BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Filed: April 8, 2025

FLORIDA POWER & LIGHT COMPANY'S RESPONSE IN OPPOSITION TO FLORIDA RISING'S, THE LEAGUE OF UNITED LATIN AMERICAN CITIZENS', AND THE ENVIRONMENTAL CONFEDERATION OF SOUTHWEST FLORIDA'S, <u>MOTION FOR ADDITIONAL SERVICE HEARINGS</u>

Florida Power & Light Company ("FPL"), pursuant to Rule 28-106.204(1), Florida Administrative Code ("F.A.C."), hereby files this response ("Response") in opposition to Florida Rising's, the League of United Latin American Citizens', and the Environmental Confederation of Southwest Florida's (collectively, "FEL") Motion for Additional Service Hearings ("Motion"). As explained herein, the setting of customer service hearings is within the purview and discretion of the Commission, and its schedule of service hearings, as currently set, provides customers with sufficient and ample opportunity to provide their comments regarding FPL's service and/or its proposed base rate filing. Adding six service hearings, as requested through FEL's Motion, would unnecessarily add administrative costs to be borne by customers, the Commission, and the parties, and could compromise FPL's ability to meet the notice deadlines of Rule 25-22.0406(5), F.A.C. and the proceeding's Order Establishing Procedure ("OEP"). For those reasons, and as more fully set forth in this Response, FEL's Motion should be denied, with such a ruling issued on an expedited basis.

I. INTRODUCTION

1. The Commission has set nine customer service hearings for FPL's rate case to take place between May 28, 2025 and June 6, 2025. Seven of these hearings are in-person hearings,

and two are virtual hearings where customers may participate remotely. The seven in-person hearings span the geography of FPL's service area, with locations on Florida's eastern and western coasts, as well as in its northwest region. In addition, the Commission's two scheduled virtual hearings provide customers who are time-constrained or unable to travel with the opportunity to provide input and comments at a service hearing without the need for physical presence.

2. The Commission issued its OEP (Order No. PSC-2025-0075-PCO-EI) on March 14, 2025. Consistent with Rule 25-22.0406(4), F.A.C., FPL submitted customer notice drafts to Commission staff on March 20, 2025, and secured Commission Staff's approval of the final customer notices, which include the Commission's previously set customer service hearing schedule, on April 3, 2025.

3. The Commission has discretion when setting customer service hearings in a rate proceeding. "In deciding how best to hear from customers, it is both prudent and within the Commission's discretion to weigh a myriad of factors in each rate case that include but are not limited to the financial costs borne by utility customers, the Commission, and parties in conducting service hearings in-person or by virtual means... It is the Commission's responsibility to determine the appropriate medium in which customers service hearings are held, as a result of the totality of the circumstances in each rate case." *In Re: Petition for Rate Increase by Florida City Gas*, Docket No. 20220069-GU, Order No. PSC-2022-0276-PCO-GU (FPSC July 15, 2022) at 2, 3.

II. THE COMMISSION'S CUSTOMER SERVICE HEARING SCHEDULE PROVIDES MORE THAN SUFFICIENT OPPORTUNITY TO CUSTOMERS WHO WISH TO PROVIDE COMMENT

4. The Commission's customer service hearing schedule offers sufficient and, in fact, ample opportunity for customers to voice their input on FPL's service. The nine hearings the

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Commission has scheduled, two of which may be attended from a remote location of the customer's convenience, will facilitate the provision of public input. There can be no reasonable claim that the current service hearing schedule provides insufficient opportunity for customers to register comments.

5. In addition to the scheduled service hearings, customers also have the ability to submit feedback to the Commission in other ways, such as by sending written comments to the Commission via mail or email. These comments, as with the comments made at the service hearings, are placed in the docket and reviewed by the Commission. Customers have already availed themselves of this opportunity. To date, the Commission has received more than 300 comments from customers in this docket.

6. There also is little evidence that additional service hearings will generate substantially more customer feedback. For example, during the 2022 Florida City Gas rate case (Docket No. 20220069-GU), the Commission initially scheduled two service hearings to be held virtually, but in response to requests made by the Office of Public Counsel, added two in-person service hearings. ¹ This modification of the service hearing schedule – after the required noticing process was underway – resulted in additional printing, mailing and other costs. Moreover, the added in-person service hearings, which were held in highly populated areas of Broward and Brevard counties, yielded comments from a combined total of only four customers.

7. Simply stated, there is no set formula for the location or number of service hearings that the Commission may set. In this instance, however, the Commission has properly exercised

¹ In Order No. PSC-2022-0276-PCO-GU, the Commission denied OPC's Motion to Require Public, In-Person Service Hearings, but "in the spirit of accommodating OPC's interest in holding in-person service hearings, Commission staff is directed to review the most recent participation of customers in previous FCG rate case service hearings, and afford FCG's customers at least one in-person customer service hearing." Following this ruling, Commission staff scheduled in-person hearings in Pembroke Pines and Melbourne, Fla.

its discretion and balanced all relevant considerations in setting nine customer service hearings for FPL's customers. There is no rational justification for adding six additional service hearings to the nine currently scheduled, and FEL's Motion should be denied.

III. CHANGING THE CURRENT SERVICE HEARING SCHEDULE WOULD RESULT IN ADDITIONAL COSTS TO COMPLY WITH NOTICING REQUIREMENTS

8. Changes to the current customer service hearing schedule, such as those requested in FEL's Motion, would require a significant, costly administrative undertaking to comply with the notice timeframes set by Commission rule and the OEP.

