

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 950776-GU
1995 depreciation study by West) ORDER NO. PSC-95-1050-FOF-GU
Florida Natural Gas Company) ISSUED: August 24, 1995
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION ORDER ALLOWING
PRELIMINARY IMPLEMENTATION OF PROPOSED DEPRECIATION RATES

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.

CASE BACKGROUND

The last comprehensive depreciation study for West Florida Natural Gas Company (WFNG or Company) was filed on June 28, 1990. The currently prescribed depreciation rates were effective July 1, 1990 (Order No. 24332 issued on April 5, 1991). On July 7, 1995, the Company filed its regular comprehensive depreciation study with a proposed effective date of July 1, 1995. The Company also requested approval to begin preliminary implementation of its proposed depreciation rates.

DECISION

In its filing of July 7, 1995, WFNG requested that it be allowed to implement its proposed depreciation rates on a preliminary basis, in accord with our depreciation rules. These rates and resulting expenses would be trued-up when the Commission takes action on the depreciation study early in 1996.

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FPSC-RECORDS/REPORTING

Preliminary booking does not and should not infer that, upon completion of our Staff's review of WFNG's filed study, we will be in full agreement with Company proposed life and salvage parameters. Rather, approval for preliminary implementation is based on the expectation that implementation of the rates shown on Attachment 1, attached hereto and made a part hereof, will likely result in a more appropriate depreciation expense level than retention of the currently prescribed rates. In the normal course of review and analysis of any depreciation study, the Company's original proposals are frequently refined or changed. Staff expects to complete its review and bring a recommendation to us regarding appropriate rates at an agenda conference in March, 1996. Based upon our action in the docket then, the expenses shall be trued-up. We find it appropriate to allow now preliminary implementation of the proposed depreciation rates.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that West Florida Natural Gas Company's petition to allow preliminary implementation of its proposed depreciation rates is granted. It is further

ORDERED that this docket shall remain open pending further action. It is further

ORDERED that this Order shall become final and effective unless an appropriate petition for formal proceedings is received by the Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 24th day of August, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay J. Lyons
Chief, Bureau of Records

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 14, 1995.

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

WEST FLORIDA NATURAL GAS COMPANY

PROPOSED DEPRECIATION RATES
 EFFECTIVE JULY 1, 1995

<u>ACCOUNT</u>	<u>AVG. SERV. LIFE</u> (Yrs.)	<u>AVG. REM. LIFE</u> (Yrs.)	<u>FUTURE NET SAL.</u> (%)	<u>ESTIMATED RESERVE</u> (%)	<u>REM. LIFE RATE</u> (%)
CIAC-Gate Sta. Structures & Improvements	25	24.4	0	5.10	3.89
Mains-Plastic	15	12.72	(5)	22.31	6.50
Mains-Other	40	33.16	(5)	20.03	2.56
Meas/Reg. Eq-Genl	45	30.36	(35)	51.75	2.74
Elec. Meas/Req. Eq-Genl	25	21.7	(1)	9.22	4.23
Meas/Reg. Eq.-City Gate	6	2.13	(1)	61.07	18.75
Elec. Meas/Reg. Eq.-City Gate	25	19.95	0	20.16	4.00
Eq.-City Gate	5	3.07	0	37.37	20.40
Services-Plastic	40	32.4	(30)	22.35	3.32
Services-Other	40	19.82	(75)	88.06	4.39
Meters	25	14.37	5	46.68	3.36
Electronic Meters	5	5	0	3.7	19.26
Meter Inst.	25	13.91	(1)	35.87	4.68
House Regulators	25	15.34	30	42.34	1.80
House Reg. Inst.	25	16.67	(5)	27.49	4.65
Structures & Improvements	25	20.93	0	16.36	4.00
Ofc. Furniture	20	12.47	20	37.40	3.42
Data Eq-Embedded	6.8	.49	0	94.15	11.95
Ofc. Equip.	8	5.18	5	25.49	13.42
Data Eq.-New Adds	5	4.09	0	23.64	18.67
Trans.-Autos	4	2.05	15	38.53	22.67
Trans-Trucks	5	1.52	10	56.62	21.96
Tools, Shop & Garage Eq.	15	10.78	0	19.63	7.46
Tools-CNG Eq.	15	14.53	0	5.54	6.50
Lab. & Testing Eq.	25	24.19	0	4.81	3.94
Power Oper. Eq.	10	5	10	38.05	10.39
Comm. Eq.	7	3.21	0	54.33	14.23