

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: South Florida Natural Gas)	DOCKET NO. 871397-GU
Company 1987 Depreciation Study.)	ORDER NO. 21109
)	ISSUED: 4-24-89

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER APPROVING MODIFICATION OF THE APPLICATION OF
 RULE 25-7.014(1), FLORIDA ADMINISTRATIVE CODE

BY THE COMMISSION:

Rule 2507.014(1), Florida Administrative Code, provides that:

(1) Except as provided in subsection (2) each natural gas utility shall maintain its accounts and records in conformity with the Uniform System and Classification of Accounts prescribed by the Federal Energy Regulatory Commission (FERC)....

FERC's Uniform System of Accounts requires that service lines shall, for accounting purposes, be retired from plant after an inactive period of two (2) years.

Pursuant to Order No. 19450, Docket No. 871397-GU, issued June 6, 1988, South Florida Natural Gas Company (SFNG or utility) prepared a study of inactive gas service lines. This study was to determine the effect of complying with FERC's two-year requirement. According to the study, SFNG's service lines should be retired physically and for accounting purposes after four (4) years of inactivity.

The utility has requested the Commission to allow it to use the time-frame indicated in the study. Docket No. 871398-GU remained open to evaluate the utility's request. The study shows a two-year retirement requirement would impose an unnecessary cost of approximately \$9,792 on the utility. Based on our evaluation of the study, we find a modification would relieve the utility of the uneconomic requirement of complying with the two-year period prescribed by Rule 25-7.014(1), F.A.C. However, the use of a four-year time period does not appear to provide the maximum benefits in which to modify Rule 25-7.014(1), F.A.C. Our review of the study brings us to the conclusion that a five-year time period would be most cost-effective.

The study also reveals that there are 149 existing inactive service lines that have been inactive for more than five (5) years. We find that these services should be expeditiously retired from plant and the utility should have eighteen (18) months from the effective date of this Order to complete their physical abandonment.

DOCUMENT NUMBER-DATE

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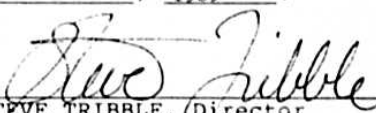
It is, therefore,

ORDERED by the Florida Public Service Commission that South Florida Natural Gas Company shall maintain its books and records by accounting for inactive service line retirements the end of the fifth (5th) year of inactivity and the physical abandonment within six (6) months thereafter pursuant to Rule 25-7.014(1), Florida Administrative Code. It is further

ORDERED that the 149 existing inactive lines described in the body of this Order shall be retired from plant expeditiously and be physically abandoned within eighteen (18) months from the effective date of this Order. It is further

ORDERED that this docket is closed.

By ORDER of the Florida Public Service Commission,
this 24th day of APRIL, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MRC

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer 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 after the issuance 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.