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October 3, 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 prepared settlement rebuttal testimony FPL witness Tim Oliver.

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 2 of 4)

Enclosures

cc: Certificate of Service

CERTIFICATE OF SERVICE
Docket 20250011-EI

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 3rd day of October 2025:

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

FLORIDA POWER & LIGHT COMPANY

SETTLEMENT REBUTTAL TESTIMONY OF TIM OLIVER

Filed: October 3, 2025

1 his settlement testimony regarding property held for future use (“PHFU”), including
2 his claims of an improper “loophole” allowing FPL to purchase non-solar land during
3 the Minimum Term of the Proposed Settlement Agreement and later reclassify it to
4 solar land, and excessive land stockpiling in general. I also address issues related to
5 the Company’s electric vehicle (“EV”) tariffs and programs raised by FEL witness
6 Rábago in his settlement testimony, particularly his characterization of the Make-
7 Ready program as an improper subsidy and his objections to FPL’s demand limiter
8 tariffs. Additionally, I respond to the NSPs’ proposal regarding cost recovery for
9 remediation at the Kayak Solar Energy Center (“Kayak Solar”) that is included in the
10 position statement jointly sponsored by the NSPs attached as Exhibit HWS-11 to the
11 settlement testimony of OPC witness Schultz (“Position Statement”).

12 **Q. Please summarize your settlement rebuttal testimony.**

13 A. My settlement rebuttal testimony demonstrates that the NSPs’ concerns are based on
14 misunderstandings of FPL’s disciplined approach to utility operations. Regarding
15 PHFU, I clarify the rationale for land purchases during the Minimum Term of the
16 Proposed Settlement Agreement, explain how FPL’s strategic land holdings avoid price
17 inflation for customers, and detail our commitment to use best commercial efforts to
18 divest \$200 million in properties as part of the negotiated Proposed Settlement
19 Agreement. For EV programs, my settlement rebuttal testimony explains how FPL’s
20 Make-Ready program will operate as a revenue-positive investment that is expected to
21 have a favorable benefit to the general body of FPL customers over the life of the asset,
22 as shown on Exhibit TO-10, filed with my settlement direct testimony on September 3,
23 2025. The program costs will be fully recovered through increased electricity sales

1 while supporting Florida's position as the nation's second-largest EV market. In
2 addition, I explain that the demand limiter tariffs provide incentives that automatically
3 phase out as charging station utilization increases, which is expected to have a
4 favorable benefit to the general body of FPL customers over the life of the asset.
5 Concerning Kayak Solar, the costs for remediation and improvements are not included
6 in FPL's current rate proposal.

8 II. PROPERTY HELD FOR FUTURE USE

9 **Q. How do you respond to allegations of a potential "loophole" allowing FPL to**
10 **continue purchasing land during the Minimum Term of the Proposed Settlement**
11 **Agreement?**

12 A. The Proposed Settlement Agreement specifically prohibits FPL from exercising
13 existing purchase options or entering new land acquisition contracts for property to be
14 used exclusively for solar projects or hybrid solar and battery storage projects, with the
15 one exception of the Duda Property option. However, this does not prevent FPL from
16 acquiring land for other utility purposes such as transmission, distribution, or other non-
17 solar generation uses if operationally necessary during the Minimum Term of the
18 Proposed Settlement Agreement. This is not a "loophole" as characterized by witness
19 Schultz, but instead it is evidence of prudent utility practices to acquire land for other
20 utility purposes as needed. FPL did not agree to cease all land purchases for the
21 Minimum Term of the Proposed Settlement Agreement, and one cannot reasonably call
22 something a "loophole" because it does not include things that were not agreed to.
23 Further, under the Proposed Settlement Agreement, any hypothetical future land

1 acquisition that is not allowed, specifically land used exclusively for solar or hybrid
2 solar-battery projects (with the exception of the Duda property), would go through
3 FPL's normal process and be subject to future Commission review, providing the same
4 customer protections that exist today.

5 **Q. How do you respond to the land acquisition and disposition provision suggested**
6 **in the NSPs' Position Statement requiring that any land acquired prior to FPL's**
7 **next general base rate proceeding be recorded below the line and excluded from**
8 **rate base until a prudence determination is made?**

9 A. The NSPs' Position Statement provision that any land acquired prior to FPL's next
10 general base rate proceeding be recorded below the line and excluded from rate base
11 pending a prudence determination is neither reasonable nor in the best interest of FPL's
12 customers. This approach would fundamentally alter established regulatory principles
13 and create an unworkable constraint on FPL's ability to serve customers reliably.

