



JOE NEGRON
President of the Senate

J.R. KELLY
Public Counsel

**STATE OF FLORIDA
OFFICE OF PUBLIC COUNSEL**

c/o THE FLORIDA LEGISLATURE
111 WEST MADISON ST.
ROOM 812
TALLAHASSEE, FLORIDA 32399-1400
1-800-342-0222

EMAIL: OPC_WEBSITE@LEG.STATE.FL.US
WWW.FLORIDAOPC.GOV



**RICHARD
CORCORAN**
*Speaker of the House of
Representatives*

October 2, 2018

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

Re: Docket No. 20180046-EI

Dear Ms. Stauffer:

Please find enclosed for filing in the above referenced docket the Direct Testimony of Ralph Smith, CPA. This filing is being made via the Florida Public Service Commission's Web Based Electronic Filing portal.

If you have any questions or concerns, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely

A handwritten signature in black ink, appearing to read "Patricia Christensen", written over a horizontal line.

Patricia Christensen
Associate Public Counsel

cc: All Parties of Record

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Re: Consideration of the tax impacts
associated with Tax Cuts and Jobs Act of
2017 for Florida Power & Light Company.

DOCKET NO. 20180046-EI

FILED: October 2, 2018

DIRECT TESTIMONY

OF

RALPH SMITH, CPA

ON BEHALF OF THE CITIZENS OF THE STATE OF FLORIDA

J. R. Kelly
Public Counsel

Patty Christensen
Associate Public Counsel

Stephanie Morse
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400
(850) 488-9330

Attorneys for the Citizens
of the State of Florida

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	QUANTIFICATION, CLASSIFICATION AND APPLICATION OF EXCESS ACCUMULATED DEFERRED INCOME TAXES.....	3
III.	2018 INCOME TAX SAVINGS IN BASE RATES RELATED TO THE REDUCTION IN THE FEDERAL INCOME TAX RATE TO 21 PERCENT.....	13
IV.	WHETHER A PRIVATE LETTER RULING ("PLR") SHOULD BE REQUIRED, AND ISSUES RELATED TO A PLR REQUEST.....	15
V.	FINDINGS AND RECOMMENDATIONS.....	17

1 **DIRECT TESTIMONY**

2 **OF**

3 **RALPH SMITH**

4 On Behalf of the Office of Public Counsel

5 Before the

6 Florida Public Service Commission

7 20180046-EI

8

9 **I. INTRODUCTION**

10 **Q. WHAT ARE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?**

11 A. My name is Ralph Smith. I am a Certified Public Accountant licensed in the State of
12 Michigan and a senior regulatory consultant at the firm Larkin & Associates, PLLC,
13 Certified Public Accountants, with offices at 15728 Farmington Road, Livonia, Michigan,
14 48154.

15

16 **Q. PLEASE DESCRIBE THE FIRM LARKIN & ASSOCIATES, PLLC.**

17 A. Larkin & Associates, PLLC, ("Larkin") is a Certified Public Accounting and Regulatory
18 Consulting Firm. The firm performs independent regulatory consulting primarily for
19 public service/utility commission staffs and consumer interest groups (public counsels,
20 public advocates, consumer counsels, attorneys general, etc.). Larkin has extensive
21 experience in the utility regulatory field as expert witnesses in over 600 regulatory
22 proceedings, including numerous electric, water and wastewater, gas and telephone utility
23 cases.

24

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC**
2 **SERVICE COMMISSION?**

3 A. Yes, I have testified before the Florida Public Service Commission (“FPSC” or
4 “Commission”) previously. I have also testified before several other state regulatory
5 commissions.

6
7 **Q. HAVE YOU PREPARED AN EXHIBIT DESCRIBING YOUR QUALIFICATIONS**
8 **AND EXPERIENCE?**

9 A. Yes. I have attached Exhibit RCS-1, which is a summary of my regulatory experience and
10 qualifications.

11
12 **Q. ON WHOSE BEHALF ARE YOU APPEARING?**

13 A. Larkin & Associates, PLLC, was retained by the Florida Office of Public Counsel (“OPC”)
14 to review the impacts on public utility revenue requirements due to the Tax Cuts and Jobs
15 Act of 2017 (“TCJA” or “2017 Tax Act”). My testimony addresses the impacts of the
16 TCJA on Florida Power & Light Company (“FPL” or “Company”) on behalf of the OPC.
17 Accordingly, I am appearing on behalf of the Citizens of the State of Florida.

18
19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

20 A. I am presenting OPC's recommendations regarding certain aspects of the TCJA impacts on
21 the Company. In this testimony, I address TCJA impacts on FPL.

22
23 **Q. WHAT INFORMATION DID YOU REVIEW IN PREPARATION OF YOUR**
24 **TESTIMONY?**

1 A. I reviewed the Company's filing, including the direct testimony and exhibits. I also
2 reviewed the Company's responses to OPC's formal and informal discovery and other
3 materials pertaining to the TCJA and its impacts on the Company. In addition, I reviewed
4 Rule 25-14.011, Florida Administrative Code ("F.A.C."), concerning procedures for
5 processing requests for rulings to be filed with the Internal Revenue Service ("IRS").
6

7 **Q. PLEASE DESCRIBE HOW THE REMAINDER OF YOUR TESTIMONY IS**
8 **ORGANIZED.**

9 A. After this introduction (Section I), I address the TCJA impacts related to each of the
10 following issues:

- 11 • In Section II, I address the amount and recommended treatment of "Protected" and
12 "Unprotected" Excess Accumulated Deferred Income Taxes ("EADIT").
- 13 • In Section III, I address the amount of estimated 2018 income tax savings in base
14 rates related to the reduction in the federal income tax rate to 21 percent.
- 15 • In Section IV, I address whether a Private Letter Ruling ("PLR") should be required
16 for the Company, and issues related to a PLR request.
- 17 • In Section V, I summarize my findings and recommendations.
18

19 **II. QUANTIFICATION, CLASSIFICATION AND APPLICATION OF**
20 **EXCESS ACCUMULATED DEFERRED INCOME TAXES**

21 **Q. WHAT ARE ACCUMULATED DEFERRED INCOME TAXES ("ADIT")?**

22 A. ADIT is a source of cost-free capital to reflect that the utility collects money from
23 ratepayers for Deferred Income Tax Expense and holds onto that money prior to eventually
24 paying the income taxes to the government. ADIT results from differences between book
25 and tax accounting. ADIT is referred to as Accumulated Deferred Income Taxes to
26 recognize that these balances typically build up (or accumulate) over time, e.g., as tax

1 deductions exceed corresponding book expense. One primary source of ADIT results from
2 claiming accelerated tax deductions. The tax depreciation deductions on public utility
3 property typically occur on an accelerated basis (i.e., method differences) and over a
4 shorter period (i.e., life differences) than book depreciation accruals relating to the original
5 cost of the public utility property. These types of differences between book and tax
6 depreciation are referred to as “method/life” differences. Unlike many other types of book-
7 tax differences, the tax depreciation “method/life” differences are subject to normalization
8 requirements under Sections 167 and 168 of the Internal Revenue Code.

9
10 **Q. WHAT ARE "EXCESS" ACCUMULATED DEFERRED INCOME TAXES**
11 **("EXCESS ADIT" OR "EADIT")?**

12 A. Regulated public utilities will be required to identify the portions of their ADIT balances
13 that represent "excess" ADIT based on recalculations using the difference between the old
14 federal corporate income tax (“FIT”) rate (typically 35%) under which the ADIT was
15 originally accumulated and the new FIT rate of 21% provided for in the TCJA. Basically,
16 the utility’s ADIT must be revalued at the new FIT rate (as if it had always been applicable)
17 and the amounts that have been accumulated using the federal income tax rates that are
18 higher than the current 21% rate will represent "excess" ADIT.

19
20 **Q. WHAT AMOUNT OF EXCESS ACCUMULATED DEFERRED INCOME TAXES**
21 **("EADIT") DOES FPL SHOW?**

22 A. FPL shows a total EADIT net liability of \$3.241 billion. A summary of this is presented
23 on Exhibit RCS-2, which reproduces in summary format the contents of an Excel file that
24 was provided to OPC by FPL after on-site discussions. The Company indicates it will true-
25 up these estimates after filing its 2017 tax return in October 2018. The total EADIT net

1 liability of \$3.241 billion consists of a property-related (account 282) EADIT liability of
2 approximately \$3.084 billion and a non-property related net EADIT liability of
3 approximately \$157.4 million.

4
5 **Q. HOW HAS FPL CLASSIFIED THE PROPERTY-RELATED EADIT BETWEEN**
6 **"PROTECTED" AND "UNPROTECTED"?**

7 A. In its response to OPC Production of Documents (POD) No. 10, FPL shows a property-
8 related (account 282) EADIT liability of \$3.084 billion, of which FPL indicates \$2.382
9 billion is "protected" and \$701.4 million is "unprotected". FPL indicates that it tracks these
10 property-related EADIT amounts in PowerTax (FPL's computer tax program).

11
12
13 **Q. HOW HAS FPL CLASSIFIED THE NON-PROPERTY-RELATED EADIT**
14 **BETWEEN "PROTECTED" AND "UNPROTECTED"?**

15 A. As noted above, FPL shows an "other" EADIT liability (for EADIT tracked by FPL outside
16 of PowerTax) of \$157.4 million. A summary of these items is shown on Exhibit RCS-2,
17 attached to my testimony. The "other" EADIT liability has been classified by FPL as
18 "unprotected" except for the following two items:

- 19 • a \$36.145 million EADIT liability for Florida bonus depreciation¹ and
- 20 • a \$57.5 million EADIT asset for "Depreciation Protected - ICL"²

21
22 **Q. DO THE EADIT AMOUNTS INCLUDE A TAX "GROSS-UP"?**

¹ See "Code" items DEP118, DEP133 and DEP134 on Exhibit RCS-2.

² This relates to FPL's acquisition of an Indiantown CoGeneration facility (referred to as "ICL"); see "Code" items DEP101 on Exhibit RCS-2.

1 A. Yes. The amounts listed above include the "gross up" amount. The EADIT resulting from
2 the tax rate change is increased or "grossed up" for the current income tax rate. The
3 "grossed up" amount of the EADIT regulatory liability (or asset) will then be amortized
4 and subject to income taxes at the current rate; therefore, the net income impact equals the
5 amortized tax benefit.

6
7 **Q. HOW DO IRS NORMALIZATION REQUIREMENTS AFFECT THE**
8 **CATEGORIZATION OF ADIT AND EXCESS ADIT?**

9 A. IRS normalization requirements will apply to the portion of the property-related ADIT that
10 relates to the use of accelerated tax depreciation (including bonus tax depreciation). This
11 will result in two general categories of excess ADIT: (1) "protected" (i.e., related to the use
12 of accelerated tax depreciation and subject to the normalization requirements) and (2)
13 "unprotected" property and non-property related excess ADIT (which is not subject to
14 normalization requirements and for which the amortization or application is up to the
15 discretion of the Commission).

16
17 **Q. HOW DOES THE CATEGORIZATION OF "PROTECTED" OR**
18 **"UNPROTECTED" AFFECT THE AMORTIZATION OF THE EADIT?**

19 A. The 2017 Tax Act provides that the Average Rate Assumption Method ("ARAM") must
20 be used for the "protected" portion of the EADIT. The flow back of the "protected" excess
21 ADIT, therefore, must follow the prescribed method to comply with normalization
22 requirements. In contrast, the flow back of the "unprotected" portion of the excess ADIT
23 will be up to the discretion of the Commission. "Unprotected" ADIT is not subject to
24 normalization requirements. The "unprotected" ADIT will be revalued at the lower 21%
25 tax rate, creating balances of excess "unprotected" ADIT that can be flowed back to

1 customers over amortization periods to be determined by the Commission, or applied in
2 some other manner to be determined by the Commission (e.g., such as for the recovery of
3 regulatory assets).

4
5 **Q. DO YOU AGREE WITH FPL'S CLASSIFICATION OF THE EADIT BETWEEN**
6 **THE "PROTECTED" AND "UNPROTECTED" CATEGORIES?**

7 A. I have no disagreement with the Company's updated classification of EADIT. However, I
8 note that the guidance provided in the TCJA and in previous IRS rulings presents some
9 degree of uncertainty as to the classification of the EADIT related to at least one of the
10 large book-tax differences, specifically to the EADIT relating to cost of removal/negative
11 net salvage.

12 **Q. WHAT IS THE APPROPRIATE DISPOSITION OF THE "PROTECTED" EADIT?**

13 A. The "protected" EADIT should be reversed using an ARAM if the utility has the available
14 information to calculate the ARAM, or via another appropriate method that complies with
15 normalization requirements, if the Company does not have the information to compute the
16 ARAM. FPL has the information needed for the ARAM calculations, so it should use the
17 ARAM for its "protected" EADIT.

