

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Central Telephone Company of Florida - 1988 Depreciation Study)	DOCKET NO. 881543-TL
)	ORDER NO. 22409
)	ISSUED: 1-11-90

The following Commissioner participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

INTERIM ORDER ON DEPRECIATION REPREScription

BY THE COMMISSION:

Central Telephone of Florida (Centel) filed its triennial depreciation study (the Study) on November 28, 1988. By Order No. 20569, issued January 9, 1989, we denied Centel's request to implement the Study's proposed depreciation rates and reserve transfer on January 1, 1989. Two revisions to the Study have been submitted by the company.

The data presented in the Study and the revisions do not appear to be compatible with each other or with other data available to us. Moreover, the Study and the two revisions fail to provide substantive information from which life and salvage specifications can be ascertained. In several instances, we note that the data indicate life patterns which vary greatly from those which are prevalent in this industry and show distribution patterns which we would not expect for specific types of property. In order to verify the underlying Continuing Property Records, as well as Plant Investment and Reserve, we have directed that company records be examined by our auditors. Accordingly, Centel's depreciation rates will not be represeted at this time. Until final action can be taken, the rates as authorized by Order No. 16963, issued December 16, 1986, shall continue in effect.

The recovery periods of amortization schedules approved in Order No. 16963 ended prior to 1989 with the exception of three accounts. For these three accounts, we directed Centel to record the following 1989 expenses: (1) Other Buildings (Stranded), \$124,893; (2) Radio Equipment (Stranded), \$1,150,368; and (3) Prospective Reserve Deficit, \$978,300. We

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believe that Centel should continue to record these levels of expenses in these three accounts, but no other expenses relating to capital recovery schedules which were established by Order No. 16963 should be recorded in 1989. We expect our auditors' examination to provide the information necessary for ascertaining Centel's need for amortization expense, thereby permitting us to establish the appropriate recovery schedules as part of our rescription.

In Order No. 20569, we rejected Centel's request for a reserve transfer because the identification and quantification of disparities in the relevant accounts had not been substantiated. Our Staff is currently obtaining the requisite information for our review, and for this reason, we will not approve the proposed reserve transfer at this time. As a result of the above pending action, this docket shall remain open pending further proceedings.

It is therefore

ORDERED by the Florida Public Service Commission that the changes in depreciation rates, expenses and schedules requested in the triennial depreciation study filed on November 28, 1988, by Central Telephone of Florida are not granted pending further proceedings in this docket. It is further

ORDERED that the reserve transfers requested in the triennial depreciation study filed on November 28, 1988, by Central Telephone of Florida are not granted pending further proceedings in this docket. It is further

ORDERED that the depreciation rates prescribed by Order No. 16963, issued December 16, 1986, shall continue to be recorded by Central Telephone Company of Florida as directed in the body of this Order. It is further

ORDERED that the amortization schedules of expenses and accounts authorized by Order No. 16963, issued December 16, 1986, identified in the body of this Order shall continue to be recorded by Central Telephone Company of Florida, providing however, that no other expenses relating to capital recovery schedules authorized by Order No. 16963 shall be recorded in 1989. It is further

ORDERED that this docket shall remain open for the purpose of rescribing depreciation rates.

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By ORDER of the Florida Public Service Commission,
this 11th of JANUARY, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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

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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.