John T. Burnett
Vice President & General Counsel
Florida Power & Light Company
700 Universe Boulevard
Juno Beach, FL 33408
(561) 304-5253

February 28, 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 docket are the direct testimony and exhibits of FPL witness Tiffany C. Cohen.

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

Sincerely,

s/ John T. Burnett
John T. Burnett
Vice President & General Counsel
Florida Power & Light Company

(Document 18 of 30)

CERTIFICATE OF SERVICE
Docket 20250011-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic service this 28th day of February 2025 to the following:

Shaw Stiller
Timothy Sparks
Florida Public Service Commission
Office of the General Counsel
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
sstiller@psc.state.fl.us
tsparks@psc.state.fl.us

Walt Trierweiler
Mary A. Wessling
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., Rm 812
Tallahassee, Florida 32399-1400
trierweiler.walt@leg.state.fl.us
wessling.mary@leg.state.fl.us
Attorneys for the Citizens of the State of Florida

By: *s/ John T. Burnett*
John T. Burnett

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 20250011-EI

FLORIDA POWER & LIGHT COMPANY

DIRECT TESTIMONY OF TIFFANY C. COHEN

Filed: February 28, 2025

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Tiffany C. Cohen, and my business address is Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, Florida 33408.

Q. By whom are you employed and what is your position?

A. I am employed by Florida Power & Light Company ("FPL" or the "Company") as Vice President of Financial Planning and Rate Strategy.

Q. Please describe your duties and responsibilities in that position.

A. I oversee and am responsible for FPL's financial forecast, analysis of financial results, corporate budgeting, load forecast activities, rate strategy, developing the appropriate rate design, and for administration of the Company's electric rates and charges.

Q. Please describe your educational background and professional experience.

A. I hold a Bachelor of Science Degree in Commerce and Business Administration, with a major in Accounting from the University of Alabama. I obtained a Master of Business Administration from the University of New Orleans. I am also a Certified Public Accountant. Since joining FPL in 2008, I have held positions of increasing responsibility, including: Manager of Nuclear Cost Recovery, Senior Manager of Rate Development, Director of Rates and Tariffs; Senior Director, Regulatory Rates, Cost of Service and Systems; Executive Director, Rate Development & Strategy; and my current position as the Vice President of Financial Planning and Rate Strategy. Prior to joining FPL, I was employed at Duke Energy for five years, where I held a variety of positions in the Rates & Regulatory Division, including managing rate cases,

Corporate Risk Management, and Internal Audit departments. Prior to joining Duke Energy, I was employed at KPMG, LLP.

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

A. Yes. I am sponsoring the following exhibits:

- Exhibit TCC-1 List of MFRs Sponsored or Co-Sponsored by Tiffany C. Cohen
- Exhibit TCC-2 Typical Bill Projections
- Exhibit TCC-3 National Bill Comparisons
- Exhibit TCC-4 FPL's Load Forecasting Process for 2026-2029
- Exhibit TCC-5 Parity of Major Rate Classes
- Exhibit TCC-6 Summary of Proposed Rate Structure for Major Rate Schedules

I am co-sponsoring the following exhibit:

- Exhibit SRB-7 Solar and Battery Base Rate Adjustment Mechanism, filed with the direct testimony of FPL witness Bores

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to address the following general areas:

- The customer, energy sales, and peak demand forecasts for the 2026 and 2027 test years.
- Rate design principles and rate structure.
- Revenue forecast by rate class.
- Allocation of rate increase to rate classes.
- Proposed changes to existing rates.
- Service charges.
- Other tariff changes.

- Proposed rate adjustments for the 2028 and 2029 Solar and Battery Base Rate Adjustments ("SoBRAs").

Q. Please summarize your testimony.

A. My testimony explains the process used to develop the forecasts for customer, energy sales, and peak demand forecasts, and demonstrates that these processes are fundamentally sound and consistent with criteria used by the Commission in evaluating forecasts. In addition, my testimony supports FPL's proposed base retail rates and service charges that will produce revenues sufficient to recover the Company's jurisdictional revenue requirements in the 2026 and 2027 Projected Test Years. I also support the methodology used to calculate the rate adjustments in 2028 and 2029 associated with the SoBRA mechanism.

Q. Please summarize the estimated bill impacts of FPL's proposed increases in base revenues.

A. As explained by FPL witnesses Fuentes and Laney, FPL's jurisdictional revenue requirements for the test year ending December 31, 2026 (referred to as the "2026 Projected Test Year"), reflect the need for an increase in base revenues of $1.545 billion in January 2026; and the jurisdictional revenue requirements for the test year ending December 31, 2027 (referred to as the "2027 Projected Test Year"), reflect the need for an incremental increase in base revenues of $927 million in January 2027. FPL's proposed rates are designed to produce the necessary revenues and will be applied to all customers across the entire service area.

FPL's filing proposes adjustments to rates and charges to more closely reflect the projected cost of service for the various rate classes, and thus address parity, while following the Commission practice of limiting base rate increases for a specific rate class to 1.5 times the system average increase in total rate class operating revenue, as well as providing no decreases to rate classes.

As benchmarked by Edison Electric Institute ("EEI"), FPL's typical residential bill is 32 percent[1] below the national average as shown in Exhibit TCC-3. Additionally, FPL's bill is lowest among the largest twenty utilities as ranked by number of customers and 36% below that average. As shown in Exhibit TCC-2, under FPL's proposed four-year rate plan, the five-year compound annual growth rate ("CAGR") of the typical residential bill increase from 2025 through the end of the four-year rate proposal in 2029, is projected to be approximately 2.5 percent for peninsular Florida customers and approximately 1.1 percent for Northwest Florida customers. Assuming other utilities experience bill increases at only their historical rates of increase, typical residential bills for customers would remain 25 percent below the projected national average.

FPL's commercial and industrial ("CI") bills are 25 percent to 47 percent below the national average. The CI rate classes will experience varying increases in January 2026 depending on the current rate of return for each class as compared to the system average

[1] Based on the EEI Typical Bills and Average Rates report for rates effective July 1, 2024. This is the latest information available from EEI. FPL also uses a 3rd party to benchmark against 50 peer utilities and is 32 percent below this national average data point as of February 1, 2025.

rate of return, *i.e.*, parity index, for each respective class. MFR E-8 shows that the 2026 total increase for CI rate classes is between 2 percent and 14 percent. Exhibit TCC-2, shows the proposed CI typical bill increases of 0 percent to 5 percent over the four-year rate plan. These four CI rate classes (General Service, General Service Demand and General Service Large Demand 1 and 2), encompass 94 percent of FPL's CI customers. Even with the proposed increases, FPL's bills will remain significantly below the national average and below many other Florida electric utilities.

Q. How do FPL's proposed typical bills compare to the forecast for inflation over the four-year rate proposal?

A. The Consumer Price Index ("CPI") is projected to increase 12 percent from 2024 through 2029 and 10 percent from 2025 through 2029. These increases are significantly higher than FPL's proposed increases as shown in Exhibit TCC-2. In fact, FPL projects that even with the requested 2026 base rate increase, typical bills for January 2026 would be 20 percent less in real terms than in 2006.

II. FORECASTS OF CUSTOMERS, ENERGY SALES, AND SYSTEM PEAK DEMANDS

A. <u>Overview of Economic Conditions</u>

Q. Please describe the economic conditions in the FPL service area.

A. As of December 2024, FPL provides retail electric service to more than six million customers in 43 counties. FPL's service area includes approximately 12 million persons, or more than half of Florida's population.

Florida has experienced significant increases in population over the term of the last settlement agreement. From January 2022 through June 2024, Florida's population grew 4.5 percent and FPL added approximately 225,000 customers.[2] This growth in population led to job creation in Florida that outpaced the national average, with Florida's non-farm employment growing 4.0 percent per year on average compared to 2.8 percent for the U.S.

During this same period, the Federal Reserve initiated a campaign to moderate inflation by raising interest rates. Although the Florida and U.S. economy has remained resilient through June 2024, the effects of elevated interest rates and inflation are starting to filter through the economy. Florida retail sales decreased 1.9 percent from January 2022 through June 2024.

The impacts of a high interest rate environment are not expected to significantly affect population growth in Florida. Starting in July 2024 through the end of 2027, Florida's population is projected to grow at an average annual rate of 1.7 percent compared to the 1.8 percent seen from January 2022 through June 2024. Over that same period, Florida's non-farm employment is expected to grow an average of 1.1 percent, while the U.S. is expected to grow at 0.7 percent.

Q. What is the basis for the economic projections used for FPL's load forecast?

A. The economic projections used for the customer, energy sales, and peak demand forecasts are from S&P Global's (formerly IHS Markit) July 2024 economic forecast

[2] From January 2022 through December 2024, FPL added approximately 275,000 customers.

and the CPI projections are from S&P Global's June 2024 economic forecast. S&P Global is a recognized industry expert who has consistently provided objective and reliable economic projections. FPL has historically relied on projections from S&P Global for forecasting and budgeting purposes, including for FPL's 2012, 2016, and 2021 rate cases.

Q. What inflation measure is used by FPL for budgeting purposes?

A. For its budgeting process, FPL uses S&P Global's forecast of CPI for all goods and services, which is also called overall CPI. This same CPI is used when calculating the O&M Benchmarks. The CPI projections are from S&P Global's September 2024 economic forecasts. Because FPL's budgeting process is finalized at a later date than the load forecast, the budgeting process uses a different vintage of S&P Global's economic forecast compared to the load forecasting process; however, both processes rely on the most recent economic forecast available at the time they are prepared.[3]

B. Overview of Load Forecasting

Q. What is the objective of the load forecasting process?

A. The objective of FPL's load forecasting process is to produce reliable, unbiased forecasts of customers, energy sales, and system peak demands for the FPL system.

Q. Please explain how customers, sales, and peak demands are defined.

A. Customer forecasts reflect the total number of active accounts served by FPL and include the impacts of new service installations combined with other factors, including changes in the number of inactive accounts. Retail delivered energy sales reflect the

[3] The difference in the forecasted CPI used for FPL's load forecast and budgeting purposes is insignificant.

amount of energy provided to all retail customers served by FPL. Net Energy for Load ("NEL") is another measure of energy sales that accounts for the megawatt hours ("MWh") FPL provides to its retail and wholesale customers, as well as system losses and energy used by company-owned facilities. Peak demands refer to the highest hourly integrated NEL over a given period of time.

Q. Please summarize how the customer, energy sales, and peak demand forecasts were developed.

A. The forecasts were developed using econometric models as the primary tool. The various econometric models are statistically sound and include logically reasonable drivers obtained from leading industry experts. This approach provides accurate forecasts that are used for all business purposes. A more detailed description of the forecasting process, results, and statistical soundness are provided in Exhibit TCC-4 – FPL's Load Forecasting Process for 2026-2029 and MFR F-5.

Q. Is FPL's load forecasting approach consistent with criteria used by the Commission in recent years to evaluate utilities' forecasts?

A. Yes. The Commission has evaluated utilities' forecasts based on the use of statistically sound forecasting methods and reasonable input assumptions (*e.g.*, Order Nos. PSC-16-0032-FOF-EI, PSC-14-0590-FOF-EI, PSC-13-0505-PAA-EI, PSC-12-0179-FOF-EI, PSC-12-0187-FOF-EI, PSC-09-0283-FOF-EI and PSC-08-0518-FOF-EI). The Commission has also considered whether a forecast is applied consistently; that is, whether a forecast used for one purpose, such as a rate filing, is the same forecast used for other purposes, such as generation planning (Order No. PSC-09-0283-FOF-EI). Additionally, the Commission has considered a utility's record of forecasting accuracy

when evaluating forecasts (Order No. PSC-16-0032-FOF-EI). FPL's approach to developing the customer, energy sales, and peak demand forecasts for this proceeding is the same approach used in FPL's most recent 2021 Rate Case in Docket No. 20210015-EI and in FPL's 2024 Ten Year Site Plan.

Q. Please provide a summary of the forecasts for customers, energy sales, and peak demands for years 2026 and 2027.

A. Table 1 below summarizes the forecasts for customers, retail energy sales, and summer peak demands for years 2026 and 2027.

Table 1
FPL Forecast Summary

	2026	2027
Total Retail Customers (Average)	6,109,672	6,180,152
Retail Delivered Sales (GWh)	128,108	128,941
Summer Peak Demand (MW)	28,596	28,831

These forecasts were developed using well-established methods that have consistently provided accurate and reliable forecasts that are used for all regulatory and planning purposes. As shown in Exhibit TCC-4, the models used to develop these forecasts are statistically sound, display excellent goodness of fit, have minimal model residuals, and have insignificant serial correlation.

Q. Did FPL develop customer, energy sales, and peak demand forecasts in support of FPL's request for approval of a SoBRA mechanism for years 2028 and 2029?

A. Yes. Table 2 summarizes the forecasts for customers, retail energy sales, and summer peak demands for years 2028 through 2029.

Table 2 FPL Forecast Summary		
	2028	2029
Total Retail Customers (Average)	6,247,368	6,311,538
Retail Delivered Sales (GWh)	131,433	133,971
Summer Peak Demand (MW)	29,214	29,542

These forecasts were developed using well-established methods that have consistently provided accurate and reliable forecasts that are used for all regulatory and planning purposes.

III. RATE DESIGN PRINCIPLES AND RATE STRUCTURE

Q. Please provide an overview of FPL's retail rates.

A. FPL's Electric Retail Tariff book contains rate schedules for the various types of customers served by FPL. These include residential customers; small, medium, and large business and industrial customers; and lighting. Each of these customer classes is served through different rate schedules, which are designed to reflect the differences in the usage characteristics of each customer type and the cost incurred by FPL in providing service to each customer type.

Q. Please describe the various types of rate schedules.

A. Rate schedules generally contain specific prices that are applied to each customer's electric usage amount. Most rate schedules incorporate a base charge, which is a fixed amount that recovers a portion of the fixed costs of providing service and does not vary with usage. Another price component is the energy charge, which for non-demand customers, is designed to recover the remainder of the fixed costs and the variable costs of providing service and varies with the amount of electricity consumed throughout the

month. Some rate schedules also include a demand charge, which reflects the Company's cost of supplying service to meet the maximum demand the customers place on FPL's system. Finally, each rate schedule contains general terms and conditions that describe how the customer's monthly bills are determined. Exhibit TCC-6 provides a narrative explanation of the proposed rate structures of FPL's major rate schedules.

Q. What is the difference between rate classes and rate schedules?

A. Rate classes are groups of individual rate schedules with like billing attributes (*e.g.*, customer type and load size) and rate design relationships that are treated on a combined basis for rate design purposes. As a result, one or more rate schedules may be combined into a single rate class. For example, general service, Rate Schedule GS-1, and general service time-of-use ("TOU"), Rate Schedule GST-1, are combined together into the GS(T)-1 rate class.

Q. What is the difference between revenue classes and rate schedules?

A. Revenue classes represent general categories of customers and are used for financial reporting purposes. There are six retail revenue classes: residential, commercial, industrial, street and highway lighting, railroads and railways, and other. The revenue classes are a combination of different rate schedules, with the exception of the railroads and railways revenue class. This is the only class that is specific to a particular rate schedule, *i.e.*, the Metropolitan Transit Service ("MET") rate schedule. To provide the level of detail required in MFR E-13, the forecasts of sales and customers by revenue class were converted into forecasts of sales and customers by rate schedule.

IV. REVENUE FORECAST BY RATE CLASS

Q. Please describe the steps for developing the forecast of base revenues by rate class.

A. First, the billing determinant forecast for customers, kilowatt-hour ("kWh") sales, and kilowatt ("kW") demand is developed by rate schedule. Next, these billing determinants are applied to the currently applicable rates to provide the base revenue forecast at present rates. The customer, demand, and energy rates are then adjusted as discussed in Section V below and applied to the forecasted billing determinants to provide the forecasted base revenue at proposed rates.

Q. What is meant by "base revenue"?

A. Base revenue represents FPL's total revenues from the sale of electricity and other operating revenues, such as service charges – it excludes wholesale revenue, revenues generated from clauses, applicable storm charges, gross receipts taxes, regulatory assessment fees, and franchise fees. This breakdown is reflected in MFR C-5.

Q. What is meant by "billing determinants"?

A. Billing determinants are the parameters used for billing customers. The applicable billing determinants reflect the rate structure established for a given rate schedule. Base, demand, and energy charges are each associated with their own set of billing determinants. The annual customer billing determinants are expressed in terms of the number of accounts billed by month in a year. Demand billing determinants are expressed in terms of the sum of the kW of customer monthly demand during a year, while energy billing determinants are expressed in terms of kWh. Some rate schedules are limited to customer and energy billing determinants only. For example, customers in the small general service rate schedule ("GS-1") are charged a base charge in

addition to a cents-per-kWh energy charge. GS-1 customers are the smallest of the CI customers, with demands 24 kW or less and a rate schedule that does not include a demand charge. Larger CI customers, on the other hand, are charged on the basis of their demand, *i.e.*, the maximum electric usage in a given time period, and energy consumed. Thus, the rate structure for the general service demand rate schedules ("GSD-1") includes a base charge, a cents-per-kWh energy charge and a dollar-per-kW demand charge.

Q. How is the billing determinant forecast developed?

A. As described above, FPL developed the customer and energy sales forecasts for the appropriate time period. These forecasts are developed on a revenue class basis and must be allocated to the rate schedule level for use in the revenue forecast.

The allocation of customers and kWh sales by rate schedule is developed based on the historical relationship between the number of customers and sales by rate schedule, and customers and sales by revenue class. The result is an estimate of sales and customers by retail rate schedule for the appropriate time periods, which in this case is the 2026 Projected Test Year and the 2027 Projected Test Year.

Finally, additional derivations are made to complete the estimate of customer and energy billing determinants by rate schedule. For example, the kWh sales for the residential rate schedule ("RS-1") are segmented to reflect the inverted rates described in Exhibit TCC-6. Likewise, for TOU rate schedules, total sales are segmented between on-peak and off-peak sales based on historical patterns. In addition, for

demand-metered rate schedules, billing demands are developed based on the historical relationship between billing demand and billed sales by rate schedule.

