essential goods and services, including
10 overall CPI.¹³

¹³ I did not examine NWFL-area CPI subcomponents because they were not available from the Bureau of Labor Statistics at the time of analysis.

1

FIGURE 3: MIAMI – FT. LAUDERDALE AREA CPI GROWTH



2

TABLE 1: MIAMI – FT. LAUDERDALE AREA CPI GROWTH, CAGRs

CPI SUBCOMPONENT	2015-2024 CAGR
All Items	3.95%
Food	2.73%
Gasoline	3.38%
Housing	5.29%
Medical Care	3.65%
Electricity	2.62% (lowest)

3

The 1000-kWh FPL bill has risen at roughly the same rate as that of the Bureau of

4

Labor Statistics (“BLS”) electricity index and has increased at a lower rate than the

5

other subcomponents shown in Table 1.

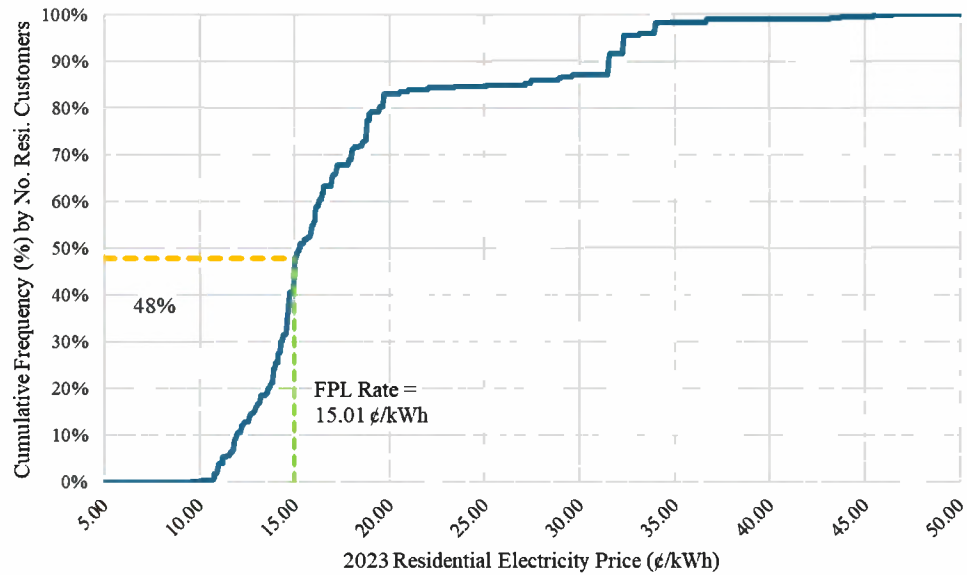
1 **Q. Have you examined FPL’s rates relative to the electricity rates of other investor-**
2 **owned utilities (“IOUs”) across the nation?**

3 A. Yes. The U.S. Energy Information Administration (“EIA”) publishes electricity rate
4 estimates, in cents per kWh, for all investor-owned utilities in the U.S. in its annual
5 Form EIA-861. I examined these data for the calendar year 2023 to determine the
6 reasonableness of FPL’s electricity rates compared to other IOUs. As shown in Figure
7 4 below, which shows the cumulative percentage of customers paying at or below the
8 rates shown on the x-axis, FPL’s residential rate for 2023 of 15.01 cents per kWh¹⁴ was
9 slightly less than the median residential electricity rate for IOUs nationwide, at the 48th
10 percentile. Although Florida ranks 12th nationally in cost of living based on regional
11 price parity, FPL’s residential electricity rates remain below the national median,
12 underscoring their relative affordability.¹⁵

¹⁴ Note that this rate is on a post-FPL-Gulf integration basis. EIA calculates annual rates by dividing total annual revenues by total annual MWh sales.

¹⁵ U.S. Bureau of Economic Analysis, Regional Price Parities by State, December 2024. See Table 2, All Items.

FIGURE 4: 2023 FPL RESIDENTIAL RATES COMPARED TO OTHER IOUS



In addition, as shown in Table 2: FPL Residential Rates compared to Florida IOUs below, FPL’s rates were the lowest of the four Florida IOUs according to the Form EIA-861 data.

TABLE 2: FPL RESIDENTIAL RATES COMPARED TO FLORIDA IOUS

FLORIDA IOU	2023 RESIDENTIAL RATE
Duke Energy Florida	18.05 ¢ per kWh
Florida Public Utilities Co.	18.72 ¢ per kWh
Tampa Electric Co.	16.60 ¢ per kWh
Florida Power & Light Co.	15.01 ¢ per kWh (lowest)

1 **Q. Have you examined household income relative to FPL’s residential bills?**

2 A. Yes. I examined FPL’s residential bills in the context of household income data for the
3 FPL service territory by estimating what percentage of median household income must
4 be allocated to residential electricity bills under current rates.

