

VOTE SHEET

DECEMBER 1, 1998

RE: DOCKET NO. 980700-GU - 1997 depreciation study by Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas.

Issue 1: Should the current depreciation rates for South Florida Natural Gas Company be changed?

Recommendation: Yes. A review of the company's current capital recovery position indicates the need to revise the current depreciation rates.

APPROVED

Issue 2: What should be the date of implementation for new rates?

Recommendation: Staff recommends approval of the company's proposed July 1, 1998 date of implementation for the new depreciation rates.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column, including Susan A. Clark and J. Tom Wear.

Blank lines in the dissenting column.

REMARKS/DISSENTING COMMENTS:

Chairman Johnson participated in the conference via teleconference. She agreed with ~~dissented from~~ the majority vote and will sign the vote sheet upon return to Tallahassee.

VOTE SHEET

DECEMBER 1, 1998

DOCKET NO. 980700-GU - 1997 depreciation study by Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas.

(Continued from previous page)

Issue 3: Should any corrective reserve measures be made?

Recommendation: Yes. Staff recommends the corrective measures shown on Attachment A, page 8 of its November 19, 1998 memorandum.

APPROVED

Issue 4: What are the appropriate depreciation rates for SFNG?

Recommendation: The staff recommended remaining lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B, page 9 of staff's memorandum. These recommendations result in an increase in annual depreciation expense of about \$13,800, based on the July 1, 1998 investments and reserves shown on Attachment C, page 10.

APPROVED

Issue 5: 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?

Recommendation: Yes. The current amortization of investment tax credits (ITC) and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending June 30, 1999.

APPROVED

VOTE SHEET

DECEMBER 1, 1998

DOCKET NO. 980700-GU - 1997 depreciation study by Atlantic Utilities, a Florida Division of Southern Union Company d/b/a South Florida Natural Gas.

(Continued from previous page)

Issue 6: Should this docket be closed?

Recommendation: This docket should be closed if no person whose interests are substantially affected by the proposed agency action files a protest within the 21-day protest period.

APPROVED