18
19 **Q. ARE YOU CONTESTING THE AMOUNTS ASSOCIATED WITH THE**
20 **COMPANY'S PROPOSED EADIT?**

21 A. No. The Company has indicated that its EADIT amounts are estimates and are subject to
22 correction after it files its 2017 tax return in October. I have accepted the Company's
23 amounts as reasonable estimates, subject to the later true up.

24

1 **Q. WHAT AMORTIZATION DOES FPL PROPOSE FOR ITS PROPERTY-**
2 **RELATED “PROTECTED” AND “UNPROTECTED” EADIT?**

3 A. FPL is proposing to use ARAM for both the “protected” and “unprotected” property-
4 related EADIT.

5

6 **Q. DO YOU AGREE WITH FPL'S PROPOSAL TO APPLY THE ARAM FOR THE**
7 **“PROTECTED” PORTION OF ITS PROPERTY-RELATED EADIT?**

8 A. Yes, I do. Application of the ARAM for the "protected" EADIT is required by the Internal
9 Revenue Code and TCJA. I agree with FPL's proposal to use the ARAM, but only for the
10 "protected" EADIT. As explained below, I disagree with FPL's proposal to apply the
11 ARAM to "unprotected" EADIT.

12

13 **Q. DO YOU AGREE WITH FPL'S PROPOSAL TO APPLY THE ARAM FOR THE**
14 **“UNPROTECTED” PORTION OF ITS PROPERTY-RELATED EADIT?**

15 A. No, I do not. There is no Internal Revenue Code or TCJA requirement that the
16 "unprotected" EADIT must be amortized using the ARAM. The amortization of FPL's
17 "unprotected" EADIT is up to the discretion of the Commission. Since this EADIT is by
18 definition "excess" (meaning amounts that are in excess, or more than needed, based on
19 the current federal corporate income tax rate of 21 percent) and the balance is a liability
20 (meaning the amounts are being held by the Company and should be returned to
21 ratepayers), a shorter amortization period should be considered.

22

23 **Q. DO YOU HAVE A RECOMMENDATION FOR THE AMORTIZATION OF THE**
24 **“UNPROTECTED” PORTION OF FPL'S PROPERTY-RELATED EADIT?**

1 A. Yes. I recommend that FPL's "unprotected" property-related EADIT be amortized over
2 ten years on a straight-line basis. A ten-year straight-line amortization period for
3 "unprotected" EADIT is being used by another Florida regulated utility, Tampa Electric
4 Company³, and is a reasonable period for returning these excess amounts to customers. In
5 addition, Duke Energy Florida has agreed to flow back its "unprotected" EADIT over a
6 maximum period of 10 years pursuant to a 2017 settlement.⁴ Moreover, Gulf Power
7 Company agreed to return its entire "unprotected" property-related EADIT in 2018.⁵ Thus,
8 a ten-year flow back is reasonable for FPL to return this money to its ratepayers.

9

10 **Q. WHAT ANNUAL AMORTIZATION OF THE "UNPROTECTED" PORTION OF**
11 **FPL'S PROPERTY-RELATED EADIT IS PRODUCED BY A TEN-YEAR**
12 **STRAIGHT-LINE AMORTIZATION?**

13 A. Amortizing the "unprotected" property-related EADIT liability of \$701,315,829 over ten
14 years produces an annual amortization amount of \$70,131,583.

15

16 **Q. HOW DO THE RESULTS OF A 10-YEAR AMORTIZATION OF THE**
17 **"UNPROTECTED" PROPERTY-RELATED EADIT COMPARE WITH FPL'S**
18 **PROPOSED 2018 ARAM-BASED AMORTIZATION FOR THAT EADIT?**

³ In re: Consideration of the Tax Impacts Associated with Tax Cuts and Jobs Act of 2017 for Tampa Electric Company, Order No. PSC-2018-0457-FOF-EI, issued September 10, 2018, in Docket No. 20180046-EI at p. 5.

⁴ In re: Application for Limited Proceeding to Approve 2017 Second Revised and Restated Settlement Agreement, including Certain Rate Adjustments, by Duke Energy Florida, LLC., Order No. PSC-2017-0451-AS-EU, issued November 20, 2017, in Docket No. 20170183-EI, et. al., at p. 40.

⁵ In re: Consideration of the Stipulation and Settlement Agreement Between Gulf Power Company, the Office of Public Counsel, Florida Industrial Power Users Group, and Southern Alliance for Clean Energy Regarding the Tax Cuts and Jobs Act of 2017, Order No. PSC-2018-0180-FOF-EI, issued April 12, 2018, in Docket No. 20180039-EI, at pp. 11-12.

1 A. Using a ten-year straight line amortization of FPL's "unprotected" property-related EADIT
 2 liability would increase the 2018 amortization amount by approximately \$41.46 million,
 3 as summarized in the following table:

Florida Power & Light Co & Subs Unprotected Property-Related EADIT	Amount	Source
EADIT Liability Amount	\$ 701,315,829	Ex. RCS-1
Annual Amortization		
OPC proposed 2018 amortization (10 year straight line basis)	\$ 70,131,583	EADIT / 10 years
FPL proposed 2018 amortization using ARAM	28,671,032	Ex. RCS-1
Increased 2018 EADIT amortization using 10-year vs ARAM	\$ 41,460,551	

4

5

6 **Q. HOW HAS FPL CLASSIFIED THE EADIT RELATED TO COST OF**
 7 **REMOVAL/NEGATIVE NET SALVAGE?**

8 A. As shown on FPL's response to OPC POD No.10, FPL has identified an EADIT net asset
 9 of approximately \$20 million for cost of removal/salvage in its property-related EADIT.
 10 FPL has classified that EADIT as "protected" in its response to OPC POD No. 10. FPL's
 11 response to OPC Interrogatory No. 29(a) provides an additional explanation of FPL's
 12 reasoning for classifying the EADIT for cost of removal as "protected." Later in my
 13 testimony, I discuss the potential need to request a Private Letter Ruling from the IRS
 14 related to the cost of removal component of EADIT.

15

16 **Q. WHAT DOES THE COMPANY PROPOSE FOR THE AMORTIZATION OF THE**
 17 **NON-PROPERTY EADIT?**

18 A. As explained in Company witness Bores' testimony at page 7, FPL proposes to apply what
 19 it refers to as the "Reverse South Georgia Method" ("RSGM") to its non-property EADIT.
 20 At page 7 of his Direct Testimony, FPL witness Bores states the RSGM provides for the

1 turnaround of the “unprotected” EADIT on a straight-line basis over the estimated
2 remaining life of the related assets and liabilities.

3
4 **Q. DO YOU AGREE WITH APPLYING A STRAIGHT-LINE METHOD FOR**
5 **AMORTIZING THE “UNPROTECTED” EADIT?**

6 A. Yes. Amortizing the “unprotected” EADIT using a straight-line method is a
7 straightforward approach that is simple to administer.

8
9 **Q. IS IT NECESSARY THAT THE “UNPROTECTED” EADIT BE FLOWED BACK**
10 **OVER A PERIOD SIMILAR TO HOW THE ADIT WOULD HAVE FLOWED**
11 **BACK IN THE ABSENCE OF THE TCJA?**

12 A. No. The amortization of the “unprotected” EADIT is subject to the discretion of the
13 Commission. There is no need to allow utilities to hold “unprotected” EADIT amounts for
14 decades into the future. As described above, the EADIT amounts are "excess" and, if in a
15 liability position (i.e., if they represent amounts owed to customers), these amounts should
16 be flowed back over a quicker period. This quicker flow back reduces intergenerational
17 inequity by returning the money to the customers who paid the higher tax rates rather than
18 stretching the timeframe into the future for the benefit of customers who may never have
19 paid for the “excess” ADIT. I am recommending amortization periods that are no longer
20 than ten years as the flow back period for FPL's “unprotected” EADIT balances.

21
22 **Q. HAS THE COMPANY PROVIDED A DETAILED SCHEDULE SHOWING ITS**
23 **PROPOSED AMORTIZATION OF THE NON-PROPERTY EADIT?**

1 A. Yes. The Company provided OPC with an Excel file that presents a summary of the
2 periods for which FPL proposes to amortize the non-property EADIT. Those periods are
3 also shown in the "Turn Period (Years)" column of Exhibit RCS-2.

4

5 **Q. REFERRING TO THE INFORMATION SHOWN IN THE "TURN PERIOD**
6 **(YEARS)" COLUMN OF EXHIBIT RCS-2, ARE YOU RECOMMENDING**
7 **ALTERNATIVE AMORTIZATION PERIODS FOR SOME OF FPL'S NON-**
8 **PROPERTY RELATED "UNPROTECTED" EADIT?**

9 A. Yes. In general, I am not taking issue with the accrual/reversal items of non-property
10 related EADIT. FPL indicates those items will reverse in one year; thus, the "turn period"
11 proposed by FPL is one year. I agree with FPL's use of a one-year "turn period" for EADIT
12 for such accrual/reversal type items.

13 In addition, I am not recommending alternative amortization periods for the other
14 "unprotected" non-property EADIT for which FPL shows a "turn period" of up to ten years.
15 There are several "unprotected" EADIT items which FPL shows "turn periods" of 5 or 10
16 years. For those items, I have accepted FPL's proposed amortization.

17 However, there are some "unprotected" EADIT items that FPL proposes using
18 periods longer than ten years. For those items, I recommend that the amortization occur
19 over a period of no longer than 10 years.

20

21 **Q. WHAT ADJUSTMENT TO THE 2018 NON-PLANT EADIT AMORTIZATION**
22 **RESULTS FROM USING AN AMORTIZATION PERIOD OF NO LONGER**
23 **THAN 10 YEARS FOR THE ITEMS OF "UNPROTECTED" EADIT FOR WHICH**
24 **FPL PROPOSED USING LONGER AMORTIATON PERIODS?**

1 A. Exhibit RCS-3 presents a calculation of the EADIT amortization on "non-plant" EADIT
2 proposed by FPL. This calculation includes acceptance of FPL's proposed amortization
3 periods for items where FPL proposed a "turn period" of 1 to 10 years, and application of
4 a maximum amortization period of 10 years for the items for which FPL proposed longer
5 amortizations. As shown on Exhibit RCS-3, FPL's total proposed 2018 amortization for
6 such items is approximately \$7.938 million.

7 In contrast, accepting FPL's proposed amortization periods for items where FPL
8 proposed a "turn period" of 1 to 10 years, and applying a maximum amortization period of
9 10 years for the "unprotected" items for which FPL proposed longer amortizations,
10 produces a 2018 annual amortization of approximately \$18.774 million.

11 In summary, the 2018 non-property EADIT amortization amount is increased by
12 \$10.836 million over FPL's proposal, if the amortization periods for the "unprotected"
13 EADIT components are capped at 10 years.

14

15 **III. 2018 INCOME TAX SAVINGS IN BASE RATES RELATED TO THE**
16 **REDUCTION IN THE FEDERAL INCOME TAX RATE TO 21**
17 **PERCENT.**

18 **Q. HOW MUCH 2018 INCOME TAX SAVINGS FROM BASE RATES HAS THE**
19 **COMPANY IDENTIFIED?**

20 A. Company witness Bores' Direct Testimony at pages 7-12 refers to calculations made by
21 FPL using its 2018 Forecasted Earnings Surveillance Report ("2018 FESR"). At page 11
22 of his Direct Testimony, Mr. Bores identifies the overall forecast change in the Company's
23 2018 FPSC adjusted revenue requirement as a result of the TCJA to be a reduction of
24 \$684.8 million, consisting of the following five primary components:

- 25 1) a \$582.7 million reduction in the base rate revenue requirement as a result of
26 the lower federal income tax rate;

- 1 2) a \$154.9 million reduction from the EADIT amortization proposed by FPL;
- 2 3) a \$26.0 million increase related to the loss of the manufacturer's deduction⁶;
- 3 4) a \$10.3 million increase due to higher sources of investor capital associated
- 4 with lower bonus tax depreciation; and
- 5 5) a \$16.5 million increase related to higher sources of investor capital due to
- 6 less ADIT related to depreciation timing differences on plant going into
- 7 service in 2018.

8

9 **Q. IF A MORE RAPID AMORTIZATION IS APPLIED TO THE "UNPROTECTED"**
10 **EADIT AS YOU HAVE RECOMMENDED, WOULD THAT IMPACT THE**
11 **ABOVE AMOUNTS FROM FPL'S APPLICATION?**

12 A. Yes. The more rapid amortization I am recommending for "unprotected" EADIT would
13 impact the second item listed above. The reduction related to the TCJA in 2018 would be
14 higher if the amount of "unprotected" EADIT amortization in 2018 were higher. There
15 would also be an impact on the sources of investor capital if investor capital was needed in
16 2018 to replace the amounts of net regulatory liability related to that "unprotected" EADIT
17 and the related higher amortization amount in 2018.