Q. Are there any exceptions to the process as described?

A. Yes. If a rate class is closed, there is no projected customer growth in a rate class, or a rate schedule is new or experimental, then the number of customers under the rate schedules within that rate class is based on their actual values during the last 12 months ending September 2024, unless customer-specific information was known. These exceptions are limited to a small number of customers (less than 0.5 percent).

Q. Which MFRs provide detail on the retail base revenue forecast described above?

A. MFR A-3 lists the currently approved base tariff charges. MFR E-15 provides a description of how the billing determinants were developed. MFR E-13c provides the results of applying the base tariff charges to the billing determinants, and MFR E-13d provides additional detail on the base revenue forecast for the lighting rate schedules.

V. ALLOCATION OF RATE INCREASE TO RATE CLASSES

Q. Please identify the steps necessary to transform an increased revenue requirement into rate design.

A. There are two main steps in the process. First, the total amount of the increased revenue is allocated to the various rate classes. Consideration is given to the cost of service for each rate class, as well as the Commission's guidelines for gradualism. The second step is to design the specific rate components for each rate class. When developing these components – base charge, energy charge, and demand charge – FPL ensures consistency in the rate design for each customer class. FPL applies increases and

changes proportionately, where appropriate, based on the cost of providing services. This approach takes into consideration customer acceptance and understanding while maintaining objectivity in administering rates.

Q. Please describe the first step of allocating the proposed revenue increase.

A. Revenues are allocated in order to achieve FPL's requested revenue requirement. The increase to revenue has been allocated across various rate classes as shown in MFR E-8. The cost of service study sponsored by FPL witness DuBose provides a guide for evaluating any proposed changes to the level of revenues by rate class. More specifically, the allocation of any revenue increase should be assessed in terms of its impact on the parity index for the respective rate class. FPL has set the target revenue by rate class to improve parity among the rate classes to the greatest extent possible, while following the Commission's longstanding practice of gradualism, which limits the increase of each rate class to 1.5 times the system average increase in revenue, including adjustment clauses, and not allowing any class to receive a decrease.

Q. What does FPL's cost of service study show regarding the system average Rate of Return ("ROR") and the parity indices by rate class?

A. As explained by FPL witness DuBose, FPL's cost of service study shows a retail jurisdictional average ROR of 6.10 percent for the 2026 Projected Test Year and 5.36 percent for the 2027 Projected Test Year. This is consistent with the retail ROR reported in MFR A-1. The cost of service study indicates that parity varies by rate class, with some classes above parity and others below parity. When a rate class is under parity, its ROR is less than the overall FPL system average ROR. An important

goal in setting rates is that all rate classes should be as close to the FPL system average ROR as reasonably practicable in order to minimize the interclass cross subsidies.

Q. What impact would FPL's target revenues by rate class have on parity?

A. Target revenues are the revenues allocated to each rate class in order to move each rate class towards parity. As shown in Exhibit TCC-5 and MFR E-8, under FPL's proposed target revenues by rate class, the parity of all rate classes is improved.

Q. How does FPL propose to achieve these target revenues by rate class?

A. FPL proposes to achieve these target revenues through changes to existing rates while incorporating proposed revisions to service charges. The elements of FPL's proposal are summarized below.

VI. PROPOSED CHANGES TO EXISTING RATES

Q. Please explain FPL's objective for the proposed changes to existing rates.

A. The objective of the proposed changes to existing rates and charges is to achieve the target revenues by rate class as previously discussed. The adjustments to existing rates align with the objectives of ensuring that rates are cost-based, convey appropriate price signals, and are understandable to customers.

Q. Please describe in general terms the methodology you used in developing the proposed changes to FPL's existing base rates.

A. MFR E-1 attachment 2 shows the maximum increase if all rate classes were to achieve 100 percent parity. Consideration was then placed on gradualism and each class's proposed rate of return to achieve the overall rate increase target by rate class. The resulting increase by rate class is presented in MFR E-8 and the projected revenues and

billing determinants by rate schedule are presented in MFR E-13c and MFR E-13d. Current base charges, energy charges and demand charges, where applicable, are increased by the same rate class percentage maintaining rate component relationships established in previous rate proceedings to help ensure rate design consistency. This methodology was applied to both increases proposed for the 2026 Projected Test Year and 2027 Projected Test Year.

Q. What changes are being proposed to the existing residential tariffs?

A. FPL is proposing to increase the residential minimum base bill to $30 from $25 today.[4] As approved in the 2021 Rate Case,[5] the minimum base bill better ensures all residential and general service non-demand customers contribute towards their fair share of fixed system costs, which do not vary with usage of electricity. FPL incurs fixed system costs to connect and serve a customer even if that customer's usage is low or zero, which could result in other customers subsidizing the fixed costs incurred for a customer with low or zero usage, including customers with second homes that may have little or no consumption during periods when the home is unoccupied. Setting the charge at $30 continues to move the minimum bill towards a cost-based rate.

A minimum base bill is preferable to an increase in the residential base charge. FPL's proposed residential base charge in 2026 will be $10.92, which is the lowest among all Florida investor-owned utilities and below the average in Florida. A higher base charge impacts all customers including low-income customers, not just those customers with low or zero usage. As such, it does not necessarily mitigate the potential for other

[4] The calculation of the minimum bill is provided in MFR E-14 Attachment 15.
[5] PSC Order Nos. PSC-2021-0446-S-EI and PSC 2021-0446A-S-EI in Docket No. 20210015-EI.

customers to subsidize the fixed costs incurred for a customer with low or zero usage. In 2026, approximately 370,000 residential and 110,000 general service customers are expected to have a base bill that is less than $30 per month. These are customers using less than 233 kWh and 224 kWh per month, respectively. This usage is essentially equivalent to only running a water heater and no other appliances for the month. The vast majority of customers will have usage that exceeds the low threshold for the minimum base bill over the proposed four-year term.

Q. Is FPL proposing any new residential tariffs, rates, or riders?

A. Yes. The Residential Electric Vehicle Charging Services Rider Pilot ("RS-1EV") has been successful and, based on the lessons learned from this pilot, FPL is proposing two changes to this program. First, FPL is proposing to close the existing RS-1EV to new customers effective January 1, 2026, and provide a date certain for cancellation of this tariff effective December 31, 2029. During this period, FPL proposes to increase the fixed monthly price each January 1 to better reflect the actual costs and usage until the program terminates as explained by FPL witness Oliver. FPL is proposing a new rate schedule RS-2EV, with a fixed monthly price to cover the charger equipment and all charging hours priced at the residential class off-peak rate. Existing customers on rate schedule RS-1EV may voluntarily elect to switch to the new rate schedule RS-2EV. However, at the termination date of rate schedule RS-1EV, these customers will be migrated onto the new rate schedule RS-2EV.

Q. What changes are being proposed to existing CI tariffs?

A. FPL is proposing several changes to existing CI tariffs. FPL is proposing changes to the following Economic Development tariffs.

- FPL is requesting to cancel the Existing Facilities Economic Development Rider (EFEDR) as there are no customers on the tariff and no customers have ever taken service under the tariff.
- FPL is requesting several modifications to the Economic Development Rider (EDR). First, we propose adding a fifth-year discount of 5 percent to be consistent with other IOUs in Florida. We also propose to remove the ratio of job creation to kW. A minimum of 25 jobs will still be required, but not per 350 kW of new load.
- FPL is requesting similar changes to the Large Economic Development Rider (EDR-L). We propose to add a fifth-year discount of 10 percent and to remove the job creation ratio. Forty jobs will still be required to qualify for the tariff but not per 1 MW of new load. FPL also proposes to add a 25 MW cap per location for the EDR-L tariff. Additionally, FPL is proposing to add a target industry qualifying requirement to focus eligibility on attracting competitive economic development projects.

Based on the success and experience of certain pilot programs, FPL is proposing to make the following programs permanent tariffs:

- Supplemental Power Services Rider (OSP-1);
- Solar Power Facilities Pilot Rider (SPF-1);
- Commercial Electric Vehicle Charging Services Rider (CEVCS-1);
- Electric Vehicle Charging Infrastructure Rider (GSD-1EV);
- Electric Vehicle Charging Infrastructure Rider (GSLD-1EV); and

- Utility-Owned Public Charging for Electric Vehicles Pilot (UEV).

FPL is proposing a modification to the General Service Constant Use (GSCU) tariff. Currently, eligibility for the tariff is restricted to customers whose maximum usage over the current and prior 23 months, is within 5 percent of their average monthly usage. However, extended power outages due to hurricanes and storms may restrict a customer's ability to participate on the tariff. FPL is proposing to modify the tariff to exclude months in the calculation when bills are estimated.

FPL is proposing to cancel the following legacy Gulf Power Company tariffs. All tariffs were closed to new customers in the 2021 Rate Case and there are no customers remaining on any of these riders.

- Small Business Incentive Rider (SBIR)
- Medium Business Incentive Rider (MBIR)
- Large Business Incentive Rider (LBIR)
- Extra-Large Business Incentive Rider (XLBIR)
- Curtailable Load (CL) Rider

Finally, FPL is proposing to cancel the Curtailable Service (CS-3) and Curtailable Service Time of Use Tariffs (CST-3) for 69 kV or higher. These rate schedules were closed to new customers in 2018 and there are no customers remaining on these rate schedules.

Q. Is FPL proposing any new CI tariffs, rates, or riders?

A. Yes. FPL is proposing a new rate schedule Large Load Contract Service-1 (LLCS-1) and a new rate schedule Large Load Contract Service-2 (LLCS-2) for future customers with projected new or incremental load of 25 MW or more and a load factor of 85 percent or more consistent with FPL's tariff.

Q. Has FPL included any LLCS-1 or LLCS-2 customers in its 2026 or 2027 forecasts?

A. No. FPL currently does not have agreements to serve any customers of this size in 2026 or 2027. As such, FPL did not include any customers, costs, or revenues associated with Rate Schedules LLCS-1 or LLCS-2 in either its 2026 or 2027 forecasts used in this proceeding.

Q. If FPL is not forecasting any customers, why is FPL is proposing the new rate schedules LLCS-1 and LLCS-2?

A. FPL developed the proposed rate schedules LLCS-1 and LLCS-2, and the associated LLCS Service Agreement, to proactively address the potential scenario that future customers of this size request service within the FPL service area and, if so, to ensure that the general body of customers is protected from higher costs to serve such large load customers. A customer with load of 25 MW or more and a load factor of 85 percent or more will have significant impacts on FPL's transmission system and generation resource plan. In order to serve a customer of this magnitude, FPL will need to make significant investments in new incremental generation capacity that, but for the customer's request for service, would not otherwise be incurred or needed to serve the general body of customers. Thus, the proposed new rate schedules LLCS-1 and LLCS-2 were developed to meet the following objectives: (i) ensure that FPL has a

tariff and service agreement available to serve customers of this magnitude should they request service in the future; (ii) ensure that the cost-causer bears primary responsibility and risk for the significant generation investments required to serve a customer of this size; and (iii) protect the general body of customers and mitigate risk of subsidization and stranded assets.

Q. Please describe FPL's proposed rate schedule LLCS-1.

A. The proposed LLCS-1 rate schedule will be available to serve a combined total load of 3 GW in the Company's service area. Service under the LLCS-1 rate schedule will be limited to three zones in the vicinity of Sunbreak in St. Lucie County, Tesoro in Martin County, and Sugar in Palm Beach County. These zones were selected based on their proximity to FPL's existing 500 kV transmission facilities and in areas suitable for the incremental generation and transmission capacity necessary to serve up to a combined total load of 3 GW, which reduces the need for network upgrades and the overall costs incurred to serve these customers' loads. Rate schedule LLCS-1 will include a stated rate for the costs of the incremental generation capacity necessary to serve the combined total load of 3 GW, which will be reset in a subsequent rate proceeding based on the type, characteristics, size, location, and in-service of the facilities and generation resources installed to serve the load under this rate schedule. The rate schedule will be closed to new or incremental load at the time the total combined 3 GW load cap becomes fully subscribed.

Q. Please describe FPL's proposed rate schedule LLCS-2.

A. Proposed new rate schedule LLCS-2 is similar to LLCS-1 with three primary exceptions: (i) LLCS-2 is not available in the regions serviced under rate schedule

LLCS-1; (ii) LLCS-2 is not capped at 3 GW; and (iii) FPL is not able to provide a stated rate for the incremental generation capacity necessary to serve customer loads under this rate schedule. This is an optional rate for those customers that elect not to site their load within one of the three regions included in LLCS-1.

Q. Please describe how the base rates were designed for rate schedules LLCS-1 and LLCS-2.

A. To recover the shared total system costs from these customers, the base, demand, and non-fuel energy charges for the new rate schedules LLCS-1 and LLCS-2 will all initially be set at unit cost equivalents for the GSLD(T)-3 rate class at parity for transmission costs and weighted for fixed production costs to appropriately recognize the incremental generation above and beyond the total system fixed production that will be deployed to serve these customers. FPL submits that using the unit equivalent charges is reasonable and fair because these customers would otherwise take service on a GSLD-3 rate schedule in absence of the proposed new rate schedules LLCS-1 and LLCS-2. Moreover, the rates ensure that these customers are paying their fair share of the costs of the total system that will be used to serve them. The base, demand, and non-fuel energy charges for rate schedules LLCS-1 and LLCS-2 will be reset in the ordinary course in subsequent base rate proceedings. Additionally, both rate schedules will include an Incremental Generation Charge ("IGC") that is designed to ensure that costs for the incremental generation necessary to serve these loads is recovered from the LLCS-1 and LLCS-2 customers.

Because rate schedule LLCS-1 is only available in close proximity to existing transmission facilities and areas that are suitable for the incremental generation needed to serve up to 3 GW of new demand, FPL calculated the initial IGC based on the estimated cost of the incremental generation that would need to be installed to serve the combined total of 3 GW of demand under rate schedule LLCS-1. This $/kW charge will become effective upon the in-service date and will be reset in subsequent general rate cases in accordance with the actual and estimated type, cost, and in-service date of the generation assets installed to serve the load under this rate schedule.

The incremental generation costs incurred to serve the LLCS customers located outside the regions serviced under rate schedule LLCS-1 will be highly dependent on where the customer is located, timing of when FPL can install the generation and transmission capacity necessary to serve these customers. As a result, the IGC for LLCS-2 will be a formula rate designed to recover the costs incurred for the specific incremental generation resource(s) built to serve the individual customer's contract demand. This $/kW charge will become effective upon the in-service date and, if needed, will be reset in subsequent general rate cases in accordance with the actual type, cost, and in-service date of the generation assets installed to serve the customer's load.

Q. Please describe the protections for the general body of customers included in rate schedules LLCS-1 and LLCS-2.

A. Both rate schedules LLCS-1 and LLCS-2, as well as the LLCS Service Agreement, include important measures designed to protect the general body of customers from the incremental costs incurred for providing the incremental generation capacity necessary

to serve these significantly large load customers with high load factors. These protections include:

- Service under these rate schedules is limited to the Company's available capacity based on the estimated in-service date.[6]
- FPL will have sole discretion to select the resource(s) necessary and appropriate to serve all load under these rate schedules schedule consistent with the Company's standard total system resource planning process and the applicable Ten-Year Site Plan approved by the Commission.
- Customers must enter the proposed LLCS Service Agreement, which is a tariff agreement that, among other things: implements the terms of service under rate schedules LLCS-1 and LLCS-2; explains ownership, operational, and construction responsibilities; addresses the in-service date for contracted capacity; requires a new system impact study and agreement for any additional load to be installed at the site; and details the commercial terms and conditions of the service.
- Minimum term of 20 years with a 2-year termination notice requirement, which ensures that the LLCS customers pay back the costs incurred to serve them over the term of the agreement.
- A set maximum contracted demand amount with a negotiated load ramp period, which will allow FPL to match the deployment of its transmission

[6] The rates for service will likewise not apply until the in-service date and will be subject to an agreed-upon load ramp.

and generation resources with a negotiated and mutually agreeable ramp-up in the customer's demand.

- Minimum take-or-pay requirements starting with the in-service date, which ensures that the LLCS-1 and LLCS-2 customers pay their fair share of the costs incurred to serve them even if their projected load is delayed or fails to materialize.
- Exit fees for early termination, which are designed to help ensure that the general body of customers does not subsidize the incremental generation costs incurred to serve the LLCS-1 and LLCS-2 customers.

These measures are all designed to proactively protect the general body of customers from incremental generation costs that, but for the LLCS-1 and LLCS-2 customers, would not have otherwise been incurred and are not needed to serve the general body of customers. These protective measures are further described in rate schedule LLCS-1, rate schedule LLCS-2, and the LLCS Service Agreement included in the proposed tariff sheets presented in MFR E-14, Attachment 1.

Q. Is FPL proposing any changes to the incentive levels for Commercial/ Industrial Demand Reduction Rider ("CDR") or Commercial/ Industrial Load Control ("CILC") customers?

A. Yes. As explained by FPL witness Whitley, FPL has determined the appropriate and cost-effective incentive levels for the load control programs. For CDR, the appropriate incentive is $6.22/kW. For CILC, because the credit is built into the rate schedule as a percentage reduction from the standard rate rather than a flat $/kW credit, FPL proposes to reduce the incentive level commensurate with the proposed incentive level for CDR.

To determine the proposed CILC rates, FPL follows its cost of service study and allocates revenue requirements to bring the CILC customers closer to parity as shown on Exhibit TCC-5, and then applies a percentage reduction that is equivalent to the $/kW percentage reduction in CDR incentive as recommended by FPL witness Whitley.

The revenues from the CILC/CDR credits are recovered through the Energy Conservation Cost Recovery ("ECCR") clause and are paid for by all customers. The annual savings associated with the reduction in the credit for CILC and CDR customers is approximately $22 million in 2026 and 2027.

Q. How will the target revenues be recovered from the lighting rate classes?

A. Exhibit TCC-6 reflects how each of the lighting rate classes are adjusted to achieve the target revenues for each class.

Q. Is FPL proposing any changes to the lighting rate schedules?

A. Yes. There are a number of lighting rate schedules that were closed to new customers in the 2021 Rate Case. Sodium vapor and metal halide lights used in these rate schedules are no longer manufactured and customers will be migrated to LED lighting over the next few years. FPL is proposing a date certain in which to cancel rate schedules Street Lighting (SL-1), Outdoor Service (OS-I/II) and Outdoor Lighting (OL-1) of December 31, 2029.

