

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

FEBRUARY 17, 1998

RE: DOCKET NO. 970428-GU - 1996 depreciation filing by Florida Division of Chesapeake Utilities Corporation.

Issue 1: Should the current depreciation rates for the Florida Division of Chesapeake Utilities Corporation be revised?

Recommendation: Yes. A review of the Company's activity indicates a need to revise depreciation rates. Additionally, the Company perceives that some recent developments relate to competition and wants depreciation rates which are responsive to current Company status.

APPROVED

Issue 2: What is the appropriate implementation date for these recommended revisions to depreciation rates?

Recommendation: January 1, 1998.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in the Majority column]

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

VOIE SHEET

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Issue 3: Should any reserve allocations be made?

Recommendation: Yes. Staff recommends the reserve allocations shown on Attachment A, page 9, of staff's February 5, 1998 memorandum. These allocations bring each account more in line with its theoretically correct level.

APPROVED

Issue 4: Should any recovery schedules be provided?

Recommendation: Yes. Current budget planning includes the retirement of the Company's mobile radios in the year 2000. Staff therefore recommends a recovery schedule to provide full recovery of the associated net investment of \$19,687 during the remaining life of the equipment.

APPROVED

Issue 5: What are the appropriate remaining lives, net salvage, reserve amounts, and resultant depreciation rates for the Florida Division of Chesapeake Utilities Corporation?

Recommendation: The staff-recommended lives, salvages, reserves, and resultant depreciation rates are shown on Attachment B, page 10 of staff's memorandum. Based on estimated January 1, 1998 investments and reserves, the revised rates produce an estimated decrease to annual expense of approximately \$1,900, as shown on Attachment C, page 11 of staff's memorandum.

APPROVED

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Issue 6: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

Recommendation: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes should be revised to reflect the approved depreciation rates and recovery schedules. Also, the utility should be required to file detailed calculations of the revised ITC amortization and flowback of excess deferred taxes at the same time it files its December 1998 surveillance report.

APPROVED

Issue 7: Should the Company be authorized to amortize the cost of this depreciation study over three years as requested?

Recommendation: No. The Company should not be allowed to amortize the cost of this study over three years.

APPROVED

Issue 8: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the Commission's proposed agency action files a protest within 21 days of issuance of the order, this docket should be closed.

APPROVED