

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts  
associated with Tax Cuts and Jobs Act of 2017  
for Tampa Electric Company.

DOCKET NO. 20180045-EI  
ORDER NO. PSC-2018-0403-PHO-EI  
ISSUED: August 14, 2018

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on August 6, 2018, in Tallahassee, Florida, before Commissioner Julie I. Brown, as Prehearing Officer.

APPEARANCES:

JAMES D. BEASLEY and JEFFRY WAHLEN, ESQUIRES, Ausley, McMullen,  
P. O. Box 391, Tallahassee, Florida 32302  
On behalf of TAMPA ELECTRIC COMPANY (TECO).

J. R. KELLY, Public Counsel, CHARLES J. REHWINKEL, Deputy Public  
Counsel, and VIRGINIA PONDER, ESQUIRES, Office of Public Counsel, c/o  
The Florida Legislature, 111 East Madison Street, Room 812, Tallahassee, Florida  
32399-9330  
On behalf of the OFFICE OF PUBLIC COUNSEL (OPC).

JON C. MOYLE and KAREN A. PUTNAL, ESQUIRES, 118 North Gadsden  
Street, Tallahassee, Florida 32301  
On behalf of FLORIDA INDUSTRIAL POWER USERS GROUP (FIPUG).

ROBERT SCHEFFEL WRIGHT and JOHN T. LAVIA, III, ESQUIRES, 1300  
Thomaswood Drive, Tallahassee, Florida 32308  
On behalf of FLORIDA RETAIL FEDERATION (FRF).

SUZANNE BROWNLESS and RACHAEL DZIECHCIARZ, ESQUIRES,  
Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
Florida 32399-0850  
On behalf of the Florida Public Service Commission (Staff).

MARY ANNE HELTON, ESQUIRE, Deputy General Counsel, Florida Public  
Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-  
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Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850  
Florida Public Service Commission General Counsel

## **PREHEARING ORDER**

### **I. CASE BACKGROUND**

Docket No. 20180045-EI was opened by the Commission on February 21, 2018, to consider the tax impacts associated with the passage of the Tax Cuts and Jobs Act of 2017 on Tampa Electric Company. On March 13, 2018, Order No. PSC-2018-0136-PCO-EI, was issued acknowledging the intervention of the Office of Public Counsel (OPC). The Order Establishing Procedure, Order No. PSC-2018-0208-PCO-EI, was issued on April 25, 2018, in which controlling dates were set for filing testimony, exhibits, and discovery. On April 30, 2018, the Office of Public Counsel (OPC) filed a Motion for Emergency Hearing Concerning Scheduling and Discovery Procedures which was granted by Order No. PSC-2018-0261-PCO-EI, issued on May 24, 2018. On June 8, 2018, the Florida Industrial Users Group (FIPUG) and the Florida Retail Federation (FRF) were granted intervention.<sup>1</sup> Prehearing statements were filed on July 25, 2018, by Commission staff, TECO, FIPUG, FRF and OPC. This docket is set for final hearing on August 20-24, 2018. Jurisdiction over these matters is vested in the Commission through several provisions of Chapter 366, Florida Statutes (F.S.), including Sections 366.04, 366.05, and 366.06, F.S.

### **II. CONDUCT OF PROCEEDINGS**

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

### **III. JURISDICTION**

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 366, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-6, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

### **IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION**

Information for which proprietary confidential business information status is requested pursuant to Section 366.093, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has

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<sup>1</sup> Order Nos. PSC-2018-0300-PCO-EI and PSC-2018-0301-PCO-EI, respectively.

been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 366.093, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

While it is the policy of this Commission for all Commission hearings be open to the public at all times, the Commission also recognizes its obligation pursuant to Section 366.093, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 366.093, F.S., at the hearing shall adhere to the following:

- (1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary Staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.
- (2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

#### **V. PREFILED TESTIMONY AND EXHIBITS; WITNESSES**

Testimony of all witnesses to be sponsored by the parties and Staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand, which shall be limited to three minutes.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and Staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness's direct testimony is adverse to its interests.

## **VI. ORDER OF WITNESSES**

<u>Witness</u>	<u>Proffered By</u>	<u>Issues #</u>
<u>Direct</u>		
*Alan D. Felsenthal	TECO	1b, 1c, 1d, 1e, 2, 3
*Valerie Strickland	TECO	1b, 1c, 1d, 1e, 2, 3
*Jeffrey S. Chronister	TECO	1a, 1h, 4, 5, 6, 7, 8, 9, 10, 13
*William R. Ashburn	TECO	11, 12
*Ralph Smith	OPC	1-10,12, 13
<u>Rebuttal</u>		
*Valerie Strickland	TECO	1f, 1g

\* These witnesses have been excused from attending the hearing and their testimony and exhibits, as identified in Section IX, stipulated to by all parties.