18

19 **Q. WHAT TREATMENT HAS THE COMPANY PROPOSED FOR THE 2018 BASE**
20 **RATE INCOME TAX SAVINGS?**

21 A. FPL's application references the Settlement Agreement in its rate case and Order No. PSC-
22 16-0560-AS-EI issued on December 15, 2016 wherein the Commission approved that
23 Settlement Agreement. As described in FPL's application, in paragraph 7, when the TCJA

⁶ This is also referred to as the Domestic Production Activities Deduction, and was allowable under Section 199 of the Internal Revenue Code, which was repealed by the TCJA.

1 was signed into law, FPL concluded it had the opportunity to combine expected tax savings
2 with the flexible amortization of a depreciation Reserve Amount under the Settlement
3 Agreement, to avoid an interim storm charge due to Hurricane Irma. In paragraph 8 of its
4 application, FPL states it expects that from 2018 through 2020, tax savings under the TCJA
5 will enable FPL to partially reverse the one-time amortization of the Reserve Amount,
6 while staying within its authorized ROE range. By applying TCJA savings in such a
7 manner, FPL indicates in its application in paragraph 9 that it expects rate stability under
8 the Settlement Agreement to continue for up to two additional years past the end of 2020.
9 Thus, FPL wants to effectively retain all of the TCJA tax savings related to its base rate
10 revenue requirement and to return none of this money directly to its ratepayers.

11
12 **Q. HOW DOES THE OPC PROPOSE TO APPLY THE TCJA SAVINGS FOR FPL?**

13 A. OPC has determined that the application of TCJA savings for FPL involve legal
14 interpretations of the Settlement Agreement. Therefore, the OPC's proposed application
15 of the TCJA savings for FPL will be addressed in OPC's legal pleadings. I am not offering
16 an opinion on the ultimate method of returning the total tax savings to FPL's customers.

17
18 **IV. WHETHER A PRIVATE LETTER RULING ("PLR") SHOULD BE**
19 **REQUIRED, AND ISSUES RELATED TO A PLR REQUEST.**

20 **Q. DID THE COMPANY'S FILING CONTAIN A CLASSIFICATION OF EADIT**
21 **RELATED TO COST-OF-REMOVAL?**

22 A. Yes. FPL's property-related EADIT contains a net asset of approximately \$20 million for
23 cost-of-removal. This is shown on the Company's response to OPC POD No. 10 and
24 described in FPL's response to OPC Interrogatory No. 29.

25

1 **Q. DO YOU HAVE AN OPINION AS TO WHETHER THE EADIT RELATED TO**
2 **COST OF REMOVAL/NEGATIVE NET SALVAGE IS "PROTECTED" OR**
3 **"UNPROTECTED"?**

4 A. Yes, I do. Based on currently available guidance, it is my opinion that the EADIT related
5 to cost of removal/negative net salvage is "unprotected." This is because the tax deduction
6 for cost of removal is not addressed under §167 or §168 of the Internal Revenue Code
7 ("IRC" or "Code"), which are the sections pertaining to the use of accelerated tax
8 depreciation and the sections which contain the normalization requirements pertaining to
9 the continued use of accelerated tax depreciation. Deductions provided for under other
10 sections of the Code are not subject to the normalization requirements associated with the
11 Company's ability to continue to use accelerated depreciation for federal income tax
12 purposes.

13
14 **Q. IS THERE SOME UNCERTAINTY IN THIS AREA?**

15 A. Yes, there is. The comparison of utility book and tax depreciation for purposes of tracking
16 the method/life and other differences can be very complex. Utility book depreciation rates
17 typically include a component for negative net salvage (as well as for the recovery of
18 original cost over the estimated useful life of the assets). The normalization process
19 involves comparing book and tax depreciation; however, the calculations can be very
20 complex. Such calculations are typically done by larger utilities using specialized
21 software, such as PowerPlan and PowerTax, and the proper application can require
22 significant additional analytical work by the utility and the vendor. Since the comparison
23 of book and tax depreciation involves complex calculations and utility book depreciation
24 typically includes an element for negative net salvage, some jurisdictions (e.g., New York)
25 have raised concerns about the cost of removal/negative net salvage component of book

1 depreciation and the risks presented for potential normalization violations. For example,
2 FPL appears to be taking a different position than Tampa Electric Company (“TECO”) and
3 Peoples’ Gas System (“PGS”) concerning the treatment of cost of removal/negative net
4 salvage and has proposed to treat that item as "protected," pending receipt of additional
5 guidance.

6
7 **Q. SHOULD FPL SEEK A PRIVATE LETTER RULING FROM THE IRS**
8 **REGARDING ITS CLASSIFICATION OF THE EXCESS ADIT RELATING TO**
9 **COST OF REMOVAL/NEGATIVE NET SALVAGE AS “UNPROTECTED”?**

10 A. Possibly, yes.

11
12 **Q. IF FPL SEEKS A PRIVATE LETTER RULING AND THE IRS RULES THEREIN**
13 **(OR IN ANOTHER PRIVATE LETTER RULING) THAT THE EADIT**
14 **RELATING TO COST OF REMOVAL/NEGATIVE NET SALVAGE IS TO BE**
15 **TREATED AS “PROTECTED,” WHAT PROCESS SHOULD BE FOLLOWED**
16 **FOR THE RECLASSIFICATION?**

17 A. Pending clarification of the appropriate classification of EADIT for cost of
18 removal/negative net salvage, FPL should amortize the related EADIT using the ARAM if
19 the classification ruled by the IRS indicates this is “protected.”

20
21 **V. FINDINGS AND RECOMMENDATIONS**

22 **Q. ARE YOU RECOMMENDING ANY ADJUSTMENTS TO THE COMPANY'S**
23 **QUANTIFICATIONS OF THE TCJA IMPACTS AT THIS TIME?**

1 A. No, I am not. The Companies' quantifications do not appear to be unreasonable for the
2 purposes of estimating the one-time annual revenue requirement reduction and EADIT
3 related to the TCJA.

4

5 **Q. ARE YOU RECOMMENDING ANY DIFFERENT AMORTIZATION PERIODS**
6 **FOR FPL'S EADIT?**

7 A. Yes. For FPL's "unprotected" property-related EADIT, I recommend an amortization
8 period of ten years. As explained above in my testimony, FPL has an "unprotected"
9 property-related EADIT Liability Amount of approximately \$701.3 million. Amortizing
10 that over 10 years results in an annual amortization of \$70.132 million per year. Compared
11 with FPL proposed 2018 amortization (which used ARAM approach) of \$28.671 million,
12 applying a 10-year straight-line approach for the "unprotected" property-related EADIT
13 versus FPL's proposed ARAM-based approach results in an increased 2018 EADIT
14 amortization of \$41.461 million.

15 Additionally, for FPL's "unprotected" non-property-related EADIT, I recommend
16 accepting FPL's proposed "turn period" where FPL has proposed turn periods of 10 years
17 or less. For the "unprotected" non-property related EADIT, where FPL proposed a "turn
18 period" longer than ten years, I recommend that a ten-year turn period be used instead. As
19 shown on Exhibit RCS-3, this results in a 2018 "unprotected" EADIT amortization of
20 \$18.774 million, which is \$10.836 million higher than the \$7.938 million proposed by FPL.

21 **Q. PLEASE SUMMARIZE YOUR RECOMMENDED ADJUSTMENTS FOR THE**
22 **FLOW BACKS FOR THE TCJA SAVINGS.**

23 A As noted above, FPL quantified the FPSC adjusted revenue requirement as a result of the
24 TCJA to be a reduction of \$684.8 million, consisting of the following five primary
25 components:

- 1 1) a \$582.7 million reduction in the base rate revenue requirement as a result
- 2 of the lower federal income tax rate;
- 3 2) a \$154.9 million reduction from the EADIT amortization proposed by FPL;
- 4 3) a \$26.0 million increase related to the loss of the manufacturer's deduction;
- 5 4) a \$10.3 million increase due to higher sources of investor capital associated
- 6 with lower bonus tax depreciation; and
- 7 5) a \$16.5 million increase related to higher sources of investor capital due to
- 8 less ADIT related to depreciation timing differences on plant going into
- 9 service in 2018.

10 I am recommending the EADIT amortizations identified in Item No.2 above to be
11 increased, which will reduce FPL's 2018 revenue requirement. As discussed above, my
12 recommended sum for 2018 EADIT amortizations results in increases of \$41.461 million
13 for "unprotected" property-related EADIT and \$10.836 million for "unprotected" non-
14 property-related EADIT is approximately \$52 million. Therefore, the \$154.9 million
15 reduction from the EADIT amortization proposed by FPL should be increased by
16 approximately \$52 million. This produces a reduction to FPL's 2018 revenue requirement
17 from EADIT amortization of approximately \$204.9 million, or \$52 million larger than the
18 \$154.9 million proposed by FPL for Item No. 2 in the above list.

19 Similarly, adding the \$52 million additional EADIT amortization to FPL's
20 identified total net TCJA revenue requirement reduction amount of \$684.8 million
21 increases that reduction amount to \$736.8 million.

22

23 **Q. COULD THERE BE A RELATED IMPACT ON INVESTOR CAPITAL SOURCES**
24 **ASSOCIATED WITH INCREASED EADIT AMORTIZATION IN 2018?**

1 A. Yes. I acknowledge that, other things being equal, the increased 2018 EADIT amortization
2 could have an impact related to requiring higher sources of investor capital (similar to Item
3 No. 5 on FPL's list). If the non-investor supplied cost-free capital represented by that
4 EADIT is being amortized at higher amounts in 2018, other things being equal, that could
5 require sources of investor-supplied capital to support rate base; however, I have not
6 quantified that impact. Presumably, that could be quantified by FPL in a compliance filing
7 if the Commission adopts the recommended 2018 EADIT amortizations that I have
8 described above.

9

10

11 **Q. DOES THIS COMPLETE YOUR PREFILED TESTIMONY?**

12 A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Testimony of Ralph Smith, CPA has been furnished by electronic mail on this 2nd day of October, 2018, to the following:

Margo Duval/Suzanne Brownless
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
sbrownle@psc.state.fl.us
mduval@psc.state.fl.us

Jon C. Moyle, Jr./Karen A. Putnal
c/o Moyle Law Firm, PA
Florida Industrial Power Users Group
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com
kputnal@moylelaw.com

John Butler/Maria Moncada
Florida Power & Light Company
700 Universe Boulevard
Juno Beach FL 33408
John.Butler@fpl.com
Maria.moncada@fpl.com

Mr. Ken Hoffman
Florida Power & Light Company
215 South Monroe Street, Suite 810
Tallahassee FL 32301
ken.hoffman@fpl.com

Robert Scheffel Wright/John T. LaVia
Gardner Law Firm
1300 Thomaswood Drive
Tallahassee FL 32308
jlavia@gbwlegal.com
schef@gbwlegal.com

Maj. A. Unsicker/Capt. L. Zieman/T.
Jernigan/E. Payton/TSgt. R. Moore
Federal Executive Agencies
139 Barnes Drive, Suite 1
Tyndall AFB FL 32403
andrew.unsicker@us.af.mil
lanny.zieman.1@us.af.mil
thomas.jernigan.3@us.af.mil
ebony.payton.ctr@us.af.mil
ryan.moore.5@us.af.mil



