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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. 20180054-GU – In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Division of Chesapeake Utilities Corporation.

Dear Ms. Stauffer:

Attached for filing in the referenced docket, please find the Rebuttal Testimony of Michael Cassel on behalf of the Florida Division of Chesapeake Utilities Corporation.

Thank you for your assistance with this filing. Please don't hesitate to let me know if you have any questions.

Kind regards,



Gregory Munson
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Before the Florida Public Service Commission

Docket No. 20180054-GU

In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act
of 2017 for the Florida Division of Chesapeake Utilities Corporation

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 14th
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
presented in this docket?**

1 A. No, there are different from the facts in this docket. As I understand the
2 case, Reedy Creek was in an over earnings position, which CFG 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 CFG's posture is different. Even if the entire tax benefit is retained by
9 the Company, CFG 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 of the foregoing Rebuttal Testimony of Michael Cassel on behalf of the Florida Division of Chesapeake Utilities Corporation has been served by Electronic Mail this 17th day of October, 2018, upon the following:

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