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October 17, 2018

**E-PORTAL FILING**

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

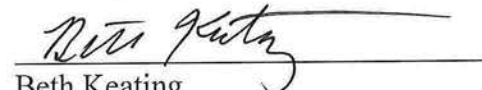
**Re: Docket No. 20180052-GU – In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Indiantown Division.**

Dear Ms. Stauffer:

Attached for filing, please find the Rebuttal Testimony of Michael Cassel on behalf of FPUC-Indiantown Division.

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

Kind regards,



Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK

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Before the Florida Public Service Commission

Docket No. 20180052-GU

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act  
of 2017 for Florida Public Utilities Company –Indiantown Division

Prepared Rebuttal Testimony of Michael Cassel

Date of Filing: 10/17/2018

**Q. Please state your name and business address.**

A. My name is Michael Cassel. My business address is 1750 South 14<sup>th</sup>  
Street, Suite 200, Fernandina Beach, FL 32034.

**Q. Have you previously filed direct testimony in this case?**

A. Yes, I have.

**Q. Have you read the testimony of Ralph Smith on behalf of the  
Citizens of the State of Florida?**

A. Yes, I have.

**Q. Are you familiar with the Reedy Creek case mentioned by Witness  
Smith?**

A. I was not prior to this proceeding, but have since reviewed the case.

**Q. Are the facts in the Reedy Creek case the same as the facts in this  
docket?**

1 A. No, there are different facts in this docket. As I understand the case,  
2 Reedy Creek was in an over earnings position, which Indiantown is not.  
3 The decision also indicates that when the Commission opened the  
4 docket to review the impact of the 1978 tax changes, the Commission  
5 had stated that if the tax reduction resulted in revenue to the utilities that  
6 exceeded a fair and reasonable return upon their investment, then  
7 utilities could be required to refund these revenues to the consumers.  
8 Indiantown's posture is different. Even if the entire tax benefit is retained  
9 by the Company, Indiantown would not be in an over-earnings posture.  
10 Therefore, the tax changes have not resulted in a "windfall" to the utility,  
11 which is the concern upon which the Commission, and the Court, in  
12 Reedy Creek, seemed to focus.

13

14 **Q. Does this conclude your rebuttal testimony?**

15 A. Yes.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy<sup>1</sup> of the foregoing Rebuttal Testimony of Michael Cassel on behalf of the Florida Public Utilities Company – Indiantown Division has been served by Electronic Mail this 17<sup>th</sup> day of October, 2018, upon the following:

Rachael A. Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:RDziehc@psc.state.fl.us">RDziehc@psc.state.fl.us</a>	J.R. Kelly/Virginia Ponder Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:ponder.virginia@leg.state.fl.us">ponder.virginia@leg.state.fl.us</a>
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By: \_\_\_\_\_

  
Beth Keating  
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Tallahassee, FL 32301  
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October 17, 2018

**E-PORTAL FILING**

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

**Re: Docket No. 20180053-GU – In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Company – Fort Meade.**

Dear Ms. Stauffer:

Attached for filing in the referenced docket, please find the Rebuttal Testimony of Michael Cassel on behalf of Florida Public Utilities Company – Fort Meade.

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

Kind regards,

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Beth Keating  
Gunster, Yoakley & Stewart, P.A.  
215 South Monroe St., Suite 601  
Tallahassee, FL 32301  
(850) 521-1706

MEK

1 Before the Florida Public Service Commission

2 Docket No. 20180053-GU

3 In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act  
4 of 2017 for Florida Public Utilities Company – Fort Meade

5 Prepared Rebuttal Testimony of Michael Cassel

6 Date of Filing: 10/17/2018

7

8 **Q. Please state your name and business address.**

9 A. My name is Michael Cassel. My business address is 1750 South 14<sup>th</sup>  
10 Street, Suite 200, Fernandina Beach, FL 32034.

11

12 **Q. Have you previously filed direct testimony in this case?**

13 A. Yes, I have.

14

15 **Q. Have you read the testimony of Ralph Smith on behalf of the**  
16 **Citizens of the State of Florida?**

17 A. Yes, I have.

18

19 **Q. Are you familiar with the Reedy Creek case mentioned by Witness**  
20 **Smith?**

21 A. I was not before witness Smith referenced it. I have since become more  
22 familiar with the case.

23

24 **Q. Are the facts in the Reedy Creek case the same as the facts in this**  
25 **docket?**

1 A. No, there are different facts in this docket. As I understand the case,  
2 Reedy Creek was in an over earnings position, which Fort Meade is not.  
3 The decision also indicates that when the Commission opened the  
4 docket to review the impact of the 1978 tax changes, the Commission  
5 had stated that if the tax reduction resulted in revenue to the utilities that  
6 exceeded a fair and reasonable return upon their investment, then  
7 utilities could be required to refund these revenues to the consumers.  
8 Fort Meade's posture is different. Even if the entire tax benefit is  
9 retained by the Company, Fort Meade would not be in an over-earnings  
10 posture. Therefore, the tax changes have not resulted in a "windfall" to  
11 the utility, which is the concern upon which the Commission, and the  
12 Court, in Reedy Creek, seemed to focus.

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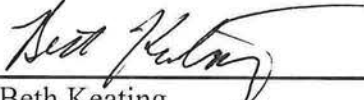
14 **Q. Does this conclude your rebuttal testimony?**

15 A. Yes.

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I hereby certify that a true and correct copy of the foregoing Rebuttal Testimony of Michael Cassel on behalf of the Florida Public Utilities Company – Fort Meade has been served by Electronic Mail this 17<sup>th</sup> day of October, 2018, upon the following::

Rachael A. Dziechciarz Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 <a href="mailto:RDziehc@psc.state.fl.us">RDziehc@psc.state.fl.us</a>	J.R. Kelly/Virginia Ponder Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:ponder.virginia@leg.state.fl.us">ponder.virginia@leg.state.fl.us</a>
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