

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Gross-Up of CIAC in
Charlotte, Highlands, Lake, Lee, Marion, Orange,
Pasco, Pinellas, Polk, and Seminole Counties
by Utilities, Inc. of Florida

Docket No. 20180025- WS

APPLICATION TO TERMINATE TARIFFS FOR THE GROSS-UP OF CIAC

Applicant, UTILITIES, INC. OF FLORIDA (“UIF” or “Utility”), by and through its undersigned attorneys and pursuant to Section 367.091, Florida Statutes, and Commission Rule 25-30.135, files this Application to terminate its Tariff to allow the gross-up of CIAC in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties.

Preliminary Matters

1. The following is the basic information:

(a) (i) The name of the Utility and its mailing address is:

Utilities, Inc. of Florida
2335 Sanders Road
Northbrook, IL 60062

(ii) The address of the Florida office is:

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

(iii) The names and address of the persons authorized to receive notices

and communications in respect to this application are:

Martin S. Friedman, Esquire
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2. At UIF's request this Commission issued Order No. PSC-2018-0162-TRF-WS on March 26, 2018, approving a Tariff to allow UIF to gross-up CIAC to cover the impact of CIAC becoming subject to federal income taxes as a result of recent tax law changes.

3. UIF is concerned that requiring the gross-up of CIAC will eliminate its opportunity to obtain government grants, since it would require the amount of the grant to be increased to cover the income tax liability. Further, UIF is concerned that the CIAC plus gross-up would place it at a competitive disadvantage. For instance, a developer may choose to construct its own utility plants and create a non-regulated HOA to own and operate it. In addition, a significantly higher CIAC than an adjacent government-owned utility may create an incentive for the developer to find a way to circumvent UIF's exclusive service area.

4. Upon termination of its CIAC gross-up Tariffs, UIF asserts that the treatment of taxes it pays on CIAC would be for UIF to offset deferred taxes against credit deferred taxes in the capital structure. If the net of the credit and debit deferred taxes is a debit, the amount is included in rate base.

WHEREFORE, UIF requests that the Florida Public Service Commission to (1) terminate its gross-up Tariff, (2) acknowledge its requested treatment of the taxes it pays on CIAC, and (3) provide such other and further relief as is fair, just and equitable.

Respectfully submitted this 2nd day of April, 2018, by:

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/s/ Martin S. Friedman

MARTIN S. FRIEDMAN
For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing pleading was furnished

this 2nd day of April, 2018, by E-Mail to:

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