

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20240155-EI

Petition for approval of
accounting treatment for the
transfer of proportional share
of Plant Daniel Units 1 and 2 to
Mississippi Power Company, by
Florida Power & Light Company.

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 1

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

DATE: Tuesday, April 1, 2025

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

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1 P R O C E E D I N G S

2 CHAIRMAN LA ROSA: All right. So now we are
3 going to go to Item No. 1. This should put us on
4 track to discuss. I will allow staff to get
5 situated.

6 MR. VOGEL: Good morning, Commissioners.

7 CHAIRMAN LA ROSA: Excellent. I wasn't sure
8 who was running point for us.

9 Excellent. Mr. Vogue, you are recognized.

10 MR. VOGEL: Thank you, sir.

11 Good morning Commissioners. I am Matthew
12 Vogel with the Division of Accounting & Finance.

13 Item 1 is staff's recommendation on Florida
14 Power & Light Company's request for approval to
15 transfer its 50-percent share of Point Daniel Units
16 1 and 2 to Mississippi Power Company.

17 On November 8th, 2024, FPL entered into a
18 purchase and sale agreement with Mississippi Power
19 Company to transfer its shares of Plant Daniel's
20 Units 1 and 2, and pay \$45 million to alleviate its
21 ongoing common facility costs. FPL estimates a net
22 benefit to customers of 13.4 million, and this
23 benefit assumes a transition closing date of July
24 31st, 2025, and a 2031 retirement for the Units 1
25 and 2.

1 As you have recognized, representatives from
2 Office of Public Counsel are here and would like to
3 address the Commission on the item, and Florida
4 Power & Light Company are here as well to answer
5 any questions, as well as staff.

6 Thank you.

7 CHAIRMAN LA ROSA: Excellent. Thank you,
8 Mr. Vogel.

9 Mr. Rehwinkel, I think now is your time.

10 MR. REHWINKEL: Thank you, Mr. Chairman,
11 Commissioners. Charles Rehwinkel, Deputy Public
12 Counsel here today on behalf of the customers of
13 FPL.

14 At the outset, Commissioners, the Public
15 Counsel appreciates the work, and we can see it's
16 extensive, that the staff has done to evaluate this
17 filing. We do not dispute the conventional
18 analysis may demonstrate a \$13.4 million CPVRR
19 benefit. Were that to be the only basis for
20 judging this transaction, perhaps we would not be
21 here today, but the Public Counsel has a somewhat
22 different view about how this case should be
23 evaluated.

24 From our perspective, the customers have a
25 right, and perhaps even an obligation, to at least

1 make an inquiry into the prudence of the management
2 decisions related to, one, the retirement of the
3 ownership interest in the units, which are fully
4 operational at this time to our understanding; two,
5 the decision to forego the access to the output of
6 the plant or the right to dispatch it; three, the
7 accounting for the transaction and; four, the
8 negative purchase price to be remitted to
9 Mississippi Power Company.

10 As we read the PSA, or purchase and sale
11 agreement, the document calls for this transaction
12 to close no later than September 15th, 2025. The
13 Public Counsel has issued discovery in this matter,
14 and it intends to issue more in the coming days in
15 both this docket and the rate case, where it is
16 also, we believe, an issue.

17 If this recommendation is adopted in a PAA
18 order, it would be our intent to protest that order
19 so that these issues I have laid out, and perhaps
20 other related issues, could be preserved for
21 determination in the rate case.

22 Those are all the remarks I have for you.
23 Thank you for your time, and I am happy to answer
24 any questions.

25 CHAIRMAN LA ROSA: I am going to allow the

1 utility to speak and then we will come back to ask
2 some questions.

3 Mr. Badders, you are recognized, sir.

4 MR. BADDERS: Yes, Commissioner. Thank you.

5 Good morning. Russell Badders on behalf of
6 Florida Power & Light. I will be brief.

7 I understand Public Counsel's questions around
8 this. This was filed in November of '24. In the
9 last four months, staff has propounded two series
10 of data requests, which we have responded to, and
11 they have thoroughly vetted the issues that he has
12 raised. All that is currently in the docket file.

13 Any delay in implementing this will cost our
14 customers approximately about \$30,000 a month -- I
15 mean, \$300,000 a month. And if somehow we are
16 unable to close before December 31st of this year,
17 there is significant risk that this transaction may
18 not occur. That is the outside closing date that
19 we have negotiated recently.

