

M E M O R A N D U M

MARCH 30, 1998

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PSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (C. KEATING) *WCK RUE*

RE: DOCKET NO. 970537-EI - 1997 DEPRECIATION STUDY BY FLORIDA
PUBLIC UTILITIES COMPANY, MARIANNA DIVISION

78-0451-FOF-EI

Attached is a NOTICE OF PROPOSED AGENCY ACTION ORDER MODIFYING
ORDER NO. PSC-97-1609-FOF-EI to be issued in the above referenced
docket. (Number of pages in order - 4)

WCK/js

Attachment

cc: Division of Electric and Gas (Ludley)

Division of Auditing and Financial Analysis (Lee)

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3/30/98*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: 1997 depreciation study
by Florida Public Utilities
Company, Marianna Division.

DOCKET NO. 970537-EI
ORDER NO. PSC-98-0451-FOF-EI
ISSUED: March 30, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION
ORDER MODIFYING ORDER NO. PSC-97-1609-FOF-EI

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

By Proposed Agency Action Order No. PSC-97-1609-FOF-EI, issued December 22, 1997, in this docket, we approved changes to the depreciation rates of Florida Public Utilities Company's Marianna Division ("FPUC-Marianna" or "Company"). No person whose substantial interests were affected by the Order timely filed a petition for a formal proceeding, and the Order became final.

In its November 20, 1997, recommendation concerning FPUC-Marianna's 1997 depreciation study, our staff recommended that we approve a four-year amortization period for both gain on the sale of a warehouse and land (Issue 7 of the recommendation) and gain on the sale of a hydraulic plant (Issue 8 of the recommendation). At our December 2, 1997, Agenda Conference, we voted on this matter. We discussed the four-year amortization period recommended in Issue 7 and found that a five-year amortization period was more appropriate and in line with our previous decisions. We did not, however, discuss the four-year amortization period recommended in Issue 8.

Our vote was memorialized in Order No. PSC-97-1609-FOF-EI. To reflect our vote, the Order required a five-year amortization

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period for gain on the sale of a warehouse and land and a four-year amortization period for gain on the sale of a hydraulic plant. However, because the issue of appropriate amortization period is identical for both gains, we believe that a five-year amortization period for gain on the sale of a hydraulic plant is appropriate. Accordingly, on our own motion, we find that Order No. PSC-97-1609-FOF-EI should be modified to reflect our finding that a five-year amortization period for FPUC-Marianna's gain on the sale of a hydraulic plant is appropriate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Order No. PSC-97-1609-FOF-EI is hereby modified to reflect our finding that a five-year amortization period for Florida Public Utilities Company-Marianna Division's gain on the sale of a hydraulic plant is appropriate. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 30th day of March, 1998.



BLANCA S. RAYO, Director
Division of Records and Reporting

(S E A L)

WCK

NOTICE OF FURTHER PROCEEDINGS OF JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 20, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The

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notice of appeal must be in the form prescribed in Rule 9.900(a),
Florida Rules of Appellate Procedure.