Patricia A. Christensen
Associate Public Counsel

QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company -- Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
U-7488-R	Consumers Power Company – Gas (Michigan PSC)
U-7484-R	Michigan Gas Utilities Company (Michigan PSC)
U-7550-R	Detroit Edison Company (Michigan PSC)
U-7477-R**	Indiana & Michigan Electric Company (Michigan PSC)
18978	Continental Telephone Co. of the South Alabama (Alabama PSC)
R-842583	Duquesne Light Company (Pennsylvania PUC)
R-842740	Pennsylvania Power Company (Pennsylvania PUC)
850050-EI	Tampa Electric Company (Florida PSC)
16091	Louisiana Power & Light Company (Louisiana PSC)
19297	Continental Telephone Co. of the South Alabama (Alabama PSC)
76-18788AA &76-18793AA	Detroit Edison - Refund - Appeal of U-4807 (Ingham County, Michigan Circuit Court)
85-53476AA & 85-534785AA	Detroit Edison Refund - Appeal of U-4758 (Ingham County, Michigan Circuit Court)
U-8091/U-8239	Consumers Power Company - Gas Refunds (Michigan PSC)
TR-85-179**	United Telephone Company of Missouri (Missouri PSC)
85-212	Central Maine Power Company (Maine PSC)
ER-85646001 & ER-85647001	New England Power Company (FERC)
850782-EI & 850783-EI	Florida Power & Light Company (Florida PSC)
R-860378	Duquesne Light Company (Pennsylvania PUC)
R-850267	Pennsylvania Power Company (Pennsylvania PUC)
851007-WU & 840419-SU	Florida Cities Water Company (Florida PSC)
G-002/GR-86-160	Northern States Power Company (Minnesota PSC)
7195 (Interim)	Gulf States Utilities Company (Texas PUC)
87-01-03	Connecticut Natural Gas Company (Connecticut PUC))
87-01-02	Southern New England Telephone Company (Connecticut Department of Public Utility Control)
3673- 29484	Georgia Power Company (Georgia PSC)
U-8924	Long Island Lighting Co. (New York Dept. of Public Service)
Docket No. 1	Consumers Power Company – Gas (Michigan PSC)
Docket E-2, Sub 527	Austin Electric Utility (City of Austin, Texas)
870853	Carolina Power & Light Company (North Carolina PUC)
880069**	Pennsylvania Gas and Water Company (Pennsylvania PUC)
U-1954-88-102	Southern Bell Telephone Company (Florida PSC)
T E-1032-88-102	Citizens Utilities Rural Company, Inc. & Citizens Utilities Company, Kingman Telephone Division (Arizona CC)
89-0033	Illinois Bell Telephone Company (Illinois CC)
U-89-2688-T	Puget Sound Power & Light Company (Washington UTC))
R-891364	Philadelphia Electric Company (Pennsylvania PUC)
F.C. 889	Potomac Electric Power Company (District of Columbia PSC)
Case No. 88/546	Niagara Mohawk Power Corporation, et al Plaintiffs, v. Gulf+Western, Inc. et al, defendants (Supreme Court County of Onondaga, State of New York)
87-11628	Duquesne Light Company, et al, plaintiffs, against Gulf+ Western, Inc. et al, defendants (Court of the Common Pleas of Allegheny County, Pennsylvania Civil Division)
890319-EI	Florida Power & Light Company (Florida PSC)
891345-EI	Gulf Power Company (Florida PSC)
ER 8811 0912J	Jersey Central Power & Light Company (BPU)
6531	Hawaiian Electric Company (Hawaii PUCs)

R0901595	Equitable Gas Company (Pennsylvania Consumer Counsel)
90-10	Artesian Water Company (Delaware PSC)
89-12-05	Southern New England Telephone Company (Connecticut PUC)
900329-WS	Southern States Utilities, Inc. (Florida PSC)
90-12-018	Southern California Edison Company (California PUC)
90-E-1185	Long Island Lighting Company (New York DPS)
R-911966	Pennsylvania Gas & Water Company (Pennsylvania PUC)
I.90-07-037, Phase II	(Investigation of OPEBs) Department of the Navy and all Other Federal Executive Agencies (California PUC)
U-1551-90-322	Southwest Gas Corporation (Arizona CC)
U-1656-91-134	Sun City Water Company (Arizona RUCO)
U-2013-91-133	Havasu Water Company (Arizona RUCO)
91-174***	Central Maine Power Company (Department of the Navy and all Other Federal Executive Agencies)
U-1551-89-102	Southwest Gas Corporation - Rebuttal and PGA Audit (Arizona Corporation Commission)
& U-1551-89-103	Hawaiian Electric Company (Hawaii PUC)
Docket No. 6998	Intrastate Access Charge Methodology, Pool and Rates
TC-91-040A and	Local Exchange Carriers Association and South Dakota
TC-91-040B	Independent Telephone Coalition
9911030-WS &	General Development Utilities - Port Malabar and
911-67-WS	West Coast Divisions (Florida PSC)
922180	The Peoples Natural Gas Company (Pennsylvania PUC)
7233 and 7243	Hawaiian Nonpension Postretirement Benefits (Hawaiian PUC)
R-00922314	
& M-920313C006	Metropolitan Edison Company (Pennsylvania PUC)
R00922428	Pennsylvania American Water Company (Pennsylvania PUC)
E-1032-92-083 &	
U-1656-92-183	Citizens Utilities Company, Agua Fria Water Division (Arizona Corporation Commission)
92-09-19	Southern New England Telephone Company (Connecticut PUC)
E-1032-92-073	Citizens Utilities Company (Electric Division), (Arizona CC)
UE-92-1262	Puget Sound Power and Light Company (Washington UTC))
92-345	Central Maine Power Company (Maine PUC)
R-932667	Pennsylvania Gas & Water Company (Pennsylvania PUC)
U-93-60**	Matanuska Telephone Association, Inc. (Alaska PUC)
U-93-50**	Anchorage Telephone Utility (Alaska PUC)
U-93-64	PTI Communications (Alaska PUC)
7700	Hawaiian Electric Company, Inc. (Hawaii PUC)
E-1032-93-111 &	Citizens Utilities Company - Gas Division
U-1032-93-193	(Arizona Corporation Commission)
R-00932670	Pennsylvania American Water Company (Pennsylvania PUC)
U-1514-93-169/	Sale of Assets CC&N from Contel of the West, Inc. to
E-1032-93-169	Citizens Utilities Company (Arizona Corporation Commission)
7766	Hawaiian Electric Company, Inc. (Hawaii PUC)
93-2006- GA-AIR	The East Ohio Gas Company (Ohio PUC)
94-E-0334	Consolidated Edison Company (New York DPS)
94-0270	Inter-State Water Company (Illinois Commerce Commission)
94-0097	Citizens Utilities Company, Kauai Electric Division (Hawaii PUC)
PU-314-94-688	Application for Transfer of Local Exchanges (North Dakota PSC)
94-12-005-Phase I	Pacific Gas & Electric Company (California PUC)
R-953297	UGI Utilities, Inc. - Gas Division (Pennsylvania PUC)
95-03-01	Southern New England Telephone Company (Connecticut PUC)
95-0342	Consumer Illinois Water, Kankakee Water District (Illinois CC)
94-996-EL-AIR	Ohio Power Company (Ohio PUC)
95-1000-E	South Carolina Electric & Gas Company (South Carolina PSC)

Non-Docketed Staff Investigation E-1032-95-473 E-1032-95-433	Citizens Utility Company - Arizona Telephone Operations (Arizona Corporation Commission) Citizens Utility Co. - Northern Arizona Gas Division (Arizona CC) Citizens Utility Co. - Arizona Electric Division (Arizona CC) Collaborative Ratemaking Process Columbia Gas of Pennsylvania (Pennsylvania PUC)
GR-96-285 94-10-45 A.96-08-001 et al.	Missouri Gas Energy (Missouri PSC) Southern New England Telephone Company (Connecticut PUC) California Utilities' Applications to Identify Sunk Costs of Non- Nuclear Generation Assets, & Transition Costs for Electric Utility Restructuring, & Consolidated Proceedings (California PUC)
96-324 96-08-070, et al.	Bell Atlantic - Delaware, Inc. (Delaware PSC) Pacific Gas & Electric Co., Southern California Edison Co. and San Diego Gas & Electric Company (California PUC)
97-05-12 R-00973953	Connecticut Light & Power (Connecticut PUC) Application of PECO Energy Company for Approval of its Restructuring Plan Under Section 2806 of the Public Utility Code (Pennsylvania PUC)
97-65	Application of Delmarva Power & Light Co. for Application of a Cost Accounting Manual and a Code of Conduct (Delaware PSC)
16705 E-1072-97-067 Non-Docketed Staff Investigation PU-314-97-12 97-0351 97-8001	Entergy Gulf States, Inc. (Cities Steering Committee) Southwestern Telephone Co. (Arizona Corporation Commission) Delaware - Estimate Impact of Universal Services Issues (Delaware PSC) US West Communications, Inc. Cost Studies (North Dakota PSC) Consumer Illinois Water Company (Illinois CC) Investigation of Issues to be Considered as a Result of Restructuring of Electric Industry (Nevada PSC)
U-0000-94-165	Generic Docket to Consider Competition in the Provision of Retail Electric Service (Arizona Corporation Commission)
98-05-006-Phase I 9355-U 97-12-020 - Phase I U-98-56, U-98-60, U-98-65, U-98-67 (U-99-66, U-99-65, U-99-56, U-99-52)	San Diego Gas & Electric Co., Section 386 costs (California PUC) Georgia Power Company Rate Case (Georgia PUC) Pacific Gas & Electric Company (California PUC) Investigation of 1998 Intrastate Access charge filings (Alaska PUC) Investigation of 1999 Intrastate Access Charge filing (Alaska PUC)
Phase II of 97-SCCC-149-GIT PU-314-97-465 Non-docketed Assistance Contract Dispute	Southwestern Bell Telephone Company Cost Studies (Kansas CC) US West Universal Service Cost Model (North Dakota PSC) Bell Atlantic - Delaware, Inc., Review of New Telecomm. and Tariff Filings (Delaware PSC) City of Zeeland, MI - Water Contract with the City of Holland, MI (Before an arbitration panel)
Non-docketed Project Non-docketed Project	City of Danville, IL - Valuation of Water System (Danville, IL) Village of University Park, IL - Valuation of Water and Sewer System (Village of University Park, Illinois)

E-1032-95-417	Citizens Utility Co., Maricopa Water/Wastewater Companies et al. (Arizona Corporation Commission)
T-1051B-99-0497	Proposed Merger of the Parent Corporation of Qwest Communications Corporation, LCI International Telecom Corp., and US West Communications, Inc. (Arizona CC)
T-01051B-99-0105	US West Communications, Inc. Rate Case (Arizona CC)
A00-07-043	Pacific Gas & Electric - 2001 Attrition (California PUC)
T-01051B-99-0499	US West/Quest Broadband Asset Transfer (Arizona CC)
99-419/420	US West, Inc. Toll and Access Rebalancing (North Dakota PSC)
PU314-99-119	US West, Inc. Residential Rate Increase and Cost Study Review (North Dakota PSC)
98-0252	Ameritech - Illinois, Review of Alternative Regulation Plan (Illinois CUB)
00-108	Delmarva Billing System Investigation (Delaware PSC)
U-00-28	Matanuska Telephone Association (Alaska PUC)
Non-Docketed	Management Audit and Market Power Mitigation Analysis of the Merged Gas System Operation of Pacific Enterprises and Enova Corporation (California PUC)
00-11-038	Southern California Edison (California PUC)
00-11-056	Pacific Gas & Electric (California PUC)
00-10-028	The Utility Reform Network for Modification of Resolution E-3527 (California PUC)
98-479	Delmarva Power & Light Application for Approval of its Electric and Fuel Adjustments Costs (Delaware PSC)
99-457	Delaware Electric Cooperative Restructuring Filing (Delaware PSC)
99-582	Delmarva Power & Light dba Conectiv Power Delivery Analysis of Code of Conduct and Cost Accounting Manual (Delaware PSC)
99-03-04	United Illuminating Company Recovery of Stranded Costs (Connecticut OCC)
99-03-36	Connecticut Light & Power (Connecticut OCC)
Civil Action No.	
98-1117	West Penn Power Company vs. PA PUC (Pennsylvania PSC)
Case No. 12604	Upper Peninsula Power Company (Michigan AG)
Case No. 12613	Wisconsin Public Service Commission (Michigan AG)
41651	Northern Indiana Public Service Co Overearnings investigation (Indiana UCC)
13605-U	Savannah Electric & Power Company – FCR (Georgia PSC)
14000-U	Georgia Power Company Rate Case/M&S Review (Georgia PSC)
13196-U	Savannah Electric & Power Company Natural Gas Procurement and Risk Management/Hedging Proposal, Docket No. 13196-U (Georgia PSC)
Non-Docketed	Georgia Power Company & Savannah Electric & Power FPR Company Fuel Procurement Audit (Georgia PSC)
Non-Docketed	Transition Costs of Nevada Vertically Integrated Utilities (US Department of Navy)
Application No.	Post-Transition Ratemaking Mechanisms for the Electric Industry
99-01-016,	Restructuring (US Department of Navy)
Phase I	
99-02-05	Connecticut Light & Power (Connecticut OCC)
01-05-19-RE03	Yankee Gas Service Application for a Rate Increase, Phase I-2002-IERM (Connecticut OCC)
G-01551A-00-0309	Southwest Gas Corporation, Application to amend its rate Schedules (Arizona CC)
00-07-043	Pacific Gas & Electric Company Attrition & Application for a rate increase (California PUC)