20 To get there, we are going to have to have a
21 final order by mid-September. So getting
22 everything backed up, and to get a hearing, and
23 getting everything lined up to get there, if they
24 protest, will be difficult. Clearly, if we were to
25 move this into the rate case, I don't believe that

1 we would be able to close on this transaction
2 within that timeframe.

3 If the Commission decides to -- or if they
4 protest and the Commission takes this to hearing,
5 we would ask that that hearing be expedited so we
6 could at least try to obtain these benefits for our
7 customers.

8 CHAIRMAN LA ROSA: Commissioners, are there
9 any questions?

10 Commissioner Clark, go ahead.

11 COMMISSIONER CLARK: So I guess this would be
12 a question for staff. If this item is approved as
13 it is presented today, the financial implications
14 will still be vetted through the rate case, is that
15 a correct assessment, or is this an approval of all
16 of the financial transactions?

17 MR. STILLER: Shaw Stiller for staff.

18 This is an approval of the accounting
19 treatment. So your proposed agency action would be
20 to approve the accounting treatment and the
21 creation of two regulatory assets in the amount set
22 forth in the staff memorandum -- in the staff
23 recommendation.

24 COMMISSIONER CLARK: Then what will be
25 reviewed during the rate case in regards to this

1 transaction?

2 MR. STILLER: It's my understanding that if
3 the PAA was adopted and not challenged, that there
4 would be no further review. That the regulatory
5 assets would be established. They would not go
6 into effect until January 1st of next year,
7 because, pursuant to the '21 settlement agreement,
8 FPL cannot do anything that affects base rates
9 until next January. So these regulatory assets
10 won't be rolled into base rates until next January
11 with or without a rate case.

12 COMMISSIONER CLARK: But the actual amounts
13 and the transactions will get to be reviewed prior
14 to including them into base rates for '26, is that
15 right?

16 MR. STILLER: Yes, Commissioner.

17 COMMISSIONER CLARK: That's what I needed to
18 know. Thank you.

19 CHAIRMAN LA ROSA: A similar line of
20 questioning. So if I am following the direction of
21 this, the recovery would happen over what time
22 period? It would be in addition to whatever
23 happens in the pending rate case as far as base
24 rates?

25 MR. VOGEL: As far as we know, the recovery

1 would start January 1st, 2026, and it's through a
2 10-year amortization period for the regulatory
3 assets.

4 CHAIRMAN LA ROSA: Okay. All right. Thank
5 you.

6 Question, OPC. So intervention. When did
7 you -- when did you -- when did your office begin
8 intervention, or decide to intervene in this
9 docket?

10 MR. REHWINKEL: I don't know the exact date,
11 but it's been within the last three weeks.

12 CHAIRMAN LA ROSA: Okay. Commissioners,
13 further questions?

14 Commissioner Pass -- or Commissioner Smith.

15 COMMISSIONER PASSIDOMO SMITH: I don't have a
16 question. I understand OPC's comments. I am glad
17 that they did, you know, that they are making them
18 now. I just -- I am concerned about prolonging
19 this. Obviously, we can't do anything about a
20 protest that you are entitled to do that, but
21 question from my understanding of reading this, you
22 know, the longer that this gets pushed out, the
23 more costly customers are going to have to pay for
24 something that they are not even benefiting from,
25 so I am -- I then got kind of -- this is probably

1 where my vote is going to go, but that's just my
2 thoughts on that.

3 CHAIRMAN LA ROSA: Okay. Thank you.

4 So I am going to go back to the company on a
5 comment made, right.

6 So \$300,000 per month, right. So, in your
7 estimation, this is saving customers \$300,000 per
8 month. So every month that this gets delayed,
9 that's an additional \$300,000 in loss of savings,
10 because the cost is according to contractual
11 agreements prior to?

12 MR. BADDERS: Yes. And if we were to go past
13 December 31st and somehow negotiate an extension to
14 the closing, we would be on the hook, customers
15 would be on the hook for another year of property
16 taxes and insurance, which is a substantial amount.
17 I think it's approximately \$7 million. So, yes, if
18 this goes out in time, we lose the opportunity to
19 save customers money.