Q. Which MFRs provide additional information on the proposed changes to existing rates that you have outlined?

A. MFR A-2 presents the impact of the proposed rate changes to the typical bills. MFR A-3 provides a summary of those proposed rate changes. The applicable proposed tariff sheets are presented in MFR E-14, Attachment 1.

MFR E-14, starting in Attachment 2, provides work papers outlining the derivation of the proposed changes to FPL's existing rates. The revenue impact from the proposed changes to existing rates is shown in MFRs E-12, E-13a, E-13c and E-13d. The parity indices under proposed rates are shown in MFR E-8. In addition, Exhibit TCC-6 provides a narrative explanation of the proposed rate structures and rate design.

VII. OTHER TARIFF CHANGES

Q. Is FPL proposing other changes to its tariff in this proceeding?

A. Yes. FPL is proposing a tariff change to modify the Contribution-in-Aid of Construction ("CIAC") tariff (Tariff Sheet No. 6.199), which is discussed below and further sponsored by FPL witness De Varona. In addition, FPL has made certain modifications and improvements to various existing tariff provisions to update and better clarify the language, and to provide greater transparency on the expectations and obligations of the Company, customers, and applicants for service. All of the foregoing tariff changes are presented in MFR E-14, Attachment 1.

Q. Please describe the proposed modification to the CIAC tariff.

A. The general body of customers bears the interim risk that the projected load and estimated annual revenue used to calculate the applicant's CIAC amount will, in fact, materialize over the four-year period used to calculate the CIAC amount. This risk to the general body of customers increases for large projects requiring significant transmission and/or distribution costs to extend service as further explained by FPL witness De Varona. To better protect the general body of customers from the risks associated with the cost incurred to install new or upgraded facilities to serve significantly large new or incremental loads, FPL is seeking to modify its CIAC tariff, Tariff Sheet No. 6.199.

The proposed CIAC tariff requirement will apply to all non-governmental applicants that (i) have total projected load of 15 MW or more at the point of delivery or (ii) require new or upgraded facilities with a total estimated cost of $25 million or more at the point of delivery. An applicant that meets or exceeds one or both of these thresholds will be required to advance the total estimated costs to extend service and will receive a refund of the advanced costs minus the CIAC amount due under Rule 25-6.064, Florida Administrative Code. Upon the in-service date, the applicant will receive the refund through monthly bill credits that are equal to the applicant's actual monthly base energy and base demand charges for that billing cycle. The total amount eligible for refund shall be limited to the total costs to extend service less the required

CIAC amount.[7] The refund period will be limited to a maximum of five years from the in-service date or until the full costs to extend service, less the required CIAC, has been refunded to the applicant through bill credits, whichever occurs first. Any remaining balance after the end of the five-year refund period will become non-refundable.

Q. Can you provide an example of how the proposed CIAC tariff requirement would be applied?

A. Yes. The Table 3 below provides simplified illustrative examples of how the proposed new CIAC tariff requirement would be applied for an applicant that requires FPL to incur $125 in costs to extend service to the applicant with a projected load that produces an estimated annual revenue of $25.[8]

Table 3

		Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total Refund[9]	Total CIAC[10]
Example 1	Upfront Cost	$125							
	Base Bill		$25	$25	$25	$25	$25		
	Credit		$25	$25	$25	$25	$0	$100	$25
Example 2	Upfront Cost	$125							
	Base Bill		$10	$10	$25	$40	$25		
	Credit		$10	$10	$25	$40	$15	$100	$25
Example 3	Upfront Cost	$125							
	Base Bill		$25	$50	$25	$25	$25		
	Credit		$25	$50	$25	$0	$0	$100	$25
Example 4	Upfront Cost	$125							
	Base Bill		$15	$15	$15	$15	$15		
	Credit		$15	$15	$15	$15	$15	$75	$50

[7] Importantly, the CIAC amount to be paid by the applicant will continue to be calculated using the formulas prescribed in Rule 25-6.064, Florida Administrative Code. Thus, all things being equal, at the end of the refund period the applicant will ultimately pay the same total CIAC amount they would pay today.

[8] Under Rule 25-6.064, Florida Administrative Code, the CIAC amount would be $25 for this hypothetical example ($125 – (4 x $25) = $25), and the potential refund amount would be $100.

[9] Sum of total credits issued over the five-year refund period.

[10] Total CIAC paid at end of five-year period equals upfront costs minus the total refund.

Under these examples, in no event will the applicant receive a refund of more than $100, and the CIAC the applicant must pay is $25. The refund is a bill credit equal to the monthly base charges, and the refund period runs a maximum of five years or until the $100 has been refunded, whichever occurs first. However, as shown in Example 3 above, if the applicant's revenues over the five-year period do not total $100, the balance at the end of that five-year period is not refunded, which is consistent with the current treatment under FPL's existing Performance Guaranty Agreement tariff.

Importantly, it is the applicant, not FPL or the general body of customers, that controls whether the projected load that caused the costs to be incurred will actually materialize. Thus, rather than placing the interim risk on the general body of customers that an applicant with large projected load will materialize, the proposed new CIAC tariff requirement shifts that risk to the cost causer.

Q. Is FPL proposing any changes to its service charges?

A. Yes. FPL has updated the cost basis of all the Company's service charges as shown on MFR E-7. The proposed service charges are shown on MFR E-13b, aligning the rates for these services with their current cost structure.

As discussed by FPL witness De Varona, FPL is proposing to add a charge for temporarily relocating FPL facilities to accommodate existing customer' electrical installations, as well as the associated disconnection and reconnection of service to enable such installations. Currently, there are no applicable tariff provisions that address the treatment of these costs and they are borne by the general body of FPL

customers. FPL is proposing the change to ensure that the existing customer who is causing FPL to incur additional temporary relocation expenses pays for the expenses. The new tariff provision will be implemented once system changes are complete, on or about early 2027.

Final service charge revenue is accounted for in the Company's final rates as presented in MFR E-13b.

VIII. PROPOSED RATE ADJUSTMENTS FOR 2028 AND 2029 SoBRAS

Q. How does FPL propose to recover the revenue requirements of the SoBRA mechanism for years 2028 and 2029?

A. FPL proposes to implement new rates to recover the annualized revenue requirements associated with the 2028 and 2029 SoBRAs concurrent with the in-service date of the projects as described in Exhibit SRB-7 attached to the direct testimony of FPL witness Bores. Exhibit TCC-2 provides illustrative bill projections associated with the SoBRA mechanism for years 2028 and 2029. If future SoBRA filings are approved by the Commission, FPL will send a letter to advise when the unit has gone into service, at which time the tariffs reflecting the Commission-approved SoBRA adjustment can be administratively verified.

Q. Does this conclude your direct testimony?

A. Yes.

Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY TIFFANY C. COHEN

MFR	Period	Title
SOLE SPONSOR:		
A-02	2026 Projected Test Year 2027 Projected Test Year	FULL REVENUE REQUIREMENTS BILL COMPARISON - TYPICAL MONTHLY BILLS
A-03	2026 Projected Test Year 2027 Projected Test Year	SUMMARY OF TARIFFS
C-40	2024 Historic Year 2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	O&M COMPOUND MULTIPLIER CALCULATION
E-05	2026 Projected Test Year 2027 Projected Test Year	SOURCE AND AMOUNT OF REVENUES - AT PRESENT AND PROPOSED RATES
E-08	2026 Projected Test Year 2027 Projected Test Year	COMPANY - PROPOSED ALLOCATION OF THE RATE INCREASE BY RATE CLASS
E-12	2026 Projected Test Year 2027 Projected Test Year	ADJUSTMENT TO TEST YEAR REVENUE
E-13a	2026 Projected Test Year 2027 Projected Test Year	REVENUE FROM SALE OF ELECTRICITY BY RATE SCHEDULE
E-13c	2026 Projected Test Year 2027 Projected Test Year	BASE REVENUE BY RATE SCHEDULE - CALCULATIONS
E-13d	2026 Projected Test Year 2027 Projected Test Year	REVENUE BY RATE SCHEDULE - LIGHTING SCHEDULE CALCULATION
E-14	2026 Projected Test Year 2027 Projected Test Year	PROPOSED TARIFF SHEETS AND SUPPORT FOR CHARGES
E-15	2026 Projected Test Year 2027 Projected Test Year	PROJECTED BILLING DETERMINANTS - DERIVATION
E-18	2024 Historic Year 2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	MONTHLY PEAKS
F-06	2026 Projected Test Year 2027 Projected Test Year	FORECASTING MODELS - SENSITIVITY OF OUTPUT TO CHANGES IN INPUT DATA
F-07	2026 Projected Test Year 2027 Projected Test Year	FORECASTING MODELS - HISTORICAL DATA

Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY TIFFANY C. COHEN

MFR	Period	Title
CO-SPONSOR:		
C-05	2026 Projected Test Year 2027 Projected Test Year	OPERATING REVENUES DETAIL
C-12	2024 Historic Year 2026 Projected Test Year 2027 Projected Test Year	ADMINISTRATIVE EXPENSES
C-13	2024 Historic Year	MISCELLANEOUS GENERAL EXPENSES
C-14	2024 Historic Year 2026 Projected Test Year 2027 Projected Test Year	ADVERTISTING EXPENSE
C-15	2024 Historic Year 2026 Projected Test Year 2027 Projected Test Year	INDUSTRY ASSOCIATION DUES
C-33	2024 Historic Year 2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	PERFORMANCE INDICIES
C-34	2024 Historic Year 2027 Projected Test Year	STATISTICAL INFORMATION
C-35	2024 Historic Year 2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	PAYROLL AND FRINGE BENEFIT INCREASES COMPARED TO CPI
C-36	2024 Historic Year 2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	NON-FUEL OPERATION AND MAINTENANCE EXPENSE COMPARED TO CPI
C-37	2026 Projected Test Year 2027 Projected Test Year	O&M BENCH COMPARISON BY FUNCTION
E-01	2026 Projected Test Year 2027 Projected Test Year	COST OF SERVICE STUDIES
E-07	2026 Projected Test Year 2027 Projected Test Year	DEVELOPMENT OF SERVICE CHARGES
E-09	2026 Projected Test Year 2027 Projected Test Year	COST OF SERVICE - LOAD DATA
E-11	2026 Projected Test Year 2027 Projected Test Year	DEVELOPMENT OF COINCIDENT AND NON-COINCIDENT DEMANDS FOR COST STUDY

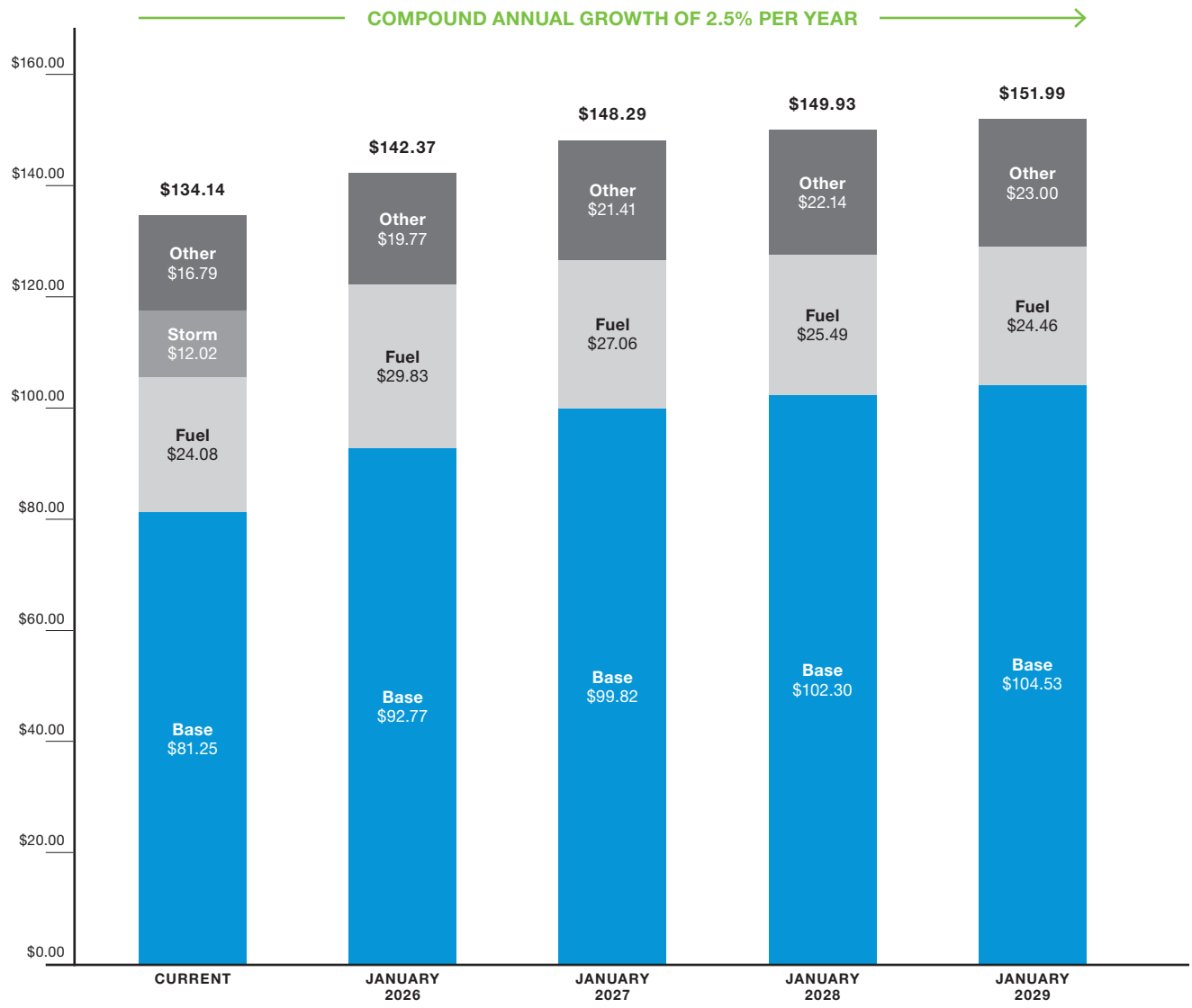
Florida Power & Light Company

MFRs SPONSORED OR CO-SPONSORED BY TIFFANY C. COHEN

MFR	Period	Title
CO-SPONSOR:		
E-13b	2026 Projected Test Year 2027 Projected Test Year	REVENUES BY RATE SCHEDULE - SERVICE CHARGES (ACCOUNT 451)
E-16	2025 Prior Year 2026 Projected Test Year 2027 Projected Test Year	CUSTOMERS BY VOLTAGE LEVEL
E-19a	2026 Projected Test Year 2027 Projected Test Year	DEMAND AND ENERGY LOSSES
E-19b	2026 Projected Test Year 2027 Projected Test Year	ENERGY LOSSES
E-19c	2026 Projected Test Year 2027 Projected Test Year	DEMAND LOSSES
F-05	2026 Projected Test Year 2027 Projected Test Year	FORECASTING MODELS
F-08	2026 Projected Test Year 2027 Projected Test Year	ASSUMPTIONS

