

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of the tax impacts
associated with Tax Cuts and Jobs Act of 2017
for Peoples Gas System.

DOCKET NO. 20180044-GU
ORDER NO. PSC-2018-0405-PCO-GU
ISSUED: August 14, 2018

SECOND ORDER REVISING ORDER ESTABLISHING PROCEDURE
FOR COMMISSION CONSIDERATION OF SETTLEMENT AGREEMENT

Background

On February 21, 2018, the Florida Public Service Commission opened Docket No. 20180044-GU to consider the tax impacts on Peoples Gas System (Peoples Gas) due to the passage of the Tax Cuts and Jobs Act of 2017. By Order No. PSC-2018-0212-PCO-GU, the Order Establishing Procedure, issued April 25, 2018, the schedule and procedure were set. On May 24, 2018, a First Order Establishing Procedure, Order No. PSC-2018-0260-PCO-GU, was issued to revise certain controlling dates. On May 31, 2018, Peoples Gas filed its petition for limited proceeding. The Office of Public Counsel (OPC) and the Florida Industrial Power Users Group (FIPUG) intervened. Peoples Gas and OPC pre-filed testimony. The Prehearing Conference was held on August 6, 2018, and a hearing on Peoples Gas petition was scheduled to commence August 20, 2018.

At the Prehearing Conference, the parties indicated they had agreed to proposed stipulations on Issues 1-5, 8-18, 19 and 21. The parties also indicated that they were working towards a settlement on the remaining four unresolved issues. On August 8, 2018, Peoples Gas, OPC, and FIPUG (the signatories) filed a joint motion seeking Commission approval of their Settlement Agreement (Settlement Agreement) proposing resolution of the remaining four issues. The Settlement Agreement also proposes the approval of new depreciation rates that result in a reduction to depreciation expense of an estimated \$10,300,000 and the requirement to record \$10,945,747 of unamortized Manufacturing Gas Plant expense. The proposed changes to depreciation rates and recording of additional manufacturing gas plant expense are both outside the scope of this proceeding.

In order to provide those who may be affected by the new matters contained within the Settlement Agreement, the final hearing scheduled to begin August 20, 2018, shall be continued to September 12, 2018. To allow substantially affected persons an opportunity to address the two new matters raised in the Settlement Agreement that are outside the scope of this docket, notwithstanding Rule 28-106.205, Florida Administrative Code (F.A.C.), any motions for intervention must be filed by August 31, 2018, to be considered timely. As formal discovery ended prior to the filing of the Settlement Agreement, a new procedural order is required to provide substantially affected persons with an opportunity to fully explore the new matters raised within the proposed Settlement Agreement.

Scheduling Administrative Hearing

Section 120.57(4), Florida Statutes (F.S.), permits the Commission to informally dispose of any proceeding by stipulation, agreed settlement, or consent order. In compliance with Sections 120.569 and 120.57, F.S., an administrative hearing will be held on September 12, 2018. Pursuant to Rule 28-106.302(2), F.A.C., the purpose of this hearing is for the Commission to take oral evidence or argument regarding whether approval of the proposed Settlement Agreement filed by Peoples Gas, OPC, and FIPUG is in the public interest. Subject to the Presiding Officer's authority and discretion, the hearing agenda may include the following:

- Signatories presentation of oral evidence or argument and response to Commissioner questions regarding the Settlement Agreement;
- Any new intervenor shall be provided an opportunity to present testimony and argument to address the merits of the two new matters raised in the settlement.
- Admission of any evidentiary documents moved into the record; and
- A bench vote may be conducted at the discretion of the Commissioners, if post-hearing briefs are waived by the parties.
- At the hearing, the Commission will also take up the stipulated issues as set forth in the Prehearing Order.

Data Requests

Commission staff and parties will be permitted a limited time to send no more than 20 data requests. Parties are directed to respond to the data requests in writing so the response is received within seven days receipt of the request. Affidavits must accompany all written data responses. All data request responses must be received by Friday, September 7, 2018. Information obtained through data requests may be used by the parties in their oral arguments, by Commission staff in advising the Commissioners, entered into the record as evidence, and by the Commissioners in consideration of the proposed Settlement Agreement.

Statement of Jurisdiction

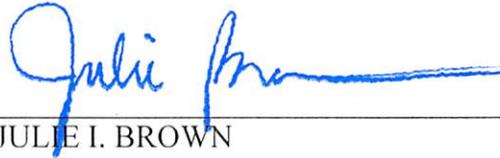
This Order is issued pursuant to the authority granted by Rule 28-106.211, F.A.C., which provides that the presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, prevent delay, and promote the just, speedy, and inexpensive determination of all aspects of the case.

The Commission has jurisdiction pursuant to Chapter 366, F.S., and is proceeding under its authority pursuant to Sections 366.04, 366.041, 366.05, 366.06, and 120.57, F.S.

It is therefore, hereby

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

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



JULIE I. BROWN
Commissioner and Prehearing Officer
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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.

WLT

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.