## **VII. BASIC POSITIONS**

**TECO:** The company has calculated the annual revenue requirement impact of the Tax Cuts and Jobs Act of 2017 (“TCJA”) in accordance with the 2017 Agreement, and that amount is approximately \$102.7 million. The Commission should approve the company’s proposal to reduce base rates by this amount as specified in its 2017 Amended and Restated Stipulation and Settlement Agreement (“2017 Agreement”) effective concurrent with the first billing cycle in January 2019. This amount should also be used in Docket No. 20170271-EI to net against the storm costs as provided in paragraph 3 and to calculate the true-up contemplated in paragraph 5(c) of the Amended Implementation Stipulation.

The company has properly calculated the amount of “excess” accumulated deferred income taxes (“excess ADIT”) as of December 31, 2017, has properly classified them as “protected” and “unprotected” and has reflected the excess amounts in the calculation of forecasted 2018 tax expense in accordance with the requirement of the Internal Revenue Code and the 2017 Agreement. If the portion of unprotected excess accumulated deferred income taxes associated with cost of removal/net negative salvage is later determined by the IRS to be “protected,” through the issuance of a private letter ruling (“PLR”) or otherwise, the company should further adjust base rates to reflect the 2018 revenue requirement impact either (a) in conjunction with a future solar base rate adjustment or (b) by filing a petition for a limited scope proceeding to adjust base rates within 60 days of the determination, whichever will result in a rate change earlier; and shall refund the associated 2018 revenue requirement difference from January 1, 2018 to the effective date of the further rate change.

**OPC:** Tampa Electric Company has identified (i) a net regulatory liability for excess accumulated deferred income taxes of approximately \$438.528 million and (ii) a one-time base rate revenue requirement change of \$102.687 million, as two major impacts of the Tax Cuts and Jobs Act of 2017 (“TCJA”).

The Citizens find no errors with Tampa Electric Company’s calculation of excess accumulated deferred income taxes and do not disagree with its classification of the excess accumulated deferred income taxes between “protected” and “unprotected.” However, guidance provided in the TCJA and in previous Internal Revenue Service rulings presents some uncertainty as to the appropriate classification of the excess accumulated deferred income taxes relating to cost of removal/negative net salvage. As a result of this uncertainty, the Citizens submit that Tampa Electric Company should be required to seek a private letter ruling from the Internal Revenue Service to address its specific factual situation regarding the cost of removal/negative net salvage as it relates to excess accumulated deferred income taxes.

Tampa Electric Company's identification of approximately \$102.687 million as the one-time base rate revenue requirement reduction as shown on its Exhibit No. JSC-1, Document No. 5, does not appear to be unreasonable for purposes of estimating the one-time annual revenue requirement reduction and excess accumulated deferred income taxes related to the TCJA. Therefore, this amount should be used for evaluating any true-up required under the Amended Implementation Agreement filed on February 13, 2018, in Docket Nos. 20170271-EI and 20180013-PU.

**FIPUG:** FIPUG seeks a full and fair distribution of dollars to FIPUG members and other Tampa Electric Company customers resulting from the federal Tax Cuts and Jobs Act of 2017. This distribution should be done efficiently, transparently, accurately, and without delay.

**FRF:** Tampa Electric has realized significant cost savings pursuant to the Tax Cuts and Jobs Act of 2017. The 2017 Amended and Restated Stipulation and Settlement Agreement ("2017 Agreement"), as modified by the Amended Implementation Stipulation, requires Tampa Electric to reduce its retail rates and to refund certain amounts of accumulated deferred income taxes to customers as specified in these documents. Tampa Electric should reduce its retail rates and implement the refunds as required by the 2017 Agreement and in accordance with the Amended Implementation Stipulation.