Typical 1,000 kWh Residential Customer Bill Comparison

RS-1 Rate

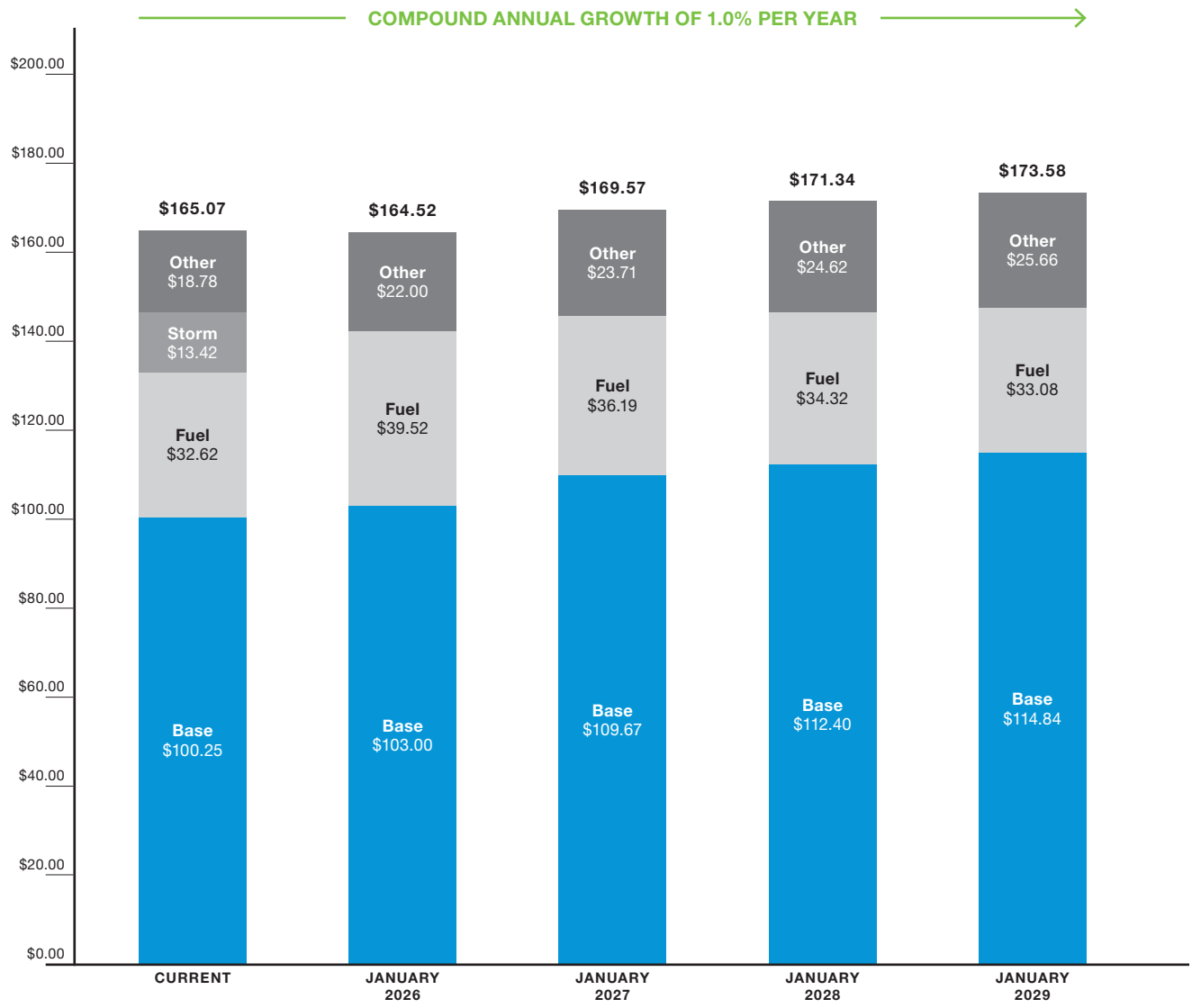


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

Typical 1,200 kWh Commercial Customer Bill Comparison

GS-1 Rate

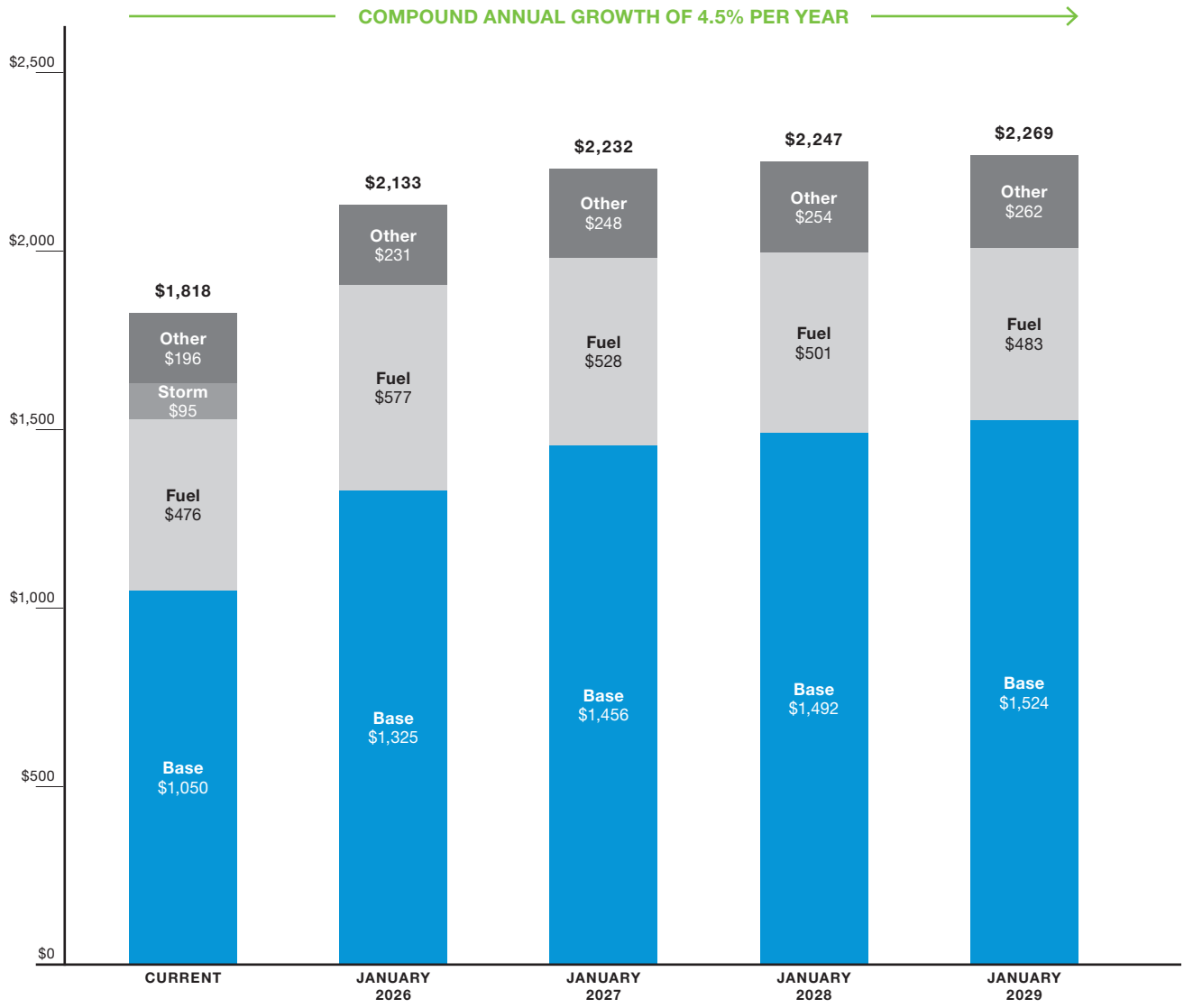


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

17,520 kWh / 50 kW Commercial Customer Bill Comparison

GSD-1 Rate

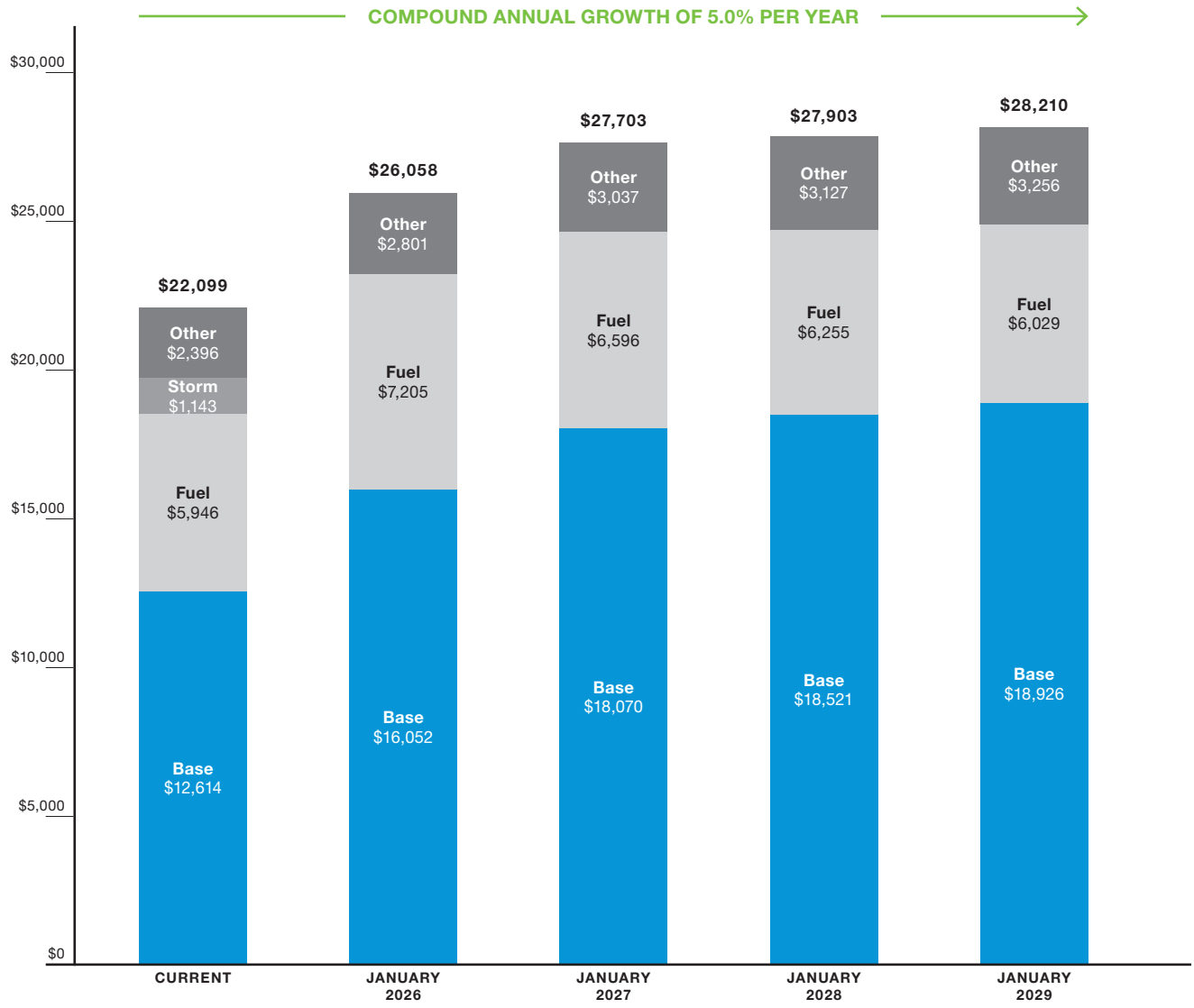


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

219,000 kWh / 600 kW Commercial Customer Bill Comparison

GSLD-1 Rate

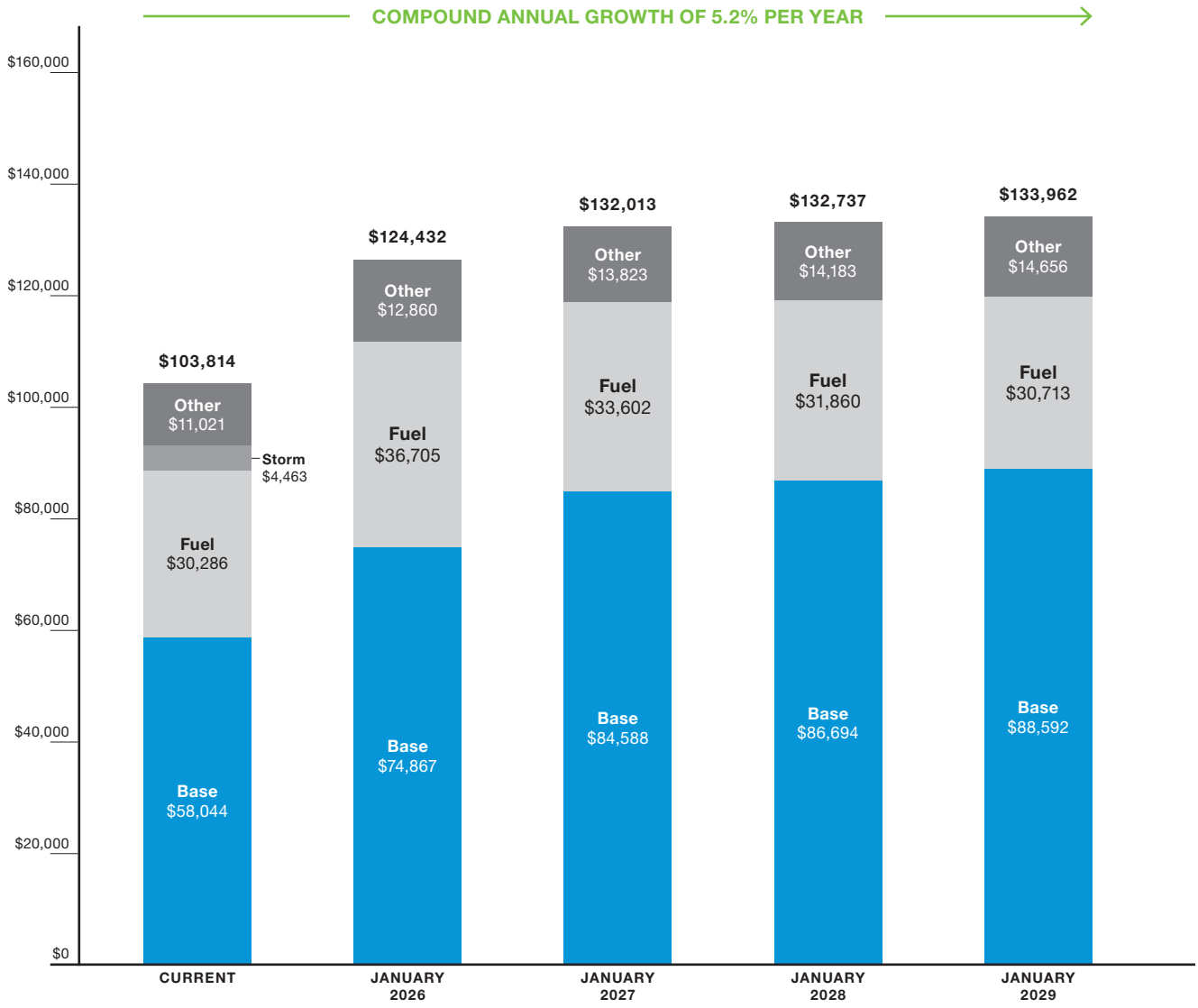


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

1,124,000 kWh / 2,800 kW Commercial Customer Bill Comparison

GSLD-2 Rate

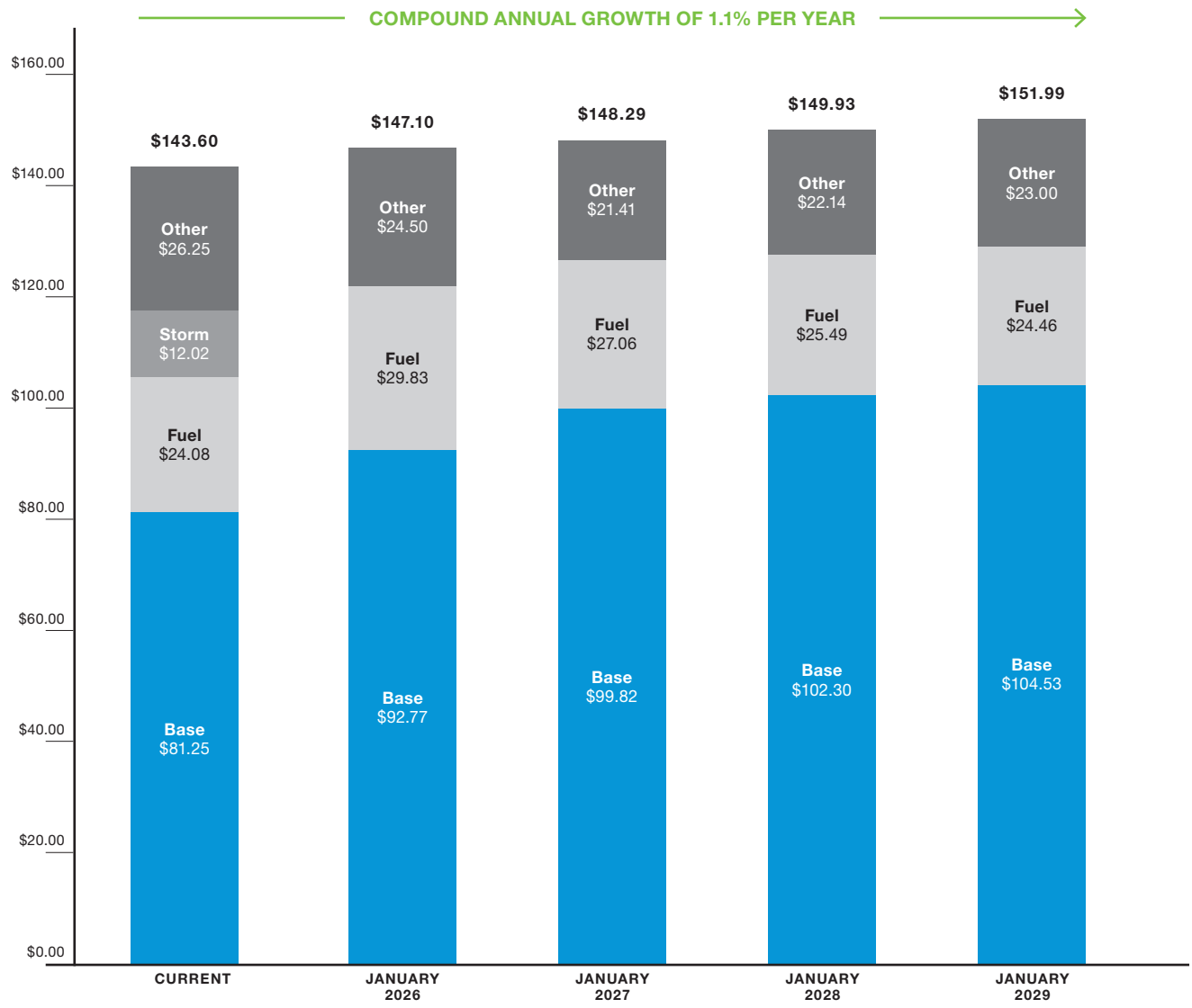


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

Typical 1,000 kWh Residential Customer Bill Comparison

RS-1 Rate (NWFL)