97-12-020	
Phase II	Pacific Gas & Electric Company Rate Case (California PUC)
01-10-10	United Illuminating Company (Connecticut OCC)
13711-U	Georgia Power FCR (Georgia PSC)
02-001	Verizon Delaware § 271(Delaware DPA)
02-BLVT-377-AUD	Blue Valley Telephone Company Audit/General Rate Investigation (Kansas CC)
02-S&TT-390-AUD	S&T Telephone Cooperative Audit/General Rate Investigation (Kansas CC)
01-SFLT-879-AUD	Sunflower Telephone Company Inc., Audit/General Rate Investigation (Kansas CC)
01-BSTT-878-AUD	Bluestem Telephone Company, Inc. Audit/General Rate Investigation (Kansas CC)
P404, 407, 520, 413 426, 427, 430, 421/ CI-00-712	Sherburne County Rural Telephone Company, dba as Connections, Etc. (Minnesota DOC)
U-01-85	ACS of Alaska, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-34	ACS of Anchorage, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-83	ACS of Fairbanks, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
U-01-87	ACS of the Northland, dba as Alaska Communications Systems (ACS), Rate Case (Alaska Regulatory Commission PAS)
96-324, Phase II	Verizon Delaware, Inc. UNE Rate Filing (Delaware PSC)
03-WHST-503-AUD	Wheat State Telephone Company (Kansas CC)
04-GNBT-130-AUD	Golden Belt Telephone Association (Kansas CC)
Docket 6914	Shoreham Telephone Company, Inc. (Vermont BPU)
Docket No. E-01345A-06-009	Arizona Public Service Company (Arizona Corporation Commission)
Case No. 05-1278-E-PC-PW-42T	Appalachian Power Company and Wheeling Power Company both d/b/a American Electric Power (West Virginia PSC)
Docket No. 04-0113	Hawaiian Electric Company (Hawaii PUC)
Case No. U-14347	Consumers Energy Company (Michigan PSC)
Case No. 05-725-EL-UNC	Cincinnati Gas & Electric Company (PUC of Ohio)
Docket No. 21229-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 19142-U	Georgia Power Company (Georgia PSC)
Docket No. 03-07-01RE01	Connecticut Light & Power Company (CT DPUC)
Docket No. 19042-U	Savannah Electric & Power Company (Georgia PSC)
Docket No. 2004-178-E	South Carolina Electric & Gas Company (South Carolina PSC)
Docket No. 03-07-02	Connecticut Light & Power Company (CT DPUC)
Docket No. EX02060363, Phases I&II	Rockland Electric Company (NJ BPU)
Docket No. U-00-88	ENSTAR Natural Gas Company and Alaska Pipeline Company (Regulatory Commission of Alaska)
Phase 1-2002 IERM, Docket No. U-02-075	Interior Telephone Company, Inc. (Regulatory Commission of Alaska)
Docket No. 05-SCNT- 1048-AUD	South Central Telephone Company (Kansas CC)
Docket No. 05-TRCT- 607-KSF	Tri-County Telephone Company (Kansas CC)
Docket No. 05-KOKT- 060-AUD	Kan Okla Telephone Company (Kansas CC)
Docket No. 2002-747	Northland Telephone Company of Maine (Maine PUC)

Docket No. 2003-34	Sidney Telephone Company (Maine PUC)
Docket No. 2003-35	Maine Telephone Company (Maine PUC)
Docket No. 2003-36	China Telephone Company (Maine PUC)
Docket No. 2003-37	Standish Telephone Company (Maine PUC)
Docket Nos. U-04-022, U-04-023	Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
Case 05-116-U/06-055-U	Entergy Arkansas, Inc. EFC (Arkansas Public Service Commission)
Case 04-137-U	Southwest Power Pool RTO (Arkansas Public Service Commission)
Case No. 7109/7160	Vermont Gas Systems (Department of Public Service)
Case No. ER-2006-0315	Empire District Electric Company (Missouri PSC)
Case No. ER-2006-0314	Kansas City Power & Light Company (Missouri PSC)
Docket No. U-05-043,44	Golden Heart Utilities/College Park Utilities (Regulatory Commission of Alaska)
A-122250F5000	Equitable Resources, Inc. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
E-01345A-05-0816	Arizona Public Service Company (Arizona CC)
Docket No. 05-304	Delmarva Power & Light Company (Delaware PSC)
05-806-EL-UNC	Cincinnati Gas & Electric Company (Ohio PUC)
U-06-45	Anchorage Water Utility (Regulatory Commission of Alaska)
03-93-EL-ATA, 06-1068-EL-UNC	Duke Energy Ohio (Ohio PUC)
PUE-2006-00065	Appalachian Power Company (Virginia Corporation Commission)
G-04204A-06-0463 et. al	UNS Gas, Inc. (Arizona CC)
U-06-134	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 2006-0386	Hawaiian Electric Company, Inc (Hawaii PUC)
E-01933A-07-0402	Tucson Electric Power Company (Arizona CC)
G-01551A-07-0504	Southwest Gas Corporation (Arizona CC)
Docket No.UE-072300	Puget Sound Energy, Inc. (Washington UTC)
PUE-2008-00009	Virginia-American Water Company (Virginia SCC)
PUE-2008-00046	Appalachian Power Company (Virginia SCC)
E-01345A-08-0172	Arizona Public Service Company (Arizona CC)
A-2008-2063737	Babcock & Brown Infrastructure Fund North America, LP. and The Peoples Natural Gas Company, d/b/a Dominion Peoples (Pennsylvania PUC)
08-1783-G-42T	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
08-1761-G-PC	Hope Gas, Inc., dba Dominion Hope, Dominion Resources, Inc., and Peoples Hope Gas Companies (West Virginia PSC)
Docket No. 2008-0083	Hawaiian Electric Company, Inc. (Hawaii PUC)
Docket No. 2008-0266	Young Brothers, Limited (Hawaii PUC)
G-04024A-08-0571	UNS Gas, Inc. (Arizona CC)
Docket No. 09-29	Tidewater Utilities, Inc. (Delaware PSC)
Docket No. UE-090704	Puget Sound Energy, Inc. (Washington UTC)
09-0878-G-42T	Mountaineer Gas Company (West Virginia PSC)
2009-UA-0014	Mississippi Power Company (Mississippi PSC)
Docket No. 09-0319	Illinois-American Water Company (Illinois CC)
Docket No. 09-414	Delmarva Power & Light Company (Delaware PSC)
R-2009-2132019	Aqua Pennsylvania, Inc. (Pennsylvania PUC)
Docket Nos. U-09-069, U-09-070	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Docket Nos. U-04-023, U-04-024	Anchorage Water and Wastewater Utility - Remand (Regulatory Commission of Alaska)
W-01303A-09-0343 & SW-01303A-09-0343	Arizona-American Water Company (Arizona CC)
09-872-EL-FAC & 09-873-EL-FAC	Financial Audits of the FAC of the Columbus Southern Power Company and the Ohio Power Company - Audit I (Ohio PUC)

2010-00036 E-04100A-09-0496 E-01773A-09-0472 R-2010-2166208, R-2010-2166210, R-2010-2166212, & R-2010-2166214 PSC Docket No. 09-0602	Kentucky-American Water Company (Kentucky PSC) Southwest Transmission Cooperative, IHnc. (Arizona CC) Arizona Electric Power Cooperative, Inc. (Arizona CC)
10-0713-E-PC Docket No. 31958 Docket No. 10-0467 PSC Docket No. 10-237 U-10-51	Pennsylvania-American Water Company (Pennsylvania PUC) Central Illinois Light Company D/B/A AmerenCILCO; Central Illinois Public Service Company D/B/A AmerenCIPS; Illinois Power Company D/B/A AmerenIP (Illinois CC) Allegheny Power and FirstEnergy Corp. (West Virginia PSC) Georgia Power Company (Georgia PSC) Commonwealth Edison Company (Illinois CC) Delmarva Power & Light Company (Delaware PSC) Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
10-0699-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
10-0920-W-42T A.10-07-007 A-2010-2210326 09-1012-EL-FAC	West Virginia-American Water Company (West Virginia PSC) California-American Water Company (California PUC) TWP Acquisition (Pennsylvania PUC) Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 1 (Ohio PUC)
10-268-EL FAC et al.	Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit II (Ohio PUC)
Docket No. 2010-0080 G-01551A-10-0458 10-KCPE-415-RTS PUE-2011-00037 R-2011-2232243 U-11-100	Hawaiian Electric Company, Inc. (Hawaii PUC) Southwest Gas Corporation (Arizona CC) Kansas City Power & Light Company – Remand (Kansas CC) Virginia Appalachian Power Company (Commonwealth of Virginia SCC) Pennsylvania-American Water (Pennsylvania PUC) Power Purchase Agreement between Chugach Association, Inc. and Fire Island Wind, LLC (Regulatory Commission of Alaska)
A.10-12-005 PSC Docket No. 11-207 Cause No. 44022	San Diego Gas & Electric Company (California PUC) Artesian Water Company, Inc. (Delaware PSC) Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
PSC Docket No. 10-247	Management Audit of Tidewater Utilities, Inc. Affiliate Transactions (Delaware Public Service Commission)
G-04204A-11-0158 E-01345A-11-0224 UE-111048 & UE-111049	UNS Gas, Inc. (Arizona Corporation Commission) Arizona Public Service Company (Arizona CC) Puget Sound Energy, Inc. (Washington Utilities and Transportation Commission)
Docket No. 11-0721 11AL-947E U-11-77 & U-11-78	Commonwealth Edison Company (Illinois CC) Public Service Company of Colorado (Colorado PSC) Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 11-0767 PSC Docket No. 11-397 Cause No. 44075 Docket No. 12-0001 11-5730-EL-FAC	Illinois-American Water Company (Illinois CC) Tidewater Utilities, Inc. (Delaware PSC) Indiana Michigan Power Company (Indiana Utility Regulatory Commission) Ameren Illinois Company (Illinois CC) Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 2 (Ohio PUC)
PSC Docket No. 11-528 11-281-EL-FAC et al.	Delmarva Power & Light Company (Delaware PSC) Financial Audit of the FAC of the Columbus Southern Power Company and the Ohio Power Company – Audit III (Ohio PUC)

Cause No. 43114-IGCC-4S1	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 12-0293	Ameren Illinois Company (Illinois CC)
Docket No. 12-0321	Commonwealth Edison Company (Illinois CC)
12-02019 & 12-04005	Southwest Gas Corporation (Public Utilities Commission of Nevada)
Docket No. 2012-218-E	South Carolina Electric & Gas (South Carolina PSC)
Docket No. E-72, Sub 479	Dominion North Carolina Power (North Carolina Utilities Commission)
12-0511 & 12-0512	North Shore Gas Company and The Peoples Gas Light and Coke Company (Illinois CC)
E-01933A-12-0291	Tucson Electric Power Company (Arizona CC)
Case No. 9311	Potomac Electric Power Company (Maryland PSC)
Cause No. 43114-IGCC-10	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
Docket No. 36498	Georgia Power Company (Georgia PSC)
Case No. 9316	Columbia Gas of Maryland, Inc. (Maryland PSC)
Docket No. 13-0192	Ameren Illinois Company (Illinois CC)
12-1649-W-42T	West Virginia-American Water Company (West Virginia PSC)
E-04204A-12-0504	UNS Electric, Inc. (Arizona CC)
PUE-2013-00020	Virginia and Electric Power Company (Virginia SCC)
R-2013-2355276	Pennsylvania-American Water Company (Pennsylvania PUC)
Formal Case No. 1103	Potomac Electric Power Company (District of Columbia PSC)
U-13-007	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
12-2881-EL-FAC	Financial, Management, and Performance Audit of the FAC for Dayton Power and Light – Audit 3 (Ohio PUC)
Docket No. 36989	Georgia Power Company (Georgia PSC)
Cause No. 43114-IGCC-11	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
UM 1633	Investigation into Treatment of Pension Costs in Utility Rates (Oregon PUC)
13-1892-EL FAC	Financial Audit of the FAC and AER of the Ohio Power Company – Audit I (Ohio PUC)
E-04230A-14-0011 & E-01933A-14-0011	Reorganization of UNS Energy Corporation with Fortis, Inc. (Arizona CC)
14-255-EL RDR	Regulatory Compliance Audit of the 2013 DIR of Ohio Power Company (Ohio PUC)
U-14-001	Chugach Electric Association, Inc. (The Regulatory Commission of Alaska)
U-14-002	Alaska Power Company (The Regulatory Commission of Alaska)
PUE-2014-00026	Virginia Appalachian Power Company (Commonwealth of Virginia SCC)
14-0117-EL-FAC	Financial, Management, and Performance Audit of the FAC and Purchased Power Rider for Dayton Power and Light – Audit 1 (Ohio PUC)
14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
Formal Case No. 1119	Merger of Exelon Corporation, Pepco Holdings, Inc., Potomac Electric Power Company, Exelon Energy Delivery Company, LLC, and New Special Purpose Entity, LLC (District of Columbia PSC)
R-2014-2428742	West Penn Power Company (Pennsylvania PUC)
R-2014-2428743	Pennsylvania Electric Company (Pennsylvania PUC)
R-2014-2428744	Pennsylvania Power Company (Pennsylvania PUC)
R-2014-2428745	Metropolitan Edison Company (Pennsylvania PUC)
Cause No. 43114-IGCC-12/13	Duke Energy Indiana, Inc. (Indiana Utility Regulatory Commission)
14-1152-E-42T	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
WS-01303A-14-0010	EPCOR Water Arizona, Inc. (Arizona CC)
2014-000396	Kentucky Power Company (Kentucky PSC)
15-03-45^	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003	San Diego Gas & Electric Company (California PUC)
U-14-111	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)