14
15 Additionally, this misplaced notion would appear to require the Commission to review
16 and approve every land purchase that the Company makes for the benefit of customers,
17 no matter how big or small, in one-off prudence determination dockets. Taken to an
18 illogical conclusion, this NSPs' Position Statement provision suggests that the
19 Commission should review and determine prudence for everything that FPL buys
20 before FPL is allowed to recover costs for those purchases. Such a concept would place
21 the Commission in the inappropriate role of micromanaging a utility and impose
22 impractical regulatory constraints on efficient utility operations. All to the detriment of
23 customers. Said simply, this NSPs' Position Statement provision is not necessary,

1 defies established regulatory principles, and leads to illogical conclusions about the
2 way that FPL should run its business.

3 **Q. How do you respond to OPC witness Schultz’s assertion that FPL has 40**
4 **properties averaging 22 years in PHFU without being used and useful, with 21**
5 **properties not forecasted to be in-service in the next five years, and his broader**
6 **claim that FPL has engaged in improper property stockpiling?**

7 A. OPC witness Schultz’s characterization of FPL’s land management as “stockpiling”
8 misrepresents our disciplined acquisition strategy and ignores the realities of utility
9 infrastructure planning. Witness Schultz refers to properties held by FPL (Exhibit
10 HWS-11, Attachment B) for an average of 22 years and recommends divestiture of
11 these properties. The properties that he identifies are primarily transmission and
12 distribution properties with the exception of three generation sites (all held by FPL for
13 under 15 years). FPL does not agree with divesting these properties.

14

15 As the Commission has long recognized, “Prudence requires acquisition of suitable
16 land sites long before definite plans can be developed for specific use.”¹ This principle
17 has been consistently upheld by the Commission, including its explicit rejection of
18 arbitrary time limits on PHFU holdings.² An inflexible definite plan of development
19 would be shortsighted, would limit the ability of a utility to adapt to changing
20 circumstances, and could ultimately lead to higher costs.

¹ See *In Re: Investigation of the Earnings and Rates and Charges of Florida Power & Light Company for the Purpose of Requiring Such Adjustments, if Any, as May be Appropriate and Proper as a Result of the Facts Developed through Said Investigation*, Docket No. 9777-EU, Order No. 5280 (F.P.S.C. Dec. 7, 1971).

² See *In Re: Application for a rate increase by Tampa Electric Company*, Docket No. 920234, Order No. PSC-93-0165-FOF-EI (F.P.S.C. Mar. 29, 1993).

1 The Commission has established that a utility's Ten-Year Site Plan was never intended
2 to be, nor has it ever been, used by the Commission to determine the appropriateness
3 of including an asset in a regulated utility's rate base. That being said, all properties
4 challenged by OPC witness Schultz that have been held for more than 22 years have
5 specific planned uses within the next ten years, as demonstrated in FPL witness Jarro's
6 rebuttal testimony. Specifically, each of these challenged transmission and distribution
7 properties will be used within ten years as shown in Exhibit EDV-6 filed with his
8 rebuttal testimony. Similarly, the three generation properties recommended for
9 exclusion by OPC witness Schultz have specific planned uses within the ten-year
10 period of FPL's current Ten-Year Site Plan (2025-2034) as detailed in Exhibit TO-7,
11 which is consistent with witness Schultz's recommendation in his June 9, 2025,
12 testimony in this proceeding.

13

14 FPL's land portfolio represents strategic investments guided by specific system needs
15 and a thorough screening and due diligence process, not speculative stockpiling. Early
16 acquisition provides substantial customer benefits by securing optimal sites before
17 property values escalate further and ensuring we can develop the most cost-effective
18 projects. Properties acquired years ago at lower prices now provide significant cost
19 savings compared to current market rates, protecting customers from real estate
20 inflation in Florida's appreciating market.

21

22 Utility infrastructure development operates on extended timelines due to permitting
23 challenges, rezoning requirements, and dynamic load growth forecasts. This

1 disciplined approach ensures reliable service delivery while minimizing costs – the
2 opposite of improper stockpiling.

3 **Q. How do you respond to OPC witness Schultz’s assertion regarding FPL’s alleged**
4 **\$200 million in surplus land and his recommendation to exclude these properties**
5 **from rate base?**

6 A. The properties identified by Mr. Schultz are not “surplus” as alleged but rather targeted
7 assets that FPL is willing to divest as part of a settlement negotiated by the Settling
8 Parties.