9. Pursuant to Rule 25-22.0406(5), F.A.C., "All customer notices regarding the locations and time of any service hearings or customer meetings must be sent to the customer no less than 10 days, or more than 45 days, prior to the first service hearing or customer meeting." This 35-day noticing window was narrowed by the OEP, which directed as follows: "In addition to the requirements of Rule 25-22.0406, F.A.C., the utility shall give written notice of the date, time, location, and purpose of the hearing to each of its customers no less than fourteen days prior to the first day of the hearing." OEP at 2. Under these scheduling strictures, and with the first service hearing set for May 28, 2025, FPL's window for administering the required service hearing notices begins Sunday, April 13, and ends Wednesday, May 14.

10. Administering notices to 6 million customers is a substantial undertaking that requires advanced planning to be executed efficiently, especially for the segment of customers who choose to receive printed bills. Rule 25-22.0406(4), F.A.C. requires the service hearing notices to "be sent to the customer's address of record at the time the notice is issued, in the manner in which the customer typically receives the monthly bill, whether electronically or via U.S. mail."

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FPL currently has approximately 1.245 million customers who receive their bills via U.S. mail. The production of 1.245 million printed paper bill inserts requires approximately seven business days to execute, and necessitates printing, drying, cutting and folding processes to be completed prior to the commencement of mailing. Thus, in order to comply with the Rule 25-22.0406 and OEP cost-efficiently, the deadline to begin the printing process was Friday, April 4, 2025.² However, due to the uncertainty created by FEL's Motion, FPL has been forced to halt printing efforts to ensure that it does not print 1.245 million notices that fail to comply with Rule 25-22.0406 should the service hearing schedule be altered. FEL's Motion, therefore, has already caused FPL to incur additional costs, which will ultimately be borne by its customers.

11. Because of the narrow timeframe for all notices to be issued, each billing-cycle day's delay results in the need to issue separate mailings to approximately 59,786 customers (1.245 million customers divided by 21 billing-cycle days) at an estimated daily cost of \$36,757 (59,286 customer notices x \$0.62). In other words, even if the Commission were to deny FEL's Motion on Tuesday, April 8, it is probable that at least one billing-cycle day would be missed, resulting in an estimated \$36,757 of additional costs. Further delay beyond April 8 and/or a decision to alter the current service hearing schedule would be inefficient for all stakeholders and cause customers to incur additional costs (approximately \$37,000 per day).

12. Of particular concern would be the addition of a service hearing to be held earlier than the first service hearing currently scheduled on May 28. This would not only require revision of the staff-approved notice but also force the mailing of notices to be completed earlier than the current schedule requires. For example, if a service hearing were to be scheduled for May 27, this

² FPL issues bills to these customers each month over the course of 21 predetermined billing-cycle days (which excludes weekends and select other days). Required notices are typically issued to print-bill customers along with their monthly bills to avoid unnecessary costs. In the current proceeding, this means that FPL must include notices with printed bills issued April 14 to May 14 to reach all customers without incurring additional expenses.

would eliminate one compliant billing-cycle day; thereby requiring separate mailings for approximately 59,786 customers at an estimated cost of 36,757 - in addition to the additional mailings and costs caused by the front-end delay.

13. These factors, as well as those raised in other sections of this Response, weigh against granting FEL's Motion, and, in fact, denying it on an expedited basis.

IV. THE ADDITION OF SERVICE HEARINGS WOULD RESULT IN INCREASED COSTS FOR THE COMMISSION AND PARTIES

14. The addition of unneeded service hearings would not only present cost and logistical challenges for FPL, it also would unnecessarily absorb the Commission's resources, which are ultimately paid for by customers. The Commission has previously recognized this fact stating, "The Commission incurs a number of costs to conduct in-person service hearings, including the travel costs for Commissioners and staff, costs for security, court transcription, and multiple visits by Commission AIT staff to ensure sufficient technology exists to comply with livestreaming requirements pursuant to Section 350.01(8), F.S. Just as the Utility may recover reasonable and prudent costs incurred during a rate increase proceeding, so too the Commission recovers its expenses through Utility Regulatory Assessment Fees, paid by customers." *In Re: Petition for Rate Increase by Florida City Gas*, Docket No. 20220069-GU, Order No. PSC-2022-0276-PCO-GU (July 15, 2022) at 2. Thus, if additional service hearings were to be added, the Commission would experience increased costs, which, in turn, would ultimately be borne by customers. This factor, like the others previously raised in this Response, weighs against granting FEL's Motion.

15. The addition of service hearings also would increase costs – such as time and potentially travel expense – to the parties who wish to make an appearance and/or have representation at the service hearing. Additional in-person service hearings, in particular, would increase costs for the Commission, its staff, and the parties who choose to attend.

16. Collectively, the factors and considerations raised in this Response heavily weigh against adding customer service hearings to what is already a fulsome and appropriate customer hearing schedule that offers customers ample opportunity to comment. Just as the Commission denied similar motions for additional service hearings in the 2024 Duke Energy Florida rate case (Order No. PSC-2024-0147-PCO-EI) and the 2024 Tampa Electric rate case (Order No. PSC-2024-0147-PCO-EI) and the 2024 Tampa Electric rate case (Order No. PSC-2024-0147-PCO-EI) and the 2024 Tampa Electric rate case (Order No. PSC-2024-0160-PCO-EI), it should promptly do so here.

WHEREFORE, for all the foregoing reasons, FPL respectfully requests that the Commission deny FEL's Motion for Additional Service Hearings.

Respectfully submitted this 8th day of April 2025,

By: <u>/s/ Joel T. Baker</u>

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<u>CERTIFICATE OF SERVICE</u>

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 8th day of April 2025:

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