5 **Q. Please elaborate on comparing median household income to electricity bills.**

6 A. First, using the same EEI data previously discussed in my testimony, I analyzed a
7 Legacy FPL RS-1 residential 1000-kWh customer bill on an annual basis for the
8 calendar year 2023. I then compared this figure to annual median household income
9 (“MHI”) figures reported by the U.S. Census Bureau for the Miami – Ft. Lauderdale –
10 West Palm Beach metropolitan statistical area. Finally, I calculated what percentage of
11 MHI the annual Legacy FPL bill constituted. As shown in Table 3 below, an annual
12 residential Legacy FPL bill constituted 2.1% of Legacy FPL-service territory MHI in
13 2023.

14 **TABLE 3: LEGACY FPL SHARE OF MHI ANALYSIS**

	LEGACY FPL	2023
[1]	Legacy FPL RS-1 1000-kWh Monthly Bill	\$131
[2]	Yearly Bill	\$1,568
[3]	Miami-Ft. Lauderdale-West Palm Beach Area Median Household Income	\$76,271
[4]	Legacy FPL Bill as % of MHI	2.1%

[1] Source: 2023 Edison Electric Institute Typical Bills Report

[2] Equals [1] x 12

[3] Source: U.S. Census Bureau, 2023 American Community Survey

[4] Equals [2] / [3]

15

I repeated this analysis for FPL NWFL bills and the Pensacola – Ferry Pass – Brent metropolitan statistical area, which demonstrated a similar percentage of just 2.4%, as seen in Table 4 below:

TABLE 4: FPL NWFL SHARE OF MHI ANALYSIS

	FPL NWFL (LEGACY GULF POWER)	2023
[1]	FPL NWFL RS-1 1000-kWh Monthly Bill	\$155
[2]	Yearly Bill	\$1,863
[3]	Pensacola-Ferry Pass-Brent Area Median Household Income	\$78,315
[4]	FPL NWFL Bill as % of MHI	2.4%

[1] Source: 2023 Edison Electric Institute Typical Bills Report

[2] Equals [1] x 12

[3] Source: U.S. Census Bureau, 2023 American Community Survey

[4] Equals [2] / [3]

To put the 2.1% and 2.4% figures into context, and without giving any credence to his conclusions, I refer to witness Colton’s testimony, which cites his definition of “an affordable Bill-to-Income Ratio of six percent for total energy”, further allocating “two-thirds of that affordable burden (4%) to electricity”.¹⁶ Compared to witness Colton’s assumed affordability guideline of 4.0%, Legacy FPL’s and FPL NWFL’s shares-of-MHI for the median household of 2.1% and 2.4% are well within the affordability guideline as defined by witness Colton.

¹⁶ Direct Testimony of OPC witness Roger D. Colton, at 14.

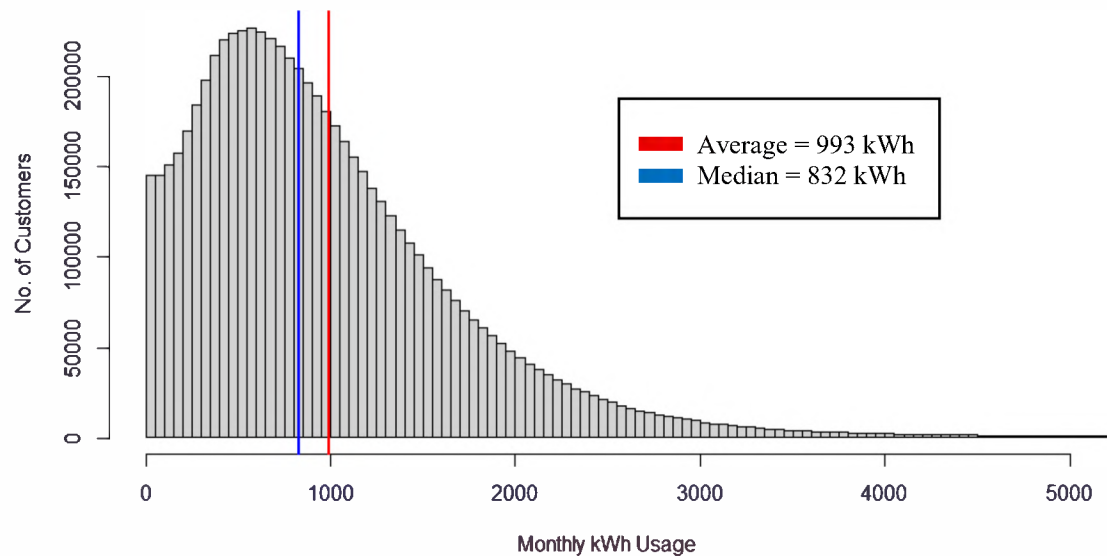
1 **Q. Have you conducted any further analyses to provide additional context around**
2 **the affordability of FPL residential bills?**

