

State of Florida



Public Service Commission

**CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850**

-M-E-M-O-R-A-N-D-U-M-

DATE: January 23, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Consuela Wilson, Staff Assistant, Division of Accounting and Finance

RE: Documents to be included in Docket No. 20 1800 13-PU.

Please include the attached documents, entitled Marion Utilities, Inc. letter attaching Commission jurisdiction of Tax Reform Act to January 1, 2018, in the case file for Docket No. 20180013-PU.

RECEIVED-FPSC

2018 JAN 23 PM 2:33

COMMISSION
CLERK

Bart Fletcher

From: ttgator@aol.com
Sent: Tuesday, January 23, 2018 12:00 PM
To: Bart Fletcher
Subject: Re: Follow-Up on Our Tax Reform Discussion

Bart Fletcher
Chief of Surveillance & rate filings
FPSC

Re: Marion Utilities, Inc

Dear Bart,

After review, we Marion Utilities Inc. agree to the attachment of Commission jurisdiction to revenues from Jan. 1, 2018, for the effect of the Tax Cuts and jobs acts to the extent it results in the Utility exceeding the upper limit of its authorized rate of return.

If you need anything else just let us know.

Yours truly,

Tim Thompson
President

In a message dated 1/19/2018 1:08:20 PM Eastern Standard Time, BFletche@PSC.STATE.FL.US writes:

Good afternoon, Mr. Thompson.

This email is in response to your email below and to memorialize further our phone discussions. The Tax Cuts and Jobs Act (hereafter referred to as "ACT") became effective January 1, 2018. One important aspect of the ACT is that the statutory federal tax rate of 35 percent has been reduced to 21 percent. The ACT has the potential to impact jurisdictional electric and gas utilities, as well as certain jurisdictional water and wastewater utilities.

Because the ACT became effective January 1, 2018, Commission staff has been asking utilities, that do not already have revenues attached for the potential impact of the ACT, to attach Commission jurisdiction to revenues from January 1, 2018, to the extent any potential impact would exceed the upper limit of said utility's authorized return. For utilities that do not desire to do so, Commission staff will be filing a recommendation on January 25, 2018, to attach jurisdiction on the potentially affected utilities, for which the Commission will consider staff's recommendation at its February 6, 2018, Commission Conference.

Further, Commission staff will be holding separate meetings with electric utilities, gas utilities, and water and wastewater utilities next month to discuss how to address the potential impact of the ACT.

I hope the information above is helpful.

Thanks,

Bart Fletcher

Bureau Chief of Surveillance & Rate Filings

2540 Shumard Oak Boulevard

Tallahassee, FL 32399-0850

Phone: (850) 413-7017

Fax: (850) 413-7018

bart.fletcher@psc.state.fl.us

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are public records available to the public and media upon request. Your e-mail communications may therefore be subject to public disclosure.

From: ttgator@aol.com [mailto:ttgator@aol.com]
Sent: Friday, January 19, 2018 11:57 AM
To: Bart Fletcher
Subject: Re: Follow-Up on Our Tax Reform Discussion

I'm not quite sure if we need to consult someone before signing off on something that we're not totally sure what it means, or how it will affect us. Can you give me a little more information about this?

Thanks,

Tim Thompson, Marion Utilities, Inc.

In a message dated 1/19/2018 9:03:01 AM Eastern Standard Time, BFletche@PSC.STATE.FL.US writes:

Good morning, Mr. Thompson.

To follow-up on our discussion this morning, the attached PDF file contains an example letter received from another affected utility.

Thanks,

Bart Fletcher

Bureau Chief of Surveillance & Rate Filings

2540 Shumard Oak Boulevard

Tallahassee, FL 32399-0850

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