



FPL and Gulf Power's 2022-2025 Base Rate Proposal

FPL and Gulf Power, now a single company, serve 5.6 million customer accounts across half of Florida – from Miami to Pensacola. FPL's electric service is cleaner and more reliable than ever before – while our typical residential customer bill is lower today than it was 15 years ago and among the lowest in the nation. The exceptional value we provide our customers is the direct result of disciplined, long-term investments we've made in infrastructure, clean energy, innovative technology and cost-saving efficiencies. Our proposed four-year rate plan, beginning in 2022, is being designed to support investments that benefit customers while keeping typical bills well below the national average.

Continuing to invest in Florida's future

FPL is Florida's largest private investor. From 2019 through 2022, FPL will have invested more than \$29 billion in infrastructure improvements to benefit our customers, with additional significant investments expected in 2023 and beyond. Our investments have made us one of the most reliable and cleanest utilities in the country while the typical residential customer bill is among the lowest in the nation. Serving customers while tackling today's challenges comes with the fundamental responsibility of looking over the horizon to ensure we're ready to serve customers tomorrow, especially in a rapidly growing state on the front lines of climate change and strong, frequent severe weather.

Resilient Future

We're building a more resilient and sustainable energy future for Florida in the face of climate change and strong, frequent severe weather.

We're deploying technology that enables us to continually monitor and assess the health of our system, predict potential issues before they disrupt service to customers and restore power faster following outages.

We're making critical upgrades to the main high-voltage electric transmission line that serves as the backbone of Florida's energy grid.

We're building the Northwest Florida Resiliency Connection, a new transmission line that connects FPL's energy grid to Northwest Florida, to enhance reliability for customers now and in the future.

Sustainable Future

Securing a more resilient and sustainable future for us all, including future generations, means strengthening our commitment to disciplined, long-term investments.

This includes adding more solar to our energy grid through our "30-by-30" plan to install 30 million solar panels in Florida by 2030.

Our plan includes building the world's largest integrated solar-powered battery that will bring the benefits of solar power to our customers even when the sun is not shining. It also includes an innovative green hydrogen pilot project, a technology that could one day unlock 100% carbon-free electricity.

We're also continuing to modernize our existing power plants in South and Northwest Florida to produce cleaner, more affordable energy for customers.

Better Together

Combining FPL and Gulf Power has already produced, and will continue to produce, tangible benefits for all customers as we usher in an even cleaner, more sustainable energy future for Florida. In total, customers savings from combining the two companies is projected to be \$2.8 billion over the next 30 years. This includes savings on operations and maintenance, as well as savings from power generation upgrades, a new transmission line physically connecting both companies and the ability to dispatch from, and plan for, a common fleet of power generation resources.

Operating efficiently to deliver customer savings

At FPL, we have a relentless, day-to-day focus on operating efficiently. For example, when it comes to how much it costs us to generate electricity – we're the most cost-efficient utility in America¹. What does that mean for customers? It means that compared to an average utility, we save customers nearly \$2.6 billion annually. That's \$24 a month on the typical 1,000-kWh residential customer bill.

¹ Source: FERC Form 1, 2019. Total Non-Fuel O&M excludes injuries and damages, pensions and benefits, and other power supply expenses. For FPL only, one-time storm costs are excluded. Peer Group includes holding companies with over 100,000 customers. Excludes companies with no utility-owned generation. Retail MWs only includes Residential, Commercial, Industrial. FERC Form 1 Accts: 440 & 442

Keeping Bills Low

Everyday costs are up, but FPL bills are down

FPL's projected bill in January 2022 is expected to be just 3.5% higher than it was in 2006, a fraction of the increases of 25%-75% in the cost of groceries, medical care, health insurance and housing from 2006-2020.

Under our proposed plan, we expect our typical bill to remain well below the national average through at least 2025. By the end of the four-year rate plan, we project the typical 1,000-kWh residential customer bill in Northwest Florida will be lower than it is today.

Source: Various Consumer Price Indexes, U.S. Department of Labor's Bureau of Labor Statistics.

Our four-year plan

FPL's current base rate settlement agreement concludes at the end of this year. FPL previously extended operations under the rate agreement by freezing base rates for an additional year through 2021. We're proposing a plan for 2022-2025 that will phase in rate adjustments and provide continued, longer-term rate certainty for customers while making their electricity cleaner and more reliable. Even with the change, FPL expects its typical residential customer bills will continue to remain well below the national average.

YEAR	REVENUE REQUIREMENT	TYPE OF ADJUSTMENT
2022	\$1.1 billion	General Base Rate Adjustment
2023	\$615 million	General Base Rate Adjustment
2024	\$140 million	Solar Base Rate Adjustment
2025	\$140 million	Solar Base Rate Adjustment

Note for customers in Northwest Florida:

In recognition of initial cost to service differences between the existing FPL and Gulf Power service territories, FPL will propose a transition rider/credit mechanism to address those differences equitably for customers in the respective service areas. The transition rider/credit would decline to zero over a five-year period.

Next Steps

We've notified the Florida Public Service Commission (PSC) that we expect to file a formal request in the coming months for new base rates that would take effect in January 2022. We plan to formally file our petition and testimony with the PSC in March to enable a thorough review and decision before the end of 2021. For more information on our four-year rate proposal, visit [FPL.com/answers](https://www.fpl.com/answers).

POTENTIAL TIMELINE

1Q21	FPL submits Test Year Letter notification (January); base rate request filed after 60 days (March)
2Q21	PSC holds service hearings
3Q21	PSC conducts technical hearing
4Q21	PSC issues decision
2022 – 2025	New rate plan implemented