2015-UN-049	Atmos Energy Corporation (Mississippi PSC)
15-0003-G-42T	Mountaineer Gas Company (West Virginia PSC)
PUE-2015-00027	Virginia Electric and Power Company (Commonwealth of Virginia SCC)
Docket No. 2015-0022	Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T	West Virginia-American Water Company (West Virginia PSC)
15-07-38 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26 ^{^^}	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
2015-UN-0080	Mississippi Power Company (Mississippi PSC)
Docket No. 15-00042	B&W Pipeline, LLC (Tennessee Regulatory Authority)
WR-2015-0301/SR-2015-0302	Missouri American Water Company (Missouri PSC)
U-15-089, U-15-091, & U-15-092	Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097	Virginia-American Water Company (Commonwealth of Virginia SCC)
15-1854-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014	PTE Pipeline LLC (Regulatory Commission of Alaska)
P-15-020	Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska)
Docket No. 40161	Georgia Power Company – Integrated Resource Plan (Georgia PSC)
Formal Case No. 1137	Washington Gas Light Company (District of Columbia PSC)
160021-EI, et al.	Florida Power Company (Florida PSC)
R-2016-2537349	Metropolitan Edison Company (Pennsylvania PUC)
R-2016-2537352	Pennsylvania Electric Company (Pennsylvania PUC)
R-2016-2537355	Pennsylvania Power Company (Pennsylvania PUC)
R-2016-2537359	West Penn Power Company (Pennsylvania PUC)
16-0717-G-390P	Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
15-1256-G-390P	
(Reopening)/16-0922-G-390P	
16-0550-W-P	Mountaineer Gas Company (West Virginia PSC)
CEPR-AP-2015-0001	West Virginia-American Water Company (West Virginia PSC)
E-01345A-16-0036	Puerto Rico Electric Power Authority (Puerto Rico Energy Commission)
Docket No. 4618	Arizona Public Service Company (Arizona CC)
Docket No. 46238	Providence Water Supply Board (Rhode Island PUC)
	Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC)
U-16-066	ENSTAR Natural Gas Company (Regulatory Commission of Alaska)
Case No. 2016-00370	Kentucky Utilities Company (Kentucky PSC)
Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142*	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322*	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034*	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)

Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No. 2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)

* Testimony filed, examination not completed

** Issues stipulated

*** Company withdrew case

^ Testimony filed, case withdrawn after proposed decision issued

^^ Issues stipulated before testimony was filed

Excess Deferred Tax Balance @ 12/31/2017

Tax Rates

-14.0% 0.7700% 0.0% -13.23%

Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total
5	AMO201	Tx Refund Int Below	49,560	(6,938)	382	0	(6,557)
5	AMO301	Gain Disp Prop Abv	33,013,660	(4,621,912)	254,205	0	(4,367,707)
15	AMO312	Reg Liab SWAPC - ECCR	46,801,764	(6,552,247)	360,374	0	(6,191,873)
1	AMO316	Reg Liab - CB Bk/Tx Diff - L/T	14,074,913	(1,970,488)	108,377	0	(1,862,111)
1	AMO319	Reg Liab - CB Bk/Tx Diff - Current	1,893,506	(265,091)	14,580	0	(250,511)
1	BAD101	Bad Debt Expense	2,533,098	(354,634)	19,505	0	(335,129)
5	DBT102	Gain on Reacq Debt	1,620,377	(226,853)	12,477	0	(214,376)
30	DCM101	Decommissioning Accrual	356,332,180	(49,886,505)	2,743,758	0	(47,142,747)
30	DCM201	Decommissioning Below	711,184,357	(99,565,810)	5,476,120	0	(94,089,690)
1	EMP103	Non Ded Medic Contr	2,700,883	(378,124)	20,797	0	(357,327)
1	EMP201	Employee Bonus Accrual	112,726,470	(15,781,706)	867,994	0	(14,913,712)
1	EMP202	Accrued FICA Taxes	9,163,181	(1,282,845)	70,556	0	(1,212,289)
10	EMP802	Post Retirement SFAS 112 - NC	19,068,000	(2,669,520)	146,824	0	(2,522,696)
1	EMP806	Post Retirement Benefits - FAS106 Curren	15,845,690	(2,218,397)	122,012	0	(2,096,385)
10	EMP807	Post Retirement Benefits - FAS106 NC	188,314,186	(26,363,986)	1,450,019	0	(24,913,967)
10	EMP810	Medicare Part D Subsidy	(4,656,347)	651,889	(35,854)	0	616,035
10	EMP901	Def Compensation	3,387,857	(474,300)	26,086	0	(448,213)
1	EMP903	SERP Current Portion	360,882	(50,523)	2,779	0	(47,745)
10	EMP907	SERP Fund Activity and Thrift, BOD Pensic	7,124,177	(997,385)	54,856	0	(942,529)
5	FIN403	FIN48 Interest Payable-State	964,905	(135,087)	7,430	0	(127,657)
5	FIN405	Int Accrued St Current - FIN48	393,572	(55,100)	3,031	0	(52,070)
1	FUL301	Def Franchise Fee Rev	7,731,068	(1,082,350)	59,529	0	(1,022,820)
5	INC602	Premium Lighting Prog Rev	6,198,290	(867,761)	47,727	0	(820,034)
10	INC605	Deferred Income - NC	386,594	(54,123)	2,977	0	(51,146)
5	INJ101	Injuries and Damages	17,972,160	(2,516,102)	138,386	0	(2,377,717)
21	ITC101	Conv ITC Amort & GU	52,065,738	(7,289,203)	400,906	0	(6,888,297)
22	ITC103	Space Coast ITC GU	22,292,084	(3,120,892)	171,649	0	(2,949,243)
21	ITC105	Martin Solar ITC G/U	154,080,973	(21,571,336)	1,186,423	0	(20,384,913)

Excess Deferred Tax Balance @ 12/31/2017

Tax Rates

-14.0% 0.7700% 0.0% -13.23%

Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total
30	NUC106	Nuclear Rule Book/Tax Basis	250,215,443	(35,030,162)	1,926,659	0	(33,103,503)
30	PSP101	Reverse Partnership Book (Income) Loss	(8,294,334)	1,161,207	(63,866)	0	1,097,340
5	PSP108	Sangroup Partnership LLC	44,414	(6,218)	342	0	(5,876)
2	REP501	Nuc Maint Reserve	16,580,661	(2,321,293)	127,671	0	(2,193,621)
5	RES106	Legal Reserve	7,312,500	(1,023,750)	56,306	0	(967,444)
5	RES109	Fuel Storage Reserve	5,447,994	(762,719)	41,950	0	(720,770)
30	RES113	Nuc Last Core Expense	111,722,086	(15,641,092)	860,260	0	(14,780,832)
30	RES114	Nuc M and S Inventory	24,065,820	(3,369,215)	185,307	0	(3,183,908)
1	RES126	Nuclear Rad Waste	9,273,516	(1,298,292)	71,406	0	(1,226,886)
10	RES137	Savings/Warrant Reserve	42,712	(5,980)	329	0	(5,651)
1	RES137	Savings/Warrant Reserve	118,819	(16,635)	915	0	(15,720)
1	RES139	Scherer Supplemental Perf Fee	6,131,708	(858,439)	47,214	0	(811,225)
10	RES301	Environmental Liability	135,891,407	(19,024,797)	1,046,364	0	(17,978,433)
1	RES401	Vacation Pay Accrual	5,457,391	(764,035)	42,022	0	(722,013)
5	RES601	Dormant Materials	63,554	(8,898)	489	0	(8,408)
1	REV103	Measurement And Verification Incom	1,289,929	(180,590)	9,932	0	(170,658)
5	SAL301	Cap Gain Emiss Allow	886	(124)	7	0	(117)
3	SJR101	SJRPP Decommissioning	39,923,306	(5,589,263)	307,409	0	(5,281,853)
3	SJR102	SJRPP Def Interest	12,382,353	(1,733,529)	95,344	0	(1,638,185)
1	STM402	Over/Under Recovery - FREC	4,897,596	(685,663)	37,711	0	(647,952)
1	STM409	Storm-Reg Asset - Regulated	74,274,946	(10,398,492)	571,917	0	(9,826,575)
1	UBR102	Unbilled Revenue FPSC	22,311,769	(3,123,648)	171,801	0	(2,951,847)
		<i>Sub-Total Account 190</i>	2,502,778,254	(350,388,956)	19,271,393	0	(331,117,563)
1	CAC102	Primeco CIAC Below	661	(93)	5	0	(87)
1	DEP101	Tax Depreciation	(10,855,470)	1,519,766	(83,587)	0	1,436,179
ICL 20	DEP101	Tax Depreciation	434,568,750	(60,839,625)	3,346,179	0	(57,493,446)
10	DEP102	Fossil Dismantlement	370,901,893	(51,926,265)	2,855,945	0	(49,070,320)

Excess Deferred Tax Balance @ 12/31/2017

Tax Rates

-14.0% 0.7700% 0.0% -13.23%

Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total
1	DEP102	Fossil Dismantlement	(5,540,839)	775,717	(42,664)	0	733,053
30	DEP107	Def ITC Interest Synch	6,779,781	(949,169)	52,204	0	(896,965)
30	DEP131	FAS90 Depr Reclass	87,006,154	(12,180,862)	669,947	0	(11,510,914)
20	DEP201	ARO Accretion	10,885,315	(1,523,944)	83,817	0	(1,440,127)
20	DEP202	ARO Asset	(10,885,315)	1,523,944	(83,817)	0	1,440,127
30	NUC107	Nuclear Rule Book/Tax - Plant In Service	7,541,981	(1,055,877)	58,073	0	(997,804)
5	SAL602	Gain on Sale of MIT Credits	110,606,293	(15,484,881)	851,668	0	(14,633,213)
		<i>Sub-Total Account 282</i>	1,001,009,204	(140,141,289)	7,707,771	0	(132,433,518)
1	AMO102	Amortization of Intangibles	258,666	(36,213)	1,992	0	(34,222)
1	AMO202	Int Tx Deficiency Above	(1,737,676)	243,275	(13,380)	0	229,895
5	AMO303	Loss Disp Prop Abv	(193,657)	27,112	(1,491)	0	25,621
20	AMO304	Reg Asset - Surplus Flowback	(1,208,675,515)	169,214,572	(9,306,801)	0	159,907,771
1	AMO309	Reg Asset - FAS90 Current	4,526,984	(633,778)	34,858	0	(598,920)
30	AMO310	Reg Asset - FAS90 L/T	(91,533,137)	12,814,639	(704,805)	0	12,109,834
20	AMO311	Reg Asset - Dism Resv - Surplus Flowback	(146,014,234)	20,441,993	(1,124,310)	0	19,317,683
6	AMO314	Reg Asset - CB PPA Loss - L/T	(334,607,191)	46,845,007	(2,576,475)	0	44,268,531
6	AMO315	Reg Asset - CB Tax GU - L/T	(210,133,794)	29,418,731	(1,618,030)	0	27,800,701
6	AMO317	Reg Asset - CB PPA Loss - Current	(55,767,857)	7,807,500	(429,412)	0	7,378,087
6	AMO318	Reg Asset - CB Tax GU - Current	(35,022,306)	4,903,123	(269,672)	0	4,633,451
10	AMO320	Reg Asset - PTN Cooling Canals	(112,422,793)	15,739,191	(865,656)	0	14,873,536
30	AMO321	Reg Asset - ICL - PPA Loss	(401,333,333)	56,186,667	(3,090,267)	0	53,096,400
10	AMO322	Reg Asset - Environmental Remediation	(687,448)	96,243	(5,293)	0	90,949
30	CAP202	Nustart Energy	(1,812,112)	253,696	(13,953)	0	239,742
2	CAP301	Rate Case Expenses	(2,519,917)	352,788	(19,403)	0	333,385
5	DBT101	Loss on Reacq Debt	(92,180,381)	12,905,253	(709,789)	0	12,195,464
30	EMP102	Pension SFAS 87	(1,350,835,622)	189,116,987	(10,401,434)	0	178,715,553
5	FIN404	FIN48 Interest Receivable-State	(1,358,477)	190,187	(10,460)	0	179,727