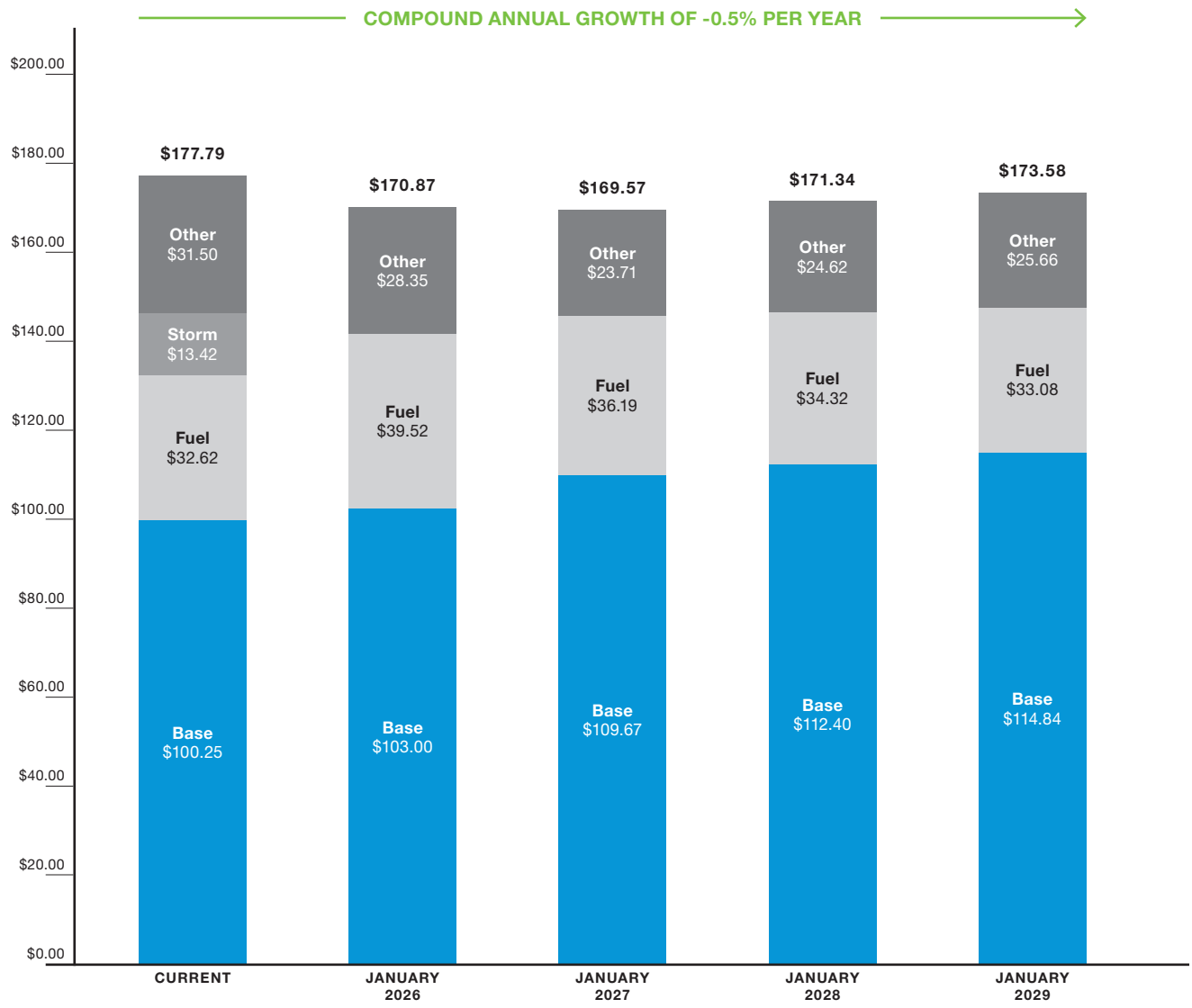


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

Typical 1,200 kWh Commercial Customer Bill Comparison

GS-1 Rate (NWFL)

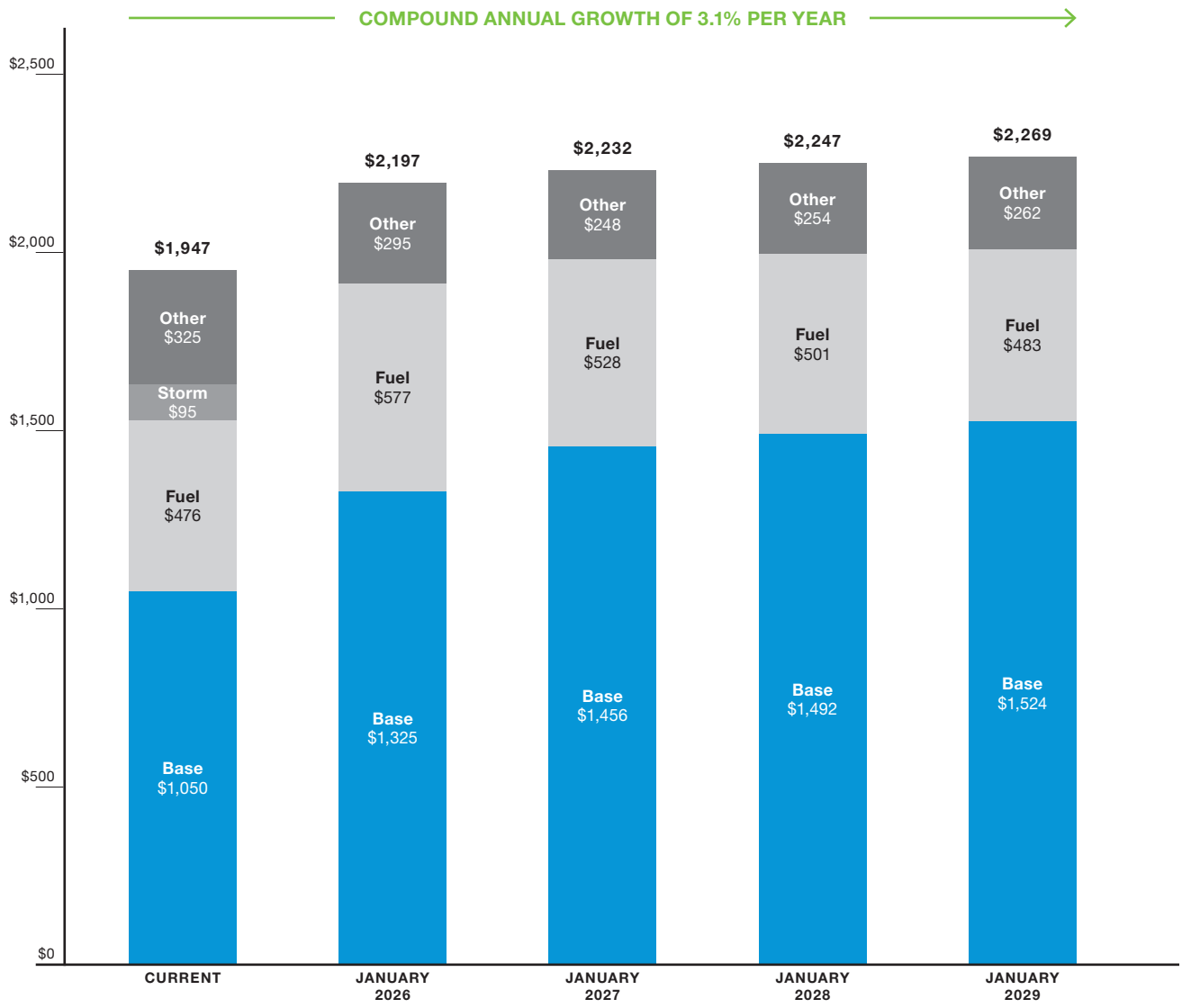


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

17,520 kWh / 50 kW Commercial Customer Bill Comparison

GSD-1 Rate (NWFL)

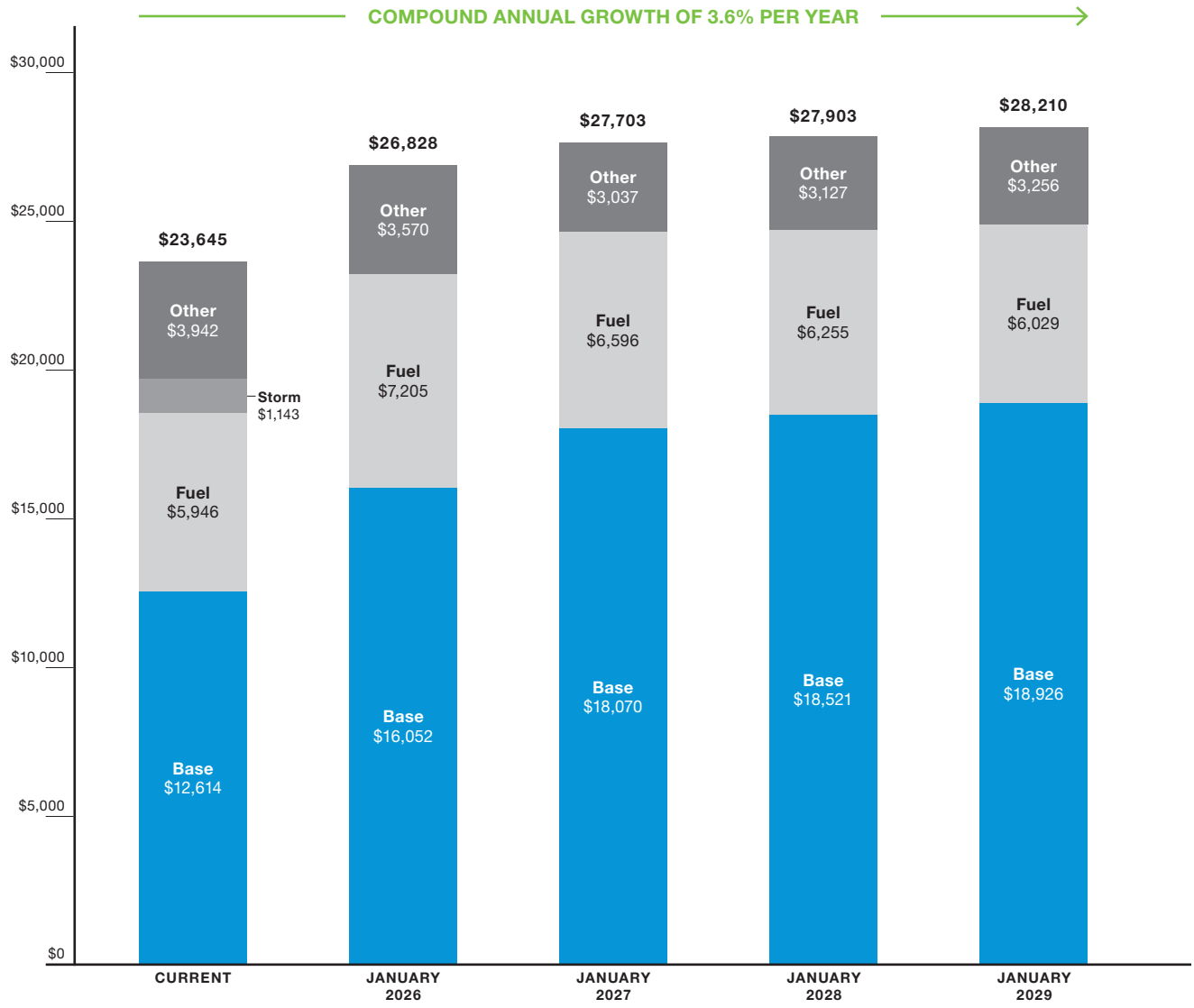


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

219,000 kWh / 600 kW Commercial Customer Bill Comparison

GSLD-1 Rate (NWFL)

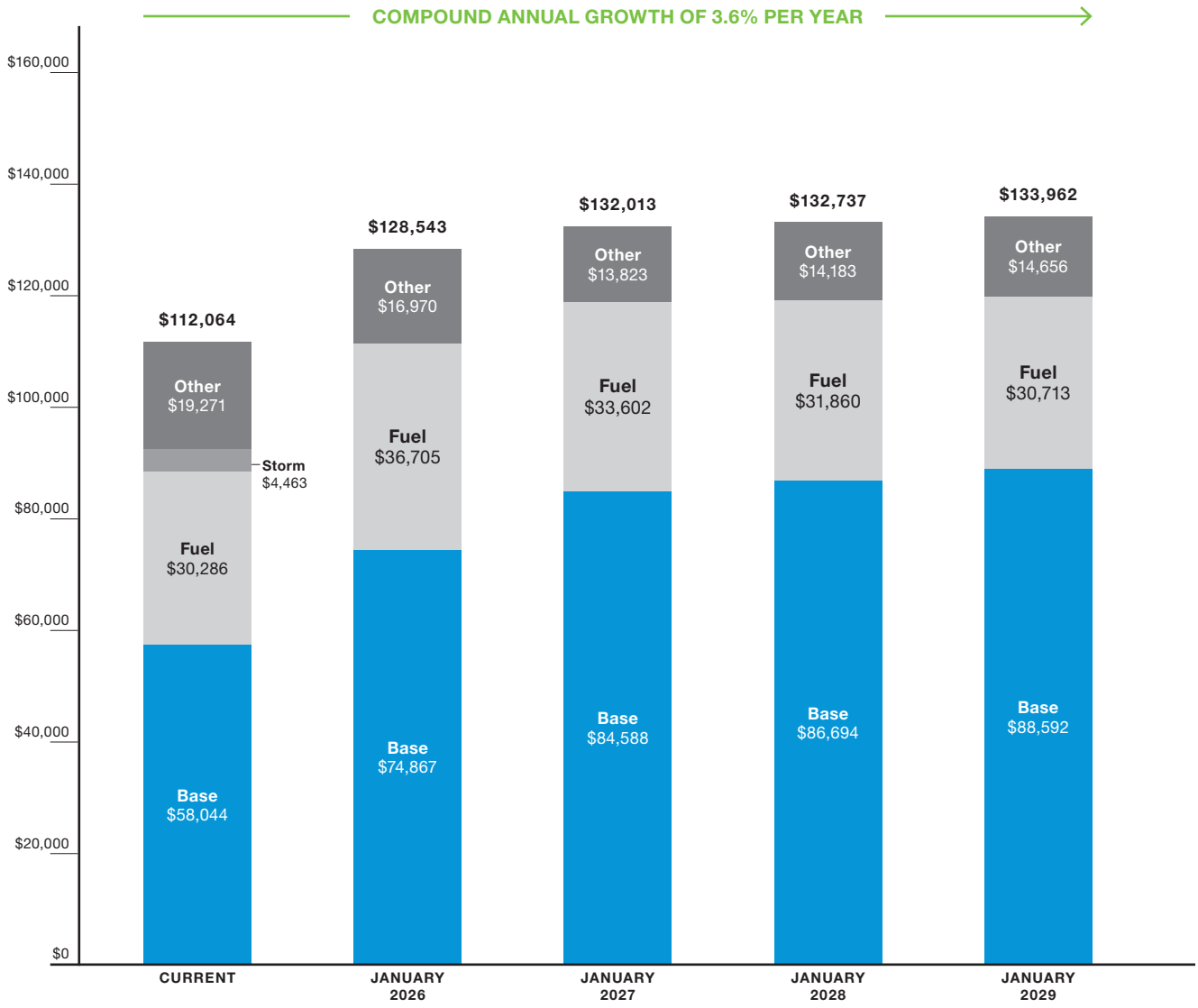


Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

1,124,000 kWh / 2,800 kW Commercial Customer Bill Comparison

GSLD-2 Rate (NWFL)



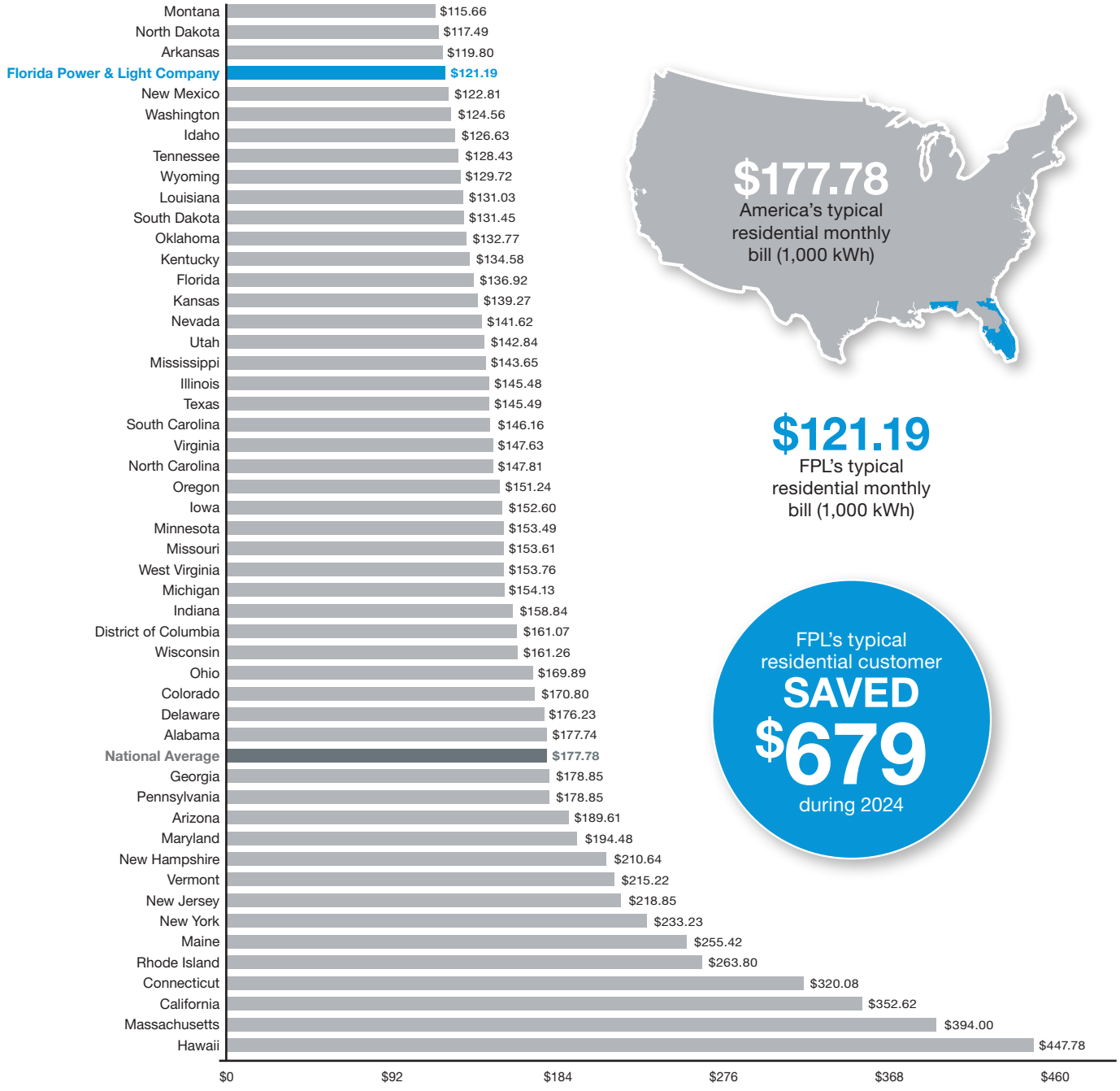
Notes:

1. *Other includes Conservation Clause, Environmental Clause, Capacity Clause, Storm Protection Clause, Transition Rider (2026), Regulatory Assessment Fee, and Gross Receipts Tax*
2. *Compound Annual Growth Rate is calculated on the full year*

