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October 19, 2018

**BY E-PORTAL**

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

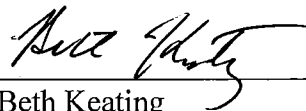
**Re: Docket No. 20180001-EI: Fuel and Purchased Power Cost Recovery Clause with  
Generating Performance Incentive Factor**

Dear Ms. Stauffer:

Attached for filing, please find Florida Public Utilities Company's Motion to Accept Supplemental Testimony and Exhibits and Revised Prehearing Statement.

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

Sincerely,



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

MEK  
cc://(Certificate of Service)

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Fuel and purchased power cost recovery clause with generating performance incentive factor.	DOCKET NO. 20180001-EI DATED: October 19, 2018
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**FLORIDA PUBLIC UTILITIES COMPANY'S  
MOTION TO ACCEPT  
SUPPLEMENTAL DIRECT TESTIMONY  
AND REVISED PREHEARING STATEMENT**

Florida Public Utilities Company ("FPUC" or "the Company") hereby respectfully moves the Florida Public Service Commission ("FPSC" or "Commission") to issue an order accepting FPUC's Supplemental Direct Testimony and Exhibits of Michael Cassel, and its revised Prehearing Statement, which are filed contemporaneously with this Motion under separate cover, and as support therefor states as follows:

1. On February 14, 2018, the FPSC entered Order No. PSC-2018-0079-PCO-EI, the "Order Establishing Procedure" for this proceeding. On May 14, 2018, by Order No. PSC-2018-0164-PCO-EI, the Commission rescheduled the hearing in this proceeding for November 5-7, 2018.
2. Separately, on February 21, 2018, the Commission opened Docket No. 20180048-EI to address the impact of the Tax Cuts and Jobs Act of 2017 ("TCJA") on FPUC. Thereafter, on April 25, 2018, the Order Establishing Procedure, Order No. PSC-2018-0211-PCO-EI, was issued establishing the schedule for that proceeding. In accordance with that Order, FPUC filed its Petition for Approval of Tax Benefits Adjustment Amounts and Flow-Through Mechanism on May 31, 2018, along with the testimony and exhibits of witnesses Cassel, Dewey and Reno. The Office of

Public Counsel (“OPC”) intervened on February 27, 2018. On June 1, 2018, the Commission issued a revised schedule for Docket No. 20180048-EI by Order No. PSC-2018-0280-PCO-EI.

3. The parties to Docket No. 20180048-EI continued to negotiate in good faith with regard to the disposition of tax benefits arising as a result of the TCJA and have since reached a definitive agreement as to the appropriate quantification and disposition of those benefits, which will be filed in Docket No. 20180048-EI (“2018 Tax Settlement”) on or before October 18, 2018.
4. An aspect of the 2018 Tax Settlement involves flowing back to FPUC customers the total tax benefits that inured to the Company in 2018 in the amount of \$1,464,452 by way of a reduction to the Fuel and Purchased Power (“Fuel”) factors charged to customers in 2019. Future amounts will be addressed through a base rate reduction effective January 1, 2019.
5. While the 2018 Tax Settlement has not yet been scheduled for consideration by the Commission, FPUC respectfully requests that it be allowed to submit Supplemental Direct Testimony in this Fuel proceeding in support of the tax savings adjustment to the 2019 Fuel factors as contemplated in the 2018 Tax Settlement.
6. Allowing FPUC to provide Supplemental Direct Testimony for the limited purpose of providing support in this record for the proposed 2018 tax savings adjustment to the Company’s Fuel factors will facilitate full and timely compliance with the 2018 Tax Settlement, in the event that the Commission determines that the 2018 Tax Settlement should be approved, by enabling the adjustment to the Company’s Fuel factors to be effective, as contemplated, beginning January 2019. Given the approaching hearing

in this matter, FPUC has submitted the Supplemental Testimony and supporting schedules of Michael Cassel contemporaneously with this Motion.

7. The Supplemental Direct Testimony and supporting schedules are succinct and reflect the Company's proposed 2019 Fuel Factors with and without the flow-through of the tax benefit contemplated in the 2018 Tax Settlement. As such, FPUC respectfully suggests that submission of this supplemental filing will not cause undue inconvenience or prejudice to any party to this proceeding nor to Commission staff.
8. In the event that the Commission addresses the 2018 Tax Settlement prior to the Commission's hearing in this Docket, the Commission's decision could be recognized for purposes of addressing the tax savings adjustment issue in this Fuel proceeding at the November 5-7, 2018 hearing. If the Commission addresses the 2018 Tax Settlement subsequent to the hearing in this Fuel docket, the Commission would nonetheless have sufficient basis in this record to rule on the company-specific issue contingent on the outcome of the Commission's decision on the 2018 Tax Settlement in Docket No. 20180048-EI.
9. FPUC states that it has consulted with the other parties to this Fuel proceeding. The parties to this proceeding have indicated that they do not object or have no position on FPUC's request or have otherwise not yet responded as of the time of this filing.<sup>1</sup>

WHEREFORE, Florida Public Utilities Company respectfully requests that the Commission, through the Prehearing Officer assigned to this docket accept FPUC's Supplemental Direct Testimony and Exhibits, and its revised Prehearing Statement, submitted under separate cover contemporaneous with this request for the limited purpose of addressing the

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<sup>1</sup> As of the time of this filing, the only party that had not yet responded was TECO.

