

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Minimum filing require-)	DOCKET NO. 910076-EI
ment report of Florida Public)	ORDER NO. 25125
Utilities Company (Marianna)	ISSUED: 9/26/91
Electric Division) in compliance)	
with Section 366.06(3), Florida)	
Statutes.)	
)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER 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.

During the Florida Legislature's sunset review of the Public Service Commission, it enacted Section 366.06(3)(a), Florida Statutes. This provision requires that each public electric utility with total annual sales in excess of 1 million megawatt-hours file a report every 4 years, or 4 years from its most recently completed rate case. All other public electric utilities are required to file on a 5 year basis. The report is to consist of, at a minimum, the modified minimum filing requirements then required by us by rule for rate proceedings pursuant to Section 366.06, Florida Statutes. Copies of the report are to be served on the Public Counsel and on each party to the utility's most recent rate case concurrently with a filing with the Commission. Within 10 days of the receipt of the report, the Commission must make copies available to the public at no more than the actual costs of reproducing the report.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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On February 27, 1991, the Commission issued Order No. 24171 which required Florida Public Utilities Company - Marianna Electric Division (FPUC-M) to file its modified minimum filing requirements (MMFRs) on or before April 1, 1991. FPUC-M filed its MMFRs on March 6, 1991.

Commission staff performed an analysis of the detailed information submitted by FPUC-M. Based on this analysis, staff determined that FPUC-M did not have any excessive earnings for either 1989 or 1990. On July 10, 1991, the Division of Auditing and Financial Analysis completed an audit of the MMFRs. In addition, staff has reviewed the 1990 data submitted in the monthly surveillance report for December 1990. Except for one minor adjustment to depreciation expense, staff determined that the MMFRs appear to be adjusted on a basis consistent with the utility's last rate case.

The currently approved return on equity (ROE) for FPUC-M is 12.35% - 13.35% - 14.35%. According to the MMFRs, the earned ROEs for 1989 and 1990 were 10.23% and 12.14%, respectively. These ROEs are below the floor of the authorized range. In addition, the ROE listed on the December 1990 surveillance report was 12.33%.

Based on the data contained in the MMFRs, we find that FPUC-M's rates and earnings are not currently excessive. We note, however, that subsequent events have affected FPUC-M's 1991 earnings level.

In November 1990, the division manager died and was not replaced until May 1991. In addition, the CEO / Chairman of the Board passed away in February 1991. He was not replaced until September 1991. The cumulative effect of these events reached a maximum reduction in O&M expenses of \$52,621 annually in August 1991. For a utility the size of FPUC-M, there is a possibility that this reduction could cause it to have excessive earnings for 1991. Based on the surveillance report for June 1991, FPUC-M's earned ROE was 14.56%, which is 21 basis points above the authorized ceiling of 14.35%. This represents approximately \$5,000 in annual revenues. According to the July 1991 surveillance report, the earned ROE was 14.30%, which is slightly below the ceiling.

With the hiring of replacement personnel, we find that the O&M expenses should return to a normal level by the end of 1991, and that this should maintain the ROE within the authorized range. Commission staff will closely monitor FPUC-M's earnings level through the surveillance program, and shall take appropriate action if the earnings level is above the authorized ceiling.

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Accordingly, we find that FPUC-M does not appear to have excessive earnings for 1989 and 1990. We note, however, that subsequent events have had an effect on FPUC-M's 1991 earnings. Therefore, we will continue to monitor these earnings through our continuing surveillance program.


Finally, we find that this docket shall be closed if no protest, objections, or notice of appeal is timely filed.

It is, therefore,

ORDERED by the Florida Public Service Commission that we have found no excessive earnings for the years 1989 and 1990 concerning Florida Public Utilities Company - Marianna Electric Division. Furthermore, the Commission will continue to monitor Florida Public Utilities Company - Marianna Electric Division through our continuing surveillance program. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for a formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, 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
26th day of SEPTEMBER, 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

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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 10/17/91.

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.