Residential customer bills are 32 percent lower than the national average

Ranked by State; Rates Effective July 2024

Typical 1,000-kWh residential bill

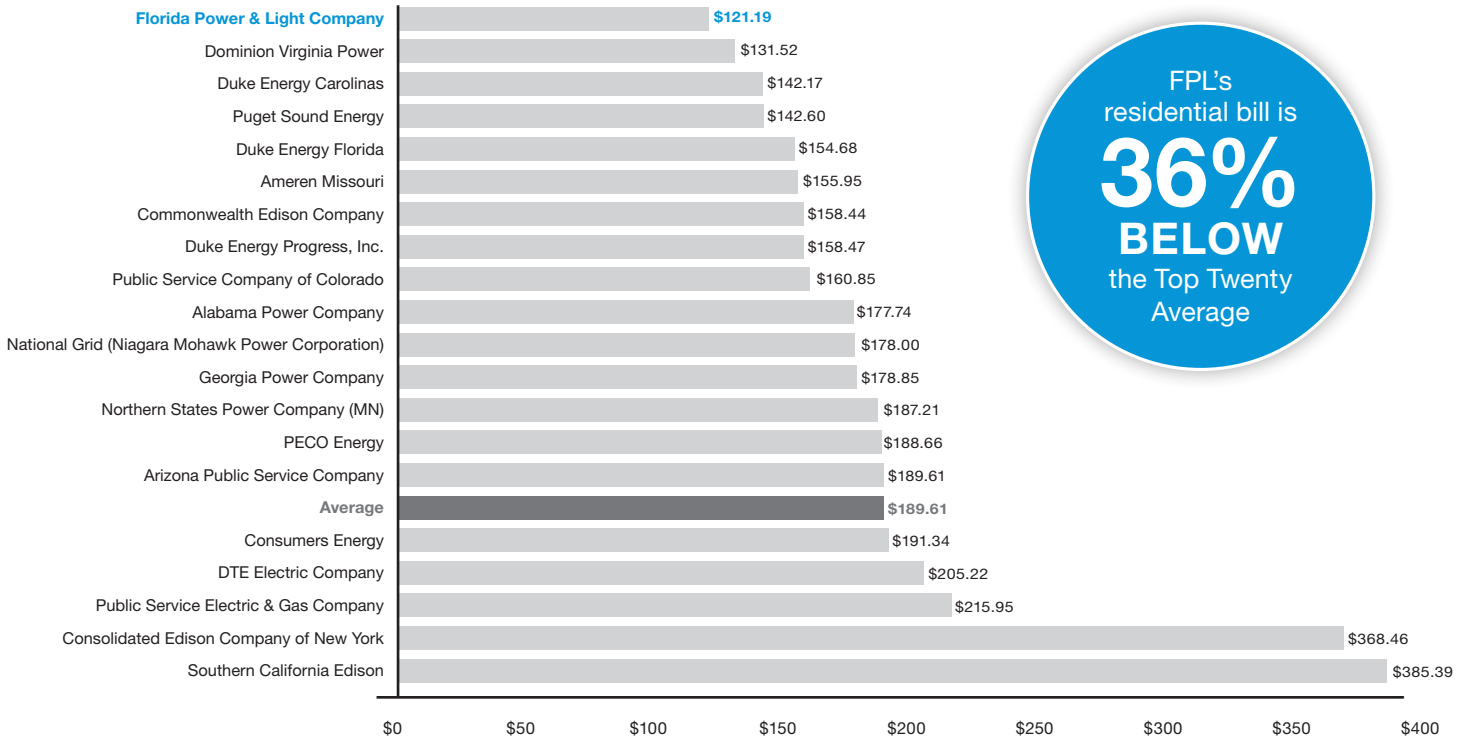


Data source: Bill comparisons as reported in the Edison Electric Institute (EEI) Typical Bills and Average Rates Report for Summer 2024. Alaska and Nebraska do not report to EEI.
Averages only include vertically integrated utilities that report their rates to EEI and may not be all-inclusive.
FPL bill includes the state gross receipts tax but does not include credits, local taxes or fees that may be applicable in some jurisdictions.

Top Twenty Residential Electric Bill Comparison

Ranked by Customers; Rates effective July 2024

Typical 1,000 kWh residential bill



Top Twenty is based on 2023 Energy Information Administration (EIA) reported customers.
Typical Bills are reported by EEI Typical Bills and Average Rates Report for Summer 2024.
Analysis includes only utilities reported by both sources.

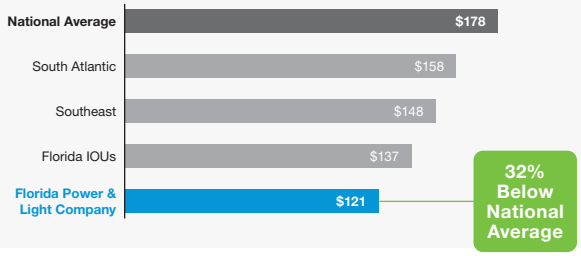
Typical bill comparisons for residential and business customers

State, regional, and national average bill comparisons

Rates Effective July 2024

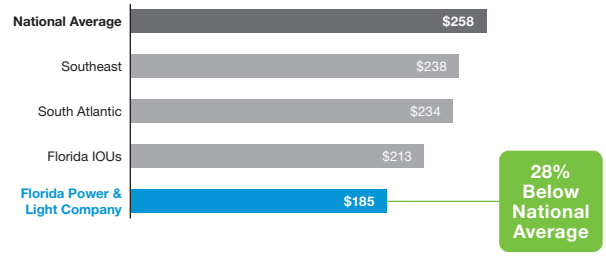
Residential 1,000 kWh

Typical monthly usage for a home or apartment



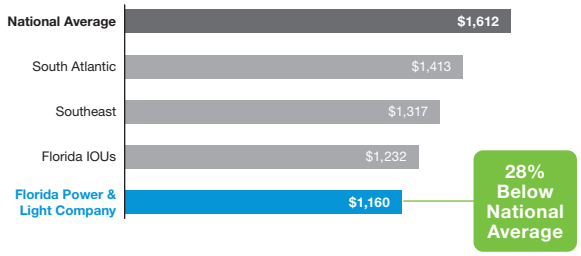
Small Business 1,500 kWh

Examples: office, storefront, farm pumps



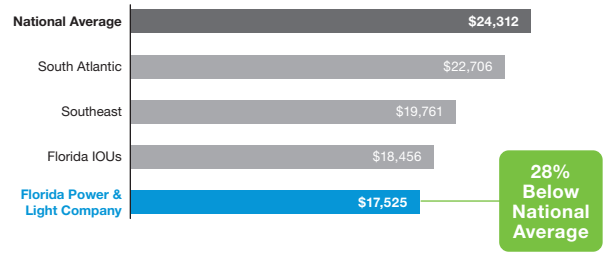
Commerical 40kW 10,000 kWh

Examples: small manufacturing facility, bank branch office, retail store, restaurant, medical office



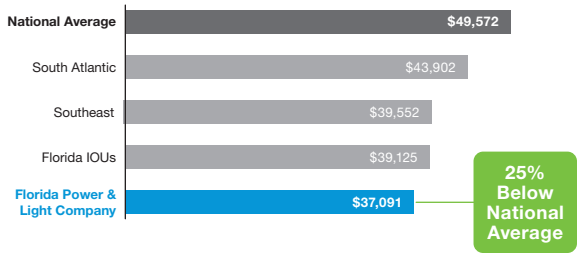
Commercial 500 kW 180,000 kWh

Examples: school, department store, large call center, grocery store



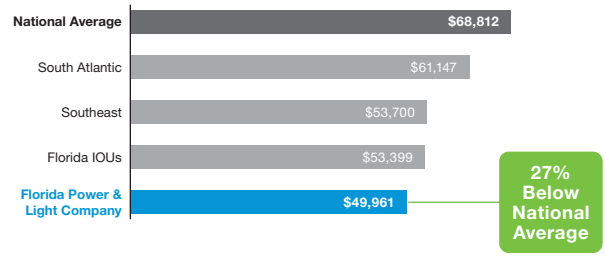
Industrial 1,000 kW 400,000 kWh

Examples: manufacturing facility, large school

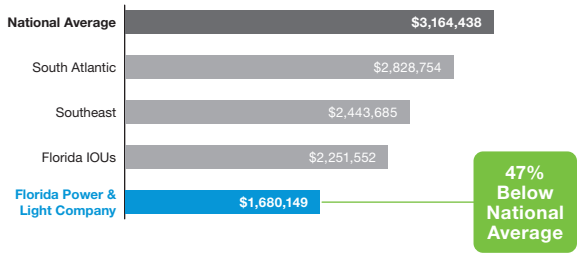


Industrial 1,000 kW 650,000 kWh

Example: large manufacturing facility



Industrial 50,000 kW 32,500,000 kWh



Southeast States: Alabama, Florida, Georgia, Mississippi, South Carolina, North Carolina, and Virginia
South Atlantic States: District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia and West Virginia
Bill comparisons as reported in the Edison Electric Institute (EEI) Typical Bills and Average Rates Report for Summer 2024
Source: EEI Typical Bills and Average Rates Report

FPL's Load Forecasting Process for 2026-2029

This document describes the process used by FPL to produce reliable, unbiased forecasts of customers, energy sales, and system peak demands for the FPL system for 2026 through 2029. A more detailed description of the forecasting process is provided in MFR F-5.

I. OVERVIEW

Customer forecasts reflect the total number of active accounts served by FPL and include the impacts of new service installations combined with other factors, including changes in the number of inactive accounts. Retail delivered energy sales reflect the amount of energy provided to all retail customers served by FPL. Net Energy for Load ("NEL") is another measure of energy sales that takes into account the Megawatt Hours ("MWh") FPL provides to its retail and wholesale customers as well as system losses and energy used by company-owned facilities. Peak demands refer to the highest hourly integrated NEL over a given period of time.

The forecasts were developed using econometric models as the primary tool. The various econometric models are statistically sound and include logically reasonable drivers obtained from leading industry experts. This approach provides accurate forecasts that are used for all business purposes.

FPL developed the customer, energy sales, and peak demand forecasts for years 2026 through 2029 using actual data through June 2024 and S&P Global's (formerly IHS Markit) July 2024 economic projections. FPL has relied on economic projections from S&P Global for a number of years, including the forecasts provided in the FPL 2024-2035 Ten Year Site Plan (hereinafter, the "FPL 2024 TYSP"). The July 2024 vintage data is the most up-to-date and accurate information available at the time the forecasts were prepared.

Consistent with industry standard practices, FPL used adjusted R-squared, Mean Absolute Percent Error ("MAPE"), and the Durbin-Watson statistic to evaluate the robustness and accuracy of its forecast models. Additionally, the variables included in each model were also evaluated using the p-values for each variable. Descriptions of each statistical measure is provided below:

- The adjusted R-squared is a measure that quantifies how much of the variations in history are explained by the models. Adjusted R-squared values range from 0 to 100 percent, and higher values are preferred.
- MAPE is a measure of model residuals, which are the differences between the model's estimate for a historical period versus the actual historical value. The residuals are expressed on an absolute percentage basis and then averaged. MAPE values range from 0 percent and upward, and lower values are preferred.
- Durbin-Watson is a measure of serial correlation in the model's residuals, where serial correlation is when the residual in one period is highly correlated to residuals in prior periods. Ideally, model residuals should have a random pattern. Durbin-Watson statistic values range from 0 to 4, and 2 is the preferred value.

- P-value is a measure which indicates the statistical significance of a variable to the model. P-values range from 0 to 100 percent, and lower values are preferred.

FPL's approach to developing the customer, energy sales, and peak demand forecasts for 2026-2029 is the same approach used in FPL's most recent 2021 base rate proceeding at Docket No. 20210015-EI. The approach used by FPL to develop the forecasts for 2026-2029 is also consistent with the criteria used by the Florida Public Service Commission ("Commission") in recent years to evaluate utilities' forecasts.[1]

II. IMPACTS OF WEATHER ON FORECASTS

Weather is a key driver for both energy sales and peak demands. Electricity sales will increase during periods of warm weather due to higher cooling load, which is additional electricity usage due to higher air conditioning usage. Energy sales will also increase during periods of cold weather due to higher heating load, which is additional electricity usage due to increased usage of electric heating. Peak demands are also affected by weather; however, for any given historical period, weather can have differing impacts on energy sales versus peak demands. This is because peak demands are the highest hourly energy usage, which means peak demands are affected by short-term weather patterns. Energy sales, on the other hand, are the cumulative energy used over a period of time, so energy sales are impacted by weather patterns that occur over longer periods of time.

Weather impacts are captured in the load forecasting process by first identifying the appropriate sources for weather data. Next, historical weather variables specific to each model are then calculated and included in the respective models. Finally, projected values for each weather variable, or "normal weather," are then calculated using the historical weather data.

Weather normalization refers to the process of adjusting actual energy sales or peak demands to reflect average, or normal weather. It is an industry best practice to use weather-normalized historical data when calculating growth rates. If the growth rates are calculated using historical data that is not weather-normalized, the resulting calculated growth rates will be affected by the variability of weather. Weather normalizing historical data removes the variability of weather and the resulting growth rates reflect the true underlying growth trends. Similarly, weather-normalized historical data is also necessary when determining the accuracy of a forecast. For example, electric utilities in Florida have relied on weather-normalized sales variances in their rate filings consistent with the Commission's policy that rates be based on weather-normalized sales.[2]

[1] The Commission has evaluated utilities' forecasts based on the use of statistically sound forecasting methods and reasonable input assumptions (*e.g.*, Order Nos. PSC-16-0032-FOF-EI, PSC-14-0590-FOF-EI, PSC-13-0505-PAA-EI, PSC-12-0179-FOF-EI, PSC-12-0187-FOF-EI, PSC-09-0283-FOF-EI and PSC-08-0518-FOF-EI). The Commission has also considered whether a forecast is applied consistently; that is, whether a forecast used for one purpose, such as a rate filing, is the same forecast used for other purposes, such as generation planning (Order No. PSC-09-0283-FOF-EI). Additionally, the Commission has considered a utility's record of forecasting accuracy when evaluating forecasts (Order No. PSC-16-0032-FOF-EI).

[2] Order No. PSC-11-0103-FOF-EI.

For purposes of the FPL forecasts, normal weather is calculated as the average of the most recent 20 years of historical weather. Although there may be some exceptions, the 20-year normal weather is a widely used industry practice. FPL, former Gulf Power Company, and Tampa Electric Company have relied on 20-year normal weather for forecasting and weather normalization. The use of 20-year normal weather is appropriate because it provides stability to the weather assumptions, which in turn provides greater stability to the load forecasts, and this stability is especially important given the inherent volatility of weather.

Consistent with industry standard practice, all historical weather data is based on weather observations from the National Oceanic and Atmospheric Administration ("NOAA"). The historical weather for the FPL service area is based on a system average temperature using the weather data from the Miami, West Palm Beach, Fort Myers, Daytona Beach, and Pensacola weather stations.

The energy sales forecast models use cooling degree hours and heating degree hours, while the peak demand models use peak day hourly temperatures or degree hours. Cooling degree hours are a cumulative measure of temperatures above the temperature threshold where cooling load increases, and heating degree hours are a cumulative measure of temperatures below the temperature threshold where heating load increases. Since energy sales are a cumulative measure of energy sales over a given time period, cooling degree hours and heating degree hours are appropriate weather variables for energy sales models. Unlike energy sales, peak demand is the highest hourly integrated demand during a given time period; therefore, peak day hourly temperatures or degree hours are the appropriate weather variables for peak demand models.

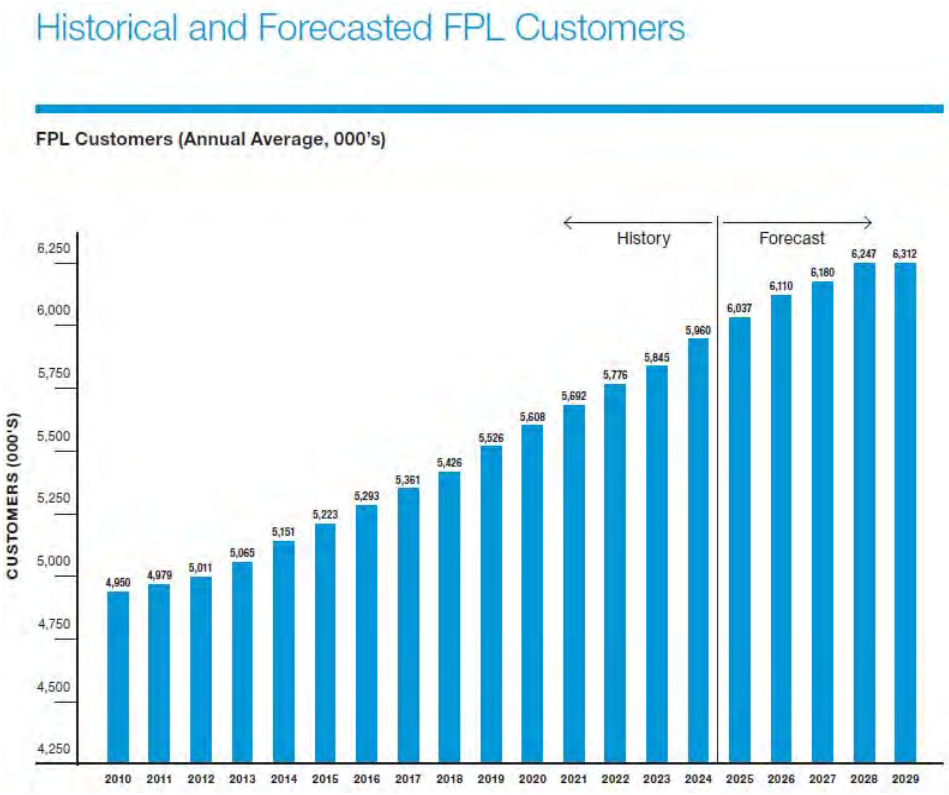
III. CUSTOMER FORECAST

The objective of the customer forecast process is to produce reliable, unbiased forecasts for the number of total customers and retail customers by revenue class, where a customer is defined as an active service account.

The primary driver of the customer forecast is the number of households, where a household is a separate living arrangement for one or more persons. Households are directly related to residential customers, and residential customers make up the majority of total customers. Other factors that drive the customer forecast are employment and housing starts, which is a function of new construction activity. Employment drives the commercial customer forecast because changes in employment affect the number of commercial businesses. Housing starts drive the industrial customer forecast primarily associated with new construction activity.