9
10 Mr. Schultz claims that the “best commercial efforts” commitment provides no
11 guarantee of sale and that the Company has not even identified the specific property
12 that we are targeting to sell. While we cannot guarantee market conditions, FPL will
13 begin in earnest in early 2026 to actively market and sell land to meet this commitment
14 in good faith, as stated in my direct settlement testimony. This commitment amounts
15 to a total value of \$200 million, which will be removed from the PHFU balance in
16 Exhibit TO-7.

17
18 Our commitment represents genuine divestiture efforts designed to achieve the best
19 possible value for our customers, not merely a token gesture. All proceeds from
20 property sales will directly benefit customers through the associated reduction in
21 PHFU. The specific property that FPL will seek to sell is not identified publicly in the
22 Proposed Settlement Agreement to preserve FPL’s negotiating leverage in order to
23 secure the best sale value for FPL customers from the sale of the targeted land parcel(s).

1 By adjusting the Company's land portfolio through strategic divestiture while
2 maintaining essential holdings for reliable service delivery, this balanced approach
3 demonstrates responsible stewardship of customer investments and reasonable
4 compromise through the settlement process.

6 III. EV PROGRAMS

7 **Q. How do you respond to FEL witness Rábago's criticisms of FPL's Make-Ready**
8 **program?**

9 A. Mr. Rábago fundamentally mischaracterizes the program's structure and its public
10 interest benefits. The Make-Ready program is revenue positive – meaning FPL's \$20
11 million investment in Make-Ready credits is expected to be fully recovered through
12 increased electricity sales from the charging infrastructure it enables, with a net benefit
13 to customers over the life of the assets. Revenue projections in Exhibit TO-10, filed
14 with my direct settlement testimony on September 3, 2025, demonstrate that electricity
15 sales will exceed program costs over the asset lifespan. This is not a subsidy or
16 "handout," but is an investment in Florida's electric infrastructure that benefits all
17 customers.

18
19 Rather than "wrongfully influencing" private markets, the program strengthens them
20 by encouraging diverse participants to enter Florida's EV charging market, enhancing
21 competition rather than distorting it. Credits will be awarded first-come, first-served,
22 based on objective criteria with caps per port and site, ensuring fair access for all
23 qualified participants.

1 **Q. How do you respond to Mr. Rábago’s assertion that FPL’s Demand Limiter GSD-**
2 **1EV and GSLD-1EV Tariffs risk subsidization from the general body of**
3 **ratepayers?**

4 A. Despite the NSPs’ Position Statement supporting Commission approval of FPL’s
5 proposed demand limiter tariffs, Mr. Rábago mischaracterizes these demand limiter
6 tariffs in his testimony responding to the Proposed Settlement Agreement. These tariffs
7 provide temporary rate incentives (discounts for standard demand charges) that are
8 eliminated as charging stations increase utilization and consistently reach a load factor
9 above 10%, at which point the charging stations no longer qualify for the demand
10 limiter. As stations grow and become profitable, these temporarily discounted demand
11 charges naturally transition to standard commercial rates. The resulting increased
12 revenues are expected to have a favorable benefit to the general body of FPL customers
13 over the life of the asset. As noted in my rebuttal testimony filed on July 9, 2025, FPL’s
14 demand limiter program has proven successful at appropriately incentivizing new
15 customers to install new EV charging stations while allowing them to transition to full
16 demand charges as their utilization grows.

1 **IV. KAYAK SOLAR ENERGY CENTER**

2 **Q. How do you respond to the NSPs' Position Statement provision that all costs to**
3 **fully remediate the stormwater system and damage at the Kayak Solar and the**
4 **neighboring Wilkinson Creek communities be recorded below the line and not**
5 **charged to customers?**

6 A. For context only, FPL designed, permitted, constructed, and operated the stormwater
7 system at Kayak Solar in full compliance with Florida Department of Environmental
8 Protection ("FDEP") permits. Despite building to FDEP's design standards, an extreme
9 weather event on June 8, 2025, dropped nearly seven inches of rain in three hours,
10 overwhelming the system and causing sediment to enter Wilkinson Creek and
11 neighboring properties.

12
13 Notably all costs related to remediation and improvements at Kayak Solar and the
14 neighboring communities are not included in FPL's current rate proposal and have
15 nothing to do with this proceeding. It appears that the NSPs opportunistically included
16 this issue in their Position Statement without any context, testimony, or regard for the
17 fact that FPL is requesting to set rates for 2026 and beyond and had made no requests
18 for remediation and improvement costs related to the Kayak Solar site in this
19 proceeding.

20 **Q. Does this conclude your settlement rebuttal testimony?**

21 A. Yes.