

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for new depreciation)	DOCKET NO. 910319-GU
rates by Peoples Gas System, Inc.)	
)	ORDER NO. 24431
)	
)	ISSUED: 4/25/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER

NOTICE OF PROPOSED AGENCY ACTIONORDER GRANTING PRELIMINARY IMPLEMENTATION
 OF NEW 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 adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

On March 8, 1991, Peoples Gas System, Inc. filed its regular comprehensive depreciation study. The utility proposed to implement its rates effective October 1, 1990, coinciding with the beginning of its fiscal year. The total effect of the utility's proposed rates would decrease its depreciation expenses by an estimated \$870,650 annually, based on October 1, 1990 investments and reserves.

Peoples requested that it be allowed to implement its proposed depreciation rates, as shown in Attachment "A", on a preliminary basis. Rule 25-7.045(5), Florida Administrative Code, provides for preliminary implementation to permit a more accurate statement of expected expenses during the fiscal year. We find that the utility's request should be granted. The utility shall book its depreciation rates and resultant expenses on an interim basis, effective October 1, 1990. We anticipate that Commission staff will complete its review of this utility's depreciation rates and will recommend final action in this docket in September, 1991, at which time rates and resultant expenses will be tried-up.

DOCUMENT NUMBER-DATE

03946 APR 25 1991

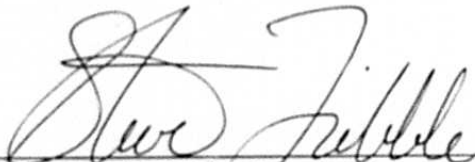
RECORDS/REPORTING

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It is therefore

ORDERED by the Florida Public Service Commission that Peoples Gas System, Inc., shall implement its proposed depreciation rates on a preliminary basis, effective October 1, 1990.

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



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MER:bmi
O-910319.mer

Commissioner Deason commented as follows: I requested Staff to explore the possibility of using an accounting mechanism using deferred debits and deferred credits with amortization in future rate cases or a means of equating the impact of depreciation rate changes with changes in customer rates.

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

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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 May 16, 1991.

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.

ATTACHMENT "A"
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PEOPLES GAS SYSTEM, INC.
 DEPRECIATION RATES

ACCOUNT	APPROVED PRELIMINARY BOOKING			
	AVERAGE	NET		REMAINING
	REMAINING	SALVAGE	RESERVE	LIFE
LIFE	(%)	(%)	RATE	(%)
(YRS.)				
37500 Structures and Improvements	33.0	(4.0)	18.34	2.6
37600 Mains-Other Than Plastic	24.0	(25.0)	41.56	3.5
37602 Mains-Plastic	35.0	(10.0)	13.87	2.7
37800 Meas. & Reg. Sta. Eqpt. - Gen.	16.4	(20.0)	29.40	5.5
37900 Meas. & Reg. Sta. Eqpt. - City Gate	15.5	(20.0)	29.42	5.8
38000 Services-Other Than Plastic	14.8	(60.0)	67.96	6.2
38002 Services-Plastic	25.0	(30.0)	28.44	4.1
38100 Meters	12.5	2.0	52.71	3.6
38200 Meter Installations	27.0	(4.0)	28.23	2.8
38300 Regulators	18.1	0.0	36.32	3.5
38400 Regulator Installations	29.0	0.0	23.27	2.6
38500 Industrial Meas. & Reg. Sta. Eqpt.	27.0	0.0	15.93	3.1
38700 Other Distribution Equipment	5.6	0.0	59.93	7.2
39000 Structures and Improvements				
39100 Office Furniture	17.7	1.0	25.57	4.1
39101 Computer Equipment	3.8	2.0	50.38	12.5
39102 Office Machines	9.4	0.0	39.03	6.5
39201 Autos & Trucks Thru 1 Ton	4.1	10.0	36.57	13.0
39203 Airplanes	9.6	25.0	27.90	4.9
39204 Other Transportation Eqpt.	11.1	0.0	51.39	4.4
39205 Trucks Over 1 Ton	7.4	5.0	43.15	7.0
39300 Stores Equipment	11.4	0.0	57.74	3.7
39400 Tools-Shop & Garage Eqpt.	8.4	0.0	43.95	6.7
39500 Laboratory Equipment	18.2	0.0	26.35	4.0
39600 Power Operated Equipment	12.3	5.0	36.74	4.7
39700 Communications Equipment	10.7	0.0	35.49	6.0
39800 Miscellaneous Equipment	3.8	0.0	76.89	6.1