The customer forecast was developed using a "bottom-up" approach, where the total customer forecast is the sum of the customer forecasts for the individual revenue classes. The revenue classes included in the total forecast are residential, commercial, industrial, street & highway lighting, railroads & railways, other, and wholesale requirements. This approach is consistent with the methodology used to develop the customer forecast provided in the FPL 2024 TYSP that was approved in the Commission's Review of the 2024 Ten-Year Site Plans of Florida's Electric Utilities, as well as the forecast methodology used in FPL's 2021 Rate Case. The development of the forecasts for the residential, commercial, industrial, and all other rate classes is described

below. Figure 1 provides FPL's historical average annual customers since 2010 and forecasted customers through 2029.



A. Residential Customer Forecast

The residential customer forecast was developed using a regression model, and the primary driver for each model was the number of households. The number of households is directly related to population and the only differentiating factor is the number of persons per household. If the number of persons per household is constant, then household growth is the same as population growth. But if the number of persons per household is decreasing, then the household growth will be higher than population growth.

The household growth projections used in the models were from the July 2024 economic projections provided by S&P Global. FPL has relied on economic projections from S&P Global for a number of years, including the forecasts provided in the FPL 2024 TYSP.

Along with households, the residential customer forecast regression model also included one lagged dependent variable and a variable for unknown usage premises. An unknown usage premise is a location where electricity is being consumed without an active customer account.

B. Commercial Customer Forecast

An exponential model was used to forecast large commercial customers (customers on demand rates of 500 kW and above), and a regression model was used to forecast small/medium commercial customers (customers on energy only rates and demand rates less than 500 kW).

C. Industrial Customer Forecast

A regression model was used to forecast small (customers on energy only rates) and medium industrial customers (customers on demand rates less than 500 kW) for FPL. An exponential model was used to forecast large industrial customers (customers on demand rates 500 kW and above) for FPL.

D. Forecast for All Other Revenue Classes

The other retail revenue classes are street & highway lighting, railroads & railways, and other. The street & highway lighting class forecasts were provided by FPL's Lighting team regarding expected growth trends. The FPL customer forecasts for the railroads & railways and other revenue classes were developed by holding the last known actual value flat.

E. Customer Summary

Table 1 provides a detailed summary of average customers forecasted for 2025-2029[3].

Table 1: Customer Forecast

Class	2025	2026	2027	2028	2029
Residential	5,355,964	5,420,089	5,483,159	5,543,418	5,600,718
Commercial	657,928	665,449	672,449	679,113	685,631
Industrial	15,748	15,713	15,729	15,822	15,966
Street & Highway Lighting	7,645	8,237	8,631	8,831	9,039
Railroads & Railways	27	27	27	27	27
Other	157	157	157	157	157
Total	**6,037,469**	**6,109,672**	**6,180,152**	**6,247,368**	**6,311,538**

Table 2 provides the Customer model statistics which display excellent goodness of fit, have minimal model residuals, and have insignificant serial correlation. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

Table 2: Customer Model Statistics

Class	Region	R^2	MAPE	D-W
Residential	FPLE	1.000	0.05%	1.855
Commercial Small/Medium	FPLE	1.000	0.06%	1.867
Commercial Large	FPLE	0.988	0.41%	1.890
Industrial Small/Medium	FPLE	0.997	1.02%	1.892
Industrial Large	FPLE	0.998	0.54%	1.994
Residential	NWFL	1.000	0.08%	1.847
Commercial Small/Medium	NWFL	0.999	0.25%	1.480
Commercial Large	NWFL	0.987	0.37%	1.994

[3]Table 1 provides average customers by year; FPL is forecasting to add approximately 335,000 customer accounts in total from year-end 2024 through year-end 2029.

F. New Service Accounts

A new service account ("NSA") is when service is established for the first time at a new premise. The NSA forecast is not used to develop the customer, sales, or demand forecasts in this proceeding. Rather, the NSA forecast is used by various departments, including Power Delivery and Financial Forecasting, as one of the indicators of future growth and projected costs to extend service to new accounts.

The NSA forecast was developed by applying the average annual forecasted growth rate of Florida housing starts to the 12-month moving average of NSAs. The forecast was developed in this manner to create a smooth long-term trend for planning which accounts for the time between a new housing start and when it is completed and becomes a NSA.

Table 3: NSA Forecast

	2026	2027	2028	2029
NSA	112,962	113,882	116,488	118,419

IV. ENERGY SALES FORECAST

The objective of the energy sales forecast process is to produce reliable, unbiased forecasts of all components of NEL. The components of NEL are retail delivered energy sales, wholesale delivered energy sales, and total losses including company use.

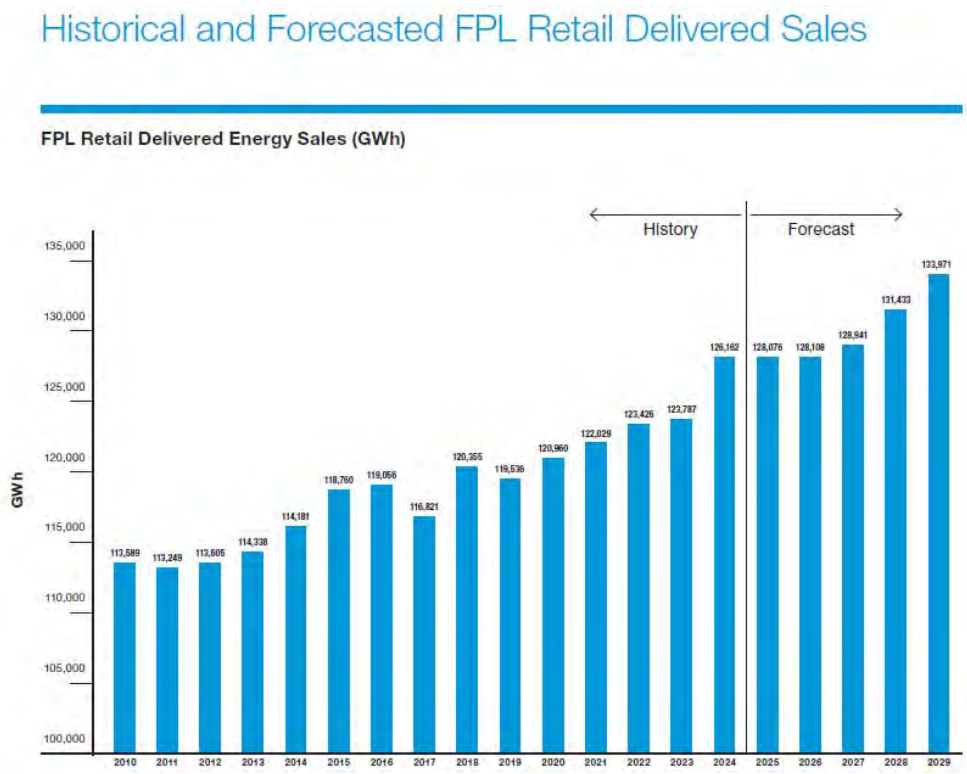
The primary driver of the NEL forecast is the retail energy sales forecast because retail energy is the largest component of NEL. However, changes in wholesale requirements sales contracts can also affect the NEL forecast.

Similar to the customer forecast, the retail energy sales forecast was developed using a "bottom-up" approach, where the total retail energy sales forecast was the sum of the energy sales forecasts for each of the retail revenue classes. The revenue class forecasts were primarily developed using econometric models. Where appropriate, the model results were then adjusted for factors that were not otherwise captured in the respective model histories.

The econometric models are driven primarily by a combination of weather, economic conditions, electricity prices, and changes in equipment efficiencies. Some of the model results were adjusted for the impacts of new technologies such as electric vehicles, increased adoption of private solar generation, and Company-sponsored programs such as those included in the Companies' Commission-approved DSM plans. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

The energy sales forecast methodology is the same methodology FPL used in the 2021 Rate Case as well as FPL's 2024 TYSP.

Figure 2 provides FPL's historical weather normalized retail delivered energy sales since 2010 and forecasted retail delivered energy sales through 2029.



A. Residential Energy Sales Forecast

The residential energy sales forecast was developed by multiplying the residential customer forecasts by the residential energy usage forecasts and average billing days. The residential usage forecasts were developed using a regression model.

The residential usage model includes variables for cooling degree hours, heating degree hours, income, electricity prices, energy efficiency codes and standards, binary terms, and an autoregressive term.

The residential energy sales forecasts were adjusted for unbilled energy, Commission-approved DSM plans, impacts from private solar, and impacts from plug-in electric vehicles.

B. Commercial Energy Sales Forecast

The commercial energy sales forecast was developed by multiplying the commercial customer forecasts by the commercial energy usage forecasts and average billing days. The commercial usage forecasts were developed using two regression models: one usage model for small/medium commercial (energy only rates and demand rates less than 500 kW), and one usage model for large commercial (demand rates 500 kW and above).

The small/medium commercial usage model included variables for cooling degree hours, electricity prices, energy efficiency codes and standards, employment, binary terms, and an autoregressive term. The large commercial usage model included variables for cooling degree hours, electricity price, employment, binary terms, and an autoregressive term.

The commercial energy sales forecasts were adjusted for unbilled energy, Commission-approved DSM plans, impacts from private solar, and impacts from economic development tariffs.

C. Industrial Energy Sales Forecast

The large industrial energy sales forecast was developed by multiplying the industrial customer forecasts by the industrial energy usage forecasts. The industrial usage was forecasted using a regression model for small and medium industrial customers and an exponential model for large industrial customers.

D. Energy Sales Forecasts for All Other Retail Revenue Classes

The street & highway lighting energy forecasts were provided by FPL's Lighting team regarding expected growth trends. The FPL railroads & railways and other energy forecasts were developed by multiplying the forecasted number of customers by the forecasted energy usage. The railroads & railways energy usage forecast was developed using a regression model which included binary terms and an autoregression term. The other energy usage forecast was developed using an exponential model.

E. Energy Forecasts for Territorial Wholesale Sales, Losses, and NEL

The development of the wholesale energy sales forecasts began with information for wholesale contracts that are known. The energy associated with those contracts were then forecasted using a combination of contract terms, energy sales forecasts provided by the counterparty, and econometric modeling. The forecast of energy losses was developed using the 2023 line loss study. The forecast of NEL was developed by adding together the energy forecasts for retail sales, wholesale sales, and losses.

F. Energy Sales Summary

Tables 4-5 provide a detailed summary of energy sales forecasted for 2026-2029.

Table 4: Energy Sales Forecast

Class	**2026**	**2027**	**2028**	**2029**
Residential	70,000	70,643	71,564	72,548
Commercial	52,907	53,114	53,407	53,680
Industrial	4,734	4,739	6,026	7,314
Street & Highway Lighting	376	354	345	338
Railroads & Railways	68	68	68	68
Other	23	23	23	23
Total	**128,108**	**128,941**	**131,433**	**133,971**

Table 5: Retail Billed and Unbilled Sales Forecasts				
Annual GWh	**2026**	**2027**	**2028**	**2029**
Residential Billed	70,172	70,612	71,529	72,518
+ Commercial Billed	53,056	53,101	53,391	53,666
+ Industrial Billed	4,735	4,739	6,026	7,313
+ Street & Highway Billed	376	354	345	339
+ Railroad & Railways Billed	68	68	68	68
+ Other Billed	23	23	23	23
= Retail Billed Sales	128,430	128,897	131,382	133,927
+ Retail Unbilled Sales	(322)	44	51	44
= Retail Delivered Sales	**128,108**	**128,941**	**131,434**	**133,972**
+ Wholesale Delivered Sales	8,666	8,660	8,584	8,234
+ Losses	7,913	7,961	8,100	8,227
= NEL	**144,687**	**145,561**	**148,118**	**150,433**

Table 6 provides the Energy Sales model statistics which display excellent goodness of fit, have minimal model residuals, and have insignificant serial correlation. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

Table 6: Energy Usage Model Statistics				
Class	**Region**	**R^2**	**MAPE**	**D-W**
Residential	FPLE	0.990	1.44%	1.783
Commercial Small/Medium	FPLE	0.978	1.09%	1.829
Commercial Large	FPLE	0.933	1.42%	2.023
Industrial Small/Medium	FPLE	0.978	5.74%	2.167
Industrial Large	FPLE	0.751	4.39%	2.000
Residential	NWFL	0.983	2.30%	1.938
Commercial Small/Medium	NWFL	0.955	3.48%	2.331
Commercial Large	NWFL	0.955	2.46%	1.873
Industrial Large	NWFL	0.595	6.25%	1.914

V. PEAK DEMAND FORECAST

The objective of the peak demand forecast process is to provide reliable, unbiased projections of monthly system peak demands, where the system peak demand is the highest hourly demand by month. The peak demand forecast methodology is the same methodology used in FPL's 2016 and 2021 Rate Cases.

The summer peak demand forecast was developed using a regression model with variables for weather, employment, energy efficiency codes and standards, a binary term, and an autoregressive term. The winter peak demand forecast was developed using a regression model with variables for weather, employment, and historical binary terms. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

The peak demand forecasts were developed by taking the highest hourly value in each month. The hourly forecasts were developed by first forecasting the monthly peak demands using econometric models and monthly ratios. Where appropriate, the model results were then adjusted for factors not otherwise reflected in model history. The adjusted monthly peak demands were then combined with the monthly NEL forecasts and historical hourly load shapes to arrive at forecasted hourly loads. The monthly peak demands were the highest hourly load in each month.

The development of the monthly peak demand forecasts begins with forecasting summer peak demands and winter peak demands using peak demand per customer regression models. Next, the model results were multiplied by the number of customers and then adjusted for factors that were not otherwise captured in the respective model histories. Finally, the monthly peak demands for the other months are forecasted based on the historical relationships between the peaks in those months and the annual summer peak.

The historical relationships between the annual summer peak and the peaks for all other months excluding January were developed using the average of the past 20 years. Adjustments for wholesale requirements, private solar, plug-in electric vehicles, and the impact of economic development tariffs were made to the model results to arrive at the final monthly peak demand forecasts.

Differences in hourly load profiles for the southern and northern portions of FPL's system result in peak demands occurring in different hours on these parts of FPL's system. These differences result in peak demand diversity where the peak demand for a combined system is less than the sum of the peak demands for the individual components that make up the combined system. This reduction in the combined system peak demand is due to differences in the hourly load profiles, and these differences are typically due to different customer compositions, weather patterns, and time zones.

The monthly peak demand forecasts were adjusted for the impacts of incremental DSM, private solar, and plug-in electric vehicles. The adjustments for incremental DSM were based on the DSM plans approved by the Commission in Docket No. 20240012-EG. The private solar and plug-in electric vehicle adjustments were calculated by FPL's Development team. Additionally, the FPL monthly peak demand forecasts were adjusted for wholesale requirements contracts and impacts from economic development tariffs. The monthly peak demand forecasts, including incremental DSM, are provided in MFR E-18.

The hourly load forecast was developed by applying the forecasted monthly peak demand and NEL to an hourly seedshape, which is the hourly load profile template. The resulting hourly forecast will have an hourly profile similar to the seedshape, but the highest hourly load in each month will match the forecasted monthly peaks, and the sum of the hourly loads in each month will equal the forecasted monthly NEL. The seedshape was selected by determining which historical month had weather that was most similar to normal weather. The hourly loads for that month were then adjusted to ensure the peak day occurs on a weekday.

The summer peak for FPL is expected to occur in August between 4-5 PM Eastern time. The winter peak for FPL is expected to occur in January between 7-8 AM Eastern time. Table 7 below provides the summer and winter peak demand forecasts for 2026 through 2029. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

Table 7: Peak Demand Summary				
	2026	**2027**	**2028**	**2029**
Winter Peak Demand (MW)	23,273	23,582	24,053	24,505
Summer Peak Demand (MW)	28,596	28,831	29,214	29,542

Table 8 provides the Peak model statistics which display excellent goodness of fit, have minimal model residuals, and have insignificant serial correlation. A detailed list of all model variables, including descriptions, is provided in MFR F-5.