Excess Deferred Tax Balance @ 12/31/2017

Tax Rates

-14.0% 0.7700% 0.0% -13.23%

Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total
1	FUL102	Def Fuel Cost FERC	(30,351)	4,249	(234)	0	4,015
1	FUL103	Def Fuel Cost FPSC - Current	(6,358,244)	890,154	(48,958)	0	841,196
1	FUL109	EPU Asset Retirements	(1,008,527)	141,194	(7,766)	0	133,428
1	FUL302	Franchise Fee Costs	(3,389,162)	474,483	(26,097)	0	448,386
1	INC608	Accrued Revenues - GPIF	(9,656,036)	1,351,845	(74,351)	0	1,277,494
1	INC609	Accrued Revenues - Asset Optimization	(10,101,485)	1,414,208	(77,781)	0	1,336,426
21	ITC102	Conv ITC Depr Loss	(26,032,853)	3,644,599	(200,453)	0	3,444,146
22	ITC104	Space Coast ITC Depr Loss	(11,146,139)	1,560,459	(85,825)	0	1,474,634
21	ITC106	Martin ITC Depr Loss	(77,040,475)	10,785,667	(593,212)	0	10,192,455
30	NUC103	Nuclear Cola Payroll	(29,298,885)	4,101,844	(225,601)	0	3,876,242
1	PPD101	Prepaid Insurance	(12,825,069)	1,795,510	(98,753)	0	1,696,757
1	PPD202	Prepaid Franchise Fees	(14,597,066)	2,043,589	(112,397)	0	1,931,192
1	PPD203	Prepaid State Motor Vehicle Taxes	(742,563)	103,959	(5,718)	0	98,241
30	RSH102	Research and Experimental Costs	(2,804,913)	392,688	(21,598)	0	371,090
1	STM401	Storm Recovery Property	(67,547,937)	9,456,711	(520,119)	0	8,936,592
1	STM407	Storm Recovery - Current	(115,491,986)	16,168,878	(889,288)	0	15,279,590
5	STM408	Involuntary Conversion - Storm - Deferrec	5,224,057	(731,368)	40,225	0	(691,143)
		<i>Sub-Total Account 283</i>	(4,424,897,434)	619,485,641	(34,071,710)	0	585,413,931
		Total Federal & State	(921,109,976)	128,955,397	(7,092,547)	0	121,862,850
6	DEP118	Florida Bonus Depreciation	4,674,495,003	0	35,993,612	0	35,993,612
2	DEP133	Florida Bonus Depreciation - 2014	23,579,500	0	181,562	0	181,562
3	DEP134	Florida Bonus Depreciation - 2015	(3,929,917)	0	(30,260)	0	(30,260)
		Total State Modifications	4,694,144,586	0	36,144,913	0	36,144,913
		Total with State Modifications	3,773,034,610	128,955,397	29,052,366	0	158,007,763

Excess Deferred Tax Balance @ 12/31/2017

Tax Rates

-14.0% 0.7700% 0.0% -13.23%

Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total
30	RATE_ADJ_ST	Adjust for tax rates & apportionment		0	(662,685)	0	(662,685)
		Miscellaneous Difference (offset w/ PT misc diff)		(639,456)	697,855	0	58,398
		Total Deferred Only		(639,456)	35,170	0	(604,286)
Protected/Protected				128,315,940	29,087,537	0	157,403,477
							2,382,142,972
							701,315,829
Protected/Unprotected				3,261,169,792	(179,953,840)	2,242,854	3,083,458,807
GRAND TOTAL Excess Deferred Taxes				3,389,485,732	(150,866,304)	2,242,854	3,240,862,284

Amortization:

Protected	2,360,794,440
UnProtected	880,067,838
	<u>3,240,862,278</u>
	(1)

EADIT BALANCE

Protected	2,360,794,440
UnProtected	880,067,838
	<u>3,240,862,278</u>

						Excess Deferred Tax Balance @ 12/31/2017				1	1			
						Tax Rates	-14.0%	0.7700%	0.0%	-13.23%				
Co	FERC	Type	FPL Turn Period (Years)	OPC Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total	FPL Proposed 2018 Activity	OPC Proposed 2018 Activity	Adjustment to 2018 EADIT Amortization
1500	190	Other Unprotected - 5	5	5	AMO201	Tx Refund Int Below	49,560	(6,938)	382	0	(6,557)	(1,311)	(1,311)	0
1500	190	Other Unprotected - 5	5	5	AMO301	Gain Disp Prop Abv	33,013,660	(4,621,912)	254,205	0	(4,367,707)	(873,541)	(873,541)	0
1500	190	Other Unprotected - 15	15	10	AMO312	Reg Liab SWAPC - ECCR	46,801,764	(6,552,247)	360,374	0	(6,191,873)	(412,792)	(619,187)	(206,396)
1504	190	Other Unprotected	1	1	AMO316	Reg Liab - CB Bk/Tx Diff - L/T	14,074,913	(1,970,488)	108,377	0	(1,862,111)	(1,862,111)	(1,862,111)	0
1504	190	Other Unprotected	1	1	AMO319	Reg Liab - CB Bk/Tx Diff - Current	1,893,506	(265,091)	14,580	0	(250,511)	(250,511)	(250,511)	0
1500	190	Other Unprotected - 1	1	1	BAD101	Bad Debt Expense	2,533,098	(354,634)	19,505	0	(335,129)	(335,129)	(335,129)	0
1500	190	Other Unprotected - 5	5	5	DBT102	Gain on Reacq Debt	1,620,377	(226,853)	12,477	0	(214,376)	(42,875)	(42,875)	0
1500	190	Other Unprotected - 30	30	10	DCM101	Decommissioning Accrual	356,332,180	(49,886,505)	2,743,758	0	(47,142,747)	(1,571,425)	(4,714,275)	(3,142,850)
1500	190	Other Unprotected - 30	30	10	DCM201	Decommissioning Below	711,184,357	(99,565,810)	5,476,120	0	(94,089,690)	(3,136,323)	(9,408,969)	(6,272,646)
1500	190	Other Unprotected - 1	1	1	EMP103	Non Ded Medic Contr	2,700,883	(378,124)	20,797	0	(357,327)	(357,327)	(357,327)	0
1500	190	Other Unprotected - 1	1	1	EMP201	Employee Bonus Accrual	112,726,470	(15,781,706)	867,994	0	(14,913,712)	(14,913,712)	(14,913,712)	0
1500	190	Other Unprotected - 1	1	1	EMP202	Accrued FICA Taxes	9,163,181	(1,282,845)	70,556	0	(1,212,289)	(1,212,289)	(1,212,289)	0
1500	190	Other Unprotected - 10	10	10	EMP802	Post Retirement SFAS 112 - NC	19,068,000	(2,669,520)	146,824	0	(2,522,696)	(252,270)	(252,270)	0
1500	190	Other Unprotected - 1	1	1	EMP806	Post Retirement Benefits - FAS106 Curre	15,845,690	(2,218,397)	122,012	0	(2,096,385)	(2,096,385)	(2,096,385)	0
1500	190	Other Unprotected - 10	10	10	EMP807	Post Retirement Benefits - FAS106 NC	188,314,186	(26,363,986)	1,450,019	0	(24,913,967)	(2,491,397)	(2,491,397)	0
1500	190	Other Unprotected - 10	10	10	EMP810	Medicare Part D Subsidy	(4,656,347)	651,889	(35,854)	0	616,035	61,603	61,603	0
1500	190	Other Unprotected - 10	10	10	EMP901	Def Compensation	3,387,857	(474,300)	26,086	0	(448,213)	(44,821)	(44,821)	0
1500	190	Other Unprotected - 1	1	1	EMP903	SERP Current Portion	360,882	(50,523)	2,779	0	(47,745)	(47,745)	(47,745)	0
1500	190	Other Unprotected - 10	10	10	EMP907	SERP Fund Activity and Thrift, BOD Pensi	7,124,177	(997,385)	54,856	0	(942,529)	(94,253)	(94,253)	0
1500	190	Other Unprotected - 5	5	5	FIN403	FIN48 Interest Payable-State	964,905	(135,087)	7,430	0	(127,657)	(25,531)	(25,531)	0
1500	190	Other Unprotected - 5	5	5	FIN405	Int Accrued St Current - FIN48	393,572	(55,100)	3,031	0	(52,070)	(10,414)	(10,414)	0
1500	190	Other Unprotected - 1	1	1	FUL301	Def Franchise Fee Rev	7,731,068	(1,082,350)	59,529	0	(1,022,820)	(1,022,820)	(1,022,820)	0
1500	190	Other Unprotected - 5	5	5	INC602	Premium Lighting Prog Rev	6,198,290	(867,761)	47,727	0	(820,034)	(164,007)	(164,007)	0
1500	190	Other Unprotected - 10	10	10	INC605	Deferred Income - NC	386,594	(54,123)	2,977	0	(51,146)	(5,115)	(5,115)	0
1500	190	Other Unprotected - 5	5	5	INJ101	Injuries and Damages	17,972,160	(2,516,102)	138,386	0	(2,377,717)	(475,543)	(475,543)	0
1500	190	Other Unprotected - 21	21	10	ITC101	Conv ITC Amort & GU	52,065,738	(7,289,203)	400,906	0	(6,888,297)	(688,830)	(688,830)	(360,816)
1500	190	Other Unprotected - 22	22	10	ITC103	Space Coast ITC GU	22,292,084	(3,120,892)	171,649	0	(2,949,243)	(134,056)	(294,924)	(160,868)
1500	190	Other Unprotected - 21	21	10	ITC105	Martin Solar ITC G/U	154,080,973	(21,571,336)	1,186,423	0	(20,384,913)	(970,710)	(2,038,491)	(1,067,781)
1500	190	Other Unprotected - 30	30	10	NUC106	Nuclear Rule Book/Tax Basis	250,215,443	(35,030,162)	1,926,659	0	(33,103,503)	(1,103,450)	(3,310,350)	(2,206,900)
1500	190	Other Unprotected - 30	30	10	PSP101	Reverse Partnership Book (Income) Loss	(8,294,334)	1,161,207	(63,866)	0	1,097,340	36,578	109,734	73,156
1500	190	Other Unprotected - 5	5	5	PSP108	Sangroup Partnership LLC	44,414	(6,218)	342	0	(5,876)	(1,175)	(1,175)	0
1500	190	Other Unprotected - 2	2	2	REP501	Nuc Maint Reserve	16,580,661	(2,321,293)	127,671	0	(2,193,621)	(1,096,811)	(1,096,811)	0
1500	190	Other Unprotected - 5	5	5	RES106	Legal Reserve	7,312,500	(1,023,750)	56,306	0	(967,444)	(193,489)	(193,489)	0
1500	190	Other Unprotected - 5	5	5	RES109	Fuel Storage Reserve	5,447,994	(762,719)	41,950	0	(720,770)	(144,154)	(144,154)	0
1500	190	Other Unprotected - 30	30	10	RES113	Nuc Last Core Expense	111,722,086	(15,641,092)	860,260	0	(14,780,832)	(492,694)	(1,478,083)	(985,389)
1500	190	Other Unprotected - 30	30	10	RES114	Nuc M and S Inventory	24,065,820	(3,369,215)	185,307	0	(3,183,908)	(106,130)	(318,391)	(212,261)
1500	190	Other Unprotected - 1	1	1	RES126	Nuclear Rad Waste	9,273,516	(1,298,292)	71,406	0	(1,226,886)	(1,226,886)	(1,226,886)	0
1500	190	Other Unprotected - 10	10	10	RES137	Savings/Warrant Reserve	42,712	(5,980)	329	0	(5,651)	(565)	(565)	0
1511	190	Other Unprotected	1	1	RES137	Savings/Warrant Reserve	118,819	(16,635)	915	0	(15,720)	(15,720)	(15,720)	0
1500	190	Other Unprotected - 1	1	1	RES139	Scherer Supplemental Perf Fee	6,131,708	(858,439)	47,214	0	(811,225)	(811,225)	(811,225)	0
1500	190	Other Unprotected - 10	10	10	RES301	Environmental Liability	135,891,407	(19,024,797)	1,046,364	0	(17,978,433)	(1,797,843)	(1,797,843)	0
1500	190	Other Unprotected - 1	1	1	RES401	Vacation Pay Accrual	5,457,391	(764,035)	42,022	0	(722,013)	(722,013)	(722,013)	0
1500	190	Other Unprotected - 5	5	5	RES601	Dormant Materials	63,554	(8,898)	489	0	(8,408)	(1,682)	(1,682)	0
1511	190	Other Unprotected	1	1	REV103	Measurement And Verification Incom	1,289,929	(180,590)	9,932	0	(170,658)	(170,658)	(170,658)	0
1500	190	Other Unprotected - 5	5	5	SAL301	Cap Gain Emiss Allow	886	(124)	7	0	(117)	(23)	(23)	0
1500	190	Other Unprotected - 3	3	3	SJR101	SJRPP Decommissioning	39,923,306	(5,589,263)	307,409	0	(5,281,853)	(1,760,618)	(1,760,618)	0
1500	190	Other Unprotected - 3	3	3	SJR102	SJRPP Def Interest	12,382,353	(1,733,529)	95,344	0	(1,638,185)	(546,062)	(546,062)	0
1500	190	Other Unprotected - 1	1	1	STM402	Over/Under Recovery - FREC	4,897,596	(685,663)	37,711	0	(647,952)	(647,952)	(647,952)	0
1500	190	Other Unprotected - 1	1	1	STM409	Storm-Reg Asset - Regulated	74,274,946	(10,398,492)	571,917	0	(9,826,575)	(9,826,575)	(9,826,575)	0
1500	190	Other Unprotected - 1	1	1	UBR102	Unbilled Revenue FPSC	22,311,769	(3,123,648)	171,801	0	(2,951,847)	(2,951,847)	(2,951,847)	0
Sub-Total Account 190							2,502,778,254	(350,388,956)	19,271,393	0	(331,117,563)	(56,651,818)	(71,194,567)	(14,542,750)
1500	282	Other Unprotected - 1	1	1	CAC102	Primeco CIAC Below	661	(93)	5	0	(87)	(87)	(87)	0
1504	282	Other Unprotected	1	1	DEP101	Tax Depreciation	(10,855,470)	1,519,766	(83,587)	0	1,436,179	1,436,179	1,436,179	0
1508	282	Depreciation Protected - ICL	20	20	DEP101	Tax Depreciation	434,568,750	(60,839,625)	3,346,179	0	(57,493,446)	(2,874,672)	(2,874,672)	0

