

July 12, 2018

Electronic Filing

Ms. Carlotta Stauffer, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: DOCKET NO. 20170179-GU - Petition for rate increase and approval of depreciation study by Florida City Gas.

Dear Ms. Stauffer:

In accordance with the Stipulation and Settlement approved in this docket by Order No. PSC-2018-0190-FOF-GU, the Parties were required to submit an agreement no later than July 1, 2018, pertaining to the amount and flow-back period of protected excess deferred taxes and the true-up of unprotected excess deferred taxes. In the absence of such an agreement, Florida City Gas is required to initiate a limited proceeding to resolve these amounts. On June 29, 2018, the Parties submitted a letter to the docket stating that the Parties are close to an agreement in principle as to the true-up amounts at issue and need only to finalize the remaining details and memorialize the agreement for filing.

As the Commission is aware, NextEra Energy announced in May 2018 that it had entered into definitive agreements to acquire Gulf Power Company and Florida City Gas from The Southern Company. As announced, the acquisition of Florida City Gas is expected to close by the end of the third quarter of 2018. Given that it is expected that Florida City Gas will be under new ownership in the near term, Florida City Gas believes it would be prudent and administratively efficient to defer finalization of the final details regarding the protected and unprotected deferred taxes until after the transaction has closed to allow the new owner to be involved in the finalization of these details, which will be implemented by Florida City Gas under the new ownership.

Having consulted with both the Office of Public Counsel and the Federal Executive Agencies, Florida City Gas is authorized to represent that the Parties agree that an additional extension of time to provide the final agreement document reflecting the amounts and related terms for the true up of the protected and unprotected deferred taxes is reasonable given the circumstances, and that such agreement should be filed with the Commission on or before August 10, 2018. The Parties therefore request that the Commission accept this Letter as further indication of the Parties' substantial compliance with the terms of the Stipulation and Settlement and allow the Parties to submit final documentation of the resolution of the final details pertaining to excess deferred taxes on or before August 10, 2018.

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As always, please don't hesitate to let me know if you have any questions. Thank you for your assistance with this filing.

A handwritten signature in black ink, appearing to read "Beth Keating", is written over a horizontal line.

Beth Keating

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