20 CHAIRMAN LA ROSA: Commissioner Clark.

21 COMMISSIONER CLARK: I am going to tag on a
22 couple of questions on specifics of Plant Daniel.
23 Daniel is a gas plant, right?

24 MR. BADDERS: It's actually a coal plant.

25 COMMISSIONER CLARK: It's a coal plant. All

1 of the units are coal?

2 MR. BADDERS: No, there are, I believe, two
3 gas -- I mean, two coal plants, and then an
4 accompanying gas plant, and I am not sure if there
5 are other CTs at this point.

6 COMMISSIONER CLARK: And these are -- Units 1
7 and 2 are coal-fired units?

8 MR. BADDERS: They are.

9 COMMISSIONER CLARK: And so it's -- you have
10 kind of described it, or I guess you and staff kind
11 of described in the docket how this has not been
12 available for economic dispatch, or has not been
13 economically feasible for dispatch at any time. Do
14 you foresee that that particular -- that particular
15 aspect could change? I assume that you still have
16 the right to dispatch those units at any time, you
17 just don't foresee that there could be any use for
18 these units in the near future?

19 MR. BADDERS: So at the moment, we cannot
20 dispatch them because we have actually retired our
21 portion of those units and they went off -- or
22 stopped generating for our benefit -- sorry -- at
23 the beginning of last year.

24 But the bigger question that you have asked,
25 could these become economic for us? We are looking

1 at a unit that has about an 11,000 heat rate. Our
2 system average is around 7,000. So, I mean, we
3 would almost always have a unit that would be
4 better to serve our customers.

5 So we have done the analysis. We did it in
6 2021, and then we looked at it again each year in
7 the context of the Ten-Year Site Plan, to make sure
8 that this was not a unit, or portions of units,
9 that would provide benefit to our customers and it
10 just simply does not.

11 COMMISSIONER CLARK: I don't want to get over
12 technical, and I will get over my own head here
13 pretty quick. But you still -- you still have the
14 cost of the units and the maintenance of the units,
15 you say you are not -- you are not able to dispatch
16 those under your current because you retired your
17 portion. So the only thing you are saving right
18 now would be actual fuel, is that correct?

19 MR. BADDERS: Currently we are saving fuel,
20 that is correct. We do have common costs that we
21 have to pay for. And then, again, if there are
22 additional environmental related costs to run them,
23 we are not on the hook for those additional costs
24 that are associated with running the units.

25 So I guess to back up, we are liable for

1 unavoidable common costs. That's all we have right
2 now, which, again, is approximately \$10 million a
3 year.

4 CHAIRMAN LA ROSA: If I understood the
5 description initially, there is power that was
6 generated that you cannot utilize because it costs
7 less based on other generation that your company
8 has?

9 MR. BADDERS: When we did the analysis, when
10 we compared this to our existing generation and our
11 future generation, this was not economic. I mean,
12 it just clearly -- it costs more to run this unit
13 on coal than it would one of our gas units, or any
14 of our other generation mix.

15 CHAIRMAN LA ROSA: So you would be paying for
16 something you cannot use?

17 MR. BADDERS: Well, we have. We are
18 contractually bound to pay the common costs for
19 something, and again, you are right, that we are
20 not generating from at the moment.

21 CHAIRMAN LA ROSA: And how did FPL get
22 involved in this agreement with Mississippi Power?

23 MR. BADDERS: Gulf Power Company purchased
24 this interest in Plant Daniel, I believe it was in
25 1982, 1980. When Florida Power & Light acquired

1 Gulf Power, it came in with that acquisition. So
2 FPL acquired this asset when it acquired --

3 CHAIRMAN LA ROSA: Inherited it for all
4 intents and purposes.

5 MR. BADDERS: More or less, purchased it, Yes.

6 CHAIRMAN LA ROSA: Inherited the contract and
7 the previous agreement. Understood.

8 Okay. Commissioner Fay.

9 COMMISSIONER FAY: Thank you, Mr. Chairman.

10 I have a few questions that I think will
11 probably be targeted to staff, but with your
12 indulgence, it might be -- I might ask the utility
13 to opine if there is something that we can't get
14 clarity to.

15 Okay. So first question, the CPVRR that's
16 provided in the recommendation, the 229, that is
17 for the current status of the inactive plant, of
18 basically stopping -- stopping the operation of the
19 plant as of this date, is that accurate?

