

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Florida
Power & Light Company.

DOCKET NO. 20250011-EI
ORDER NO. PSC-2025-0120-PCO-EI
ISSUED: April 8, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

ORDER SUSPENDING TARIFFS

BY THE COMMISSION:

Background

This proceeding commenced on February 28, 2025, when Florida Power & Light Company (FPL or Company) filed its petition for a permanent rate increase. The Company is a public utility providing electric service as defined in Section 366.02, Florida Statutes (F.S.), to 6 million retail customers throughout both Northwest Florida and the peninsula.

FPL has requested an increase in its retail rates and charges to generate \$1.55 billion in additional gross annual revenue, effective January 1, 2026. The Company also has requested an increase in its retail rates and charges to generate \$927 million in additional gross annual revenue, effective January 1, 2027. FPL asserts that the combined increases will allow the Company an opportunity to earn a return on equity (ROE) midpoint of 11.90 percent. The Company based its requests on projected test years ending December 31, 2026 and December 31, 2027. FPL stated that these test years are the appropriate periods to be utilized because they best represent expected revenues, costs, and investment in the period immediately after the proposed base rates go into effect. FPL has also requested Solar Base Rate Adjustments (SoBRAs) of approximately \$296 million and \$266 million for 2028 and 2029, respectively. The current proposal also includes a Tax Adjustment Mechanism (TAM), which is a non-cash accounting mechanism that accelerates the recording of deferred tax benefits over the proposed 4-year rate period by reversing certain deferred tax liabilities. FPL states it will use the TAM like its predecessor mechanism, the theoretical depreciation reserve surplus (RSAM), to respond to changes in underlying revenues and expenses to avoid additional general base rate increases over the 4-year rate period. In total, the Company is requesting approximately \$9.80 billion in additional revenue over the 4-year rate period. FPL did not request any interim rate relief.

In FPL's most recent base rate proceeding, Docket No. 20210015-EI, we approved a settlement agreement which authorized a revenue increase of \$692 million effective January 1, 2022, and a revenue increase of \$560 million effective January 1, 2023.¹ The settlement agreement provided that retail base rates, with certain exceptions, would be frozen through the last billing cycle in December 2025. Section 16(g) of the settlement agreement permitted FPL to continue to amortize its RSAM beyond December 31, 2025, if the Company provided notice to the Parties of the settlement agreement, prior to March 31, 2025, that it did not intend to seek a base rate increase with an effective date prior to January 1, 2027.² FPL did not exercise this option.

On January 15, 2025, we acknowledged the Office of Public Counsel's notice of intervention in this proceeding.³ On March 17, 2025, the Commission granted petitions to intervene filed by Florida Rising, Inc., League of United Latin American Citizens of Florida, and Environmental Confederation of Southwest Florida, Inc.; Florida Industrial Power Users Group; Southern Alliance for Clean Energy; and Florida Executive Agencies. A hearing has been scheduled for August 11-22, 2025.

This order addresses the suspension of the requested permanent rate increase. We have jurisdiction over this matter pursuant to Sections 366.06(2) and (4), F.S.

Decision

FPL filed its petition, testimony, and minimum filing requirements on February 28, 2025. The Company has requested an increase in its retail rates and charges to generate \$1.55 billion in additional gross annual revenue, effective January 1, 2026. FPL also has requested an increase in its retail rates and charges to generate \$927 million in additional gross annual revenue, effective January 1, 2027. Further, FPL has requested SoBRAs of approximately \$296 million and \$266 million for 2028 and 2029, respectively.

Historically, we have suspended requested permanent rate schedules in order to adequately and thoroughly examine the basis for the new rates. Suspension of a requested rate increase is authorized by Section 366.06(3), F.S., which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

We find good cause consistent with the requirements of Section 366.06(3), F.S., exists in this docket. Therefore, we hereby suspend the requested permanent rate schedules to allow staff

¹Order No. PSC-2021-0446-S-EI, issued December 2, 2021, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*; Supplemental Order No. PSC-2024-0078-FOF-EI, issued March 25, 2024, in Docket No. 20210015-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

²*Id.*

³Order No. PSC-2025-0020-PCO-EI, issued January 15, 2025, in Docket No. 20250011-EI, *In re: Petition for rate increase by Florida Power & Light Company*.

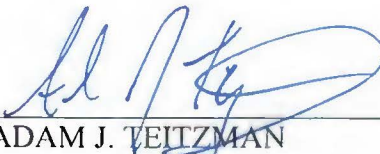
and any intervenors sufficient time to analyze the petition for base rate increase and for us to conduct an administrative hearing.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that all tariffs and rate schedules associated with the petition for a permanent rate increase by Florida Power & Light Company are hereby suspended. It is further

ORDERED that this docket shall remain open pending our decision on FPL's proposed base rate increase.

By ORDER of the Florida Public Service Commission this 8th day of April, 2025.



ADAM J. TEITZMAN
Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.