

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DECEMBER 16, 2003

RE: Docket No. 020853-EI - 2002 depreciation filing by Florida Public Utilities Company.

ISSUE 1: Should currently prescribed depreciation rates of Florida Public Utilities Company be changed?
RECOMMENDATION: Yes. A comprehensive review of Florida Public Utilities' (FPU or company) planning and activity for the combined electric divisions indicates a need for a revision in currently prescribed depreciation rates.

APPROVED

ISSUE 2: What should be the implementation date for the new depreciation rates?
RECOMMENDATION: Staff recommends approval of the company's requested January 1, 2004, implementation date for new rates.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column:

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

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ISSUE 3: Should any corrective reserve allocations between accounts be made?

RECOMMENDATION: Yes. Staff's recommended corrective measures are shown on Attachment A of staff's December 4, 2003 memorandum. This action brings each account's reserve more in line with its theoretically correct level.

APPROVED

ISSUE 4: What are the appropriate depreciation rates?

RECOMMENDATION: The staff recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B of staff's December 4, 2003 memorandum. The result is an estimated decrease in annual depreciation expense of approximately \$72,000, based on January 1, 2004 combined investments as shown on Attachment C of staff's December 4, 2003 memorandum.

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 and recovery schedules?

RECOMMENDATION: Yes. The current amortization of ITCs 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 December 31, 2004.

APPROVED

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ISSUE 6: Should this docket be closed?

RECOMMENDATION: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

APPROVED