20 MR. VOGEL: No -- well, the plant isn't
21 operating for FPL, but that's the revenue
22 requirement that they would have for the plant, the
23 229.

24 COMMISSIONER FAY: Let me ask it in a
25 different way.

1 MR. VOGEL: Okay.

2 COMMISSIONER FAY: So that number does not
3 currently impact this analysis of the regulatory
4 assets? That number was lower or higher, it's
5 not -- it doesn't impact?

6 MR. VOGEL: That's correct.

7 COMMISSIONER FAY: Okay. And then the
8 agreement itself between MPC and FPL, if the
9 implementation -- if we presume the numbers that
10 are provided in the Table 1.1 are accurate, and it
11 sounds like OPC might have some debate as to that,
12 but if we presume them to be accurate, is it
13 essentially the longer that the plant is
14 operational, the higher the savings would be for
15 FPL?

16 MR. VOGEL: That's correct.

17 COMMISSIONER FAY: Okay. And so how, then, is
18 that -- is that part of the -- is that included in
19 the analysis? I mean, you can only go out so far
20 based on what the table shows for that 10-year
21 amortization. So if MPC decides to operate the
22 plant in some form beyond that, it sounds like at
23 that point, FP -- based on the approval of this, if
24 approved, at that point, FPL is no longer liable
25 for any component of that based on the agreement.

1 MR. VOGEL: Well, they would still be liable
2 for dismantlement and some environmental costs that
3 happened prior to the agreement, I believe. So
4 there would still be some costs that they would be
5 on the hook for the unit; but, yes, the longer that
6 it would go out -- just looking at it, the years
7 '28 to '31 in Table 1.1, that's a pretty good
8 approximation of the avoidable costs. Basically
9 every year additional that the plant would run,
10 they would get about that amount, \$10 million or
11 so.

12 COMMISSIONER FAY: That savings would just
13 recur --

14 MR. VOGEL: Yes.

15 COMMISSIONER FAY: -- essentially each year?
16 Okay.

17 MR. VOGEL: If it were to go past '31 to '32,
18 '33, if Mississippi Power were to do that, then
19 that would be more avoidable costs that they would
20 have, yes.

21 COMMISSIONER FAY: Okay. And then you have,
22 essentially, this -- the -- to your point, the --
23 if 2031 was that stop date, the following two years
24 is the decommissioning part or -- what's that
25 two-year calculation beyond that, so 2032 and 2033,

1 based on your available costs? Yeah. Go ahead,
2 Mr. Davis.

3 MR. DAVIS: Yeah, that's the decommissioning
4 costs.

5 COMMISSIONER FAY: Okay. Okay. So then
6 based -- and this might be a question for the
7 utility. But based on what's in the record in this
8 docket, it appears that the timeliness of this has
9 some component for MPC to essentially utilize some
10 components of that. I recognize it's not operating
11 as of now, but some components of this plant to
12 potentially operate a data center, is that
13 accurate? I don't know who it would be, or what
14 the agreement would look like, but is that --

15 MR. VOGEL: I believe in the docket, they did
16 mention that they had agreements in place for the
17 power, but I don't know the specifics.

18 COMMISSIONER FAY: Okay. Mr. Chairman, if I
19 could ask the utility --

20 CHAIRMAN LA ROSA: Yeah, no, please.

21 COMMISSIONER FAY: -- to clear it up?

22 MR. BADDERS: Yes, Commissioner Fay. So it is
23 my understanding, based on a public filing from the
24 Mississippi Power Company, that they have a series
25 of data centers that are coming into their service

1 area over a period of time, and additional load,
2 and this would be utilized to serve that, this in
3 addition to other units. This isn't the sole unit
4 that they are going to use to serve that new load.
5 It's just a component of what they are going to use
6 to serve.

7 COMMISSIONER FAY: Okay.

8 MR. BADDERS: So -- and if I might, just to go
9 back just a little bit. On that 229 million that
10 you had asked Mr., that has to do with our analysis
11 on whether or not we should have retired our
12 interest. It really doesn't impact the financial
13 part of this PSA. It was something that was done
14 in 2021 when we looked at whether or not we should
15 retire these units. And it's a \$229 million net
16 present value savings to our customers for having
17 retired these units.