Table 8: Peak Demand Model Statistics				
Class	**Region**	**R^2**	**MAPE**	**D-W**
Summer	FPLE	0.889	1.51%	1.984
Winter	FPLE	0.918	3.60%	1.995
Summer	NWFL	0.980	0.75%	1.790
Winter	NWFL	0.859	3.99%	1.922

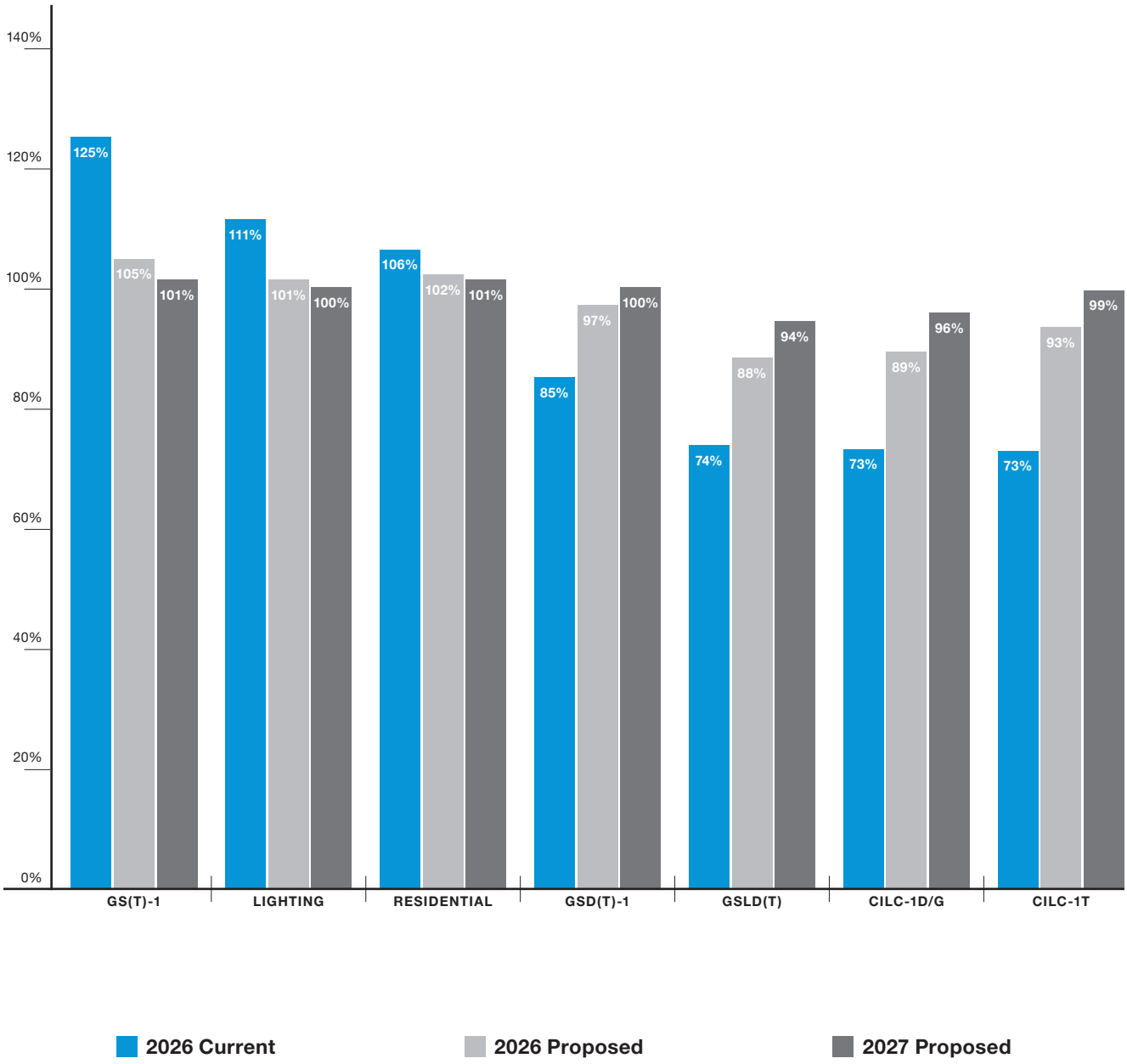
VI. SUMMARY

Table 9 below summarizes the forecasts for retail customers, retail energy sales, and summer peak demands for years 2026 through 2029.

Table 9: FPL Forecast Summary				
	2026	**2027**	**2028**	**2029**
Total Retail Customers (Average)	6,109,672	6,180,152	6,247,368	6,311,538
Retail Delivered Sales (GWh)	128,108	128,941	131,433	133,971
Summer Peak Demand (MW)	28,596	28,831	29,214	29,542

FPL's forecasts were developed using well-established methods that have consistently provided accurate and reliable forecasts that are used for all regulatory and planning purposes.

Parity of Major Rate Classes



1. Lighting includes SL/OL-1, SL-1M, SL-2, SL-2M, and OS-2

2. GSLD(T) includes GSLD(T)-1, GSLD(T)-2, and GSLD(T)-3

INDEX OF MAJOR RATE SCHEDULES

RATE SCHEDULE	DESCRIPTION
RS-1	Residential Service
RTR-1	Residential Service – Time of Use Rider
GS-1	General Service – Non Demand (0-24 kW)
GSCU	General Service Constant Usage
GSD-1	General Service Demand (25-499 kW)
GSLD-1	General Service Large Demand (500-1,999 kW)
GSLD-2	General Service Large Demand (2,000 kW+)
GSLD-3	General Service Large Demand – Transmission (69 kV)
GST-1	General Service – Non Demand – Time of Use (0-24kW)
GSDT-1	General Service Demand – Time of Use (25-499 kW)
GSLDT-1	General Service Large Demand – Time of Use (500-1,999 kW)
GSLDT-2	General Service Large Demand – Time of Use (2,000 kW+)
GSLDT-3	General Service Large Demand – Time of Use (69 kV)
HLFT	High Load Factor-Time of Use
SDTR	Seasonal Demand-Time of Use Rider
CILC-1	Commercial/Industrial Load Control Program
CDR	Commercial/Industrial Demand Reduction Rider
SST-1	Standby and Supplemental Service
ISST-1	Interruptible Standby and Supplemental Service

RATE SCHEDULE	DESCRIPTION
MET	Metropolitan Transit Service
LT-1	LED Lighting
OS-2	Sports Field Service
SL-1	Street Lighting
SL-1M	Metered Street Lighting
OL-1	Outdoor Lighting
PL-1	Premium Lighting
SL-2	Traffic Signal Service
SL-2M	Metered Traffic Signal Service
OS-I/II	Outdoor Service

Major Rate Schedules Available to Residential and

Non-Demand Metered Commercial/Industrial ("CI") Customers

Residential Service

Standard residential service is provided under the Residential Service ("RS-1") rate schedule. RS-1 has a customer charge and an inverted or increasing energy charge for usage above 1,000 kWh. The RS-1 rate has an inversion point of 1,000 kWh that was established in January 2006 in Docket No. 050045-EI in order to encourage conservation. The energy charge for usage above 1,000 kilowatt-hours is set at one cent per kWh higher than the charge for usage below 1,000 kWh. The 1,000 kWh and under charge is adjusted to achieve the rate class target revenues.

Residential Time-of-Use Service

FPL offers optional Time of Use ("TOU") service to residential customers. A full description of FPL's TOU rate structure is provided under the demand metered Commercial Industrial ("CI") customer section.

Under the Residential Service TOU ("RTR-1") rate schedule, customer's energy charge is based on the standard energy charges under RS-1 with additional energy adders for on-peak usage and credits for off-peak usage. The additional adders and credits are calculated to be revenue neutral with the levelized residential rate at the class average on-peak usage. A customer taking service under the RTR-1 rider will benefit from the rider if on-peak usage is less than the residential class average. All TOU customer charges are set the same as the corresponding non-TOU customer charges.

General Service

Standard service to non-demand metered CI customers is provided under the General Service ("GS-1") rate schedule for customers that use less than 25 kW per month. GS-1 includes an energy charge and a customer charge. The customer charge and energy charge are proposed to achieve the rate class's target revenues.

General Service TOU

FPL offers non-demand metered CI customers optional TOU pricing under the General Service TOU ("GST-1") rate schedule. The customer charge, on-peak energy charge and off-peak energy charge are set by applying a percentage increase for the rate class to present rates. The on-peak energy charge is adjusted in order to provide revenue neutrality with the GS-1 energy rate at the class average on-peak usage.

Constant Usage Service

Service to CI customers with a constant usage is provided under the General Service Constant Use ("GSCU") rate schedule. This rate schedule includes a customer charge and an energy charge. The customer charge and energy charge are adjusted to achieve the target revenues for the rate class.

Major Rate Schedules Available to Demand Metered CI Customers

Standard General Service Demand Rate Offerings

The standard rate schedules available for general service demand metered customers are the General Service Demand ("GSD-1") rate schedule, and three General Service Large Demand rate schedules ("GSLD-1"), ("GSLD-2"), and ('GSLD-3"). The structures for these rate schedules include demand, energy, and customer charges. There are separate rate schedules for customers with demands between 25 and 499 kW (GSD), 500 kW and 1,999 kW (GSLD-1), 2,000 kW and above (GSLD-2), and for customers at or above 69 kV served directly from the transmission system (GSLD-3).

Current customer charge, demand charge, and energy charge for these rate schedules are increased by the same rate class percentage maintaining rate relationships established in previous rate proceedings. Energy rates are adjusted to achieve revenue neutrality within the class, taking into consideration the revenues from the corresponding optional TOU, High Load Factor TOU ("HLFT"), Seasonal Demand TOU rider ("SDTR"), and Curtailable Service ("CS") and CS TOU ("CST") rates.

Optional Services

General Service Demand TOU Service

Optional TOU service is available for the demand metered CI customers under the General Service Demand / Large Demand TOU rate schedules ("GSDT-1"), ("GSLDT-1"), ("GSLDT-2"), and ("GSLDT–3"). The current TOU options for these customers generally reflect the otherwise applicable standard rate schedule structure, with the addition of providing time-differentiated energy charges. Separate energy charges are applicable to the on-peak and off-peak periods and a maximum demand for distribution-level rate schedules. All of FPL's General Service Demand / Large Demand TOU, HLFT, and CST, as well as the RST-1/RTR-1 and the GST-1 rate schedules share the same on-peak and off-peak rating periods, as shown below.

TOU Rating Periods

On-Peak: November 1 through March 31: Mondays through Fridays during the hours from 6 a.m. ET to 10 a.m. ET and 6 p.m. ET to l0 p.m. ET, excluding Thanksgiving Day, Christmas Day, and New Year's Day. April 1 through October 31: Mondays through Fridays during the

hours from 12 noon ET to 9 p.m. ET, excluding Memorial Day, Independence Day, and Labor Day.

Off-Peak: All other hours.

Energy charges for the TOU rates are designed to be revenue neutral to the standard energy rate. As with the standard rates, current TOU customer charge, demand charge and energy charge are increased by the same rate class percent increase. The on-peak energy charge is adjusted to be revenue neutral with the standard rate at the class average on-peak usage.

High Load Factor TOU

HLFT is designed for the higher load factor customers while also providing a time-differentiated price signal. There are three separate HLFT categories: HLFT-1 is applicable to customers with demands between 25-499 kW, HLFT-2 is applicable to customers with demands between 500-1,999 kW, and HLFT-3 is applicable to customers with demands 2,000 kW and above. Each rate schedule includes a customer charge, an on-peak firm demand charge, a maximum demand charge applicable to highest demand in the month, regardless of time of day, an on-peak energy charge, and an off-peak energy charge.

HLFT customer, demand, and energy rates are increased using the same methodology applied to standard and TOU demand and energy charges. Additionally, the HLFT on-peak energy charge is adjusted to achieve revenue neutrality with the applicable standard rate based on a 70 percent load factor.

Seasonal Demand TOU Rider

SDTR is available for customers who have the ability to shift demand and reduce their energy usage during a narrow on-peak window during the months of June through September. In addition to traditional time differentiated energy rates during the non-summer months that provide incentives for customers to use less energy during on-peak periods, the STDR rate sends stronger price signals during the summer months.

The on-peak period under the SDTR is limited from 3 p.m. ET to 6 p.m. ET weekdays (excluding holidays) in June through September (Summer). Customers can elect to receive service under either a non-time differentiated (Option A) or time differentiated (Option B) rate during the non-seasonal period of January through May and October through December. For customers who elect a time differentiated rate during the non-seasonal period, the standard TOU rating periods would apply, as reflected above. There are three separate SDTR categories: SDTR-1 is applicable to customers with demands between 25-499 kW, SDTR-2 is applicable to customers with demands between 500-1,999 kW, and SDTR-3 is applicable to customers with demands 2,000 kW and above.

The SDTR rates include a customer charge, a seasonal demand charge, a non-seasonal demand charge, a maximum demand charge, seasonal energy charge, and a non-seasonal energy

charge. Each charge is a function of the parent rate schedule charges, with the summer charges adjusted based on the class summer usage as compared to the non-summer usage.

Optional Interruptible Rate Schedules

Commercial/Industrial Load Control Service (Closed)

Commercial/Industrial Load Control ("CILC-1") rates are designed to provide applicable customers with lower rates in exchange for allowing the Company to interrupt the customers' load during periods of capacity constraint. This rate schedule has been closed to new customers since 1996. There are three separate CILC-1 categories: ("CILC-1G") is applicable to customers with demands between 200-499 kW, ("CILC-1D") is applicable to customers with demands of 500 kW and above, and ("CILC-1T") is applicable to customers served directly from the transmission system. The CILC-1 rate schedule includes a customer charge, an on-peak firm demand charge, an on-peak interruptible demand charge, an on-peak energy charge, and an off-peak energy charge. In addition, customers served from the distribution system are also charged a maximum demand based on their highest demand, regardless of time of day, over the last 24 months.

Proposed customer, demand, and energy charges were calculated by applying the rate class increase percentage to current rates and adjusted for the percentage change in the CI Demand Reduction Rider credit.

CI Demand Reduction

The CI Demand Reduction Rider ("CDR") is the replacement for CILC-1 and provides customers with a credit in exchange for allowing the Company to interrupt the customers' load during periods of capacity constraint. FPL witness Whitley discusses the proposed credit amount. The CDR also includes an administrative adder to recover the additional administrative and system costs associated with this program.

Standby and Supplemental Service Rate Schedules

Firm Standby and Supplemental Service

Standby and Supplemental Service ("SST") is applicable to customers whose electric service requirements are supplied or supplemented from the customer's generation equipment at the point of service. Standby Service is electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by the customer's own generation equipment during periods of either scheduled (maintenance) or unscheduled (backup) outages of all or a portion of the customer's generation. Supplemental service is electric energy or capacity supplied by the Company in addition to that which is normally provided by the customer's own generation equipment. A customer is required to take service under SST if the customer's total generation capacity is more than 20 percent of the customer's total electrical load and the customer's generator(s) is (are) not for emergency purposes only.

The terms and conditions under FPL's SST tariff established in Order No. 17159 in Docket No. 850673-EU ("Standby Order") outlined the rate structure appropriate for standby service, including the use of daily demand charges and reservation demand charges. As a result, FPL's SST tariff incorporates a daily demand charge based on the daily maximum on-peak demand and a reservation demand charge. SST customers are charged the greater of the sum of the daily demand charges or the reservation demand charge times the maximum on-peak standby demand actually registered during the month, plus the reservation demand charge times the difference between the contract standby demand and the maximum on-peak standby demand actually registered during the month. Supplemental Service charges are applicable for the total power supplied by the Company minus the Standby Service supplied by the Company during the same metering period. Supplemental Service charges are calculated by applying the applicable standard rate schedule excluding the customer charge.

FPL has four separate SST rate schedules: ("SST-1(D1)") serves customers with demands below 500 kW; ("SST-1(D2)") is applicable to customers with demands between 500 kW and 1,999 kW; ("SST-1(D3)") applies to customers with demands of 2,000 kW and above; and ("SST-1(T)") applies to customers served directly from the transmission system.

The proposed SST customer and demand charges were increased by the rate class percent increase from the current charge. The proposed energy charge is set in order to achieve the rate class's target revenues.

Interruptible Standby and Supplemental Service

Interruptible Standby and Supplemental Service is available under the ISST-1 rate schedule. FPL did not forecast any customers under ISST-1 for the Test Year. However, in the interests of maintaining these rates for future customers, FPL proposes firm and interruptible customer, demand, and energy charges under ISST-1 based on the applicable distribution or transmission level SST rate schedules, with the interruptible reservation charges based on the transmission revenue requirement.

Rate Schedules Available to Other Customer Classes

Metropolitan Transit Service

Service to the Miami-Dade County Electric Transit System is provided under the Metropolitan Transit Service ("MET") rate schedule. The rate structure for MET includes customer, energy and demand charges.

The proposed customer and demand charges were increased by the rate class percent increase from the current charge. The proposed energy charge is set in order to achieve the rate class's target revenues.

Lighting Services

In the 2021 rate case, FPL received approval to close several unmetered lighting rates to new customers. Sodium vapor and metal halide lights used in these rate schedules are no longer manufactured and customers will be migrated to LED lighting over the next few years. FPL is proposing to cancel the Street Lighting ("SL-1"), Outdoor Service ("OS-I/II") and Outdoor Lighting ("OL-1") non-metered lighting rates by December 31, 2029. This provides enough time to convert customers to metered LED lights. Lighting Services for new customers are available under the LED Lighting ("LT-1") and Metered Street Lighting ("SL-1M"). Additionally, Premium Lighting ("PL-1") and Sports Field Service ("OS-2") are closed rate schedules available to existing customers. Each are described below.

LED

The LT-1 rate provides an option for customers to install LED lighting or convert from non-LED, such as High-Pressure Sodium Vapor lighting to LED. This tariff is available for roadway lighting, area lighting such as parking lot lights, outdoor lighting such as security lights, and accommodates standard fixtures and poles as well as special decorative lighting. For LT-1, the non-fuel energy, maintenance, and other facility charges are set to achieve the revenue target for the SL/OL-1 rate class. The fixture charges reflect the average cost of these facilities in service and are adjusted to target revenues for the SL/OL-1 rate class. The conversion fee continues to recover on the cost associated with the removal and remaining book value of the existing non-LED fixture.

Street, Outdoor, and Premium Lighting Service (Closed)

The SL-1, OL-1 and OS-I/II rate schedules closed to new customers in 2022. These unmetered rates are currently available to grandfathered customers who do not own their own lighting facilities and are assessed a bundled monthly charge which includes fixture, maintenance, and non-fuel energy components. These monthly charges vary by wattage level, type of fixture and level of service provided. Customers are also charged a flat monthly fee for any equipment dedicated to lighting service. Fixture, maintenance, and non-fuel energy charges are increased to achieve the target revenues for the SL/OL-1 rate class.

The SL-1M metered rate remains open for new customer-owned Street Light customers and contains a customer charge and an energy charge to achieve the rate class's target revenues.

The PL-1 rate schedule closed to new customers in 2022. This rate was for special decorative lighting facilities at the customer's request. LT-1 is available to new customers. Under PL-1, customers are charged based on the actual project costs incurred in installing lighting facilities. Customers are required to pay for facilities in a lump-sum in advance of construction. A Present Value Revenue Requirements (PVRR) multiplier is applied to the total work order cost of the project to determine the lump-sum amount. The 10- and 20-year payment options were discontinued as of March 1, 2010. The termination factors for existing customers under the 10- and 20-year payment option have been updated for current economic assumptions.

For PL-1, the PVRR multiplier has been updated. The non-fuel energy charge is set to achieve the rate class's target revenues. Rate schedules SL-1, OL-1, and PL-1 provides a credit equal to the fuel charge associated with the fixtures that are turned off during sea turtle nesting season.

Traffic Signal Service

The SL-2 rate schedule is an energy only non-metered rate schedule that closed to new customers in 2022. FPL's metered SL-2M rate schedule for Traffic Signal Service is available to new customers and includes a customer charge and energy charge which is set to achieve the rate class's target revenues.

Sports Field Service (Closed)

The OS-2 rate schedule has been closed to new customers since 1982. The rate schedule includes a customer and an energy charge which is increased proportionally to achieve the rate class's target revenues.