							Excess Deferred Tax Balance @ 12/31/2017							
							Tax Rates	-14.0%	0.7700%	0.0%	-13.23%	1	1	
Co	FERC	Type	FPL Turn Period (Years)	OPC Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total	FPL Proposed 2018 Activity	OPC Proposed 2018 Activity	Adjustment to 2018 EADIT Amortization
1500	282	Other Unprotected - 10	10	10	DEP102	Fossil Dismantlement	370,901,893	(51,926,265)	2,855,945	0	(49,070,320)	(4,907,032)	(4,907,032)	0
1504	282	Other Unprotected	1	1	DEP102	Fossil Dismantlement	(5,540,839)	775,717	(42,664)	0	733,053	733,053	733,053	0
1500	282	Other Unprotected - 30	30	10	DEP107	Def ITC Interest Synch	6,779,781	(949,169)	52,204	0	(896,965)	(29,899)	(89,697)	(59,798)
1500	282	Other Unprotected - 30	30	10	DEP131	FAS90 Depr Reclass	87,006,154	(12,180,862)	669,947	0	(11,510,914)	(383,697)	(1,151,091)	(767,394)
1508	282	Other Unprotected	20	10	DEP201	ARO Accretion	10,885,315	(1,523,944)	83,817	0	(1,440,127)	(72,006)	(144,013)	(72,006)
1508	282	Other Unprotected	20	10	DEP202	ARO Asset	(10,885,315)	1,523,944	(83,817)	0	1,440,127	72,006	144,013	72,006
1500	282	Other Unprotected - 30	30	10	NUC107	Nuclear Rule Book/Tax - Plant In Service	7,541,981	(1,055,877)	58,073	0	(997,804)	(33,260)	(99,780)	(66,520)
1500	282	Other Unprotected - 5	5	5	SAL602	Gain on Sale of MIT Credits	110,606,293	(15,484,881)	851,668	0	(14,633,213)	(2,926,643)	(2,926,643)	0
					Sub-Total Account 282		1,001,009,204	(140,141,289)	7,707,771	0	(132,433,518)	(8,986,059)	(9,879,771)	(893,712)
1500	283	Other Unprotected - 1	1	1	AMO102	Amortization of Intangibles	258,666	(36,213)	1,992	0	(34,222)	(34,222)	(34,222)	0
1500	283	Other Unprotected - 1	1	1	AMO202	Int Tx Deficiency Above	(1,737,676)	243,275	(13,380)	0	229,895	229,895	229,895	0
1500	283	Other Unprotected - 5	5	5	AMO303	Loss Disp Prop Adv	(193,657)	27,112	(1,491)	0	25,621	5,124	5,124	0
1500	283	Other Unprotected - 20	20	10	AMO304	Reg Asset - Surplus Flowback	(1,208,675,515)	169,214,572	(9,306,801)	0	159,907,771	7,995,389	15,990,777	7,995,389
1500	283	Other Unprotected - 1	1	1	AMO309	Reg Asset - FAS90 Current	4,526,984	(633,778)	34,858	0	(598,920)	(598,920)	(598,920)	0
1500	283	Other Unprotected - 30	30	10	AMO310	Reg Asset - FAS90 L/T	(91,533,137)	12,814,639	(704,805)	0	12,109,834	403,661	1,210,983	807,322
1500	283	Other Unprotected - 20	20	10	AMO311	Reg Asset - Dism Resv - Surplus Flowback	(146,014,234)	20,441,993	(1,124,310)	0	19,317,683	965,884	1,931,768	965,884
1500	283	Other Unprotected - 6	6	6	AMO314	Reg Asset - CB PPA Loss - L/T	(334,607,191)	46,845,007	(2,576,475)	0	44,268,531	7,378,089	7,378,089	0
1500	283	Other Unprotected - 6	6	6	AMO315	Reg Asset - CB Tax GU - L/T	(210,133,794)	29,418,731	(1,618,030)	0	27,800,701	4,633,450	4,633,450	0
1500	283	Other Unprotected - 6	6	6	AMO317	Reg Asset - CB PPA Loss - Current	(55,767,857)	7,807,500	(429,412)	0	7,378,087	1,229,681	1,229,681	0
1500	283	Other Unprotected - 6	6	6	AMO318	Reg Asset - CB Tax GU - Current	(35,022,306)	4,903,123	(269,672)	0	4,633,451	772,242	772,242	0
1500	283	Other Unprotected - 10	10	10	AMO320	Reg Asset - PTN Cooling Canals	(112,422,793)	15,739,191	(865,656)	0	14,873,536	1,487,354	1,487,354	0
1500	283	Other Unprotected - 30	30	10	AMO321	Reg Asset - ICL - PPA Loss	(401,333,333)	56,186,667	(3,090,267)	0	53,096,400	1,769,880	5,309,640	3,539,760
1500	283	Other Unprotected - 10	10	10	AMO322	Reg Asset - Environmental Remediation	(687,448)	96,243	(5,293)	0	90,949	9,095	9,095	0
1500	283	Other Unprotected - 30	30	10	CAP202	Nustart Energy	(1,812,112)	253,696	(13,953)	0	239,742	7,991	23,974	15,983
1500	283	Other Unprotected - 2	2	2	CAP301	Rate Case Expenses	(2,519,917)	352,788	(19,403)	0	333,385	166,693	166,693	0
1500	283	Other Unprotected - 5	5	5	DBT101	Loss on Reacq Debt	(92,180,381)	12,905,253	(709,789)	0	12,195,464	2,439,093	2,439,093	0
1500	283	Other Unprotected - 30	30	10	EMP102	Pension SFAS 87	(1,350,835,622)	189,116,987	(10,401,434)	0	178,715,553	5,957,185	17,871,555	11,914,370
1500	283	Other Unprotected - 5	5	5	FIN404	FIN48 Interest Receivable-State	(1,358,477)	190,187	(10,460)	0	179,727	35,945	35,945	0
1500	283	Other Unprotected - 1	1	1	FUL102	Def Fuel Cost FERC	(30,351)	4,249	(234)	0	4,015	4,015	4,015	0
1500	283	Other Unprotected - 1	1	1	FUL103	Def Fuel Cost FPSC - Current	(6,358,244)	890,154	(48,958)	0	841,196	841,196	841,196	0
1500	283	Other Unprotected - 1	1	1	FUL109	EPU Asset Retirements	(1,008,527)	141,194	(7,766)	0	133,428	133,428	133,428	0
1500	283	Other Unprotected - 1	1	1	FUL302	Franchise Fee Costs	(3,389,162)	474,483	(26,097)	0	448,386	448,386	448,386	0
1500	283	Other Unprotected - 1	1	1	INC608	Accrued Revenues - GPIF	(9,656,036)	1,351,845	(74,351)	0	1,277,494	1,277,494	1,277,494	0
1500	283	Other Unprotected - 1	1	1	INC609	Accrued Revenues - Asset Optimization	(10,101,485)	1,414,208	(77,781)	0	1,336,426	1,336,426	1,336,426	0
1500	283	Other Unprotected - 21	21	10	ITC102	Conv ITC Depr Loss	(26,032,853)	3,644,599	(200,453)	0	3,444,146	164,007	344,415	180,408
1500	283	Other Unprotected - 22	22	10	ITC104	Space Coast ITC Depr Loss	(11,146,139)	1,560,459	(85,825)	0	1,474,634	67,029	147,463	80,435
1500	283	Other Unprotected - 21	21	10	ITC106	Martin ITC Depr Loss	(77,040,475)	10,785,667	(593,212)	0	10,192,455	485,355	1,019,245	533,890
1500	283	Other Unprotected - 30	30	10	NUC103	Nuclear COA Payroll	(29,298,885)	4,101,844	(225,601)	0	3,876,242	129,208	387,624	258,416
1500	283	Other Unprotected - 1	1	1	PPD101	Prepaid Insurance	(12,825,069)	1,795,510	(98,753)	0	1,696,757	1,696,757	1,696,757	0
1500	283	Other Unprotected - 1	1	1	PPD202	Prepaid Franchise Fees	(14,597,066)	2,043,589	(112,397)	0	1,931,192	1,931,192	1,931,192	0
1500	283	Other Unprotected - 1	1	1	PPD203	Prepaid State Motor Vehicle Taxes	(742,563)	103,959	(5,718)	0	98,241	98,241	98,241	0
1500	283	Other Unprotected - 30	30	10	RSH102	Research and Experimental Costs	(2,804,913)	392,688	(21,598)	0	371,090	12,370	37,109	24,739
1500	283	Other Unprotected - 1	1	1	STM401	Storm Recovery Property	(67,547,937)	9,456,711	(520,119)	0	8,936,592	8,936,592	8,936,592	0
1500	283	Other Unprotected - 1	1	1	STM407	Storm Recovery - Current	(115,491,986)	16,168,878	(889,288)	0	15,279,590	15,279,590	15,279,590	0
1500	283	Other Unprotected - 5	5	5	STM408	Involuntary Conversion - Storm - Deferre	5,224,057	(731,368)	40,225	0	(691,143)	(138,229)	(138,229)	0
					Sub-Total Account 283		(4,424,897,434)	619,485,641	(34,071,710)	0	585,413,931	67,556,565	93,873,162	26,316,596
					Total Federal & State		(921,109,976)	128,955,397	(7,092,547)	0	121,862,850	1,918,689	12,798,823	10,880,134
					State Modifications									
1500	282	Protected State Mod - 6	6	6	DEP118	Florida Bonus Depreciation	4,674,495,003	0	35,993,612	0	35,993,612	5,998,935	5,998,935	0
1500	282	Protected State Mod - 2	2	2	DEP133	Florida Bonus Depreciation - 2014	23,579,500	0	181,562	0	181,562	90,781	90,781	0
1500	282	Protected State Mod - 3	3	3	DEP134	Florida Bonus Depreciation - 2015	(3,929,917)	0	(30,260)	0	(30,260)	(10,087)	(10,087)	0
					Total State Modifications		4,694,144,586	0	36,144,913	0	36,144,913	6,079,630	6,079,630	0

							<u>Excess Deferred Tax Balance @ 12/31/2017</u>							
							-14.0%	0.7700%	0.0%	-13.23%	1	1		
Co	FERC	Type	FPL Turn Period (Years)	OPC Turn Period (Years)	Code	Name	Pre-Tax 2017 End Balance	Federal	FBOS	State	Total	FPL Proposed 2018 Activity	OPC Proposed 2018 Activity	Adjustment to 2018 EADIT Amortization
Total with State Modifications							3,773,034,610	128,955,397	29,052,366	0	158,007,763	7,998,319	18,878,453	10,880,134
Deferred Only														
1500	282	Other Unprotected - 30	30	10	RATE_ADJ_ST	Adjust for tax rates & apportionment		0	(662,685)	0	(662,685)	(22,089)	(66,268)	(44,179)
								(639,456)	697,855	0	58,398	(38,339)	(38,339)	0
								(639,456)	35,170	0	(604,286)	(60,429)	(104,608)	(44,179)
NonPowerTax - UnProtected/Protected								128,315,940	29,087,537	0	157,403,477	7,937,890	18,773,845	10,835,955