18 COMMISSIONER FAY: Yeah, and I think the
19 clarity I was looking for there is that's an
20 independent decision. Like, we are not -- we are
21 reviewing the regulatory assets for this agreement.
22 We are not make the decision if essentially we are
23 going to stop the operation of that, and then in
24 addition to, perform these regulatory assets.
25 Like, that decision has been made, and that was

1 based on that can CPVRR?

2 MR. BADDERS: We did make that decision based
3 on, yeah, you are correct, on the \$229 million of
4 savings. But as a part of this look, I do believe
5 the Commission is looking at this and saying, yes,
6 we agree that it should have been retired, and now
7 that this PSA should be approved. I mean, I think
8 there is two pieces that the Commission could look
9 at here.

10 I mean, what is squarely before you is the
11 PSA, but whether -- if you disagree and believe we
12 should not have continued ant not retired this
13 unit, I believe the Commission could address that
14 now if they wished.

15 COMMISSIONER FAY: Okay. Mr. Chairman, I
16 believe OPC wanted to --

17 CHAIRMAN LA ROSA: Yeah --

18 COMMISSIONER FAY: -- respond to it.

19 CHAIRMAN LA ROSA: -- I will allow OPC to --

20 MR. REHWINKEL: Thank you, Mr. Chairman.

21 Commissioners, as I read Issue 1 in the
22 recommendation, they are asking you to approve the
23 entire transaction, including the \$45 million that
24 the customers would be asked to pay in the rate
25 case. This agreement was signed on November 8th, a

1 day or two after the election. There has been an
2 inauguration. There has been executive orders.
3 The world has changed with respect to the viability
4 of a coal generating unit. And I think -- and I
5 just want to be clear, the customers have a right
6 to ask, is \$45 million the right number? Because
7 that number was agreed to before the world changed,
8 as we understand the PSA and the negotiations.

9 So at the end of the day, the bedrock issue
10 that the customers are concerned about is are they
11 overpaying somebody to take this unit off their
12 hands?

13 This \$300,000 that we are talking about,
14 that's been there for a while. This isn't -- the
15 brinksmanship of this agreement and when it's being
16 presented to you don't necessarily create the
17 emergency that we have to stand down and not
18 challenge that cost. This \$300,000 existed in '24,
19 it existed in '23. I think '22 was when they gave
20 up their right to dispatch the plant. So that's
21 been there. So it might be questionable why did we
22 wait this long?

23 So the \$300,000 is part of the cost of this
24 that I don't think it's the customers fault if we
25 want to ask some questions and get to the bottom of

1 that \$45 million number.

2 There was a statute passed last year, 366.057
3 -- and remember, the EIA, if you look at the
4 federal government website, this plant is
5 operating. It's not retired. They retired their
6 interest in it, but it's still coming along
7 generating electricity, as far as we know.
8 There may be certain rules about some operating and
9 some not. I don't know how that all works. We are
10 going to look at that in discovery.

11 But Section 366.057 says: Retirement of
12 electrical plants, electrical power plants, a
13 public utility shall provide notice to the
14 Commission at least 90 days before the full
15 retirement of an electrical power plant if the date
16 of such retirement does not coincide with the
17 retirement date in the public utility's most
18 recently approved depreciation study. No later
19 than 90 days after such notice, the Commission may
20 schedule a hearing to determine whether the --
21 whether retirement of the plant is prudent and
22 consistent with the state's energy policy goals in
23 Section 377.6012. At a hearing scheduled under
24 this section, the utility shall present its
25 proposed retirement date for the plant, remaining

1 depreciation expense on the plant, any other costs
2 to be recovered in relation to the plant, and any
3 planned replacement capacity.

4 We want to look at whether that statute has
5 any application, because I don't know what the
6 difference between their accounting transaction and
7 full retirement means, because this plant is still
8 running.

9 So that's just another element to being looked
10 at here. And I wasn't intending to go into this
11 level of detail. I have made my comments. But it
12 seems to me people are trying to tag the Public
13 Counsel as wasting \$300,000 a month. But I think
14 the world changed since the PSA. We have a right
15 to look at whether the \$45 million is the right
16 number. And we will looking look at it diligently
17 whether it's in a separate hearing or whether it's
18 folded in the rate case.

19 Thank you.

20 CHAIRMAN LA ROSA: Thank you. I wasn't
21 intending to go into this level of detail either,
22 so let's keep it at the top.

