

**Approved RTQ (Updated Media Statement)**

**Topic:** Tax Reform / OPC petition / Irma Cost Recovery Petition Delay

**Reporter/Outlet:** Interest anticipated

**Date/Deadline:** Jan. 10, 2018

**Staff leads:** Dave McDermitt (M&C)

**Reviewed by:** Mark Bubriski

**Approved by:** Rob Gould, Bob Barrett, Ken Hoffman, Wade Litchfield, Eric Silagy

**Inquiry/Issue Summary** (*internal use only*):

*On Jan. 9, the Office of Public Counsel petitioned the PSC to establish a docket to “investigate and adjust rates for 2018 tax savings.” In light of this and recent national coverage of tax reform impact on utility bills (e.g. a Jan. 10 [New York Times article](#)), we have updated our company statement related to this topic.*

*Previously, we had developed a statement to address the delay in filing for Irma cost recovery: “Hurricane Irma was the largest, most powerful storm to hit Florida, and FPL’s response was unprecedented both in scale and the speed of power restoration. Unfortunately, it also resulted in significant costs being incurred, and we are still receiving invoices from out-of-state contractors who joined the recovery effort. While we were planning to file a cost recovery plan with the Public Service Commission by the end 2017, we now believe it is in the best interests of our customers to delay our filing to allow us time to have more accurate information and understand the complexities and implications of changes to the federal tax code that occurred at the end of December.”*

*Also, for reference, the following is from the Oct. 26 earnings script: “In an effort to mitigate a significant bill impact for our customers related to the cost recovery for Hurricane Irma, we currently expect to propose a surcharge equivalent to \$4 on a 1,000 kilowatt hour residential bill beginning in March of 2018, which equates to a step-up of 64 cents from the surcharge related to Hurricane Matthew that rolls off at that time. Subject to a review and prudence determination of our final storm costs by the Florida Public Service Commission, which are preliminarily estimated to be approximately \$1.3 billion, we expect this surcharge to increase by roughly \$1.50, to approximately \$5.50 per month, in 2019 and stay at that level until the storm costs are fully recovered which is expected by the end of 2020.”*

**Media Statement (reactive use only):**

As we said in late December after the tax law changes passed, we believe it is in the best interests of our customers for us to take the time to analyze the changes to the federal tax code to understand the complexities and implications. We are conducting that analysis now. Our goal is to develop a plan to address the impact of anticipated tax savings in a way *that makes the most sense*. As always, we look forward to working with the PSC and Public Counsel to ensure we can continue providing power that’s far cleaner and more reliable than the national average for a price that’s among the lowest in the nation.

*Supplemental message, if asked specifically about Irma cost recovery:*

Hurricane Irma was the largest, most powerful storm to hit Florida, and FPL’s response was unprecedented both in scale and the speed of power restoration. Unfortunately, it also resulted in significant costs being incurred, and we are still receiving invoices from out-of-state contractors who joined the recovery effort. While we were planning to file a cost recovery plan with the Public Service Commission by the end 2017, we delayed our filing in order for us to analyze the federal tax code changes to understand the complexities and implications.