

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
FILED: July 25, 2018

**FLORIDA INDUSTRIAL POWER USERS GROUP'S
PREHEARING STATEMENT**

The Florida Industrial Power Users Group (“FIPUG”), pursuant to the Order Establishing Procedure in this docket, Order No. PSC-2018-0208-PCO-EI, issued April 25, 2018, hereby submits its Prehearing Statement.

APPEARANCES:

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Attorneys for the Florida Industrial Power Users Group

1. WITNESSES:

All witnesses listed by other parties

2. EXHIBITS:

All exhibits listed by other parties.

3. STATEMENT OF BASIC POSITION:

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

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

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

- a) Was TECO’s “forecasted earnings surveillance report for the calendar year that includes the period in which Tax Reform is effective” used?
- b) Were “protected excess deferred taxes” for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?
- c) Were “unprotected excess deferred taxes” for 2018 using a 21 percent corporate tax rate appropriately calculated and flowed back?
- d) Were Accumulated Deferred Income Taxes (ADIT) appropriately calculated?
- e) Are TECO’s classifications of the excess ADIT between “protected” and “unprotected” appropriate?
- f) 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”?
- g) 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?
- h) Were appropriate adjustments made to the First SoBRA project for the impact of the TCJA for the tax year 2018?

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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?

FIPUG: Adopt position of OPC.

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

FIPUG: Adopt position of OPC.

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?**

FIPUG: Adopt position of OPC.

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

FIPUG: Yes.

5. STIPULATED ISSUES:

None at this time.

6. PENDING MOTIONS:

None.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

None.

8. OBJECTIONS TO QUALIFICATION OF WITNESSES AS AN EXPERT:

FIPUG objects to any expert witness not designated as an expert and expressly offered as an expert witness, with areas of expertise identified.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which FIPUG cannot comply.

/s/ Jon C. Moyle

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CERTIFICATE OF SERVICE

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 25th day of July, 2018, to the following:

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