23 You mentioned '24 savings existed. And why
24 now? Why three weeks ago was there intervention?
25 Why -- why -- because the world is a different

1 place. I don't disagree with that. That's a
2 pretty fair statement. This was filed in August.
3 And they are looking at this kind of history what
4 our staff has done. We jumped on it immediately
5 with data requests first and second round. Why now
6 for OPC?

7 MR. REHWINKEL: I think it was filed in
8 November.

9 CHAIRMAN LA ROSA: I am sorry. November --

10 MR. REHWINKEL: Yeah.

11 CHAIRMAN LA ROSA: -- it was filed in
12 November, and here we are in -- April 1st. So if
13 you jumped in last month, why then and why not --
14 why not initially?

15 MR. REHWINKEL: Well, I --

16 CHAIRMAN LA ROSA: Maybe some of those things
17 would have been fleshed out.

18 MR. REHWINKEL: I mean, the absolute
19 fundamental answer is I was on vacation for
20 November and December. Came back. Got immediately
21 into the Sunshine rate case. When that was done
22 and the brief was filed, I got involved in this.
23 That's as simple as it is, Mr. Chairman.

24 CHAIRMAN LA ROSA: Understood.

25 Commissioner Clark.

1 COMMISSIONER CLARK: And, Mr. Rehwinkel, do
2 you agree that, you know, even if we approve this
3 from a transactional basis that your protest gives
4 you every opportunity to challenge the financial
5 impacts of this in the rate case, is that a fair
6 statement?

7 MR. REHWINKEL: I don't -- my understanding of
8 the law of this case and the rate case is that if
9 you decide this and it goes unprotested, it's
10 final, all you do is --

11 COMMISSIONER CLARK: Assuming -- you said if
12 it goes uncontested, but I assume you intend to
13 protest that from that perspective so that you can
14 reserve that --

15 CHAIRMAN LA ROSA: Yeah, and, Commissioner
16 Clark, I thought I heard that too. I thought you
17 said that you would protest this.

18 MR. REHWINKEL: Yes. Yes. I am just saying
19 is --

20 COMMISSIONER CLARK: Preserves the right to
21 actually get more into the financial impacts.

22 MR. REHWINKEL: It will, but you are being
23 kind of benched on timing of when they need to
24 close and what it takes. This rate case, I think,
25 goes to hearing in the middle of August, so what

1 Mr. Badders has relayed to you is that timeframe
2 doesn't meet their needs to close this transaction.

3 COMMISSIONER CLARK: Well, it doesn't give
4 them the financial benefit that it does if we close
5 it on time. There is less financial benefit, is my
6 understanding, and so if we determine that there is
7 more value there in the dismantling, then I guess
8 the customers win after all.

9 MR. BADDERS: If I may?

10 COMMISSIONER CLARK: Yes, sir.

11 CHAIRMAN LA ROSA: Yeah, you are recognized.

12 MR. BADDERS: Thank you.

13 Yes, the longer we go, the less savings there
14 would be. And again, we have -- at the moment, we
15 have an end date of it December 31 that we have to,
16 you know, be able to accomplish to even make the
17 deal possible. So there is two pieces to the time
18 here from my perspective.

19 MR. REHWINKEL: And, Mr. Chairman, if I can --

20 CHAIRMAN LA ROSA: Sure, you are recognized.

21 MR. REHWINKEL: -- Commissioner Clark's
22 question.

23 Yes, if we protest it, then it's as if the PAA
24 didn't exist and we would try to litigate it in the
25 rate case. But I am not sure at this time that

1 those cases will coincide. We certainly, I think,
2 would engage our expert witness to look at this
3 transaction, and we do have one to look at it,
4 so -- I mean, we can do it in the rate case, but
5 there is a little bit of mismatch on the timeframe.

6 COMMISSIONER CLARK: I think that's, you know,
7 that's exactly what the Office of Public Counsel is
8 for --

9 MR. REHWINKEL: Yep.

10 COMMISSIONER CLARK: -- our staff has reviewed
11 it, thinks that it is adequate, thinks that it
12 meets the standard, and so I think that's the
13 perfect opportunity for it, so thank you. I
14 appreciate it.