**STAFF:** Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions.

## **VIII. ISSUES AND POSITIONS**

**ISSUE 1:** PROPOSED STIPULATION – See Section X.

**ISSUE 1a:** PROPOSED STIPULATION – See Section X.

**ISSUE 1b:** PROPOSED STIPULATION – See Section X.

**ISSUE 1c:** PROPOSED STIPULATION – See Section X.

**ISSUE 1d:** PROPOSED STIPULATION – See Section X.

**ISSUE 1e:** PROPOSED STIPULATION – See Section X.

**ISSUE 1f:** PROPOSED STIPULATION – See Section X.

**ISSUE 1g:** PROPOSED STIPULATION – See Section X.

**ISSUE 1h:** PROPOSED STIPULATION – See Section X.

**ISSUE 2:** PROPOSED STIPULATION – See Section X.

**ISSUE 3:** PROPOSED STIPULATION – See Section X.

**ISSUE 4:** PROPOSED STIPULATION – See Section X.

**ISSUE 5:** PROPOSED STIPULATION – See Section X.

**ISSUE 6:** PROPOSED STIPULATION – See Section X.

**ISSUE 7:** PROPOSED STIPULATION – See Section X.

**ISSUE 8:** PROPOSED STIPULATION – See Section X.

**ISSUE 9:** PROPOSED STIPULATION – See Section X.

**ISSUE 10:** PROPOSED STIPULATION – See Section X.

**ISSUE 11:** PROPOSED STIPULATION – See Section X.

**ISSUE 12:** PROPOSED STIPULATION – See Section X.

**ISSUE 13:** PROPOSED STIPULATION – See Section X.

**ISSUE 14:** PROPOSED STIPULATION – See Section X.

**IX. EXHIBIT LIST**

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
	<u>Direct</u>		
Alan D. Felsenthal	TECO	ADF-1	Depreciation Timing Difference Examples; ARAM illustration
Valerie Strickland	TECO	VS-1,	Estimated and Excess ADIT; 2018 Tax Expense under the TCJA; MFR C-22

<u>Witness</u>	<u>Proffered By</u>		<u>Description</u>
		Revised VS-1	Estimated and Revised Excess ADIT; 2018 Tax Expense under the TCJA; MFR C-22
Jeffrey S. Chronister	TECO	JSC-1	2017 Agreement; Amended Implementation Stipulation; 2018 Forecasted Earnings Surveillance Report as Filed and Updated to Reflect the TCJA; Calculation of Annual Revenue Requirement Reduction Required by the 2017 Agreement and Adjustment thereto for the First SoBRA Budget Difference and Tax Reform Adjustment
William R. Ashburn	TECO	WRA-1	Base Revenue by Rate Schedules; Roll-up Base Revenue by Rate Class; Typical Bills Reflecting Tax Reform Base Rate Decrease; Redlined and Clean Tariffs Reflecting Tax Reform Base Rate Decrease
Ralph Smith	OPC	RCS-1	Summary of Experience and Qualifications

Parties and Staff reserve the right to identify additional exhibits for the purpose of cross-examination.



**X. PROPOSED STIPULATIONS**

All issues have been stipulated at this time as noted below.

TYPE 1

**ISSUE 1: Has TECO complied with the applicable provisions of its 2017 Amended and Restated Stipulation and Settlement Agreement and Amended Implementation Stipulation regarding Tax Cuts and Jobs Act of 2017 (TCJA)?**

**STIPULATION:** Yes, as detailed below.

**ISSUE 1a: Was TECO's "forecasted earnings surveillance report for the calendar year that includes the period in which Tax Reform is effective" used?**

**STIPULATION:** Yes. The company properly used the 2018 Forecasted Earnings Surveillance Report as filed on March 16, 2018 to compute the annual revenue requirement impact associated with the TCJA in accordance with the 2017 Agreement.

**ISSUE 1b: Were "protected excess deferred taxes" for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?**

**STIPULATION:** Yes. The amount of protected excess ADIT as of December 31, 2017 was \$347.8 million. Protected excess ADIT amounts were properly reflected in the calculation of 2018 income tax expense using the average rate assumption method in accordance with the Internal Revenue Code and the 2017 Agreement.

**ISSUE 1c: Were "unprotected excess deferred taxes" for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?**

**STIPULATION:** Yes. Book-tax differences not covered by protected normalization rules were properly considered to be unprotected. The amount of unprotected excess ADIT as of December 31, 2017 was \$133.0 million. Excess unprotected ADIT were properly reflected in the calculation of 2018 income tax expense over a ten-year flowback period in accordance with the 2017 Agreement.

