

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation of 1991) DOCKET NO. 920729-GU
Overearnings of Chesapeake) ORDER NO. PSC-92-1276-FOF-GU
Utilities Corporation - Florida) ISSUED: 11/09/92
Division.)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

NOTICE OF PROPOSED AGENCY ACTION

CHESAPEAKE UTILITIES' OVERTURNINGS REFUND

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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On August 14, 1992, this Commission entered Order No. PSC-92-0817-FOF-GU, in Docket No. 920729-GU, approving Chesapeake Utilities Corporation - Florida Division's (Chesapeake) agreement to refund \$284,782 with interest for overearnings during 1991. The initial amount was determined from our Staff's review of continuing surveillance reports from Chesapeake of the year 1991. The amount agreed to was subject to a final Staff audit of Chesapeake's 1991 earnings. As a result of an audit by Staff it has been determined that an additional \$110,360 refund would be necessary from the overearnings for 1991. Chesapeake responded to Staff's audit with suggestions of certain pro forma adjustments consistent with their last rate case. Staff recommends and we agree that those pro forma adjustments would be appropriate in a ratemaking proceeding where rates are being developed for the future, but not consistent with a review of actual earnings.

DOCUMENT NUMBER-DATE

13149 NOV -9 1992

FPSC-RECORDS/REPORTING

Additional 1991 Overearnings

Based upon the audit, the additional \$110,360 refund is computed as follows:

Net Operating Income	\$1,292,043
Adjustments:	
Non-recurring margin	\$30,737
Lost customers margin	9,410
OPEBs	53,085
Office space common costs	12,333
Effect of adjs. on other taxes	(752)
Income tax effect of adjs.	(39,442)
Total Adjustments	65,371
Adjusted NOI	<u>\$1,357,414</u>
Rate Base	\$11,370,883
Accounts Payable	(22,065)
Adjusted Rate Base	11,348,818
ROR @ 14.00% ROE	x 9.83%
Maximum Allowed NOI	1,115,589
Achieved NOI	<u>1,357,414</u>
Excess NOI	241,825
NOI Multiplier	x 1.6340
Total 1991 Refund	395,142
Amount Previously Refunded	(284,782)
ADDITIONAL 1991 REVENUE REFUND	<u>\$110,360</u>

Form of Refund

Chesapeake will refund the amount identified above with interest within 90 days of this Order and shall file, within 30 days of the refund, a report which will specify the following:

- a) The total amount of the refund and how that amount was computed, indicating the amount of interest and taxes.
- b) The amount to be credited to the PGA clause.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that Chesapeake Utilities Corporation - Florida Division shall refund an additional \$110,360 plus interest for the year 1991 within 90-days of the date of this order. It is further

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ORDERED that this Order shall become final and the docket closed unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission this 9th day of November, 1992.



STEVE TRIBBLE Director
Division of Records and Reporting

(S E A L)

MRC:bmi

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 30, 1992.

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.

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