15 CHAIRMAN LA ROSA: Commissioners, any further
16 questions?

17 Commissioner Fay.

18 COMMISSIONER FAY: Thank you, Mr. Chairman.
19 Just one quick follow-up so I understand OPC's
20 position.

21 Obviously I have been somewhat vocal, the PAA
22 process doesn't always put us into in the best
23 posture. But with this said, I think, to me, there
24 is a clear distinction between OPC saying, we take
25 issue with this number, or calculation of this

1 number, and, therefore, we may or may not protest
2 it depending on what decision the Commission makes.

3 There is another component that says, we need
4 time to review this to make a decision if this
5 number is all right or not. And I am not sure I
6 understand which one -- or maybe you are saying
7 both, because if it's we need more time, we have a
8 potential expert that can review this, this is how
9 we want to go through the process to ensure the
10 numbers are valid, then there isn't a decision that
11 we can make that you wouldn't protest.

12 CHAIRMAN LA ROSA: You are recognized.

13 MR. REHWINKEL: I am not sure I fully
14 understand the thrust of your question, and I
15 apologize for that, Commissioner --

16 COMMISSIONER FAY: That's okay. I can restate
17 it more clearly.

18 MR. REHWINKEL: Okay.

19 COMMISSIONER FAY: If -- is your position that
20 you take issue -- you laid out four things that you
21 take issue with, including one being the accounting
22 components. If your issue is that you have not
23 reviewed those for whatever reason, scheduling,
24 unavailability of an expert, you know, whatever
25 that may be, then the PAA process is designed to

1 create efficiencies in cost, and process, and, you
2 know, what we do to a large degree, there are
3 savings built into that.

4 If a hearing needs to occur to get answers for
5 you to be able to articulate your positions on
6 those things, then that's where I am confused. Is
7 it -- is that what your position is, or is your
8 position that you have a specific component of the
9 calculation -- for example, you think the
10 retirement year might be wrong. You -- if
11 calculated a certain year, it wouldn't be a
12 positive return for a year for a positive savings
13 for the customers, like, that's what I am trying to
14 get at. Is that your position, or is it that you
15 need to review those things to make a decision?

16 MR. REHWINKEL: Well, it's a little bit of
17 both. I mean, our fundamental issue is that this
18 -- we are concerned about the \$45 million. I mean,
19 at the end of the day, we are not sure that's the
20 right number. And I think we can get our answers
21 in a hearing if it's on a PAA protest, or we can
22 get our answers in a -- the rate case, or we can
23 even get our answers in informal discussions with
24 the company after we submit our questions to them.

25 I think we have three options, and we are

1 happy to discharge any three. But the fact of the
2 matter is the PAA recommendation is here today, and
3 we are just here catching up, whether it's my fault
4 or not, and we are going to do the best we can.

5 I don't know if I have answered your question,
6 but I think we have the process before the
7 Commission. We are talking to the company. We can
8 get there.

9 COMMISSIONER FAY: Yeah. And I appreciate the
10 honesty and divulgence from a timing perspective of
11 how it worked, but that does create some real
12 consequences here.

13 I think, as a commission, we are weighing this
14 decision with the time set out in front of us, and
15 you described it as a pinch. We can label it
16 however we want, but the reality is that if we
17 don't -- if it's not made by a certain deadline,
18 there as potential that it doesn't get done and,
19 therefore, there are savings that could be lost. I
20 think you are arguing that we don't know if those
21 exist exactly based on your review, and I think
22 that's fair at this point. But for purposes of us
23 creating these regulatory assets, we would create
24 those, you would make a decision, to your point, on
25 if you felt that it needed to go through that

1 further process going forward.

2 My issues on this, honestly, were, number one,
3 I was concerned about a liability perspective. It
4 looked like there wasn't everything being
5 transferred over completely, because FPL is still
6 in it, if something occurs. The agreement that
7 they set out pretty much creates some pretty good
8 indemnity clauses that relieves the utility of
9 that, and so I am pretty comfortable with that.

10 The other is it's not our responsibility, as
11 the Florida commission, to be -- to prioritize
12 helping Mississippi in what they do if it impacts
13 our customers, right, either in a positive or
14 negative way. With that said, I think it's very
15 career that this is related to a data center
16 component and what they are trying to do, and if
17 the deal doesn't go through, it sounds like, from a
18 timing perspective, it might not occur at all.