3 A. Yes, I have. My affordability analyses heretofore have largely centered around bills for
4 a 1000-kWh usage residential customer. This was done to best compare standardized
5 bills across multiple utilities and states. For FPL’s residential customers, this usage
6 level approximates average-use levels, as my analysis will show. However, the other
7 main measure of central tendency, the median, is lower, which is important to consider,
8 as it would still be reasonable to analyze bills based on the median usage.

9
10 I examined the median of FPL residential customers’ usage, bills, and daily electricity
11 costs as compared to the average. To do so, I received an anonymized database from
12 FPL of all FPL residential customers’ usage in kWh, total bill amount in dollars, and
13 number of service days per month for all months of the calendar year 2024. To analyze
14 this database, I averaged each statistic by unique customer ID, resulting in monthly
15 averages for each customer. Using this sub-database, I was able to plot the distribution
16 of usage, bills, and daily electricity costs across all FPL residential customers for 2024.
17 The results of my analysis are shown in Figures 5 through 7 below.

1

FIGURE 5: RESIDENTIAL CUSTOMERS, DISTRIBUTION BY MONTHLY kWh USAGE

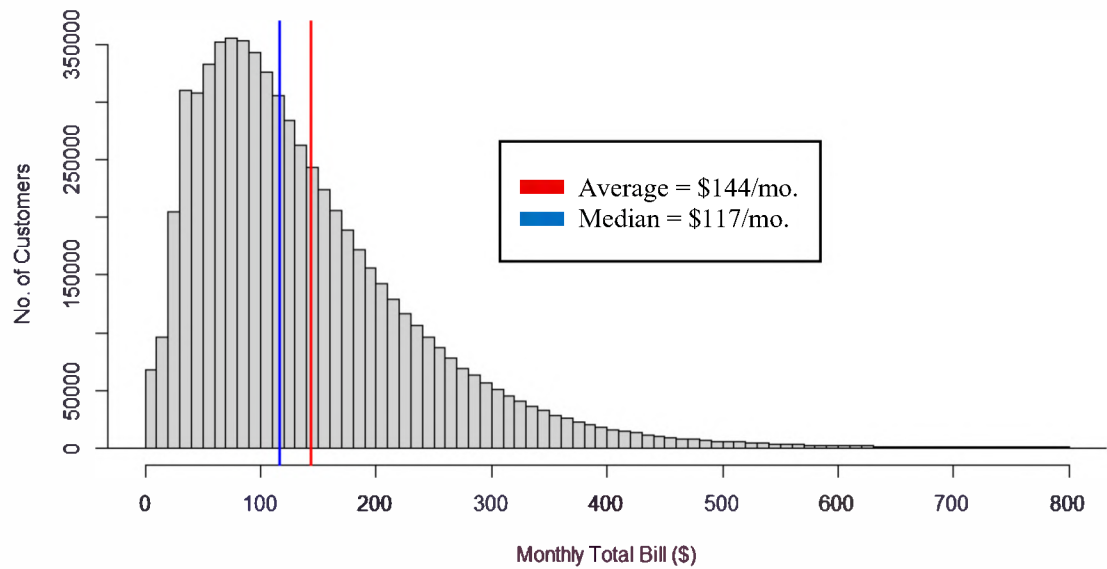


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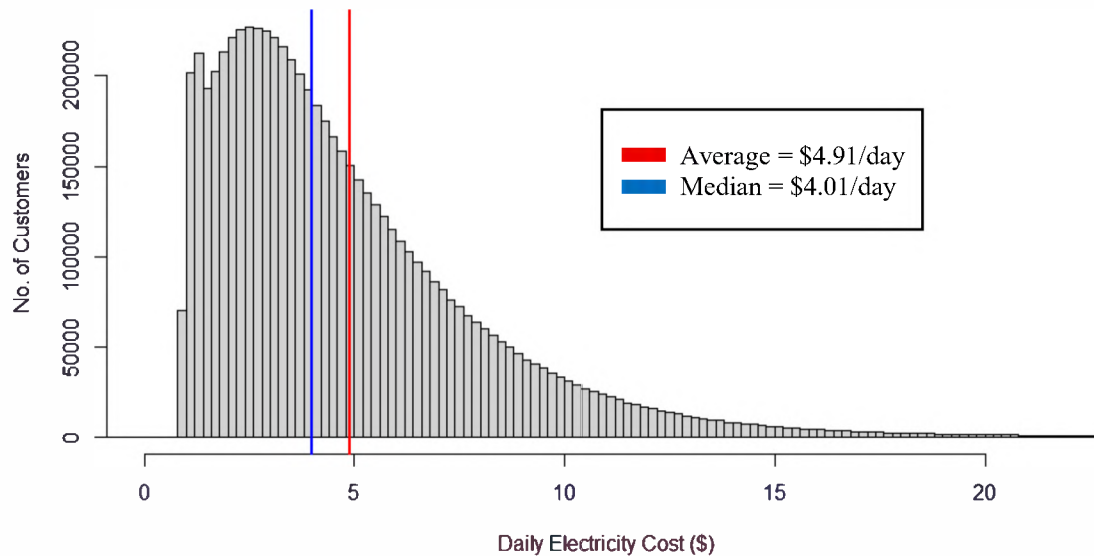
FIGURE 6: RESIDENTIAL CUSTOMERS, DISTRIBUTION BY MONTHLY TOTAL BILL



5

6

1

FIGURE 7: RESIDENTIAL CUSTOMERS, DISTRIBUTION BY DAILY COST

2

3 The above figures show that the distribution of residential electricity usage is right-
 4 skewed by customers in the upper usage intervals, pushing average usage statistics
 5 upwards. Importantly, the average is consistently higher than the median. For example,
 6 the median or 50th-percentile usage level is 832 kWh per month, approximately 16%
 7 less than the average usage of 993 kWh per month¹⁷. Similarly, the median bill level
 8 is \$117 per month, approximately 19% less than the average level of \$144 per month,
 9 and the median daily electricity cost is \$4.01 per day, approximately 18% less than the
 10 average level of \$4.91 per day. I conclude that my prior share of MHI analyses have
 11 been conservative, as the analyses used 1000-kWh usage and bill levels, which pushed

¹⁷ Employing an accounting-based methodology used for reporting purposes, FPL witness Cohen calculated average residential use to be approximately 1,125 kWh per month.

1 FPL bills upwards. Median usage and bill levels are both lower and reasonable
2 alternative views of a “typical” 1000-kWh FPL residential customer.

3