**ISSUE 1d: Were Accumulated Deferred Income Taxes (ADIT) appropriately calculated?**

**STIPULATION:** Yes. Tampa Electric identified the book-tax differences that would be impacted by the TCJA, then calculated income tax expense to re-measure

ADIT balances at the new applicable corporate rate of 21 percent. In accordance with the 2017 Agreement, these excess ADIT were deferred to a regulatory asset or liability which will be included in FPSC-adjusted capital structure and flowed back to customers consistent with the Internal Revenue Code and the 2017 Agreement.

**ISSUE 1e:** Are TECO’s classifications of the excess ADIT between “protected” and “unprotected” appropriate?

**STIPULATION:** Yes. Tampa Electric engaged PowerPlan to assist in identifying and remeasuring excess deferred taxes, and PriceWaterhouseCoopers has tested and verified the company’s calculation of the impact of the TCJA.

**ISSUE 1f:** Should TECO seek a private letter ruling from the IRS regarding its classification of the excess ADIT relating to cost of removal/negative net salvage as “unprotected”?

**STIPULATION:** Yes. Tampa Electric does not object to seeking a PLR from the IRS regarding its classification of the excess ADIT relating to cost of removal/negative net salvage as unprotected.

**ISSUE 1g:** If TECO seeks a private letter ruling and the IRS rules therein (or in another private letter ruling) that the excess ADIT relating to cost of removal/negative net salvage is to be treated as “protected”, what process should be followed for the reclassification?

**STIPULATION:** If Tampa Electric receives a private letter ruling (“PLR”) from the IRS ruling that the excess ADIT relating to cost of removal/negative net salvage is to be treated as protected, then a reclassification should be made in the company’s books and records and flow-back amounts should be trued up based on the ruling. In addition, the company should further adjust base rates to reflect the 2018 revenue requirement impact either (a) in conjunction with a future solar base rate adjustment or (b) by filing a petition for a limited scope proceeding (or stipulated among all parties in lieu thereof) to adjust base rates within 60 days of the determination in the PLR, whichever will result in a rate change earlier; and shall refund the associated 2018 revenue requirement, difference from January 1, 2018 to the effective date of the further rate change through the conservation cost recovery clause.

**ISSUE 1h: Were appropriate adjustments made to the First SoBRA project for the impact of the TCJA for the tax year 2018?**

**STIPULATION:** Yes. In accordance with the 2017 Agreement, for 2018 the company adjusted its cost recovery request for the First SoBRA in Docket No. 20170260-EI to reflect lower revenue requirements as a result of the TCJA.

**ISSUE 2: What is the forecasted tax expense for TECO for the tax year 2018 at a 21 percent corporate tax rate?**

**STIPULATION:** The forecasted tax expense under the TCJA, for the tax year 2018 at a corporate tax rate of 21 percent for Tampa Electric is \$85.9 million, a reduction in forecasted tax expense of \$82.1 million when compared to tax expense without tax reform.

**ISSUE 3: What is the forecasted tax expense for TECO for the tax year 2018 at a 35 percent corporate tax rate?**

**STIPULATION:** The forecasted tax expense without tax reform for the tax year 2018 at a corporate tax rate of 35 percent for Tampa Electric is approximately \$168.1 million.

**ISSUE 4: What is the forecasted NOI for the tax year 2018 at a 21 percent corporate tax rate?**

**STIPULATION:** The forecasted FPSC-adjusted 13-month average NOI adjusted for the effects of the TCJA at a 21 percent tax rate is \$438.3 million.

**ISSUE 5: What is the forecasted NOI for the tax year 2018 at a 35 percent corporate tax rate?**

**STIPULATION:** The forecasted FPSC-adjusted 13-month average NOI at a 35 percent tax rate is \$360.1 million.

**ISSUE 6: What is the forecasted capital structure for the tax year 2018 at a 21 percent corporate tax rate?**

**STIPULATION:** The average midpoint forecasted capital structure for the tax year 2018, under the TCJA at a 21 percent corporate tax rate on an FPSC-adjusted basis is as follows:

	Adjusted Retail (\$000)	Adjusted Retail (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 1,756,256	30.26	4.93	1.49
Short Term Debt	252,677	4.35	2.94	0.13
Customer Deposits	84,020	1.45	2.41	0.03
Common Equity	2,487,153	42.86	10.25	4.39
Deferred Income Taxes	1,188,342	20.48	-	-
Tax Credits-Weighted Cost	34,558	0.60	7.77	0.05
Total	\$ 5,803,005	100.00		6.09

**ISSUE 7: What is the forecasted capital structure for the tax year 2018 at a 35 percent corporate tax rate?**

**STIPULATION:** The average midpoint forecasted capital structure for the tax year 2018, under the TCJA at a 35 percent corporate tax rate on an FPSC-adjusted basis is as follows:

