

FLORIDA PUBLIC SERVICE COMMISSION

Item 10

VOTE SHEET

FILED DEC 03, 2015
DOCUMENT NO. 07707-15
FPSC - COMMISSION CLERK

December 3, 2015

Docket No. 150162-EI – Petition for approval of 2015 depreciation study by Florida Public Utilities Company.

Issue 1: Should FPUC's current depreciation rates and amortization schedules be changed?

Recommendation: Yes. A review of the company's plant-associated planning and activities indicates a need for revising FPUC's currently prescribed depreciation rates.

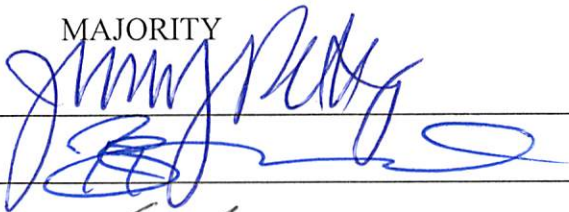

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

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Issue 2: What are the appropriate depreciation rates and amortization schedules for FPUC?

Recommendation: Staff's recommended average remaining lives, net salvages, reserve percentages, and resultant depreciation rates for FPUC are shown on Attachment A of staff's memorandum dated November 18, 2015. The reserve percentages and depreciation rates are calculated using the reserve transfers recommended in Issue 3. The result of staff's proposals is a decrease in annual depreciation expense of approximately \$229,415 in total, which is shown on Attachment B of its memorandum dated November 18, 2015. Depreciation expenses are based on plant investment levels as of January 1, 2015.

APPROVED

Issue 3: What, if any, corrective reserve allocations should be made?

Recommendation: Staff recommends the reserve allocations shown in Attachment C of its memorandum dated November 18, 2015. These allocations bring these accounts more in line with their theoretically correct reserve levels.

APPROVED

Issue 4: If the Commission votes in Issue 1 to change FPUC's depreciation rates and amortization schedules, what should be the implementation date for FPUC's revised depreciation rates and amortization schedules that may be approved in Issue 2?

Recommendation: Staff recommends approval of FPUC's proposed January 1, 2015, date of implementation for the company's revised depreciation rates.

APPROVED

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Issue 5: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortizations schedules?

Recommendation: Yes. The current amortization of ITCs should be revised to match the actual recovery periods for the related property. The company should file detailed calculations of the revised ITC amortization at the same time it files its earnings surveillance report covering the period ending December 31, 2015, as specified in Rule 25-6.1352, F.A.C.

APPROVED

Issue 6: Should this docket be closed?

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

APPROVED