19 So I think there are real consequences from a
20 timing perspective, and I say that, Mr. Rehwinkel,
21 to you, because I am not being dismissive of some
22 of the components you have -- the four components
23 you have raised here, but there is a legal avenue
24 to litigate those components if you choose to do
25 so. And as Commissioner Clark said, what staff has

1 presented to us seems like a pretty -- the table,
2 the 1.1 table seems pretty reasonable as the
3 calculation, the analysis. And if there is some
4 component of it that's wrong, that puts us, you
5 know, in the red instead of having those savings.
6 That could be proven. I am not saying it's
7 impossible. But based on what we have, I feel
8 comfortable supporting this, and I hope we can
9 maybe figure out going forward a better process on
10 this PAA world where we get near the end of the
11 decision that we are all moving towards to create
12 efficiencies and savings and costs, and then we
13 basically end up at a hearing, okay.

14 And I don't know if there is a solution to
15 that. I don't know operationally what can be done.
16 But I just -- I ask for some consideration of that,
17 because it seems like we are seeing more and more
18 of these in this posture, and it might actually be
19 costing more because we are going through this
20 hearing, the FAA process, and then we are going
21 through a hearing in addition to this.

22 So whatever consideration, Mr. Chairman, we
23 can give to potentially resolving the continuance
24 of that proceeding, I would ask us to look at. I
25 know the PAA process does have value. I am not

1 negating that part. But the results of it are
2 concerning to me, because we keep ending up in this
3 scenario. We are just not clear from a decision
4 perspective if everybody is on board or not and
5 what pieces of it, if they are on board or not.

6 So with that said, I am comfortable supporting
7 this today. I don't want to see this deal fall
8 through. I don't want to see the potential savings
9 fall through, but I leave it to the -- I call them
10 parties. We are in a PAA format. They are not
11 parties, but to whoever decides they want to engage
12 potentially to do a hearing to do so, and we don't
13 negate that procedurally or from a due process
14 perspective, but we still have to sit up here and
15 make decisions that have real impacts to people in
16 other states, and data centers, and all these
17 components that we are making, so, you know, I am
18 comfortable support it, but I recognize that it's
19 messy. It's not a clearcut process for us to move
20 forward.

21 Thank you.

22 CHAIRMAN LA ROSA: Well, thank you,
23 Commissioner Fay. And I agree that maybe this --
24 you know, the PAA process should be looked further
25 into. I understand your concern. I do recognize

1 what's in front of us today.

2 I have a similar fear of does this deal go
3 through? And I am reading a letter from
4 Mississippi Power to its Public Service Commission,
5 which gives me further concern of whether the
6 transaction -- their transaction goes through
7 making this deal have value for us to make the
8 decision, but I feel like we are getting in the way
9 of a business transaction to an extent, which is
10 okay in some cases, but I think this may all of a
11 sudden lose some motivation in what's before us.

12 Any of further Commissioners have any other
13 discussion points?

14 Staff, anything else?

15 Okay. All right. Well, I will open the floor
16 for a motion.

17 COMMISSIONER FAY: All right, Mr. Chairman.

18 So I would move for approval on all issues,
19 staff recommendation on all issues for Item No. 1.

20 CHAIRMAN LA ROSA: Hearing a motion, is there
21 a second?

22 Hearing a second, all those in favor signify
23 by saying yay.

24 (Chorus of yays.)

25 CHAIRMAN LA ROSA: Yay.

1 Opposed no?

2 (No response.)

3 CHAIRMAN LA ROSA: Show that Item No. 1
4 passes. Thank you.

5 MR. REHWINKEL: Thank you.

6 CHAIRMAN LA ROSA: All right. We are not
7 done, but myself and Commissioner Fay are. So
8 let's have a five-minute break, and then we will
9 allow for some reorganization and then pick up on
10 Item No. 5.

11 (Agenda item concluded.)

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1 CERTIFICATE OF REPORTER

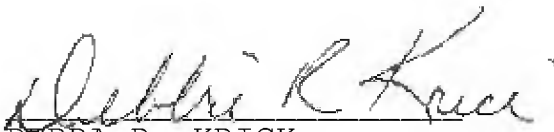
2 STATE OF FLORIDA)
3 COUNTY OF LEON)
4

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 15th day of April, 2025.
19

20
21 
22 DEBRA R. KRICK
23 NOTARY PUBLIC
24 COMMISSION #HH575054
25 EXPIRES AUGUST 13, 2028