Docket No. 20180001-EI

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proposed adjustment to FPUC's Fuel factors contemplated in the 2018 Tax Settlement filed in  
Docket No. 20180048-EI.

RESPECTFULLY SUBMITTED this 19th day of October, 2018.

BY:  \_\_\_\_\_

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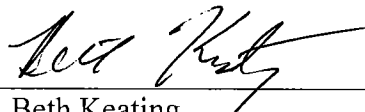
*Attorneys for Florida Public Utilities Company*

**CERTIFICATE OF SERVICE**

**I HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by Electronic Mail to the following parties of record this 19th day of October, 2018:

<p>Suzanne Brownless          Johanna Nieves          Florida Public Service Commission          2540 Shumard Oak Boulevard          Tallahassee, FL 32399-0850  <a href="mailto:sbrownle@psc.state.fl.us">sbrownle@psc.state.fl.us</a>  <a href="mailto:JNIEVES@psc.state.fl.us">JNIEVES@psc.state.fl.us</a></p>	<p>James D. Beasley/J. Jeffry Wahlen          Ausley Law Firm          Post Office Box 391          Tallahassee, FL 32302  <a href="mailto:jbeasley@ausley.com">jbeasley@ausley.com</a>  <a href="mailto:jwahlen@ausley.com">jwahlen@ausley.com</a></p>
<p>Russell Badders/Steven Griffin          Beggs &amp; Lane          P.O. Box 12950          Pensacola, FL 32591-2950  <a href="mailto:srg@beggslane.com">srg@beggslane.com</a></p>	<p>James W. Brew/Laura Wynn          Stone Matheis Xenopoulos &amp; Brew, PC          Eighth Floor, West Tower          1025 Thomas Jefferson Street, NW          Washington, DC 20007  <a href="mailto:jbrew@smxblaw.com">jbrew@smxblaw.com</a></p>
<p>Maria Moncada          Will Cox          Florida Power &amp; Light Company          700 Universe Boulevard          Juno Beach, FL 33408-0420  <a href="mailto:Maria.Moncada@fpl.com">Maria.Moncada@fpl.com</a>  <a href="mailto:Will.p.cox@fpl.com">Will.p.cox@fpl.com</a></p>	<p>Kenneth Hoffman          Florida Power &amp; Light Company          215 South Monroe Street, Suite 810          Tallahassee, FL 32301  <a href="mailto:Ken.Hoffman@fpl.com">Ken.Hoffman@fpl.com</a></p>
<p>Ms. Paula K. Brown          Tampa Electric Company          Regulatory Affairs          P.O. Box 111          Tampa, FL 33601-0111  <a href="mailto:Regdept@tecoenergy.com">Regdept@tecoenergy.com</a></p>	<p>Florida Industrial Users Power Group          Jon C. Moyle, Jr.          Moyle Law Firm          118 North Gadsden Street          Tallahassee, FL 32301  <a href="mailto:jmoyle@moylelaw.com">jmoyle@moylelaw.com</a></p>
<p>Mike Cassel          Florida Public Utilities Company          1750 SW 14th Street, Suite 200          Fernandina Beach, FL 32034  <a href="mailto:mcassel@fpuc.com">mcassel@fpuc.com</a></p>	<p>Florida Retail Federation          Robert Scheffel Wright/John T. LaVia          Gardner Law Firm          1300 Thomaswood Drive          Tallahassee, FL 32308  <a href="mailto:schef@gbwlegal.com">schef@gbwlegal.com</a></p>

<p>Shane Boyett Gulf Power Company One Energy Place Pensacola, FL 32520-0780 <a href="mailto:csboyett@southernco.com">csboyett@southernco.com</a></p>	<p>P. Christensen/C. Rehwinkel Office of Public Counsel c/o The Florida Legislature 111 W. Madison Street, Room 812 Tallahassee, FL 32399-1400 <a href="mailto:Christensen.patty@leg.state.fl.us">Christensen.patty@leg.state.fl.us</a> <a href="mailto:Rehwinkel.Charles@leg.state.fl.us">Rehwinkel.Charles@leg.state.fl.us</a></p>
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<p>Jeffrey A. Stone General Counsel Gulf Power Company One Energy Place Pensacola, FL 32520-0780 <a href="mailto:jastone@southernco.com">jastone@southernco.com</a></p>	<p>Michael Barrett Division of Accounting and Finance Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, Florida 32399-0850 <a href="mailto:mbarrett@psc.state.fl.us">mbarrett@psc.state.fl.us</a></p>

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