4 Finally, the daily electricity cost statistics can provide us with more context around
5 FPL’s proposed bill increase. As shown in Figure 7, I calculated daily electricity costs
6 by dividing monthly bills by the number of service days associated with those bills.
7 Based on my calculated average daily electricity cost of \$4.91 and FPL’s projected bill
8 increase of 2.5% CAGR from 2025 through 2029 as described by FPL witness Cohen
9 and referenced earlier in my testimony, a 1000-kWh FPL residential customer will
10 experience an increase in costs of 12 cents per day.

11

12 IV. CONCLUSION

13 **Q. Please summarize your conclusions.**

14 A. In summary, the affordability of electric service is an important policy consideration,
15 but it is not a ratemaking standard. The foundational principles of cost-of-service
16 regulation—prudence, cost causation, and non-discrimination—remain the appropriate
17 framework for setting just and reasonable rates. Proposals to consider income-based
18 metrics such as energy burden thresholds or BTI ratios in rates or rate design would be
19 inconsistent with these principles and would undermine the integrity, stability, and
20 fairness of the regulatory process.

21

22 FPL’s proposed rates are demonstrably affordable when evaluated against historical
23 trends, regional and national benchmarks, and customer income data. FPL’s rates have

1 grown more slowly than general inflation and remain below the national median for
2 investor-owned utilities, despite Florida's relatively high cost of living. Moreover,
3 FPL's performance in reliability, customer satisfaction, and operational efficiency
4 continues to lead the industry, validating the effectiveness of its current rate structure.

5 **Q. How should the Commission address affordability concerns?**

6 A. Affordability concerns are best addressed through regulatory oversight and targeted
7 assistance programs, not through structural changes to rate design or through
8 adjustments to the cost of service. FPL's robust suite of customer support initiatives
9 including LIHEAP, Care To Share, and other community-based programs provides
10 meaningful and direct relief to those who may qualify, without compromising the
11 economic integrity of the ratemaking system.

12 **Q. What do you recommend to the Commission?**

13 A. I respectfully recommend that the Commission reject any suggestions that income-
14 based affordability metrics should be incorporated into the determination of just and
15 reasonable rates and affirm the continued application of cost-of-service principles in
16 evaluating FPL's proposed rates.

17 **Q. Does this conclude your Rebuttal Testimony?**

18 A. Yes, it does.