

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: City Gas Company of Florida)	DOCKET NO. 911101-GU
Request for consolidated depreciation)	ORDER NO. 25578
rates)	ISSUED: 1/07/92
_____)		

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 BETTY EASLEY

NOTICE OF PROPOSED AGENCY ACTION
ORDER ESTABLISHING CONSOLIDATED 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 February 19, 1991, City Gas Company acquired all the distribution assets of Miller Gas Company. Commission Order No. 24438 in Docket No. 910220-GU, ordered City Gas Company to file a consolidated depreciation study within one year of the consolidation. On October 7, 1991 City Gas Company filed its Consolidated Depreciation study, proposing consolidated rates for the various asset categories. It is not an overall review of life, salvage, and reserve parameters but merely represents a composite of the currently prescribed life and salvage parameters and the consolidated reserves. An overall review of the depreciation parameters will be reviewed in accord with the next normal City Gas Company rescription.

Staff has recommended slightly different rates. The only differences between those consolidated rates City requested and those Staff recommended is for the Mains and Services Accounts. Miller Gas Company only had investment and reserve in the Other category for each of these accounts. The Company inadvertently used its investment and reserve for the combined (plastic and other) accounts in the compositing rather than just for the Other category. This made a difference in the consolidated rates of 2.6% for Mains-Other and 4.0% for Services-Other rather than the Company requested 2.9% and 4.5%, respectively.

DOCUMENT NUMBER-DATE

00193 JAN-7 1992

FPSC-RECORDS/REPORTING

ORDER NO. 25578
DOCKET NO. 911101-GU
PAGE 2

We find the staff recommended rates are appropriate. City Gas shall utilize the rates shown on Attachment 1, effective January 1, 1991.

The impact of the consolidated rates on current depreciation expenses is an annual decrease in expense of about \$102,000 as shown on Attachment 1.

Based on the foregoing it is

ORDERED by the Florida Public Service Commission that City Gas Company of Florida shall utilize the consolidated depreciation rates shown on Attachment 1 to this Order. It is further

ORDERED that the consolidated rates shall be effective as of January 1, 1991. It is further

ORDERED that City Gas Company of Florida shall file its next comprehensive depreciation study pursuant to Rule 25 - 7.045 (8)a, Florida Administrative Code no later than February 8, 1994. It is further

ORDERED that this Order shall become final and this docket shall be closed unless an appropriate petition for 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 7th day of JANUARY, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

RVE

by: Kay DeLeon
Chief, Bureau of Records

ORDER NO. 25578
DOCKET NO. 911101-GU
PAGE 3

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

1/28/92.

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.

CITY GAS CONSOLIDATED DEPRECIATION RATES

222

ORDER NO. 25578
DOCKET NO. 911101-GU
PAGE 4

ACCOUNT	MILLER					CITY					COMPOSITE				
	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)	AVERAGE SERVICE LIFE	AVERAGE REMAINING LIFE	NET SALVAGE (%)	RESERVE (%)	REMAINING LIFE RATE (%)
	(yrs.)	(yrs.)				(yrs.)	(yrs.)				(yrs.)	(yrs.)			
376 Mains - Other	45.0	26.0	(30)	45.87	3.2	40.0	26.0	(10)	39.16	2.7	40.0	26.0	(11)	43.34	2.6
380 Services - Other	40.0	23.0	(35)	49.03	3.7	34.0	21.0	(35)	44.21	4.3	40.0	21.0	(35)	51.04	4.0
381 Meters	30.0	8.6	0	79.90	2.3	25.0	14.9	0	33.94	4.4	25.0	14.7	0	40.00	4.1
382 Meter Installs.	30.0	8.6	0	79.90	2.3	34.0	14.9	(5)	33.94	4.8	34.0	14.7	(5)	40.95	4.4
383 Regulators	30.0	9.3	0	70.82	3.1	30.0	16.9	0	33.50	3.9	30.0	16.7	0	37.49	3.7
384 Regulator Installs.	30.0	9.3	0	70.82	3.1	34.0	16.9	(5)	33.50	4.2	34.0	16.7	(5)	36.99	4.1

ACCOUNT	CURRENT - CITY				COMPOSITE		
	U/L/I INVESTMENT	U/L/I RESERVE	REMAINING LIFE RATE (%)	EXPENSES (\$)	REMAINING LIFE RATE (%)	EXPENSES (\$)	CHANGE IN EXPENSES (\$)
	(\$)	(\$)					
376 Mains - Other	38,351,089	16,624,312	2.7	1,035,479	2.6	997,128	(38,351)
380 Services - Other	13,357,621	6,817,361	4.3	574,378	4.0	534,305	(40,073)
381 Meters	4,026,521	1,610,462	4.4	177,167	4.1	165,087	(12,080)
382 Meter Installs.	1,948,515	797,821	4.8	93,529	4.4	85,735	(7,794)
383 Regulators	1,383,567	518,696	3.9	53,959	3.7	51,192	(2,767)
384 Regulator Installs.	687,729	254,377	4.2	28,885	4.1	28,197	(688)
TOTAL				1,963,397		1,861,644	(101,753)

ATTACHMENT 1
Page 1 of 1