

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Establish a Generic Docket
To Investigate and Adjust Rates for 2018
Tax Savings, by Office of Public Counsel

DOCKET NO. 20180013-PU

**JOINT MOTION BY UTILITIES, INC. FLORIDA AND OFFICE OF PUBLIC
COUNSEL TO APPROVE SETTLEMENT AGREEMENT AND TO HOLD THE
HEARING SCHEDULE IN ABEYANCE**

Utilities, Inc. Florida (“UIF”) and the Citizens of the State of Florida, through the Office of Public Counsel (“OPC”), pursuant to Rule 28-106.204, Florida Administrative Code, hereby move the Commission, through the prehearing officer, to approve the Settlement Agreement dated February 6, 2020, and attached hereto as Exhibit A, and hold the hearing schedule established in Order No. PSC-2019-0397-PCO-PU (“OEP”) in abeyance pending the actions agreed upon in the Settlement Agreement. In support, the Movants state:

On January 9, 2018, OPC filed its “Petition to Establish Generic Docket to Investigate and Adjust Rates for 2018 Tax Savings” to address the effect of the Tax Cuts and Jobs Act of 2017. On February 6, 2019, in Order No. PSC-2018-0104-PCO-PU, the Commission established jurisdiction over utilities’ tax savings if such a date was not contained in an applicable settlement agreement. At this time, all electric and natural gas utilities tax savings dockets have been considered by the Commission. The instant docket addresses tax savings associated with water and wastewater utilities.

The OEP established the following schedule:

- | | |
|--|------------------|
| (1) Utility’s testimony and exhibits | November 4, 2019 |
| (2) Intervenors’ testimony and exhibits | January 7, 2020 |
| (3) Staff’s testimony and exhibits, if any | January 7, 2020 |

- | | |
|-------------------------------------|-------------------|
| (4) Rebuttal testimony and exhibits | January 21, 2020 |
| (5) Prehearing Statements | February 4, 2020 |
| (6) Discovery deadline | February 11, 2020 |
| (7) Prehearing Conference | February 18, 2020 |
| (8) Hearing | March 3-4, 2020 |
| (9) Briefs | March 18, 2020 |

In consideration of the Settlement Agreement entered into between OPC and UIF, attached hereto as Exhibit A, the parties submit that administrative efficiency would be best served by holding the Commission's hearing schedule in abeyance pending UIF's filing of a test year letter on or before May 31, 2020, and UIF's filing of its MFRs on or before July 31, 2020.

For the reasons set out above, Movants request that the Commission hold in abeyance the current hearing schedule.

WHEREFORE, Movants request that the Commission grant the relief requested.

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20180013-PU
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 6th day of February 2020, to the following:

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EXHIBIT “A”

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition to Establish a Generic Docket
To Investigate and Adjust Rates for 2018
Tax Savings, by Office of Public Counsel

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SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into as of February 6, 2020, by and between Utilities, Inc. Florida (“UIF”) and the Office of Public Counsel (“OPC”), sometimes referred to hereinafter collectively as the “Parties” and individually as “Party.”

WHEREAS, on January 9, 2018, OPC filed its “Petition to Establish Generic Docket to Investigate and Adjust Rates for 2018 Tax Savings” to address the effect of the Tax Cuts and Jobs Act of 2017. On February 6, 2019, in Order No. PSC-2018-0104-PCO-PU, the Commission established jurisdiction over utilities’ tax savings if such a date was not contained in an applicable settlement agreement. The instant docket addresses tax savings associated with water and wastewater utilities.

WHEREAS, on August 22, 2019, the Public Service Commission (“Commission”) entered Order No. PSC-2019-0350-PAA-PU (“PAA Order”), finding, in part, “that it is reasonable to consider the earnings position of a utility when deciding if its base rates should be reduced for changes in tax rates.” PAA Order at 2.

WHEREAS, on September 12, 2019, OPC filed a petition requesting an evidentiary hearing on portions of the PAA Order. Specifically, OPC argued that UIF was awarded a rate increase on September 25, 2017, based, in part, on a federal corporate income tax rate of 35%.

WHEREAS, on October 2, 2019, the Commission issued Order No. PSC-2019-0397-PCO-PU (“OEP”), establishing the procedure for the evidentiary hearing in this docket.

WHEREAS, the Parties have engaged in discussions to reach a compromise regarding the issues to be considered at the evidentiary hearing.

WHEREAS, the Parties have entered into this Agreement in compromise of positions taken or that could have been taken consistent with their rights and interests under Chapters 350, 367, and 120, Florida Statutes, as applicable, and as part of a negotiated exchange of consideration between the Parties, in which each Party has agreed to concessions to the other with the expectation, intent, and understanding that all provisions of this Agreement, upon approval by the Commission, will be enforced by the Commission as to all matters addressed herein with respect to all Parties.

NOW THEREFORE, in light of the mutual covenants of the Parties and the benefits accruing to the Parties through this Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. UIF intends to file a full rate case in 2020 utilizing a 12/31/2019 test year.
2. UIF intends to file its test year letter with the Commission on or before May 31, 2020.
3. UIF intends to file its minimum filing requirements (“MFRs”) on or before July 31, 2020.
4. Based upon UIF’s representations as recited herein, OPC agrees to hold in abeyance the hearing in this docket. If UIF files its test year letter on or before May 31, 2020, and files its MFRs on or before July 31, 2020, OPC agrees to withdraw its Petition of September 12, 2019, protesting certain issues in the PAA Order. The parties agree that OPC may raise any tax issues, to the extent necessary, in UIF’s rate case applicable to the 2019 test year and going forward.
5. The provisions of this Agreement are contingent upon approval of the Agreement in its entirety without modification. The Parties agree that approval of this Agreement is in the

public interest. The Parties will support approval of this Agreement and will not request or support any order, relief, outcome or result in conflict with it. No Party to this Agreement will request, support or seek to impose a change to any provision of this Agreement without the agreement of the other Parties. Approval of this in its entirety will resolve all matters and issues in this docket.

6. The Parties agree that this Agreement may be executed in counterpart originals, and a scanned pdf copy of an original signature will be deemed an original. Any principal or entity that executes, or causes to be executed, a signature page to this Agreement will be deemed and become a Party with the full range of rights, obligations, and responsibilities provided hereunder, notwithstanding that such principal or entity is not listed in the first recital above or executes the signature page subsequent to the date of this Agreement. It is expressly understood that the addition of any such additional Party or Parties will not disturb or diminish the benefits of this Agreement to any current Party.
7. This Agreement will become effective when it is approved by the Commission, a final order has been issued, and the final order become unappealable.

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