	Adjusted Retail (\$000)	Adjusted Retail (%)	Cost Rate (%)	Weighted Cost (%)
Long Term Debt	\$ 1,756,483	30.23	4.93	1.49
Short Term Debt	240,239	4.13	2.96	0.12
Customer Deposits	84,031	1.45	2.41	0.03
Common Equity	2,471,935	42.54	10.25	4.36
Deferred Income Taxes	1,223,272	21.05	-	-
Tax Credits-Weighted Cost	34,562	0.59	7.77	0.05
Total	\$ 5,810,522	100.00		6.05

**ISSUE 8: What is the forecasted revenue requirement for TECO for the tax year 2018 using a 21 percent corporate tax rate?**

**STIPULATION:** The forecasted 13-month average NOI for TECO for the tax year 2018 at a 21 percent tax rate is \$438.3 million, and the application of the 0.74655 tax gross-up factor results in a revenue requirement of \$587.1 million.

**ISSUE 9: What is the forecasted revenue requirement for TECO for the tax year 2018 using a 35 percent corporate tax rate?**

**STIPULATION:** The forecasted 13-month average NOI for TECO for the tax year 2018 at a 35 percent corporate tax rate is \$360.1 million, and the application of the 0.74655 tax gross-up factor results in a revenue requirement of \$482.3 million.

**ISSUE 10: What is the amount of annual revenue requirement decrease/increase due to the enactment of the TCJA for the tax year 2018?**

**STIPULATION:** The revenue requirement decrease due to the enactment of the TCJA for the tax year 2018 is \$102.7 million. The 2018 revenue requirement decrease is the difference between the forecasted NOI pre- and post-TCJA with the 0.74655 tax gross-up factor applied, and then adjusted to reflect actual instead of budgeted First SoBRA revenue requirements included in the NOI and the First SoBRA tax reform revenue requirements reduction already performed in Docket No. 20170260-EI.

**ISSUE 12: What are the appropriate base rate charges implementing the TCJA and when should the new base rate charges become effective?**

**STIPULATION:** Pursuant to the 2017 Amended and Restated Stipulation and Settlement Agreement and the Amended Implementation Stipulation, a one-time rate reduction of \$102.7 million should be accomplished via a uniform percentage decrease to customer, demand and energy base rate charges for all retail customer classes as shown in Witness Ashburn's Exhibit No. \_\_\_\_ (WRA-1), Document No. 5. These new base rate changes should become effective concurrent with the first billing cycle of January 2019.

**ISSUE 13: What is the amount of the 2018 annual revenue requirement decrease attributable to the TCJA that should be used in Docket No. 20170271-EI to recover the storm cost as provided in paragraph 3 and to calculate the true up contemplated in paragraph 5(c) of the Amended Implementation Stipulation?**

**STIPULATION:** The \$102.7 million revenue requirement impact specified in Issue 10, above, should be used in Docket No. 20170271-EI to net against the storm costs as provided in paragraph 3 and to calculate the true-up contemplated in paragraph 5(c) of the Amended Implementation Stipulation.

**ISSUE 14: Should this docket be closed?**

**STIPULATION:** This docket should remain open to consider feedback from the IRS through the PLR regarding whether the treatment of excess ADIT relating to the cost of removal/negative net salvage as unprotected is appropriate and until all true-ups and offsets are fully implemented pursuant to the 2017 Amended and Restated Stipulation and Settlement Agreement and the Amended Implementation Stipulation.

TYPE 2

**ISSUE 11: What is the annual percentage decrease for the base rate charges for the RS, GS, GSD and IS rate classes resulting from the TCJA?**

**STIPULATION:** Consistent with the 2017 Agreement, the annual percentage decrease in the base rate charge for RS, GS, GSD, and IS rate classes resulting from the TCJA is 9.0 percent.

**XI. PENDING MOTIONS**

None.

**XII. PENDING CONFIDENTIALITY MATTERS**

None.

**XIII. POST-HEARING PROCEDURES**

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

**XIV. RULINGS**

Opening statements, if any, shall not exceed 5 minutes per party.

It is therefore, hereby

ORDERED by Commissioner Julie I. Brown, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Julie I. Brown, as Prehearing Officer, this 14th day of August, 2018.



JULIE I. BROWN

Commissioner and Prehearing Officer  
Florida Public Service Commission  
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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.

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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.