

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Tax Savings Rate Reductions for)	DOCKET NO. 891143-GU
Peoples Gas System, Inc.)	
)	ORDER NO. 24281
)	
)	ISSUED: 3/25/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 GERALD L. GUNTER
 MICHAEL McK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER DETERMINING TAX SAVINGS AND CLOSING DOCKET

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.

In Proposed Agency Action Order No. 22218, issued in this docket on November 21, 1989, Peoples Gas System, Inc. (Peoples) was ordered to permanently reduce its rates and charges by \$1,152,375 on an annual basis, based on projected 1989 tax savings. The reduction was to be effective January 1, 1990. However, on December 11, 1989, Peoples filed a protest to the order, asserting that it was entitled to a rate increase rather than a rate decrease. On April 12, 1990, the utility filed the Minimum Filing Requirements necessary for a rate review. After a hearing in the rate proceeding, Peoples was awarded a revenue increase of \$7,489,913.

Based on our review of information developed during the utility's rate case and of a Commission audit of the utility, we find that Peoples' 1989 earnings were less than the midpoint of its authorized return on equity. Thus, under Rule 25-14.003, Florida Administrative Code, the utility had no refundable tax savings for the year ended December 31, 1989. In reaching this conclusion, we applied the adjustments approved in the rate case to the utility's tax savings filing and used a return on equity of 13.70% as stipulated in Order No. 20636, issued January 20, 1989. However, even the use of the lower 13.00% equity midpoint approved in the rate case produced no refundable tax savings.

DOCUMENT NUMBER-DATE

02911 MAR 25 1991

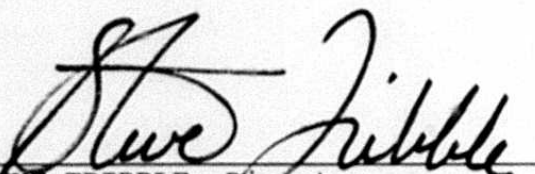
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It is therefore

ORDERED that this docket be closed if no petition for formal proceeding appeal is timely filed herein.

By ORDER of the Florida Public Service Commission, this 25th
day of MARCH, 1991.


STEVE TRIBBLE, Director
Division of Records and Reporting

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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.

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 April 15, 1991.

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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 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 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 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.