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October 14, 2019

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Petition by Tampa Electric Company for a limited proceeding to approve Third SoBRA effective January 1, 2020; Docket No. 20190136-EI

Dear Mr. Teitzman:

It has recently come to Tampa Electric Company's ("Tampa Electric" or the "company") attention that on September 12, 2019, the Florida Department of Revenue issued a Tax Information Publication ("TIP") announcing that the Florida corporate income tax rate was reduced from 5.5% to 4.458% effective retroactive to January 1, 2019 and through December 31, 2021. The TIP indicates that the Florida corporate income tax rate will return to 5.5% effective January 1, 2022. A copy of the TIP is attached as Attachment One.

Tampa Electric acknowledges that this state corporate income tax rate reduction falls within the scope of paragraph 9 of the company's 2017 Agreement, which paragraph governs how the company will address the impact of this state tax rate change on the company's base revenues for the period from January 1, 2019 to December 31, 2021.¹ Paragraph 9(b) of the 2017 Agreement requires, among other things, that Tampa Electric adjust any SoBRAs that have not yet gone into effect to specifically account for the state income tax rate change.

The stipulations pending in this docket and to be considered by the Commission on October 17, 2019, if approved, will allow the company to implement its proposed Third SoBRA base rate changes effective with the first meter reading in January 2020. The stipulations were entered into prior to any of the parties having knowledge of the TIP and the state tax rate reduction. Consistent with Paragraph 9(b) of the 2017 Agreement, Tampa Electric intends to file a petition to fulfill its obligations to address the new, lower, temporary state income tax rate with a target effective date

¹ The Commission's approval of the 2017 Agreement was memorialized in Order No. PSC-2017-00456-EI-S, issued on November 27, 2017.

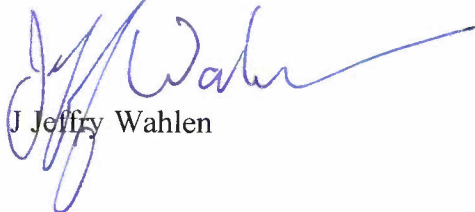
of January 1, 2020 (“State Tax Petition”) and will be working with the consumer parties and staff to pursue that petition with efficiency and dispatch.

Given the procedural posture of this case and the company’s plans to file its State Tax Petition, Tampa Electric will fulfill its obligation to adjust any SoBRAs that have not yet gone into effect (i.e., its Third SoBRA) for the state tax rate reduction as part of its State Tax Petition. To the extent timing issues arise with the company’s planned State Tax Petition, the company notes that the ECCR refund mechanism reflected in paragraph 9(b) is available for use in accounting for the impact of the state income tax rate change from its effective date (January 1, 2019) through the effective date of any base rate change to reflect the new, lower state income tax rate. For this reason, this tax rate change does not cause any retroactive rate ratemaking implications.

Tampa Electric will be prepared to discuss this issue during the Third SoBRA final hearing on October 17, 2019 and at that time will request that the Commission approve the stipulations reflected in the prehearing order without delay.

I am authorized by the Office of Public Counsel to represent it has read this letter, does not object to the process for addressing the impact of the state tax rate reduction on the Third SoBRA as outlined herein and does not object to approval of the proposed stipulations as presented on October 17, 2019. I can also represent that I discussed this matter by phone with counsel for FIPUG and advised him of its contents and he did not object to the proposals specified herein.

Sincerely,



J. Jeffrey Wahlen

JJW/pp
Attachment

cc: Walter Trierweiler (w/attachment)
Kurt Schrader (w/attachment)
All Parties of Record (w/attachment)



Tax Information Publication

TIP

No: 19C01-04

Date Issued:
September 12, 2019

Florida Corporate Income Tax 2019 Tax Rate Reduction

The Florida corporate income/franchise tax rate is reduced from 5.5% to 4.458% for taxable years beginning on or after January 1, 2019, but before January 1, 2022. Further reduction in the tax rate is possible for taxable years beginning on or after January 1, 2020, and January 1, 2021.

The Florida Department of Revenue will post additional TIPs on any future tax rate changes.

Taxable Year Beginning	Prior to 1/1/2019	1/1/2019 - 12/31/2021	On or after 1/1/2022
Tax Rate	5.5%	4.458%	5.5%

Taxpayers that have a 52 - 53 week taxable year beginning on or about January 1 and ending on or about December 31 have the same tax rates as a calendar year-end taxpayer.

Reference: Section 220.1105, Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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